



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](http://www.dav.org)

***STATEMENT OF  
PAUL R. VARELA  
DAV ASSISTANT NATIONAL LEGISLATIVE DIRECTOR  
BEFORE THE  
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY  
COMMITTEE ON VETERANS' AFFAIRS  
UNITED STATES HOUSE OF REPRESENTATIVES  
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Chairman Flores, Ranking Member Takano and Members of the Subcommittee:

Thank you for inviting DAV (Disabled American Veterans) to testify at today's hearing of the Subcommittee on Economic Opportunity to review how the Department of Veterans Affairs (VA) can maximize the effectiveness of Vocational Rehabilitation and Employment (VR&E) services.

As you know, DAV is a nonprofit veterans service organization comprised of 1.2 million wartime wounded, injured and ill veterans and dedicated to a single purpose: empowering veterans to lead high-quality lives with respect and dignity. To fulfill our mandate of service to America's disabled veterans, DAV employs a corps of 276 National Service Officers (NSOs), all of whom are wartime service-connected disabled veterans, in order to provide benefits counseling at no charge to veterans, their dependents, and survivors.

DAV's NSOs bring with them military experience, as well as personal experience navigating the VA health care and claims processing systems and all have participated and completed a VR&E rehabilitation plan as part of our DAV training. Due to our backgrounds and successful training, DAV's NSOs not only possess a significant knowledge base, but also a passion for helping our fellow veterans through the labyrinth of the VA system.

DAV NSOs are situated in all 56 VA regional offices (RO) as well as in other VA facilities throughout the nation. Last year, DAV NSOs interviewed over 187,000 veterans and their families; reviewed more than 313,225 VA claims files; filed over 213,762 new claims for benefits; and obtained more than \$3.2 billion in new and retroactive benefits for the wounded, injured, and ill veterans we represented before the VA. Our NSOs also participated in more than 272,915 VA Rating Board actions. In addition to assisting them file claims for disability compensation, our NSOs regularly advise veterans of the opportunities and benefits offered by VA's vocational rehabilitation programs, particularly for those with disabilities making work difficult or impossible. As part of our structured and continuing training program, DAV NSOs are trained on all VR&E programs, and encourage our clients to consider VR&E programs whenever appropriate.

Vocational rehabilitation for disabled veterans has been part of this nation's commitment to veterans since Congress first established a system of veterans' benefits upon entry of the United States into World War I in 1917. Today the VR&E service, through its VetSuccess program, is charged with preparing service-disabled veterans for suitable employment or providing independent living services to those veterans with disabilities severe enough to render them unemployable.

Each year, it is estimated that 250,000 service members separate from active military service. Roughly 25,000 of those on active duty found "not fit for duty" as a result of medical conditions may qualify for VA disability ratings. With a disability rating of 10 percent or greater, a veteran would potentially qualify for VR&E services. Many veterans will first learn about potential entitlement through the Transition Assistance Program (TAP) Goals, Plans and Success (GPS) Program, but in most cases after filing their claims for disability benefits and then being notified by VA as to their entitlements, including VR&E services.

VBA's current policy manual, M21-1MR, provides guidance on which beneficiaries are to receive notice of potential VR&E entitlement. The M21-1MR states VBA is to inform veterans of the availability and purpose of vocational rehabilitation when "an original or reopened claim results in an initial service-connected (SC) disability rating of 10 percent or greater, an increased combined SC disability rating of 10 percent or greater is awarded, or a *DD Form 214, Certificate of Release From Active Duty*, is received showing the Veteran has been retired from the Armed Forces because of disability."

However, these notification procedures may create a missed opportunity for a veteran to exercise the use of potential VR&E benefits. VBA should reexamine its procedures and consider other ways to educate and encourage veterans to consider VR&E services in all appropriate correspondence, such as denials for increases or other benefit type determinations where entitlement exists. VR&E benefits and services are quite transformative; promoting the availability of the program in every instance where eligibility exists could be that additional option a veteran has been looking for while simultaneously going through the compensation and pension claims process.

In March 2004 the VR&E task force, created by the Congressional Commission on Service Members and Veterans Transition Assistance (Commission), released a report with 110 recommendations for VR&E service improvements. As a direct result of that report, VR&E implemented the five-track employment process that strengthened the program's focus on employment. While important adjustments were made in numerous areas, VR&E's incentive structure for veterans' remains primarily aligned with education and training programs, with no financial incentive for those seeking immediate employment. This creates a serious challenge for those veterans with financial commitments and limited resources.

In response to the 2004 VR&E task force report, VA implemented 100 out of the 110 VR&E task force recommendations. In the ten years since this report was issued, VA has identified other significant opportunities in its continuing efforts to enhance service to veterans. VR&E's current transformation effort, for example, focuses on modernizing and streamlining services using a veteran-centric approach.

While the Veterans Benefits Administration (VBA) has implemented most of the 110 VR&E task force recommendations, DAV calls on Congress to further enhance this vitally important benefit by—

- implementing satisfaction surveys of participants and employers;
- creating a monthly stipend for those participating in the employment track of VR&E's programs and creating incentives to encourage disabled veterans to complete their rehabilitation plans;
- increasing the ratio of VR&E counselors and case managers to handle a growing caseload;
- effectively tracking and reporting on participants to provide greater clarity on the utilization of the five-track employment model;
- tracking employment outcomes that are measured longer than 60 days after hiring; and
- eliminating the current 12-year eligibility limit for veterans to take advantage of VR&E benefits.

It is readily apparent that VR&E is working to maximize its services with very limited and antiquated resources. Its work will continue as the number of veterans in the various phases of VR&E programs is expected to rise as more service members return from the conflicts in Southwest Asia. Even though the focus of the VR&E program has changed to career development and employment, it is clear that VA will be unable to meet the current and future demand for employment services without much needed and immediate resources.

For more detailed information concerning VR&E program recommendations, we encourage you and your staff to review the 2015 *Independent Budget* at <http://www.independentbudget.org/>.

### **Client to Counselor Ratio, Proper Resource Allocation, Support and Infrastructure**

Program participation has increased steadily since 2008 as confirmed by the recent January 2014 Government Accountability Office (GAO) Report. Therefore it is critically important to maintain the proper client-to-counselor ratio to avoid any disruptions, or service gaps, resultant from Vocational Rehabilitation Counselors (VRCs) being overwhelmed with high caseloads. The 1:125 VRC-to-client ratio must be met throughout VR&E. Unlike the Compensation & Pension (C&P) portion of the VBA, where rating decisions are completed with little to no direct claimant involvement, a VRC's involvement is extremely personal, much like a physician's relationship with a patient and by its very nature is more time consuming. Congress must ensure VA receives all the resources it needs to properly facilitate the VR&E program.

DAV is concerned to learn that in some ROs the VRC-to-client ratio can be as high as 1:175; with the highest disparity, 1:206, now taking place at the Cleveland RO. Failing to immediately address these instances where these above-average ratios exist will lead to veterans not receiving the services they need to successfully complete the program. VRCs must be responsive to the needs of their program participants and able to efficiently administer each veteran's unique set of circumstances; whether that be adjustments to the program itself, medical

referrals, financial matters, supply requests, contact requirements to address issues that surface, etc. An overwhelmed and overburdened VRC could in fact be detrimental to a veteran relying on VR&E services.

The National Defense Authorization Act (NDAA) for Fiscal Year 2008 enhanced services for members of the armed forces receiving medical separations, streamlining functions of the medical separation process between the Department of Defense (DOD) and VA. To further enhance services to our nation's ill, injured and wounded veterans, VRCs were placed at Integrated Disability Evaluation System (IDES) locations to provide them with direct counseling and services for those that would receive ratings of 20 percent or more upon separation from military service.

Now, VR&E services extend to active-duty service members receiving medical separation from the military and participating in the IDES program. In the IDES program, the service member has the benefit of speaking directly with a VRC at the location facilitating the IDES and can utilize the full potential of the VR&E program. This has a tremendously positive impact upon separating ill, injured and wounded veterans; this did, however, create a gap at the RO level as experienced VRCs are selected to participate in this program. The loss of a tenured VRC results in local RO VR&E having to shift work to remaining VRC staff.

With VA's implementation of the VetSuccess on Campus (VSOC) Program, first piloted in 2009 at select college campuses throughout the country, it has grown in the last five years to serve veterans at a total of 94 college campuses. Its reach and effect has increased and services are now in greater abundance within the veteran college community. VRCs at college campuses help our nation's veterans maximize the use of their educational benefits, along with myriad other benefit-related counseling services.

Here again, tenured VRCs are selected to participate in the program and creates some of the same challenges associated with facilitation of VRC participation within the IDES Program. DAV assures Congress that it does not take issue with two critically important programs such as IDES and VSOC; however, we must point out that all programs must be adequately supported to meet the demands of injured, ill and wounded service members and veterans. VRCs are thus excluded from making contributions to manage the ROs current and future workload when they participate in the IDES and VSOC Programs.

To simply provide VR&E with the resources they so desperately need to achieve this ideal client-to-counselor is only one component towards solving the problem. The increase in staff will also lead to meeting the needs of veterans in a timely manner; however, VR&E will require additional administrative support to help manage the influx of work created by additional VRCs.

If VR&E were simply to address one of these issues, increasing the VRC staff to meet the 1:125 ratio, one could reasonably conclude that it would result in a bottleneck of other services. For instance, if VRC staffing levels are increased, it's safe to say that more veterans would be serviced more quickly, but these services often require purchases of some kind. This would result

in increased purchasing demand and if VR&E does not have the proper administrative staff in place to keep pace with these purchases, work would inevitably back up.

Another question that is vitally important is whether VA has the space to accommodate an increase in staffing. VA must make known its current abilities to accommodate such staffing level increases and where there is a question regarding capacity, solutions must be sought to make such accommodations.

Therefore, VA must request and Congress must approve VR&E resources to adequately address all of its staffing and infrastructure needs.

### **IT Modernization Urgently Needed for Better Program Management and Oversight**

As noted in DAV's November 2013 testimony, an earlier GAO report concluded that VR&E's case management Information Technology (IT) system, commonly referred to as CWINRS, (Corporate Winston-Salem, Indianapolis, Newark, Roanoke, Seattle) "... does not meet VR&E's current needs and limits its oversight abilities..." The CWINRS system does not properly capture some of the most basic data and information. As a tracking and oversight system it is woefully inadequate to allow sufficient management or oversight of VR&E programs in general. VR&E must be given the same level of priority as that given to the processing of C&P claims.

Rather than spend time and resources on trying to patch and upgrade the CWINRS system, DAV recommends that the VR&E IT needs be addressed through the new Veterans Benefits Management System (VBMS), which was primarily developed by VBA for managing the disability compensation system. Although VBMS is eventually intended to serve all of VBA's business lines, there remains much work on that core system, limited resources and no current plans to make it ready for use by VR&E. VR&E to VBMS integration must take place to address program gaps.

VR&E is still largely based in a paper environment. From application to the remaining program functions, a local VR&E folder exists to manage a veteran's ongoing program needs and service-procurements. This inhibits effective program management, oversight and data collection that is desperately needed to enhance facilitation and accountability of the program.

This new system would increase VR&E's overall program accountability and could help to capture more comprehensive information needed to determine the effectiveness of the program and those responsible for administering the program, straight down to the RO level. From this new system, information could be made readily available and correlated then used to establish the basis for meaningful performance and program metrics. However, any performance metric that is established that fails to include the veteran directly would be ineffective in our estimation. Therefore, program participants must have the opportunity to provide feedback, similar to VA's new GI Bill Feedback System.

Given the importance of the VR&E program overall, these IT needs must be addressed immediately. VA must request, and Congress must approve sufficient additional funding for IT development and deployment of VBMS capability as soon as possible.

### **Successful Employment Determinations & Transitional Payments Must Be Extended**

After a veteran completes the objectives set-forth within their individual plans, they are transferred over to Employment Coordinators to seek out suitable employment opportunities. Now equipped with all the training and resources supplied to them as part of their VR&E participation, they will make the transition from training to suitable employment and economic independence. VR&E will provide employment assistance for up to 18 months, but once the veteran obtains suitable employment, their case can be closed and counted as a success for accountability and performance purposes if they maintain employment for 60 days. DAV recommends extending the evaluation period to one year to ensure suitable employment has been maintained and that VR&E resources and performance metrics align with this extended evaluation period.

The investment in time and resources can be extensive to enable an injured, ill or wounded veteran to overcome employment obstacles brought on by service; to consider a veteran's case to be closed and to have retained suitable employment after just 60 days is disproportionate to the efforts expended by the participant and VR&E to arrive at that juncture. On average it can take a veteran nearly five-years from the date they make their application for benefits with VR&E, until placement into suitable employment. Tracking their progress closer to the one-year time-frame would offer a greater measure of oversight. It is added security to ensure that a veteran is making the adjustment, succeeding in the workforce and receives the support of VR&E, should any need arise during that time. A performance metric that allows a VRC to track a veteran's progress for up to one year would help to facilitate greater and more comprehensive participant outcomes.

Along with the completion of the program, a veteran will receive a transition payment for 60 days after completion. However, it may take considerably longer than 60 days from completion of the program to the beginning of suitable employment for various reasons. Transition payments beyond 60 days, closer to 180 days, should be considered with heightened emphasis on finding lasting and meaningful employment during that period of time.

Therefore, Congress must introduce and pass legislation that requires VA to extend the evaluation period for up to one year when determining if a veteran can be considered successfully rehabilitated to the point of true employability. Furthermore, it must be examined whether extending the transitional payment period beyond the current 60-day period provides greater relief to those seeking employment after completing their VR&E plan, especially in areas with underperforming labor markets and where there are limited or diminished job opportunities.

### **Eliminate the 12-Year Delimiting Date to Use Chapter 31 Services**

At present, disabled veterans may qualify for VR&E services if they meet the current disability requirements. These are 10 percent disabled with a serious employment handicap

(SEH), 20 percent disabled with an employment handicap (EH) and must file a claim for VR&E services within twelve years of meeting the eligibility criteria. There are certain instances where the twelve-year period can be waived, particularly in cases where a SEH exists. This requires a decision to be made, a separate process to determine if a SEH exists, another administrative type function that could be eliminated if the program were open ended and could be sought at any time after service.

TAP GPS aims to provide relevant and critical benefit information to service members before they transition out of the military. This one-week workshop is dedicated to providing soon to be separated service members with information and services to ensure a successful transition. Whether it be employment, education, or VA benefits, the emphasis of TAP GPS is to make our nation's service members better prepared once they leave the military.

The significance of the VR&E Program is immensely powerful and transformative and often not realized until sometime after military separation. Changes inevitably occur with family, work and service-connected injuries that can worsen or manifest over time. Therefore, a service member that used post-9/11 GI Bill benefits after leaving service some time ago to prepare for one form of work may find themselves in need of VR&E assistance in order to make a career change. Use of VR&E must remain available indefinitely to serve the needs of injured, ill and wounded veterans when the need arises, regardless if that need arises within a specified timeframe. The price of admission into the VR&E program was their in-service disability, which in most cases lasts the entirety of their lives with no expiration date, nor should the availability of this benefit expire.

A great deal of information is disseminated during TAP GPS, including the availability of VR&E benefits and services. The information would best be described as an overview with no particular in-depth discussion or emphasis on any one benefit or program; understandable given the current time constraints associated with the facilitation of TAP GPS. With that being said, it is reasonable to consider a separating service member may not realize immediately the benefits of the VR&E Program, as the Post 9/11 GI Bill would be more enticing given its immediate positive financial impact.

Therefore, Congress must introduce and pass legislation that eliminates this prohibition of use beyond the twelve-year period to enhance the program to avail itself to injured, ill and wounded veterans that will require services beyond the twelve years, eliminate unnecessary administrative procedures and provide that needed safety net when circumstances in their lives change and unanticipated consequences of their service-connected disabilities interfere with their ability to lead substantial and meaningful employment.

### **Remove the Cap on Independent Living Participants**

The Independent Living (IL) Program was initially created as a pilot program by Congress in October 1980 as part of Public Law 96-466, and was limited to no more than 500 participants. In 1986, Congress enacted legislation, Public Law 99-576, that made the program permanent and the cap on participants has increased over the years since, most recently increasing to 2,700 in 2010, with enactment of Public Law 111-275. While we appreciate the

fiscal constraints and budgetary scoring concerns that Congress must address, we believe that placing a cap of 2,700 IL participants establishes an arbitrary limit on a valuable program that serves some of our most deserving and needy veterans.

Moreover, there is little or no data available to determine how many veterans could benefit from participation in the IL program in the absence of the arbitrary cap. As GAO pointed out in recent report on the IL program (GAO-13-474), VR&E does not systematically track variances in caseloads among its ROs. Based on GAO's analysis, during fiscal years 2008 thru 2011, the number of IL participants ranged from a high of 908 at the Montgomery, Alabama RO to a low of four at the Wilmington, Delaware RO. The GAO report makes clear that every RO approaches the IL program differently, with some aggressively steering eligible veterans in that direction, and others apparently having little understanding or interest in pursuing the IL track. Anecdotally, we have heard VR&E officials indicate that the cap on participation discourages VRCs from promoting the IL program, and that conversely, if the cap were removed it could create greater interest among VRCs to promote this option to appropriate veterans.

It is also worth noting that a veteran can have more than one IL plan within the same year, and that each of this veteran's plans counts towards that cap, further limiting the number of veterans who can benefit. This requirement also creates some confusion in the reporting and accounting elements of the program that must be clarified.

There is now legislation pending that would remove this cap and require VR&E to improve the education of its employees in regards to the IL program. H.R. 3330, the Veterans' Independent Living Enhancement Act, was introduced by Congresswoman Michelle Lujan Grisham in October and currently has 20 cosponsors. We would urge this Subcommittee to consider and support this legislation.

In order to maximize the benefits of the IL program, VR&E must significantly enhance its internal and external awareness and outreach efforts. We have been informed that VR&E is preparing to distribute literature within VA facilities notifying veterans about the IL program and we applaud that effort. We have also been made aware that VR&E is creating a web-based training element on the IL program that will be mandatory for all VRCs. However, although participation in the web-based training will reach all current and newly hired VRCs once, it is imperative that this training be repeated at appropriate intervals to ensure the VRCs maintain current knowledge about the IL program and the opportunities it presents for appropriate veterans. VR&E should also review whether its VRC skills certification process is sufficient to ensure continued national understanding of the IL program.

The GAO report also found that one of the key reasons for differences in caseloads among ROs was due to the "... office's focus on IL cases and community outreach efforts, including the involvement of veterans service organizations." DAV would welcome opportunities to collaborate with other VSOs and VR&E to make veterans more aware of these services. As I mentioned earlier, DAV NSOs regularly counsel eligible veterans about the benefits of participation in VR&E programs including the IL program. Furthermore, as part of their continued employment with DAV, our NSOs will review the VR&E program, including the IL program, as part of our Structured and Continued Training Program, which must be



completed and repeated throughout our careers. In addition, we are currently planning to host a web-based training initiative to highlight components of the IL program as part for our ongoing training administered to NSOs.

As mentioned above, the IL program provides veterans with many services and goods from other VA programs, including health care from the Veterans Health Administration (VHA), equipment from the Prosthetic and Sensory Aids Services (PSAS) and adaptive equipment and services from the Specially Adapted Housing (SAH) and Home Improvement and Structural Alteration (HISA) programs. Despite the fact that these are all VA programs and offices, GAO and others have reported that coordination and cooperation can often be difficult. VR&E rehabilitation plans, including IL plans, often require concurrence from a VHA physician, such as in relation to mobility devices, and there may be occasions when the physician believes that allowing a veteran to rely on a mobility device may be contrary to the clinical need to encourage greater physical activity for their rehabilitation in responding to VR&E requests.

However, just as VBA has encountered problems in trying to get VHA doctors to complete disability benefit questionnaires for veterans with claims for disability compensation, VR&E has problems getting VHA physicians to approve IL plans in a timely fashion. VR&E and VHA must work together to provide better education and training to VHA staff to encourage greater cooperation.

VRCs have also encountered similar difficulty getting responses from SAH, PSAS and HISA program offices. In some instances, this may result in the purchase of goods and services from an outside contractor that could and should have been provided by internal VA programs. As with the difficulties related to VHA, VR&E must work with these program officials to remove unnecessary delays and other bureaucratic red tape that hinders the timely provision of services to IL participants. All of these offices work for the same Department and should be serving the interests of veterans. If they are unable or unwilling to work together effectively, the Secretary and Congress must take appropriate actions to make them do so.

Mr. Chairman, despite some resource, management, oversight and program challenges discussed in our testimony and the GAO report, we continue to believe the VR&E Program is one of the most powerful and transformative tools within VA's inventory. Our personal experience with VA personnel within RO has been good overall. We consider their flexibility and willingness to do whatever is within their capabilities to help our nation's injured, ill and wounded veterans invaluable. However, if any limitations exist, it falls well outside their abilities to adequately address these problems without adequate resource support.

We strongly encourage this committee to continue examining ways to improve and maximize the VR&E program. DAV remains at the ready to work with the Subcommittee and VA in any way we can to offer our assistance and support.

This concludes my testimony and I would be happy to answer any questions you may have.