

VOCATIONAL REHABILITATION AND EMPLOYMENT PROGRAMS

HEARING

BEFORE THE
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
OF THE
COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
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VOCATIONAL REHABILITATION AND EMPLOYMENT PROGRAMS

THURSDAY, APRIL 2, 2009

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY,
Washington, DC.

The Subcommittee met, pursuant to notice, at 1:02 p.m., in Room 334, Cannon House Office Building, Hon. Stephanie Herseth Sandlin [Chairwoman of the Subcommittee] presiding.

Present: Representatives Herseth Sandlin, Perriello, Teague, Boozman.

OPENING STATEMENT OF CHAIRWOMAN HERSETH SANDLIN AS PRESENTED BY HON. HARRY TEAGUE

Mr. TEAGUE [presiding]. Good afternoon. The Veterans' Affairs Subcommittee on Economic Opportunity oversight hearing on vocational rehabilitation and employment (VR&E) programs will come to order.

I received word that Chairwoman Herseth Sandlin is en route and should be joining us shortly.

I would like to call to attention the fact that the Commission on Rehabilitation Counselor Certification has asked to submit a written statement for the hearing record. If there is no objection, I ask for unanimous consent that this statement be entered for the record. Hearing no objection, so entered.

[The prepared statement of Ms. Nunez appears on p. 48.]

Mr. TEAGUE. I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and that written statements be made part of the record. Hearing no objection, so ordered.

Today's hearing will give the Subcommittee the opportunity to learn more about the U.S. Department of Veterans Affairs' (VA's) Vocational Rehabilitation and Employment Program and its relationship with the U.S. Department of Labor (DOL) in assisting our veterans obtain meaningful employment while healing from the wounds sustained while in military service.

Some of our panelists might recall that this Subcommittee held 2 hearings on VR&E in the last Congress. These hearings afforded the Subcommittee the opportunity to hear from stakeholders on their concerns and recommendation to improve upon existing programs.

It is very important that we continue to examine these concerns, especially at a time when our country's veterans are experiencing Post-traumatic stress disorder, Traumatic Brain Injury (TBI), amputation, and severe burns that would have been fatal in previous conflicts.

As a result of previous hearings, Congress successfully passed Public Law 110-389, the "Veterans' Benefits Improvement Act of 2008," which waives the 24-month limitation on independent living services for veterans who served after September the 11th, 2001, increasing the cap on number of veterans participating in the independent living from 2,500 to 2,600 veterans, requires the Secretary of Veterans Affairs to conduct a 1 year study on measures to assist and encourage VR&E Program completion; and requires the Secretary of Veterans Affairs to conduct a 20-year longitudinal study on VR&E participants.

I can assure our witnesses that we will continue to monitor the VA as it implements these changes and works on providing us the required reports. The men and women who serve our Nation honorably deserve and should receive the best our country can offer.

While the changes made in the 110th Congress are a step in the right direction, we continue to hear from the veterans' community concern that future improvements are needed.

At the suggestion of the Military Officers Association of America and the veterans community, Mr. Bob Filner recently introduced H.R. 1821, the "Equity for Injured Veterans Act of 2009." Mr. Filner's legislation seeks to assist VR&E participants by expanding VR&E participating eligibility for a period of 15 years, augmenting housing stipend and assistance to the same levels as Chapter 33 housing stipend recipients, authorizing the Secretary to pay subsistence allowance for a period of 6 months after program completion, authorizing the Secretary to provide reimbursements for child care services, and requiring the Secretary to modify its VR&E reporting requirements.

I am pleased to hear that Secretary of Labor Hilda Solis and Secretary of Veterans Affairs Eric Shinseki reaffirmed their commitments to assisting our Nation's veterans during their respective confirmation hearings.

I look forward to working with the Secretaries, Chairwoman Herseth Sandlin, Ranking Member Boozman, Members of the Committee, and stakeholders to evaluate legislative proposals that seek to equip our veterans with the tools they need to succeed after military service.

I now recognize the distinguished Ranking Member, Congressman John Boozman, for any opening remarks he may have.

[The prepared statement of Chairwoman Herseth Sandlin appears on p. 30.]

OPENING STATEMENT OF HON. JOHN BOOZMAN

Mr. BOOZMAN. Thank you, Mr. Teague.

And I would like to extend a special welcome to the former Assistant Secretary of Labor for Veterans' Employment and Training Service (VETS), Mr. Ciccolella. I suspect it was a lot easier to have your testimony cleared today than it was with the Office of Management and Budget (OMB) in your past life.

When I think of benefits to improve the lives of disabled veterans, I am very proud of the vocational rehabilitation and employment. VR&E is the most flexible and generous among the programs for disabled veterans administered by VA.

I also suspect VR&E is the most effective disability rehabilitation program offered by the Federal Government and it should be.

Having said that, we still face significant challenges to increase the number of disabled veterans who successfully complete their rehabilitation program.

Whether it is their long-term education or intermediate job placement services, I believe veterans continue to drop out of the program for reasons within our control.

For example, increasing the stipend to \$1,200 per month as proposed by Ranking Member Buyer's H.R. 297, the "Veterans Vocational Rehabilitation and Employment Subsistence Allowance Improvement Act of 2009," of which I am a co-sponsor, would be a significant improvement by reducing the number of veterans who drop out because of the need to work full time to support their families.

Mr. Teague, if by some strange circumstances we might find some PAYGO resources, I believe increasing the stipend should be high on our list of uses for the money.

I am also concerned that in our zeal to rehabilitate veterans and returning them to the workforce, the program occasionally fails to consider all aspects of a potential training program, including costs and availability of similar resources and opportunities at much lower cost.

For example, recent press articles question the appropriateness of a program to train wounded Marines for careers in the entertainment industry. The article stated VA paid over \$88,000 for each of the 19 Marines who completed the 10-week course that had been offered originally as a free course. The VA paid over \$64,000 for each of the second group of 8 wounded Marines who completed the course.

[The press article *Wounded Marines: School didn't deliver*, Navy Times, by Gidget Fuentes, March 9, 2009, appears on page 50.]

Similar courses were available in the area for 80 percent less and I note that the institution in question had previously been denied approval for GI Bill benefits.

VA has a well-developed process that uses the State Approving Agencies to approve courses for education benefits. While I understand that VR&E staff have the authority to approve education and training courses for their participants, it is entirely appropriate that they seek the assistance of the State Approving Agencies whenever veterans seek to use VR&E benefits to attend unusual courses like the one I just mentioned.

I still do not understand how VA calculates the rehabilitation rate. To me, if you have about 100,000 participants and 12,000 are rehabilitated in a year, the rate is 12 percent, not 75 percent.

I also believe that 12 percent is not necessarily bad given that you are serving a group of disabled veterans whose needs are much more difficult to solve.

Finally, I want to thank Director Fanning and her staff for their efforts to put disabled veterans back to work. I recognize that the case I just mentioned is very much an exception to their standard

practices and I am willing to work with all the stakeholders to ensure that disabled veterans receive the best possible opportunity to pursue their working careers.

Thank you, Mr. Teague. I yield back.

[The prepared statement of Congressman Boozman appears on p. 31.]

Mr. TEAGUE. Thank you, Mr. Boozman, for those remarks.

I would like to welcome all of our witnesses testifying before this Subcommittee today. I would like to also remind all our witnesses that your complete written statements have been made part of the hearing record.

Please limit your remarks so that we may have sufficient time to follow-up with questions once everyone has had the opportunity to provide their testimony.

Joining us in the first panel is: Mr. Mark Walker, Assistant Director of the National Economic Commission for the American Legion; Mr. Justin Brown, Legislative Associate of National Legislative Service for the Veterans of Foreign Wars of the United States (VFW); and the Honorable Charles Ciccolella, who is the former Assistant Secretary for the Department of Labor's Veterans' Employment and Training Service. Secretary Ciccolella now serves as Senior Fellow for Economic Empowerment for the Wounded Warrior Project (WWP). I thank all of you all for being here.

Mr. Walker, welcome to the Subcommittee. You are recognized for 5 minutes.

STATEMENTS OF MARK WALKER, ASSISTANT DIRECTOR, ECONOMIC COMMISSION, AMERICAN LEGION; JUSTIN BROWN, LEGISLATIVE ASSOCIATE, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES; AND CHARLES S. CICCOLELLA, SENIOR FELLOW FOR ECONOMIC EMPOWERMENT, WOUNDED WARRIOR PROJECT

STATEMENT OF MARK WALKER

Mr. WALKER. Mr. Teague, Ranking Member Boozman, and distinguished Members of the Subcommittee, thank you for the opportunity to submit the views of the American Legion regarding the Department of Veterans Affairs' vocational rehabilitation and employment programs.

The mission of the VR&E Program is to help qualified service-disabled veterans achieve independence in daily living and to the maximum extent feasible obtain and maintain suitable employment. The American Legion fully supports these goals.

The Vocational Rehabilitation Program has historically been marketed to veterans as an education program and not an employment program. Although the VR&E Program has focused more on the employment side, eligible veterans who are enrolled into the education and training programs receive a monthly allowance.

Those veterans who use VR&E for assistance with immediate employment do not. This policy leaves out needed assistance for veterans looking for immediate employment, which could lead them into a different track and miss out on early entry into the civilian workforce.

Another problem hindering the effectiveness of the VR&E programs is high workloads for the limited number of staff. This hinders the staff's ability to effectively assist individual veterans with identifying employment opportunities. Without sufficient staffing, the overall success of VR&E programs becomes extremely difficult, especially due to the numbers of injured veterans returning from Iraq and Afghanistan.

It is our experience that the interagency collaboration and communication between the VR&E Program and the Department of Labor Veterans' Employment and Training Service has been lacking in the past. However, this relationship is steadily improving.

A majority of Veterans' Employment and Training Service representatives contacted spoke of an improved level of communication between the 2 agencies along with other positive developments such as improvement in local data sharing and combined training at the local and national levels.

In addition, national representatives from the 2 agencies are currently reporting a close and cooperative relationship and an expectation that this relationship will continue to improve.

The American Legion recommends Congress amend the VR&E Program to allow participants to qualify for Chapter 33 benefits while receiving case management and other services that lead to gainful employment.

The American Legion believes amending this program is the fair and equitable way of honoring our most vulnerable veterans who are seeking financial independence after being injured while serving our country.

No VA mission is more important at this time in our history, especially now when our country is at war and in financial crisis, than enabling our injured soldiers, sailors, airmen, and other veterans with disabilities to have a seamless transition from military service to successful rehabilitation and on to rewarding employment.

The success of the VR&E Program will significantly be measured by these veterans' ability to obtain suitable employment and achieve a high quality of life. To meet America's obligation to these injured veterans, VA leadership must continue to focus on improving the case management, vocational counseling, and, most importantly, job placement.

The American Legion strongly supports the VR&E programs and it is committed to working with VA and other Federal agencies to ensure that America's wounded veterans are provided with the highest level of service and employment assistance.

Again, thank you for the opportunity to submit the opinion of the American Legion on this issue.

[The prepared statement of Mr. Walker appears on p. 31.]

Mr. TEAGUE. Mr. Walker, thank you.

Mr. Brown, you are now recognized for 5 minutes.

STATEMENT OF JUSTIN BROWN

Mr. BROWN. Thank you, Mr. Teague.

Mr. Teague, Ranking Member Boozman, Members of the Subcommittee, on behalf of the Veterans of Foreign Wars of the United States and our auxiliaries, I would like to thank this Committee for

the opportunity to testify. The issues under consideration today are of great importance to our Members and the entire veteran population.

During this economic recession, the number of unemployed veterans has increased to nearly one million as of February 2009. That is an increase of nearly 160,000 veterans since we testified before this Subcommittee 30 days ago.

There are twice as many unemployed veterans as there were 1 year ago and there are more unemployed Iraq and Afghanistan veterans than there are men and women currently serving in Iraq.

Of these one million veterans, we know that two-thirds of them or 66,000 are ineligible for any educational programs that are available, Chapter 30, Chapter 31, and Chapter 33.

What we do not know is how many of these veterans are unemployed due to an injury they received in service to our Nation. Nonetheless, we do know that there are veterans who were injured and who are not receiving any rehabilitation because of a 12-year delimiting date tied to the VR&E Program.

There is no delimiting date on a service-connected injury and at no point does that injury stop being related to a veteran's service to our Nation. Veteran service-related injuries tend to progressively worsen over time and many injuries will not even fully disable a veteran until long after 12 years.

Veterans did not ask to become disabled and we, as a Nation, need to do more to help service-disabled veterans rehabilitate for the entirety of their employable lives.

The VFW was asked by this Committee to develop 5 core issues to make VR&E a better rehabilitation tool for America's disabled veterans. We have done so and we believe that if these recommendations were adopted, the VR&E Program would have better long-term results for both veterans and our Government.

Number one, the delimiting date for VR&E needs to be removed. Currently the delimiting date for VR&E is set to 12 years after separation from the military or 12 years following the date a service-member learns of their rating for a service-connected disability. This fails to take into account the fact that many service-related injuries will not hinder the veteran to the point of needing help or rehabilitation until many years following such injury.

Number two, VR&E's education stipend needs parity in comparison to the new GI Bill. The discrepancy in benefits between the new GI Bill and VR&E may have the latent consequence of incentivizing the new GI Bill even though a disabled veteran needs access to the additional rehabilitation benefits VR&E provides.

For this reason, the VFW strongly urges Congress to create a VR&E educational housing stipend that is in line with the new GI Bill's housing allowance, which is E5 with dependents, basic allowance for housing determined by the zip code of the educational institution of interest. This would offer our disabled veterans the best all around program and would return the VR&E Program to offering the best overall services for the rehabilitation of disabled veterans.

Number three, for many disabled veterans with dependents, VR&E education tracks are insufficient.

Number four, VR&E performance metrics need to be revised to emphasize long-term success.

Number five, VR&E needs to reduce time from enrollment to start of services.

In conclusion, the Veterans of Foreign Wars believes that VR&E is one of the best tools disabled veterans have. We hope to see it upgraded to face the unique challenges of today's veterans during these tough economic times.

The cost to our disabled veterans far exceeds the recompense our Nation provides them as these injuries drastically reduce their quality of life. However, we must not forget disability does not just affect the soldier or the veteran. Families and children pay a price as well and it is our responsibility to offer these veterans a robust, fair rehabilitation program for their employable future.

Mr. Teague, Ranking Member Boozman, this concludes my testimony and I will be pleased to respond to any questions you or the Members of this Subcommittee may have. Thank you.

[The prepared statement of Mr. Brown appears on p. 34.]

Mr. TEAGUE. Mr. Brown, thank you.

Secretary Ciccolella, you are now recognized for 5 minutes.

STATEMENT OF HON. CHARLES S. CICCOLELLA

Mr. CICCOLELLA. Thank you, Mr. Teague. And thank you, Congressman Boozman, Ranking Member Boozman, for your kind introduction.

Sir, I would like to point out that we actually have 2 Assistant Secretaries in Wounded Warrior Project and the Honorable Christine Hill, former Assistant Secretary for Congressional Affairs, is also in the hearing. And I do not want you to think we are getting to be a top-heavy organization or anything.

Well, thank you for inviting Wounded Warrior Project today to address the important issue of vocational rehabilitation and employment.

I would like to begin by saying that Wounded Warrior Project has staff through the country assisting wounded warriors on a day-to-day basis. This direct contact gives us a unique perspective on the needs that they have and the obstacles that they face as they reintegrate back into their homes and back into their educational opportunities and communities and certainly within the civilian workforce.

Our goal is to ensure that this the most successful, well-adjusted generation of veterans in our Nation's history. We take a no-nonsense approach to the programs and services that we offer and we build programs that work. We measure outcomes and we continually refine and adjust them to ensure the success of our wounded warriors.

Our policy recommendations are guided by daily feedback from our field staff who work directly with our wounded warriors, but we also recognize they must be balanced by independent, objective research.

Therefore, today we offer broad thoughts based on our observed issues by our field service teams about how VR&E can be improved. We will be able to make more specific suggestions at a later

date once we have completed our independent analysis of the program.

Let me begin by saying that Wounded Warrior Project believes the VR&E Program should be one of VA's crown jewels. VR&E is critically needed and it is extremely valuable for the disabled veterans seeking to adapt to what we call the new normal of their daily living.

Clearly the VR&E Program has made significant progress since the 2004 VA Task Force that has been noted by the other witnesses for the recommendations for improving the program.

But Wounded Warrior Project believes more improvements are needed. My written testimony outlines these improvements and what we consider to be the shortcomings of the program. And I will mention a few of those now.

First, our field teams report subsistence levels under the program are inadequate and may actually discourage individuals from enrolling and may also contribute to incompleteness rates. In many cases, subsistence is only paid in the education track. Those in the employment tracks only receive payments when they are in actual training.

Also, without an increase in subsistence, this will become more problematic when the new GI Bill Program begins in August.

Next, far too many servicemembers are leaving active-duty military and simply not getting the word about the benefits of the VR&E Program. Enrollment may also be discouraged by an application process which is burdensome because it takes an average of 45 days to determine eligibility, but 90 percent of those who apply are accepted into the program.

Finally, we have received reports that some veterans with low to moderate disabilities of TBI and Post-traumatic stress disorder are not being allowed into the program. We do not know if these are widespread trends or isolated instances. What we do know is that our field service teams are concerned and consequently we intend to examine the entire VR&E Program.

Now, I want to be clear that WWP does not attribute these perceived weaknesses to be any failure on behalf of the dedicated men and women who administer the program and certainly not to the VR&E's Central Office which has provided excellent leadership for the program since Ruth Fanning took over but rather what appears to be a relatively low priority that VA places on VR&E.

In fact, we believe VR&E's fundamental framework is sound and it provides the basis for significantly improving the program.

At this time, I will make 4 recommendations.

First, subsistence payments must be increased. Current subsistence rates are simply inadequate.

Congressman Boozman, I know you are a sponsor of the Congressman Buyer bill, but we believe that more study is needed to determine what the proper rate should be. In our view, they should be greater than those benefits of the new GI Bill.

VR&E participants should also be fully reimbursed for expenses like child care, community costs, and job hunting expenses.

My written testimony also contains some other recommendations.

Secondly, it should be mandated for every servicemember to receive a VR&E briefing prior to separation.

Third, I think all of us agree that no wounded warrior should be denied enrollment in the VR&E Program because of the unique nature of their injuries. We have a high prevalence of TBI and Post-traumatic stress disorder within our new generation of wounded warriors and that further emphasizes the need for VR&E to tailor the program to accommodate the needs of these wounded warriors who have these diagnoses.

Finally, WWP believes it may be time to expand the focus of the Independent Living Program to improve the quality of life of severely disabled veterans who choose to live at home, as well as helping them to become more employable.

And we are looking at this because Wounded Warrior Project works every day with these wounded warriors who may never satisfy the future employability criteria of VR&E. And we think that this enhancement combined with comprehensive family caregiver program legislation could have a profound impact on those most in need.

Mr. Teague, we will be studying these issues further in the months to come and we will be making more specific recommendations when we complete our study so that VR&E can truly be the crown jewel of VA for disabled veterans and so that no wounded warrior who should be in VR&E should ever be left behind.

Thank you for hearing my testimony, and I would be pleased to respond to your questions.

[The prepared statement of Hon. Ciccolella appears on p. 38.]

Mr. TEAGUE. Yes. I do have a few questions, first for Mr. Brown.

In your testimony, you stated that for many disabled veterans with dependents, VR&E education tracks are insufficient. Why is it insufficient and what can be done to improve on that program?

Mr. BROWN. Thank you for the question, Mr. Teague.

You know, the Chapter 31 benefit as it is right now with dependents in comparison to the GI Bill alone, I mean, just the amount of money that a student using the new benefit in comparison to Chapter 31, there is quite a discrepancy there. But that is also not to include the fact that, you know, these individual veterans have families. If they are disabled, if they are only getting, you know, \$700 a month, how are they also supposed to be, you know, paying for child care or is their spouse supposed to be picking up the other part of these hindrances to the veteran?

You know, I think what is important and what we understand here is that the major difference between vocational rehabilitation and the GI Bill is that these guys are disabled veterans and many of them are using these benefits not at their own choice. You know, this is what they need to transition back into society. And for many of these guys, it was not their choice to leave the military.

And, you know, especially in the realm of child care or spousal help, I mean, I think we can do a lot to really step it up there and help them, help these veterans out.

Mr. TEAGUE. Okay. Also, in your testimony, you state that any time a veteran becomes unemployed during his employable future, he should be counted as such. And how long do you propose for VR&E to follow a veteran?

Mr. BROWN. You know, I think that is a discussion that we really need to sit down and have and discuss what is, you know, the totality of, you know, how do we frame employable future.

But the main idea is, you know, that we need to really start looking at some long-term measurements in consideration of VR&E and really trying to track these veterans and help them out as disabled veterans because over time, many of these disabilities will progress and they may need additional services 10, 15 years down the road, long after the delimiting date, or they may need to look at a new educational track or get additional vocational help.

Mr. TEAGUE. Okay. Just a couple of more questions for you, Mr. Brown.

Do you believe that the VR&E's current funding level is sufficient to meet the needs of our veterans? Would you have some ideas on how we can streamline the VR&E entitlement determinations where it would benefit the veteran?

Mr. BROWN. Thank you for the question, Mr. Teague.

To address the first point, no, we do not think that the compensation is high enough. We think that it should be at least, at least for the educational side, it should be at least at the equivalent of Chapter 33, the new GI Bill.

In regards to entitlement and eligibility, I laid it out in my testimony that we should, if eligibility is proven, then we should assume entitlement. We have heard from VR&E that there is a lot of time being spent proving entitlement and the majority of these veterans are being found to have entitlement.

So it is really just making the VR&E Program take more time from the time a veteran signs up for VR&E, is proven eligible, to the time that they are actually receiving rehabilitation services. So we think if you knock that out, you are going to cut down the amount of time that a veteran is waiting for services.

Mr. TEAGUE. Okay. Thank you very much.

Mr. Walker, do you think that the VR&E needs more counselors and personnel?

Mr. WALKER. Yes. I think that they would benefit by having more staff to deal with the numbers of current cases as well as what we think will be an increase in the future with our returning veterans from the 2 wars.

So we think staffing has been an issue and continues to be an issue and that we hope they can get the adequate amount of funding to do that.

Mr. TEAGUE. Should veterans who use VR&E services to secure immediate employment receive a monthly allowance?

Mr. WALKER. We do think so. The American Legion thinks that would be a way to keep those veterans in that track as well as obviously provide for their daily living expenses.

So we think that is important because if this is an employment track, we think it would help them to be able to help them along as they search for employment. So we think this allowance would be a big boost and have an advantage for them.

Mr. TEAGUE. In your testimony, you state that VR&E needs relevant data concerning the number of veterans who are applying for benefits to project future workload. What data should VA be looking at and where can this information be found?

Mr. WALKER. Well, I just think they could take data from, you know, those who have already from the past fiscal years that have applied for disability benefits and kind of help them project. So that is all we are saying is to use the data that is already there that VA may better forecast future workload so they can have adequate staffing to assist our veterans as they go on and get in one of the tracks within the program.

Mr. TEAGUE. Okay. Thank you.

Mr. Ciccolella, according to your written testimony, your field teams reported that the current subsistence levels under VR&E are inadequate and discourage individuals from enrolling. Can you explain how individuals are discouraged from enrolling and how the subsistence levels are inadequate?

Mr. CICOLELLA. Certainly, Mr. Teague.

The subsistence level is based on the allowance for housing, which I believe for VR&E is \$540 for single and about \$700 for a married individual.

What our field service teams tell us is that the feedback they get from the warriors in VR&E says that the program is simply not affordable. They do not have the money to actually afford to be in the program. Hence, they may drop out of the program and get into employment as quickly as possible.

Mr. TEAGUE. Okay. Thank you.

At this time, I am going to yield to Ranking Member Boozman, if he has some questions that he would like to ask.

Mr. BOOZMAN. Thank you, Mr. Teague.

Let me ask you a couple things, Mr. Ciccolella, that are related. In your testimony, you mention that the VR&E counselors do not systematically monitor progress and provide program assistance when needed.

And if you could just kind of tell us what you mean by that.

And then the other thing is there has been various people, and Mr. Buyer is talking about introducing legislation to create a fourth administration at VA and put things like VR&E in there.

Do you believe that getting the program out of the shadow of the Compensation and Pension Program would increase its visibility?

Mr. CICOLELLA. Well, to your first point, Mr. Boozman, first of all, let me say that counselors, to our knowledge, are extremely well-trained. Most of them have Master's Degrees. There are certainly areas where they can improve in terms of training and so forth and so on.

I think one of the things that detracts from the counselor's ability is the heavy caseloads and the second thing is probably the administrative workload that is associated with counseling. And that is huge.

So I think those are 2 issues that we are going to study and we will certainly come back to the Committee and to the VA with some recommendations.

Sir, to your second point, I would really have to defer to Secretary Hilda Solis and Secretary Eric Shinseki on that matter.

Mr. BOOZMAN. Mr. Brown, you mentioned the 12 years from the rating. Is that from the last rating you get? I mean, say a person was rated at 10 percent and then they had some condition that progressed and then they were rated later on at 50 percent or 70 per-

cent. Is it 12 years from that last rating or is it from the initial rating?

Mr. BROWN. I believe it is from the initial rating, but I would have to get back to you on that. That is my understanding is that it is from the initial rating and then also 12 years after your end of service.

Mr. BOOZMAN. Good. I think you raise a valid point if that is the case in the sense you could start out with a condition, and I am just thinking out loud, but it seems like you could start out with a condition that perhaps, is fairly benign at that point, but is a progressive condition as a result of being service-connected. So I appreciate your bringing that out.

I want to thank all of you all for being here. We appreciate the input. I think everyone, all of us agree that this is a very, very good program. And certainly the purpose of the hearing today is just to provide information so that we can make it even a better program. And I think in reading your testimony that you have done that and it has really been very helpful.

So I yield back, Madam Chair.

Ms. HERSETH SANDLIN [presiding]. Thank you, Mr. Boozman.

I want to thank Mr. Teague for Chairing the Subcommittee hearing in my absence.

I would like to recognize Mr. Perriello for any questions he has for our panel.

Mr. PERRIELLO. Thank you, Madam Chair.

A few questions for the panel. First of all, are there particular issues in terms of the stipends and other issues you have raised that affect those disabled veterans coming from rural communities? My district is primarily rural. Are we seeing some of these issues hit in these areas?

Mr. CICCOLELLA. Congressman, I am not certain I understand the question.

Mr. PERRIELLO. Well, let me start with a different thing and then come back to that.

Mr. CICCOLELLA. Sure.

Mr. PERRIELLO. You had mentioned that 160,000, I think, veterans have lost work in the last 30 days. Are we seeing that happen in particular sectors or are we seeing any particular trends or is it mirroring the national economy which is, of course, in horrible shape right now?

Mr. BROWN. Thank you for the question.

It depends on what demographic you do look at. The Bureau of Labor Statistics recently, just at the beginning of this month, the new statistics come out tomorrow, but they showed that there almost is a statistical significance between the youngest age demographic veterans outpacing the general population.

Overall they are about neck and neck for veterans and the general population in consideration of employment. I do not know if it is necessarily tied to the rural areas. I do not have an answer for that.

Mr. PERRIELLO. Okay. For Mr. Walker, I just wanted to ask, you stated that veterans earn \$32,000 after completing VR&E and \$5,641 before entering.

What do you think veterans were earning before entering the program? Do we have those statistics?

Mr. WALKER. No. The statistics that you are reading is actually before they actually enter the program and you see the huge difference that the program makes for the veteran who gets into it.

So outside of that, I would not know the specific salaries, but obviously you see there is a big gap between once they go through the voc rehab program and the difference that it makes with education, training, as well as job placement.

Mr. PERRIELLO. Mr. Ciccolella, you were mentioning 90 percent of people who apply to the program enter the program.

What has been most effective in getting information out to people to convince them to apply? What programs have been successful that we might want to expand on in that area?

Mr. CICCOLELLA. Well, the most effective way, thank you for the question, the most effective way to get that information is to get it to the servicemembers while they are still in the military. All servicemembers go through a transition assistance process.

Unfortunately, sometimes the attendants and participation is uneven and there are some servicemembers who leave the military who do not get the benefit of that Transition Assistant Program.

So on the one hand, the Department of Veterans Affairs and all of us have to do a better job of educating veterans once they leave the military. On the other hand, the U.S. Department of Defense (DoD) and the military services also bear a responsibility to ensure that every servicemember attends the Transition Assistance Program and that there is a very effective vocational rehabilitation and employment briefing as part of that Transition Assistance Program, which there is, but we also think that they should sign off on having received that briefing.

Mr. PERRIELLO. What would you say, Mr. Brown, is the top priority in terms of the stipend issues you mentioned. Is the 12-year delimitation, really the thing that you think is the primary barrier right now?

Mr. BROWN. For the stipends?

Mr. PERRIELLO. Right.

Mr. BROWN. For the stipends, I think that they are just too low for the educational stipends for VR&E.

You know, just in comparison to Chapter 33, if you have a young Member who has access to both benefits, you have Chapter 33 that is going to pay you E5 BAH based on the zip code of your home, or, I mean, I am sorry, of the educational institution. And then you are looking at, you know, \$500 or \$700 from vocational rehabilitation.

A lot of veterans might use Chapter 33 instead of the vocational rehabilitation and forego the additional benefits that do come with it.

Mr. PERRIELLO. Thank you very much.

This is an issue I am keeping an eye on. A lot of the returning veterans in my district in southern Virginia, appreciate the new GI Bill but are particularly interested in some of the vocational and skills training programs.

I have been working on a vet works bill to help support veterans in some of the areas you have mentioned, so I would be interested

in following up with you to talk about ways we can help veterans get on track to learn a trade.

So thank you very much for your time.

Madam Chair.

Ms. HERSETH SANDLIN. Thank you, Mr. Perriello.

Let us take Mr. Perriello's line of questioning a little bit further just so I can hear from all 3 of you.

Secretary Ciccolella, it is nice to see you and that you are in a position of continuing to serve our Nation's veterans.

Your testimony addressed this, renewed questions about VR&E based on changes made to Chapter 33 in terms of Operation Enduring Freedom and Operation Iraqi Freedom (OEF/OIF) veterans in particular that they may qualify for both of the Chapter 33 and VR&E benefits.

What changes do we need to make? Is it all just related to stipend and overall amount of the benefit or is it about improving some of the programs?

Secretary Ciccolella, I believe you stated, that your concern is that some of the OEF/OIF veterans are being steered away from the education track into the employment track.

Can each of you elaborate more on your thoughts about changes that may be necessary to VR&E programs or adjustments that we would have to make legislatively? Perhaps balance some of the changes that we made to Chapter 33 so that the VR&E Programs do not become a neglected service that might be of a greater benefit, and a better fit for some of our veterans.

Mr. Brown, why don't you start since you were responding to Mr. Perriello?

Mr. BROWN. Sure. And thank you for the question, Madam Chair.

One of the big things that the VFW has recognized and really would like to stress is that, you know, we do think that there should be additional benefits, particularly in regards to disabled veterans with spouses and children, you know, whether this be in the form of child care, you know, or a subsidy for child care or if their spouse is having to take off time from her job, his job to help this disabled veteran, if there is anything we can really step it up kind of with a family focus that we think is lacking, whereas right now it is just very veteran focused.

And, you know, to stress the incentive, if you have a family, these guys are going to the employment tracks because they need to make more money and, you know, they may not be able to afford long-term educational rehabilitation at \$700 a month.

Thank you for the question.

Ms. HERSETH SANDLIN. Thank you.

Either—

Mr. CICCOLELLA. I think Mr. Brown makes a very good point.

Wounded Warrior's position is that the VR&E Program should really be the crown jewel of VA's programs for serving veterans who are afflicted by their wounds and injuries from combat and disabilities.

The number one issue on the table today is obviously the stipend. We have to make that program affordable. Our position is the sti-

pend should be more generous than what we receive in the GI Bill or what they receive in the GI Bill.

And that is because we want to make certain that servicemembers who are disabled get the advantages of all the good things that go on in the Vocational Rehabilitation and Employment Program, the day-to-day, in-person counseling and the follow-up and all their tuition and books paid regardless of where they go to school.

The specialized services like tutoring and the rehabilitation counseling, those are just extraordinarily important.

A second point, and made before, is that we just simply are missing some of our disabled veterans who leave the military and do not understand what VR&E is and what the program is.

And I think the U.S. Government Accountability Office (GAO) report made clear that, you know, it is about 6 years when the average servicemember takes up the opportunity to go to vocational rehabilitation and employment.

And, thirdly, I think that our position is clearly that service-connected disabled veterans should have access to their full vocational rehabilitation and employment benefit and they should also have access to their GI Bill benefit.

Ms. HERSETH SANDLIN. Mr. Walker?

Mr. WALKER. Yes. We would like for the veteran who qualifies for Chapter 33 to better use that benefit along with the unique employment services that VR&E provides. I think that is where we stand.

And also, if the veteran opts out of the education and training program and goes exclusively with the employment services track, that we would want that individual to receive some sort of allowance as well. So that is where our focus has been.

Ms. HERSETH SANDLIN. I have one more question and a comment for this panel.

In a recent roundtable discussion that Speaker Pelosi held with a number of veterans service organizations (VSOs), the comment was made about VR&E and making necessary adjustments to ensure that we are putting veterans on a path toward having a career rather than just finding a job.

Could each of you comment on that remark and suggest ways in which we might make necessary changes to VR&E to ensure that it can be or can become once again the crown jewel as it relates to the programs administered for disabled veterans?

Mr. CICCOLELLA. Well, for WWP's part, we really feel like the VR&E Program is just such a terrific benefit. But, again, it is absolutely critical that it be affordable.

You have asked what would make this program more effective? Was that your question, ma'am?

Ms. HERSETH SANDLIN. Yes, or do you agree with the comment that perhaps the way that the focus in recent years for some veterans and their experience with VR&E is that it is just about finding them employment. Its about getting them a job versus getting them on a path for a career choice and sustainable employment VR&E should be based on their choice of career and the skills that go along with that.

Mr. CICCOLELLA. I see. We feel that the 5-track program is very, very effective and that program clearly works. I think truth be known, the majority of servicemembers who go to VR&E want to get their college education.

Let us face it, servicemembers coming out of the military in many cases feel a compelling need to go into the workforce or for other reasons, they may be professionally qualified to go into the workforce.

So whatever their decision is, we feel that they should be empowered to make that decision in conjunction with a counselor obviously, but they should be empowered to make that decision.

Ms. HERSETH SANDLIN. Either of the other witnesses care to address that?

Mr. BROWN. Thank you for the question, Madam Chair.

You know, our testimony really kind of focuses on this issue and our idea is that VR&E really does need to have a very long-term focus and that is career versus jobs. We do not think that the performance measures should be successful if a veteran is employed simply for 60 days with an employer. You know, we think that these performance metrics need to mirror the entirety of these disabled veterans' employable futures. So that has to go with the performance metrics. That has to go with changing the 12-year delimiting date and the amount of time we are saying that these veterans can use services.

And that is our answer. Thank you.

Ms. HERSETH SANDLIN. Thank you.

Mr. Walker.

Mr. WALKER. Well, we would think that once they would go through the counseling and sort of the aptitude testing and all those things that VR&E would kind of lead those veterans with the proper skill sets into the right sort of career fields.

I think that is important because we want again not to have jobs that can barely provide for our veterans because ultimately it is about financial independence, so we want to make sure the VR&E kind of keeps up with what is new, where the jobs are, and that should be a part of the criteria within the tracks and to help the veteran navigate that and put them on the right path for a career.

Ms. HERSETH SANDLIN. Good point, Mr. Walker.

My final comment would just be on something that Mr. Ciccolella mentioned and that is transition assistance. As you know, the Ranking Member and I for years now have been focused on the importance of making transition assistance more available and more effective for veterans.

I think you raise an important point as it relates to the GAO findings, that it should be more available, if not mandatory, and with a focus on what is available, particularly with the increased number of people that may be looking to take advantage of these programs as they are transitioning not only out of theater but perhaps out of military service.

We appreciate the testimony of all of our witnesses on the first panel. Thank you for the great work that you do on behalf of your Members, on behalf of all of our Nation's veterans and their families.

Your insights that you have offered today are very important for the oversight that we will continue to do as it relates to the programs that come within our purview, jurisdiction of our Subcommittee, including VR&E. I think it is a timely hearing.

Again, your testimony is invaluable to our work. We look forward to continuing to work with you. Thank you.

Joining us on our second panel is Mr. John McWilliam, Deputy Assistant Secretary for Veterans' Employment and Training Service, U.S. Department of Labor, and Ms. Ruth Fanning, Director of Vocational Rehabilitation and Employment Service for the Veterans Benefits Administration, the U.S. Department of Veterans Affairs.

We thank you both for being here at the Subcommittee. We have copies of your written statements which are entered into the hearing record. We will recognize you each for 5 minutes.

Mr. McWilliam, why don't we begin with you.

STATEMENTS OF JOHN M. McWILLIAM, DEPUTY ASSISTANT SECRETARY, VETERANS' EMPLOYMENT AND TRAINING SERVICE, U.S. DEPARTMENT OF LABOR; AND RUTH A. FANNING, DIRECTOR, VOCATIONAL REHABILITATION AND EMPLOYMENT SERVICE, VETERANS BENEFITS ADMINISTRATION, U.S. DEPARTMENT OF VETERANS AFFAIRS

STATEMENT OF JOHN M. McWILLIAM

Mr. McWILLIAM. Thank you, Madam Chairwoman, Mr. Boozman. Thank you for the opportunity to testify today.

I am pleased to discuss the collaborative efforts and the partnership between the Department of Labor and the Department of Veterans Affairs in our joint efforts to serve our Nation's disabled veterans in need of VR&E services.

As the Committee is aware, senior leadership from both Labor and the VA, including the Assistant Secretary in VETS and the Director for VR&E, met with the Subcommittee staff in 2005 to discuss how the 2 agencies could better collaborate.

As a result of that meeting, a new memorandum of agreement was executed and 3 work groups were established. I am pleased to report that there is strong and continuing close collaboration between our 2 agencies.

In 2008, we initiated monthly meetings with senior staff from both agencies. In addition, the joint working group meets periodically. The most recent meeting was just 2 weeks ago.

Most of the Department of Labor's interface with the program is through the workforce investment system. Accordingly, we continue to work in partnership with our State Jobs for Veterans State Grant recipients on behalf of VR&E job-ready veterans who are referred to and registered with the State workforce agencies.

VETS is working toward ensuring that a veteran's employment representative is out-stationed at each of VA's regional offices. Currently we have people in 47 offices. Our standard is one per office and that will be a requirement in 2010.

The joint working group has become a key to success of this program. We have both taken an active role with the group. Ms. Fan-

ning and I have a personal interest in the issue and have been involved in meetings with the joint working groups.

These groups have made significant accomplishments. They facilitated an 8-site pilot program to identify and catalogue best practices. They have developed roles and responsibilities for all staff in the program, identified the major issues in providing shared data collection, identified joint training requirements, and wrote a joint technical assistance guidance document that was published by both departments last December.

As we move into the implementation phase, the work group will be developing joint training, conducting technical assistance visits, and resolving the data collection issues.

Again, let me state that Labor is proud of our collaboration with Veterans Affairs to increase employment opportunities for service-disabled veterans.

This concludes my statement. I look forward to addressing your questions.

[The prepared statement of Mr. McWilliam appears on p. 42.]

Ms. HERSETH SANDLIN. Thank you, Mr. McWilliam.

Ms. Fanning, welcome. You are now recognized.

STATEMENT OF RUTH A. FANNING

Ms. FANNING. Madam Chairwoman, Ranking Member Boozman, thank you for inviting me to appear before you today to discuss VA's Vocational Rehabilitation and Employment Program.

VR&E's 1,100 employees and 57 regional offices and over 100 out-based offices provide career and independent living services to veterans and servicemembers through our Coming Home to Work and VETSUCCESS programs.

The Coming Home to Work Program is VR&E's aggressive outreach program. It is focused on easing servicemembers' transitions into their educational and career paths. Coming Home to Work services include career counseling, training, and work experience, and allows early entry into VR&E's services during active-duty medical hold status.

Outreach is conducted at DoD facilities, VA medical centers, and special homecoming events, with recent expansion focused on outreach to Guard and Reserve Members during post-deployment health reassessment events and yellow ribbon functions.

Coming Home to Work coordinators are stationed full-time at 12 military treatment facilities and in every regional office.

VR&E VETSUCCESS services assist veterans to plan for their careers, start their own businesses, complete training or education, and successfully compete for suitable employment.

For those veterans whose disabilities are so severe that employment is not possible, VR&E provides independent living services.

VET SUCCESS services are tailored to meet each individual veteran's needs and are provided within 5 tracks of services that include: reemployment, rapid access to employment, self-employment, employment through long-term services, and independent living.

The typical VR&E participant is in the age range of 30 to 39, served during the Gulf War era, and most often has a disability that results from an orthopedic injury, although I will note that the typical OEF/OIF veteran is in the 20 to 29 age range.

Currently, over 106,000 veterans and servicemembers are in the VR&E Program in statuses that range from applicant to job placement. Over 71,000 new applications were received for our program last year, representing over a 13-percent increase from the prior year.

The primary VR&E performance goal is the rehabilitation rate. Despite the current economic environment, the rehabilitation rate has remained steady in both fiscal year 2008 and this year to date. The rehab rate is 75 percent. This represents almost 8,800 veterans achieving their career goals and another 2,200 reaching their independent living goals.

Average entry-level earnings are approximately \$33,500 a year and the average program cost for a rehabilitated veteran is about \$32,000.

Next, I would just like to highlight some of VR&E's initiatives. First, our partnership with the Department of Labor's Veterans' Employment and Training Service remains a top priority. It is focused on advancing, improving, and expanding employment of veterans with disabilities. Together VETS and VR&E have established a Joint Work Group that you have just heard about and the results have been that we have implemented a best practice model.

This model has improved working partnerships between VETS, VR&E, and State workforce agencies around the country and strengthened our joint focus on helping veterans become suitably employed.

Work is in progress to obtain contract support to conduct the VR&E longitudinal study with VA scheduled to deliver the first report about the 2010 cohort to Congress in July of 2011.

Next, in order to increase awareness of VR&E's services for servicemembers, veterans, and the business community, we are launching a marketing campaign. VR&E is branding our employment and independent living services as "VETSuccess" and we are redesigning our veteran-focused Web site, VetSuccess.gov, to provide even more tools for veterans to achieve their career and independent living goals.

As part of this redesign, VR&E partnered with DirectEmployers and the National Association of State Workforce Agencies to incorporate the Job Central database of over a half million jobs into our Web site. VetSuccess.gov also contains a specialized job bank for veterans receiving VR&E services.

VR&E is also focused on equipping our staff to meet the needs of today's veterans through development of both live training and computer-based training tools, new counselor training, new manager training, and we are working with the Council for the Certification of Rehabilitation Counselors to support continuing education for our counselors who are certified.

In closing, VR&E has made significant program improvements in the past 4 years. The VR&E Program is veteran focused with services directly linked to helping veterans enter suitable careers and achieve maximum independence at home and in the community.

We continue to work aggressively to improve and market the VR&E Program in order to assist more veterans who achieve their rehabilitation and employment goals, always very important, but even more vital during the current economic downturn.

Madam Chair, this concludes my statement. I would be pleased to answer any questions that you or any of the other Members of the Subcommittee have.

[The prepared statement of Ms. Fanning appears on p. 45.]

Ms. HERSETH SANDLIN. Thank you, Ms. Fanning.

Mr. McWilliam, let us begin with you.

According to the written testimony submitted by the American Legion today, some States report a total lack of communication and information sharing, while other States enjoy a strong relationship between the local VETS and VR&E office.

I have heard some of these same issues in some of the field hearings that we have had over the last couple of years. Some States just do better than others as it relates to the interaction and programs administered by the Department of Labor.

Can you explain why there seems to be that some States do very well and other States seem to do very poorly when it relates to information sharing and communication?

Mr. McWILLIAM. Madam Chair, that is one of the primary lessons that we have learned from looking across the United States at this.

Up until now, the relationship was really up to the VR&E officer and the DOL's State Director, the DVET. That is why we decided through the joint working group that we would clearly identify the roles and responsibilities so that there was no question any longer.

We have also created a data collection tool that will be mandatory starting this fiscal year. It is being implemented right now so that the joint working group can look at the results, referrals, and registrations from office to office and understand very clearly where the relationship is working well and those areas that need further training.

Ms. HERSETH SANDLIN. How do you anticipate measuring progress on that front then? Do you have something built-in based on steps you are now taking as you just described to overcome that? When will you reevaluate whether or not we have seen progress in those areas where clearly there were problems?

Mr. McWILLIAM. We are continuing to meet, Madam Chair. The joint working group is, as far as I am concerned, more or less a permanent organization. We will start this collection tool. It is starting this year. It will be mandatory starting in October and we will look at it on a monthly basis to understand the progress being made office by office.

Ms. HERSETH SANDLIN. Thank you.

One other question. In the table you provided on page 3, you have 6,068 registered veterans, yet only 3,500, just over 3,500, entered employment.

Can you explain what the reason would be for such a steep drop-off and what information we have on the veterans who did not enter employment?

Mr. McWILLIAM. Thank you, Madam Chairwoman.

The unemployment rate is approximately 58 percent for this. This report compares very favorably to that received for the one-stop career center, for DVOPs who do intensive services.

The 58 percent is being looked at right now. We are looking at it in the one-stop career centers to understand why people do not have successful outcomes for their employment services.

I am sure that these lessons that we learn there will be used to understand the VR&E process also.

Ms. HERSETH SANDLIN. Ms. Fanning, you heard in the testimony of the prior panel a couple of issues being discussed. So I just want to pose these questions to you and see whether or not the administration has a position.

Should the VR&E Program have a housing stipend that is equal to or better than the new GI Bill?

Ms. FANNING. This is an issue that we are studying. I cannot provide a position to you today. I can tell you that we do assist veterans during their participation in a vocational rehabilitation program to obtain transitional employment that is related to their ultimate career goal, that will make them more employable as they progress through their program, and also to meet any financial needs they may have that the subsistence allowance does not offset.

Ms. HERSETH SANDLIN. But you are currently studying whether or not that subsistence benefit is sufficient—

Ms. FANNING. Yes.

Ms. HERSETH SANDLIN [continuing]. In light of the changes that we have made to Chapter 33?

Ms. FANNING. We are studying the recommendations made by the Veterans Benefits Disability Commission, by the Dole-Shalala group. We are looking at the study analysis that was done by EconSys and looking at all of those recommendations, not just in terms of the GI Bill stipend and housing allowance, but more the global issue of the transition benefit and bonuses and incentives that were recommended by all of those groups.

Ms. HERSETH SANDLIN. You also heard that some veterans service organizations believe that the metrics used by VR&E to measure success are at times inaccurate or at times misleading. Do you believe that the time has come to reevaluate the metric that is used to better reflect success from beginning to end in the VR&E Program?

Ms. FANNING. That is one of the things that I am committed to doing. VA actually is working currently with the Office of Policy and Planning to do an overall program evaluation of the VR&E Program.

Some of the research study questions that the group is looking at is how do we effectively capture all of the outcomes that are achieved through the program rather than just looking at one isolated metric at the conclusion.

We are also currently looking at extending the follow-up for the program out to the 1 year point. We are working with a contractor to study this issue in terms of the most effective way in reaching out to veterans after they have left our program, what is their preference, what is the most effective in terms of getting responses out to that 1 year point.

We have separated our rehabilitation rate now to also include independent living rehabilitation rate and employment rehabilita-

tion rate to make it very clear what the various components of the program results are.

I also think that we need to look at other services that we provide during the course of the program, including career guidance that leads to making appropriate decisions even if that decision is that using the GI Bill is the best thing for that individual veteran.

As you know, VR&E is a benefit program. It is not a mandatory program. And we want to help veterans make informed decisions about what is best for their lives.

So I think that we provide services along the way that do provide much benefit and I do want to capture all of that.

Ms. HERSETH SANDLIN. Well, along that line in terms of the fact that it is a benefit program and wanting veterans to know what their options are and utilize the various programs most effectively. As you know, last year, Congress passed a bill clarifying the use of mass media. Is VR&E using mass media to provide outreach to veterans and educate family Members about these benefits?

Ms. FANNING. We are really just at the beginning of that. We have recently put on YouTube 3 different videos that feature 3 veterans who have been in the VR&E Program and they are branded with the VetSuccess.gov logo so that as veterans or family Members look at these very concise little videos, they will be directed back to the VA site to learn more about the program.

We have designed a marketing campaign and as I mentioned in my testimony, trying to work to brand our program to make the services we offer much more clear to our stakeholders, to veterans, and to the business community. Frankly, so that they know what we are offering and will come in and take the benefit of it.

I have been working with public affairs to get some press releases out and to take advantage of some of the new techniques for social media. So we are really at the beginning, but I have staff back in my office working on a full marketing campaign. And I think you will see a lot more to come from that.

Ms. HERSETH SANDLIN. If you could keep the Subcommittee and our staff apprised of those efforts, we would appreciate it.

Ms. FANNING. I would be happy to do so.

Ms. HERSETH SANDLIN. Another question before I recognize Minority Counsel for some questions that I know the Ranking Member wanted to pose before he had to leave.

As you heard from again testimony from the prior panel, the Wounded Warrior Project recommends that counselors not exceed 30 to 40 cases per counselor for moderate to severely-disabled veterans.

Do you agree with this recommendation and how many more counselors would VR&E need if this idea were to be implemented?

Ms. FANNING. Well, I would need to go back and do the math for that. I can tell you that currently the caseload per counselor averages one to 135. So each counselor has about 135 veterans they are working with.

Now, having said that, some offices do specialize their counselors, so they may have a counselor—for example, when I worked in Florida and worked with Traumatic Brain Injury veterans from James Haley, I had a much smaller caseload. So the offices do have the ability to be flexible and specialize certain counselors to work with

veterans with significant disabilities. But that does mean, of course, that other counselors will have a heavier caseload of veterans to work with.

Ms. HERSETH SANDLIN. Okay.

Ms. FANNING. We do have the flexibility currently to use contractor services to supplement the services of our counselors, but it also gives us a little more ability to focus extensive and intensive resources for veterans who need more than a counselor with a caseload of 135 could reasonably provide.

So, again, as an example, in working with a veteran with a Traumatic Brain Injury who is just transitioning out of inpatient care and who may need very extensive services to get back into their home, as well as their family may need services to adapt to that disability, we have the ability to provide a trained, highly competent contractor to work with that individual 10, 20 hours a week, whatever is needed.

Ms. HERSETH SANDLIN. The minority counsel Mr. Brinck?

Mr. BRINCK. Thank you, Madam Chair.

Ms. Fanning, good afternoon.

Does VA have any data on how disability ratings increase over a vet's lifetime? And I know that is probably not something you have and if you would like to provide that for the record, that would be fine.

Ms. FANNING. I would be happy to go back and study that for the record.

[The VA subsequently provided the following information:]

VA does not have data on how disability ratings change over a Veteran's lifetime.

Mr. BRINCK. Thank you.

In answering, Mr. McWilliam, in responding to the Chair's question regarding the 58 percent unemployment rate, you mentioned lessons learned that were going to be collected.

How soon do you expect that the Subcommittee could get a copy of those lessons learned?

Mr. MCWILLIAM. Mr. Brinck, I do not know the status of it now, but I will certainly provide that to you.

[The DOL subsequently provided the following information:]

The best practices are contained in the Joint Working Group's Final Report on the Pilot Sites. The Report was forwarded to the VA for their approval on August 14, 2009. The Report will be retained in the Committee files when it has been received by the Committee.

Mr. BRINCK. Okay. Thank you.

Ms. Fanning, currently Chapter 36 counseling is limited to about \$6 million, if I remember correctly.

Is that sufficient to accommodate counseling all those that are coming to you seeking that type of counseling?

Ms. FANNING. At this time, we are working within that budget. We have not reached that threshold. I can tell you that we are aggressively providing outreach, including not only using Chapter 36 during the transition of those individuals on medical hold or just getting out of the military, but also providing services to veterans using education benefits who may need career counseling or adjustment counseling during their school programs.

We are okay now. We are not exceeding our budget or bumping up against it. I cannot predict what the future growth may be since I am personally putting a very large focus on outreach in our program.

Mr. BRINCK. Thank you.

Continuing on the contracting level, who will be responsible for implementing the national counseling contract at the local level? What implementation guidance will you provide and how will you enforce that guidance? In other words, who is going to implement the national contract? I believe you have 8 contracts out there.

Ms. FANNING. Yes.

Mr. BRINCK. How will that be implemented locally and what guidance are you going to provide to the field as part of that?

Ms. FANNING. The new contracts were awarded last July and before they were implemented, we had a national conference where we pulled together all the contract specialists who act as the quality managers for the contract. We have 19 of them spread throughout the country, our contract specialists in Central Office—we have 2 on staff, the contracting officer who did the awards, and all the VR&E officers who serve as Contracting Officers Technical Representatives (COTRs) for the contracts. In addition, we brought the principals from the prime contractors for those 8 contracts awarded throughout the country.

We brought them in for a week. We provided extensive training about the contract. We had breakout sessions for each group in terms of what was required for the contract administration, managing performance, meeting minimums, really from start to finish.

We also trained the contract staff, the new prime contractors on what we expected, what does it mean to serve a veteran in VR&E, what are our expectations for a good counseling, for a good rehabilitation plan that is recommended, case management, et cetera.

In follow-up to that, we have had extensive work with our field offices. We have had weekly, and now biweekly, calls to make sure that implementation is effectively carried out and that any problems that occur, because we are standing up brandnew contracts that are now, you know, just a few months old, that those problems are addressed proactively.

I hope that answers your question, Mr. Brinck.

Mr. BRINCK. Just a follow-up.

What kind of data will you be collecting from these 8 contractors?

Ms. FANNING. The data that we are collecting is from our COTR staff and Quality Assurance Management Staff (QAMS), the contracting specialists, in terms of timeliness of services, quality of services, any problems, any complaints, as well as stories of good performance.

We want to track the performance both positive and problematic so that we can be proactive and jump in to correct any issues. Obviously in doing so, we are working with the Office of Acquisition and Logistics where the contracting officer resides to actually solve those problems and work them through.

Mr. BRINCK. Okay. With your indulgence, one more.

You mentioned, Ms. Fanning, working with the Commission on Certification of Rehab Counselors (CRCC).

What percentage of your staff are certified by CRCC as rehab counselors and how does VA's hiring qualifications for counselors compare with the requirements for certification and do you require your counselors to participate in continuing education?

Ms. FANNING. Currently, 35 percent of our counselors, including myself, have CRCC certification. We do have an extensive training program that includes working with the CRCC to get continuing education credits for those counselors on our staff who are certified.

I looked at both our requirements for hiring as well as those that CRCC requires. CRCC requires a counseling-related degree for the minimum to qualify for CRC. We require a Master's Degree in rehabilitation counseling or a closely related degree.

And we will qualify an individual with a closely related counseling degree if they have certain class work that relates to the rehabilitation and counseling field, for example, understanding the vocational implications of medical disabilities.

So an individual with a guidance counseling degree as an example could take additional course work and qualify for our positions. We do not require currently CRC as a part of the criteria to apply and be hired for a VR&E position.

Mr. BRINCK. Thank you for extending that courtesy, Madam Chair.

Ms. HERSETH SANDLIN. Of course.

Just a couple more questions, Ms. Fanning.

The first one goes back to the issue of adequate number of counselors and workload that they are carrying. Could you respond to the recent GAO report that noted that 54 percent of all 57 regional offices have fewer counselors than they need and 40 percent said they had fewer employment coordinators than they needed?

Ms. FANNING. Absolutely. Currently we have, as I said, about 1,100 employees nationally. Just to break that down for you, I mentioned the caseload for the counselors is 1 to 135 and we have just over 800 counselors and we have 133 employment coordinators. Looking at just the job ready caseload, that is a 1 to 53 ratio for the employment coordinators of those veterans who are in some kind of a job search phase.

The GAO study actually went out and surveyed our field managers and asked them for their opinions about staffing and qualifications. And we do have many new counselors on our rolls. Last year alone, we trained over 150 new counselors in centralized national training and we are currently planning to train 100 more this year.

So we are hiring a lot of new individuals. In turn, that requires a big investment in training and getting them—they are highly competent in their fields of rehabilitation counseling and related fields of counseling, but they need to learn how to work with veterans. They need to learn about the signature disabilities that our current veterans are facing and how to specifically address the employment needs related to a veteran who has PTSD or Traumatic Brain Injury.

That is where our focus is. We do not need to train them how to do rehabilitation counseling, but we do need to train them how to work effectively with veterans and understand their life experience and the specific challenges they face.

Ms. HERSETH SANDLIN. So you would disagree with the GAO report in terms of inadequate number of counselors in these regional offices?

Ms. FANNING. I do not disagree that that is what they heard from our field offices. The staff around the country are working extremely hard and their passion is in serving veterans.

Ms. HERSETH SANDLIN. So, of course, they would want more help if they could get it.

Ms. FANNING. And who would not want more? The more staff we have, of course, the more intensive services we can provide. And it does not surprise me that my field managers would say that. They want to be there and meet every need of the veterans. And, of course, that is what I want them to do.

Ms. HERSETH SANDLIN. Okay.

Ms. FANNING. But I do think that part of the challenge, and I apologize for interrupting you—

Ms. HERSETH SANDLIN. No.

Ms. FANNING [continuing]. I think part of the challenge is that they have so many new counselors on their rolls and it takes time for them to be fully proficient in their jobs. In the meantime, they still have—you know, just this last year alone, we had over a 13-percent increase in applicants. So they are feeling that increase and struggling to make sure that they still provide timely and complete services.

Ms. HERSETH SANDLIN. So you said VA has hired a lot of new counselors. What percentage increase based on the number of counselors that were in your regional offices and employment coordinators from fiscal year, say, 2007? What was the increase in hires to 2008 and then to this year? Do you have those numbers?

Ms. FANNING. I apologize that I do not, but I will be glad to provide those for the record.

[The information was provided by VA in response to Question 1 of the post-hearing questions and responses for the record, which appear on p. 59.]

Ms. HERSETH SANDLIN. Okay. That would be helpful.

Some of what we are hearing from the testimony today and some of what we have been hearing in the meetings that have been going on about VR&E at the staff level working with the different VSOs and folks like yourselves that are administering these programs, is it we were able to find additional resources, we need to know from you how you think they need to be targeted to make VR&E an even better program for the veterans that it is serving.

Should it go to a family focused benefit that helps cover child care expenses, other issues? Should it go to some better way of focusing on one or all of the 5 tracks? Should it be toward adding additional counselors?

We need more information from you that if in the event that we were able to find additional resources to improve this particular benefit program, how from your perspective should those additional resources be allocated?

My final questions goes to the Independent Living Program. The cap in the Independent Living Program has never been met. From your perspective why has this cap not been met and what outreach is VR&E doing to inform potential users of this particular pro-

gram? Do you have what you need to do effective outreach in this area and is the program being utilized to a greater extent in certain parts of the country than others?

Ms. FANNING. Starting with the last part of your question, I will need to go back and study that to see if there are any geographic differences.

[The VA subsequently provided the following information:]

Yes, certain parts of the country utilize Independent Living services to greater extents than other areas. We find higher concentrations of IL utilization in States that draw Veteran retirees, such as California, Florida, and warmer southern States. We also find higher concentrations of IL utilizations around polytrauma centers where these services can contribute to the recovery of wounded OEF/OIF Veterans.

VR&E Service monitors and assesses IL utilization rates to identify training needs for VR&E staff. We currently provide a week long "train the trainer" workshop on IL services at the VBA Academy in Baltimore, MD. This workshop highlights new IL developments and projects, including services for seriously injured OEF/OIF Veterans, home modifications, and IL referral resources such as non-profit agencies and assistive technologies. This workshop is just one part of our strategic efforts to ensure Veterans receive the best possible support from VR&E.

I think that, you know, part of our challenge, Madam Chair, is that we are marketing our program. The name of our program is Vocational Rehabilitation and Employment. We may not have that clarity for some veterans about the independent living services that we are providing and that are available to them.

So part of our marketing strategy in getting the word out about the services that are available is in emphasizing all 5 tracks, not just the employment part of the program.

What we do in the Independent Living Program, although it is a small program currently, is so vitally important. We are serving the most seriously injured veterans through that program. And we want to ensure that it is fully utilized and that it is being taken advantage of.

Ms. HERSETH SANDLIN. We have a vote. We have about 8 minutes to get there. I have one more question.

There was a recent article about a film training and job placement program created for wounded Marines and Corpsmen in 2007 and the article asserts that veterans were signing over the bulk of their education benefits and were not being employed.

Can you comment on the status of this school? Are you familiar with what I am referring to and is it still certified to accept VA benefits and are you looking into these allegations?

Ms. FANNING. This is a new facility that was certified at the end of 2007. One class, the first class, has gone through the program and a second class is enrolled.

So, yes, we are working very closely with the Regional Office who has jurisdiction of those programs where it is located.

Ms. HERSETH SANDLIN. But they are still certified to accept benefits?

Ms. FANNING. They are still certified and veterans and some servicemembers are enrolled in the program. This program is unique in that it was set up to serve servicemembers and veterans with the most serious of disabilities to go through an accelerated program with a cohort of servicemembers and veterans who have similar issues, significant disability issues.

It is an accelerated program that rather than going through a long-term school program that may take 2 semesters or more, it is concentrated with a high level of staff focus in a few weeks.

It is also unique in that at the end of the program, veterans receive a union card which is really the ticket to employment in the film industry. And the film industry is also one of the growth industries that is out there.

Ms. HERSETH SANDLIN. But of those who have been participating in this program, we have a number of veterans who have completed it, correct?

Ms. FANNING. Yes. The first group did graduate.

Ms. HERSETH SANDLIN. What is the employment rate? I mean, they have their card, but we have some serious allegations being made here.

Ms. FANNING. Yes.

Ms. HERSETH SANDLIN. It is an unfortunate fact of life that when benefits are available and particularly among those most vulnerable who are recipients of those benefits that there are people out there looking to create something that just simply takes advantage of the resources without providing an essential service to the veteran.

I want to be assured that you are taking seriously the allegations that are being made and that while, yes, this is a new program, it is a unique program, their intentions may very well be a good one, at the same time, we have to stay on top of programs like this to ensure that ultimately the successful outcome is employment.

Ms. FANNING. Oh, I could not agree with you more. And we certainly do take this very seriously. The staff at the Regional Office meet with the school officials and with the veterans weekly.

Ms. HERSETH SANDLIN. Okay.

Ms. FANNING. They have an ongoing dialog and they are very responsive to any problem issue that is brought up, including this recent media attention. They are looking at the first group and they are studying, and I apologize that I do not have that data with me in terms of the first group who graduated, what is their placement status at this point. I would be glad to provide that.

Ms. HERSETH SANDLIN. Yes, if you could.

[The information was provided by VA in response to Question 3 of the post-hearing questions and responses for the record, which appear on p. 61.]

Ms. FANNING. But I can assure you that the staff are working very hard to make sure that this is the right program for these individuals and they are not signing over their VA benefits.

I think even through the testimony of the panel before me, you got a very clear idea of the scope of benefits that are available to veterans. They do have 48 months of benefits available to them within that basic 12-year period.

But most of the veterans and servicemembers who are engaged in this program, as I understand, would meet the category of being severely disabled and benefits could be extended even beyond those 48 months or that delimiting period.

Ms. HERSETH SANDLIN. Okay.

Ms. FANNING. But I assure you that I am very engaged in this and I will remain so.

Ms. HERSETH SANDLIN. Okay. Thank you.

I thank you both for your testimony and your responses to our questions.

I want to thank our other witnesses that were here earlier for their testimony and insights.

For the both of you, we value your expertise, your dedication in administering these programs, your ideas that you shared today, and other information and other suggestions that you will hopefully continue to make to us on an ongoing basis because of the importance of the VR&E Program to so many of our Nation's veterans and the importance of that program to those who are newly returned.

Again, thank you for being with us today. The hearing is now adjourned.

[Whereupon at 2:29 p.m., the Subcommittee was adjourned.]

A P P E N D I X

Prepared Statement of Hon. Stephanie Herseth Sandlin, Chairwoman, Subcommittee on Economic Opportunity

Today's hearing will give the Subcommittee the opportunity to learn more about the Department of Veterans Affairs' Vocational Rehabilitation and Employment Program and its relationship with the Department of Labor in assisting our veterans obtain meaningful employment while healing from the wounds sustained while in military service.

Some of our panelists might recall that this Subcommittee held 2 hearings on VR&E in the last Congress. These hearings afforded us the opportunity to hear from stakeholders on their concerns and recommendations to improve upon existing programs.

It is very important that we continue to examine these concerns, especially at a time when our country's veterans are experiencing post-traumatic stress disorder, Traumatic Brain Injury, amputations and severe burns that would have been fatal in previous conflicts.

As a result of previous hearings, we successfully passed Public Law 110-389, the Veterans' Benefit Improvement Act of 2008 which:

- Waives the 24-month limitation on Independent Living services for veterans who served after September 11, 2001;
- Increases the cap on number of veterans participating in Independent Living from 2,500 to 2,600 veterans;
- Requires the Secretary of Veterans Affairs to conduct a 1-year study on measures to assist and encourage VR&E program completion; and
- Requires the Secretary of Veterans Affairs to conduct a 20-year longitudinal study on VR&E participants.

I can assure our panelists that we will continue to monitor the VA as it implements these changes and works on providing us the required reports. The men and women who serve our Nation honorably deserve and should receive the best our country can offer.

While the changes we made in the 110th Congress are a step in the right direction, we continue to hear from the veterans' community concerned that further improvements are needed. At the suggestion of the Military Officers Association of America and the veterans' community, Chairman Bob Filner recently introduced H.R. 1821, the "Equity for Injured Veterans Act of 2009." Mr. Filner's legislation seeks to assistance VR&E participants by:

- expanding VR&E participating eligibility for a period of 15 years;
- augmenting housing stipend assistant to the same levels as Chapter 33 housing stipend recipients;
- authorizing the Secretary to pay subsistence allowance for a period of 6 months after program completion;
- authorizing the Secretary to provide reimbursements for child care services; and
- requiring the Secretary to modify its VR&E reporting requirements.

I am pleased to hear that Secretary Hilda Solis and Secretary Erik Shinseki reaffirmed their commitment to assisting our Nation's veterans during their respective confirmation hearings. I look forward to working with the Secretaries, the Members of this Subcommittee and stakeholders to evaluate legislative proposals that seek to equip our veterans with the tools they need to succeed after military service.

**Prepared Statement of Hon. John Boozman, Ranking Republican Member,
Subcommittee on Economic Opportunity**

Good afternoon Madam Chair and to everyone. I would like to extend a special welcome to the former Assistant Secretary of Labor for the Veterans' Employment and Training Service Mr. Chiccolella and I suspect it was much easier to have your testimony cleared for today's hearing than it was with OMB.

When I think of benefits to improve the lives of disabled veterans, I am very proud of the Vocational Rehabilitation and Employment. VR&E is the most flexible and generous among the programs for disabled veterans administered by VA. I also suspect VR&E is the most effective disability rehabilitation program offered by the Federal Government. And it should be.

Having said that, we still face significant challenges to increase the number of disabled veterans who successfully complete their rehabilitation program, whether through long-term education or immediate job placement services.

I believe veterans continue to drop out of the program for reasons within our control. For example, increasing the stipend to \$1,200 per month as proposed in Ranking Member Buyer's H.R. 297, Veteran Vocational Rehabilitation and Employment Subsistence Allowance Improvement Act of 2009 and which I am a cosponsor of, would be a significant improvement by reducing the number of veterans who drop out because of the need to work full time to support their families. Madam Chair, if by some strange circumstance we find some PAYGO resources, I believe increasing the stipend should be high on our list of uses for the money.

I am also concerned that in our zeal to rehabilitate veterans and return them to the workforce, the program occasionally fails to consider all aspects of a potential training program including cost and availability of similar opportunities at much lower cost. For example, recent press articles questioned the appropriateness of a program to train wounded Marines for careers in the entertainment industry.

The articles stated VA paid over \$88,000 for each 19 wounded Marines who completed the 10-week course that had been offered originally as a free course. The VA paid over \$64,000 for each of a second group of 8 wounded Marines who completed the course. Similar courses were available in the area for 80 percent less and I note that the institution in question had been previously denied approval for GI Bill benefits.

VA has a well-developed process that uses the State Approving Agencies to approve courses for education benefits. While I understand that VR&E staff have the authority to approve education and training courses for their participants, it is entirely appropriate that they seek the assistance of the State Approving Agencies whenever veterans seek to use VR&E benefits to attend unusual courses like the one I just mentioned.

I still do not understand how VA calculates the rehabilitation rate. To me, if you have about 100,000 participants and 12,000 are rehabilitated in a year, the rate is 12 percent, not 75 percent. I also believe that 12 percent is not necessarily bad, given that you are serving a group of disabled veterans whose needs are more difficult to solve.

Finally, I want to thank Director Fanning and her staff for their efforts to put disabled veterans back to work. I recognize that the case I just mentioned is likely an exception to their standard practices and I am willing to work with all the stakeholders to ensure that disabled veterans receive the best possible opportunity to pursue their working careers.

I yield back.

**Prepared Statement of Mark Walker, Assistant Director,
Economic Commission, American Legion**

The mission of the VR&E program is to help qualified, service-disabled veterans achieve independence in daily living and, to the maximum extent feasible, obtain and maintain suitable employment. The American Legion fully supports these goals. The Vocational Rehabilitation program has historically been marketed to veterans as an education program and not an employment program. A majority of veterans attended universities and colleges with few enrolled in training programs, such as apprenticeships and on-the-job training that can lead to direct job placement. Eligible veterans who are enrolled into the education and training programs receive a monthly allowance; those veterans who use VR&E for assistance with immediate employment do not. This policy leaves out needed assistance for veterans looking for immediate employment, which could lead that veteran into a different track and miss out on early entry into the civilian workforce. Another problem hindering the

effectiveness of the VR&E programs as cited in reports by the Government Accountability Office (GAO) is exceptionally high workloads for the limited number of staff. This hinders the staff's ability to effectively assist individual veterans with identifying employment opportunities. Without sufficient staffing, the success of VR&E programs becomes extremely challenging, especially due to the returning veterans from Iraq and Afghanistan and their more complex cases. VR&E also needs relevant data concerning the number of veterans who are applying for disability benefits, so they can project future workload and hire staff accordingly.

The American Legion recommends Congress amend the VR&E program to allow participants to qualify for Chapter 33 benefits while receiving case management and other services that lead to gainful employment. The American Legion believes amending this program is the fair and equitable way of honoring our most vulnerable veterans, who are seeking financial independence after being injured while serving our country.

No VA mission is more important at this time in our history—especially now when our country is at war and in financial crisis—than enabling our injured soldiers, sailors, and airmen and other veterans with disabilities to have a seamless transition from military service to a successful rehabilitation and on to suitable employment after service to our Nation. The success of the VR&E program will significantly be measured by these veterans' ability to obtain gainful employment and achieve a high quality of life. VR&E's services are more critical than ever based upon more than 33,000 servicemembers being injured in Iraq and Afghanistan since 2001. To meet America's obligation to these wounded veterans, VA leadership must continue to focus on marked improvements in case management, vocational counseling, and most importantly, job placement.

Madame Chairwoman and distinguished Members of the Subcommittee, thank you for the opportunity to submit the views of The American Legion regarding the Department of Veterans Affairs (VA) Vocational Rehabilitation and Education (VR&E) programs.

VOCATIONAL REHABILITATION AND EMPLOYMENT SERVICE (VR&E)

Since the 1940s, VA has provided vocational rehabilitation assistance to veterans with disabilities incurred during military service. The Veterans Rehabilitation and Education amendments 1980, Public Law (PL) 96-466, changed the emphasis of services from training, aimed at improving the employability of disabled veterans, to helping veterans obtain and maintain suitable employment and achieve maximum independence in daily living. Vocational Rehabilitation and Employment (VR&E) program employment goals are accomplished through training and rehabilitation programs authorized under Chapter 31 of title 38, U.S. Code. Title 38 provides a 12-year period of eligibility after the veteran is discharged or first notified of a service-connected disability rating. To be entitled to VR&E services, veterans must have at least a 20 percent service connected disability rating and an employment handicap or less than a 20 percent disability and a serious employment handicap.

The mission of the VR&E program is to help qualified, service-disabled veterans achieve independence in daily living and, to the maximum extent feasible, obtain and maintain suitable employment. The American Legion fully supports these goals. As a Nation at war, there continues to be an increasing need for VR&E services to assist Operations Iraqi Freedom and Enduring Freedom veterans in reintegrating into independent living, achieving the highest possible quality of life, and securing meaningful employment.

The success of the rehabilitation of disabled veterans is determined by the coordinated efforts of every Federal agency (Department of Defense, VA, Department of Labor, Office of Personnel Management, Department of Housing and Urban Development, etc.) involved in the seamless transition from the battlefield to the civilian workplace. Timely access to quality health care services, favorable physical rehabilitation, vocational training, and job placement play a critical role in the "seamless transition" of each veteran, as well as his or her family.

Administration of VR&E and its programs is a responsibility of the Veterans Benefits Administration (VBA). Providing effective employment programs through VR&E must become a priority. Until recently, VR&E's primary focus has been providing veterans with skills training, rather than providing assistance in obtaining meaningful employment. Clearly, any employability plan that doesn't achieve the ultimate objective—a job—is falling short of actually helping those veterans seeking assistance in transitioning into the civilian workforce. Eligible veterans who are en-

rolled into the education and training programs receive a monthly allowance; those veterans who use VR&E for assistance with immediate employment do not. This policy leaves out needed assistance for veterans looking for immediate employment, which could lead that veteran into a different track and miss out on early entry into the civilian workforce.

Another problem hindering the effectiveness of the VR&E program as cited in reports by the Government Accountability Office (GAO) is exceptionally high workloads for the limited number of staff. This hinders the staff's ability to effectively assist individual veterans with identifying employment opportunities. A recent GAO report noted that 54 percent of all 57 regional offices stated they have fewer counselors than they need and 40 percent said they have fewer employment coordinators than they need. As in the past, achieving ample staffing in VR&E is a major concern. Without sufficient staffing, the success of VR&E programs becomes extremely challenging, especially due to the returning veterans from Iraq and Afghanistan with more complex cases. VR&E also needs relevant data concerning the number of veterans who are applying for disability benefits, so they can project future workload and hire staff accordingly.

Vocational counseling also plays a vital role in identifying barriers to employment and matching veterans' transferable job skills with those career opportunities available for fully qualified candidates. Becoming fully qualified becomes the next logical objective toward successful transition. Veterans' preference should play a large role in vocational counseling as well. The Federal Government has scores of employment opportunities that educated, well-trained, and motivated veterans can fill given a fair and equitable chance to compete. Working together, all Federal agencies should identify those vocational fields, especially those with high turnover rates, suitable for VR&E applicants. Career fields like information technology, claims adjudications, and debt collection offer employment opportunities and challenges for career-oriented applicants that also create career opportunities outside the Federal Government.

INTERAGENCY COOPERATION BETWEEN DOL-VETS AND VA

It is our experience that the interagency collaboration and communication between the VR&E program, and the Department of Labor (DOL) Veterans Employment and Training Service (VETS) has been lacking the last several years; however, this relationship is steadily improving.

In recent years, many States did not refer veterans from the VR&E program to VETS for assistance in obtaining employment. Veterans with high-tech skills and advanced education were referred to expensive commercial placement agencies that do not specialize in employment assistance for veterans, and difficult to place veterans were sent to VETS. Therefore, to assist in the correction of these deficiencies a memorandum of understanding (MOU) between VA and DOL was developed and signed in October 2005 stating that each agency would work for the smooth transition of veterans to the civilian workforce. This agreement is authorized in accordance with section 4102A(b)(3), title 38, U.S.C.

In discussions with numerous VETS representatives across the country, The American Legion is hearing a variety of opinions on the current implementation process and progress of the MOU. Some States report a total lack of communication and information sharing, while other States enjoy a strong relationship between the local VETS and VR&E offices.

A majority of VETS representatives contacted spoke of a markedly improved level of communication between the 2 agencies, along with other positive developments such as improvement in local data sharing and combined training on the local and national levels. In addition, national representatives from the 2 agencies are currently reporting a close and cooperative relationship, and the expectation is this relationship will continue to improve over time.

In some States, however, it has been reported that the MOU has not led to an improvement in cooperation between the 2 agencies. Some problems cited were a difference in the perceptions of the primary mission, differing education levels of VA case managers and DVOPs and LVERs, and the unenforceable mandate for the 2 agencies to communicate and cooperate on a local level. DVOPs and LVERs are controlled by each individual State and have their own requirements making a State and Federal program difficult to synchronize.

While poor coordination between some VR&E counselors and their VETS counterparts has contributed to the shortfalls of the VR&E program, a number of States have begun to improve communications. A majority of VETS representatives have commended their VR&E counterparts for their willingness to ensure the successful implementation of the MOU that is designed to improve rehabilitation, training and employment outcomes for disabled veterans.

REHABILITATION AND EMPLOYMENT OUTCOMES**Numbers of Rehabilitated/Employed Veterans**

Year	Veterans successfully rehabilitated	Veterans successfully employed with suitable jobs
FY 2003	9,549	17,525
FY 2004	11,129	8,392
FY 2005	12,013	9,279
FY 2007	11,008	8,252
FY 2008	11,066	8,831

In fiscal year (FY) 2008, VR&E funding was \$770 million, and the program served 97,116 veterans. The average annual salary for the 8,831 veterans rehabilitated in suitable employment was \$32,359. Please note, the veterans average annual salary before entering VR&E was \$5,641.

POST 9/11 GI BILL

The American Legion recommends Congress amend the VR&E program to allow participants to qualify for Chapter 33 benefits while receiving case management and other services that lead to gainful employment. The American Legion believes amending this program is the fair and equitable way of honoring our most vulnerable veterans, who are seeking financial independence after being injured while serving this country.

CONCLUSION

No VA mission is more important at this time in history—especially now when the country is at war and in financial crisis—than enabling injured soldiers, sailors, and airmen and other veterans with disabilities to have a seamless transition from military service to a successful rehabilitation and on to suitable employment after service to the Nation. The success of the VR&E program will significantly be measured by these veterans' ability to obtain gainful employment and achieve a high quality of life. To meet America's obligation to these service-connected veterans, VA leadership must continue to focus on marked improvements in case management, vocational counseling, and most importantly, job placement.

VR&E's services are more critical than ever based upon more than 33,000 service-members being injured in Iraq and Afghanistan since 2001. The American Legion strongly supports VR&E programs and is committed to working with VA and other Federal agencies to ensure that America's wounded veterans are provided with the highest level of service and employment assistance.

Again, thank you for the opportunity to submit the opinion of The American Legion on this issue.

**Prepared Statement of Justin Brown, Legislative Associate, National
Legislative Service, Veterans of Foreign Wars of the United States**

MADAM CHAIRWOMAN AND MEMBERS OF THIS SUBCOMMITTEE:

On behalf of the 2.2 million Members of the Veterans of Foreign Wars of the United States and our Auxiliaries, I would like to thank this Committee for the opportunity to testify. The issues under consideration today are of great importance to our Members and the entire veteran population.

During this economic recession the number of unemployed veterans has increased to nearly 1 million as of February 2009. That is an increase of nearly 160,000 veterans since we last testified before this Subcommittee. There are twice as many unemployed veterans as there were 1 year ago and there are more unemployed Iraq and Afghanistan veterans as there are men and women currently serving in Iraq. Of these 1 million veterans we know that two-thirds of them, or 666,000, are ineligible for any educational programs that are available—Chapter 30, Chapter 31, or Chapter 33. What we don't know is how many of these veterans are unemployed due to an injury they received in service to our Nation. Nonetheless, we do know that there are veterans who are injured and who are not receiving any rehabilitation because of a 12 year delimiting date tied to the VR&E program.

There is no delimiting date on a service connected injury and at no point does that injury stop being related to or caused by your service to our Nation. Veterans' service related injuries tend to progressively worsen over time and many injuries won't even fully disable a veteran until long after 12 years. Veterans did not ask to become disabled and we as a Nation need to do more to help service disabled veterans rehabilitate for the entirety of their employable lives.

VR&E Brief Overview

The sole purpose of the Department of Veterans Affairs' Veterans Benefits Administration's Vocational Rehabilitation and Employment (VR&E), as authorized under Chapter 31 of 38 USC, is to provide comprehensive services to address the employment handicaps of service-connected disabled veterans in an effort to achieve maximum independence in daily living, and to obtain and maintain gainful employment. Furthermore, VR&E provides services to severely disabled veterans with an eye toward helping them achieve the highest quality of life possible, including future employment when feasible.

In 1918, Congress passed the Vocational Rehabilitation Act to increase the probability for a seamless transition into suitable employment that is consistent with a qualifying veteran's competencies and interests through successful rehabilitation. This program was administered by the Federal Board for Vocational Education. On August 24, 1921, VR&E was transferred to the soon-to-be created Department of Veterans Affairs. Legislation would later expand VR&E, specifying that any eligible veteran may receive up to 4 years of training specifically directed to rehabilitation and the restoration of employability.

Currently, to be eligible for VR&E, the veteran must have been discharged under circumstances other than dishonorable; have a disability rating or memo rating of 10 percent or more, which was incurred in or aggravated by such service for which a pension is payable under the laws administered by the VA or would be but for the receipt of retirement pay; and be in need of vocational rehabilitation to overcome employment handicaps caused by such service-connected disability. VR&E provides for 48 months of entitlement and the program may be utilized within 12 years from the date of initial VA disability rating notification, with an exception for those with a serious employment handicap.

The process begins when a case manager is assigned to each recipient of VR&E services. The case manager works with a Vocational Rehabilitation Counselor (VRC) to determine the extent of a disabled veteran's employment handicap(s). A written rehabilitation plan is then developed by the VA and the veteran, describing the goal of the VR&E program and the means through which the goal will be achieved. The VRC and the case manager then help the veteran for up to 18 months through ongoing case management to achieve the goals of the agreed upon written plan for employment or independent living. Services provided include, but are not limited to: referrals for medical and dental services, coordination of training allowances, education counseling for children and spouses of veterans who have a permanent and total service-connected disability, testing for aptitude and tutorial assistance.

Under the current VR&E program, a veteran whose eligibility and entitlement have been established must not only complete the rehabilitation plan, but he or she will also be tracked to attainment of suitable employment based on the plan's goals. This is called the "Five-Track Service Delivery System." The tracks are: Re-employment; Rapid Access to Employment; Self-Employment; Employment through Long-Term Services; or Independent Living Services.

Briefly, the Re-employment Track helps veterans and Members of the National Guard and the Reserves return to jobs held prior to active duty. The Rapid Access to Employment Track emphasizes the goal of immediate employment and is available to those who already have the skills to compete in the job market in appropriate occupations. Self-Employment is a track 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. Under the Employment through Long-Term Services track, VR&E assists veterans who need specialized training or education to obtain and maintain suitable employment. Finally, the Independent Living Services Track is for veterans who may not be able to work immediately and need additional rehabilitation to enable them to live more independently.

From its conception, VR&E has been adapted to better reflect veterans' current circumstances. For example, the cap on the number of veterans eligible for the Independent Living track has been modestly increased. What defines "successful rehabilitation" has also been restructured. Before 1980, completion of a training program for suitable employment and not actual job placement was considered a success.

This was identified as a problem area, and improved. Furthermore, in partnership with the Department of Labor (DOL), employers, and other relevant Federal agencies, efforts have been made by the VA to increase employment opportunities for program participants. Finally, outreach and early intervention efforts have been expanded and integrated into the U.S. Army Wounded Warrior Program (AW2) and Warrior Transition Units (WTU) command.

The Veterans of Foreign Wars has identified 5 primary areas of concern. We believe that if these recommendations were adopted, the VR&E program would have better results and increased investment for veterans and our Government.

1. *The Delimiting Date for VR&E Needs to be Removed*
2. *VR&E's Educational Stipend Needs Parity in Comparison to Chapter 33*
3. *For Many Disabled Veterans with Dependents VR&E Education Tracks are Insufficient*
4. *VR&E Performance Metrics Need to be Revised to Emphasize Long-term Success*
5. *VR&E Needs to Reduce Time from Enrollment to Start of Services*

The Delimiting Date for VR&E Needs to be Removed

Currently, the delimiting date for VR&E is set to 12 years after separation from the military, or 12 years following the date a servicemember learns of their rating for a service connected disability. This fails to take into account the fact that many service related injuries will not hinder the veteran to the point of needing help or rehabilitation until many years following the injury.

Eliminating VR&E's delimiting date would allow veterans to access the VR&E program on a needs basis for the entirety of their employable lives. Veterans would still have to be approved by VR&E as having an employment handicap resulting from their service connected disability and would still be subject to the total cap of services. However, dropping the arbitrary delimiting date would insure rehabilitation for veterans should their service connected disability negatively progress over time.

VR&E's Educational Stipend Needs Parity in Comparison to Chapter 33

With the passage of the new GI-Bill, the discrepancy in benefits between Chapter 31 and Chapter 33 may have the latent consequence of incentivizing chapter 33 even though a disabled veteran needs access to the additional rehabilitation benefits chapter 31 provides. For this reason the VFW strongly urges Congress to create a Chapter 31 educational housing stipend that is in line with the Chapter 33's housing allowance; which is E-5, with dependents, basic allowance for housing (BAH) determined by the zip code of the educational institution of interest. This would offer our disabled veterans the best all-around program and would return the VR&E program to offering the best available overall services to rehabilitating veterans.

For Many Disabled Veterans with Dependents VR&E Education Tracks are Insufficient

For many veterans with dependents the VR&E educational track provides insufficient support. Veterans with dependents are the second largest group seeking assistance from VR&E and they are often those with the most pressing needs to secure meaningful long-term employment. There are many seriously disabled veterans that are unable to pursue all of their career options or goals due to the limited resources provided to disabled veterans with children and spouses. We must not forget that these veterans are utilizing VR&E because of a disability they incurred in service to our country. Unfortunately these heroes utilize VR&E's employment track at a rate higher than disabled veterans without dependents. The VFW believes this is likely due to the fact that immediate employment, while possibly not the best long-term rehabilitation outlook, immediately provides higher resources to the family that cannot afford long-term educational rehabilitation.

The Veterans of Foreign Wars would like to see VR&E institute a program to help veterans with dependents while they receive training, rehabilitation and education. This could be achieved by establishing a sufficient allowance to assist with the cost-of-living and in some cases by providing childcare vouchers or stipends. Childcare is a substantial expense for many of these veterans. Without aid of some form, many disabled veterans will be unable to afford the costs associated with long-term educational rehabilitation.

By assisting these veterans with these expenses, we can increase the likelihood they will enjoy long-term success and an increased quality of life. This will lead to decreased usage of VA services and is a worthwhile proactive approach.

VR&E Performance Metrics Need to be Revised to Emphasize Long-term Success

Currently VR&E measures the “rehabilitation rate” as the number of veterans with disabilities that achieve their VR&E goals and are declared rehabilitated compared to the number that discontinue or leave the program before achieving these goals. “Rehabilitated” within the employment track means that a veteran has been gainfully employed for a period of 60 days following any VR&E services they received. This form of performance measure could have the latent consequence of incentivizing short-term employment solutions over long-term strategies.

The VFW would like to see all VR&E performance metrics changed to reflect the employable future of the veteran. At anytime if a veteran becomes unemployed, during his employable future, he would be counted as such. A veteran’s success in completing a rehabilitation program followed by his employment does not necessarily mean he has been rehabilitated for the course of his employable future. Changing the metrics to reflect a career long standing will incentivize long-term approaches to VR&E programs. If an injury is aggravated following rehabilitation then a servicemember may need to additional rehabilitation to make him employable.

VR&E Needs to Reduce Time from Enrollment to Start of Services

The current VR&E program can take up to several months to begin a program of training. This occurs primarily because VR&E is required to validate that entitlement is present. In a recent conversation with VR&E’s central office, the VFW learned that it is extraordinarily rare that entitlement is not found for the VR&E program. If a veteran has proven eligibility for VR&E, the VFW believes entitlement ought to be assumed thereby minimizing veterans time in gaining access to VR&E programs.

The Vocational Rehabilitation Counselor makes entitlement determinations on the basis of whether the veteran’s employment problems have been caused by

- The veteran’s service connected disabilities
- The veteran’s non service-connected disabilities
- Deficiencies in education and training
- Negative attitudes about people with disabilities
- The impact of alcoholism and/or drug abuse
- Consistency with abilities, aptitudes, and interests
- Other pertinent factors

If entitlement were assumed, veterans would still have to be considered eligible. To be considered eligible for VR&E services, a veteran must

- Have received, or will receive, a discharge under conditions other than dishonorable;
- Have served on or after September 16, 1940;
- Have a service-connected disability employment handicap rating of at least 20 percent or a serious employment handicap rating of 10 percent;
- Need vocational rehabilitation to overcome an employment handicap; and
- Submit a completed application for VR&E services on VA Form 28–1900

In conclusion the Veterans of Foreign Wars believes that VR&E is one of the best tools disabled veterans have. We hope to see it upgraded to face the unique challenges of today’s veterans during these tough economic times. The cost to our disabled veterans far exceeds the recompense our Nation provides them as these injuries drastically reduce their quality of life. However, we must not forget disability does not just affect the soldier or the veteran. Families and children pay a price as well and it is our responsibility to offer these veterans a robust, fair, rehabilitation program for their employable future.

Madam Chairwoman, this concludes my testimony and I will be pleased to respond to any questions you or the Members of this Subcommittee may have. Thank you.



Prepared Statement of Charles S. Ciccolella, Senior Fellow for Economic Empowerment, Wounded Warrior Project

Chairwoman Herseth Sandlin, Ranking Member Boozman and Members of the Subcommittee:

Thank you for inviting Wounded Warrior Project (WWP) today to address the Subcommittee about the Department of Veterans Affairs Vocational Rehabilitation and Employment (VR&E) program. Our organization has staff throughout the Nation assisting wounded warriors on a daily basis. This direct contact gives Wounded Warrior Project a unique perspective on the needs and obstacles faced by wounded warriors as they reintegrate back into their homes, communities, educational opportunities and the civilian workplace. Our goal is to ensure that this is the most successful, well-adjusted generation of veterans in our Nation's history. That perspective provides the framework for our testimony this morning.

Because we are so regularly and intimately involved with the rehabilitation challenges of our alumni, we have created within the Wounded Warrior Project team a no-nonsense approach to the programs and services we offer. Stated simply, we build programs that work, we measure their outcomes, and we continually refine, adjust, and recalibrate as needed to ensure the success of our wounded warrior participants. This, then, is the institutional lens by which we measure all programs designed to assist disabled veterans. Does the program work, and can one prove that it works by the measurable successes of those the program seeks to help?

Wounded Warrior Project believes the Vocational Rehabilitation and Employment program should be one of VA's "crown jewels." Vocational rehabilitation and employment assistance is a critically needed and extremely valuable tool for disabled veterans seeking to adapt to what we call the "new normal" of their daily living. Through education, counseling, job-skills training, and coaching, the program should offer all disabled veterans a uniquely tailored rehabilitation plan to enable them to return to healthy, happy, and productive civilian lives.

Before discussing the VR&E program, we believe a clear distinction should be made between recipients of new G.I. Bill benefits and enrollees in the VR&E program. Specifically, every veteran is entitled to new G.I. Bill benefits by virtue of their service. However, every disabled veteran should also be entitled to participate in the VR&E program by virtue of their disability. The VR&E program is designed to accommodate specifically the compelling physical, emotional, and psychological needs of disabled veterans as they transition back into civilian life. It is in our Nation's best interest to help make that transition in as smooth and rewarding a manner as possible. Disabled veterans should have full access to both their G.I. Bill benefits and their VR&E benefits.

As noted in a January 2009 GAO report, the VR&E program has made progress since a 2004 VA task force made recommendations for improving the program, but much improvement is still needed. We do not attribute this to any failure on behalf of the dedicated men and women who administer the program but rather to what appears to be the relatively low priority VA places on VR&E and weaknesses in the current program.

For example, our field teams report current subsistence levels under the program are inadequate, discourage individuals from enrolling, and may contribute to incompleteness rates. This may become even more problematic with the implementation of the new G.I. Bill. Additionally, only very limited subsistence payments are made for enrollees in the reemployment track, the rapid employment track, and the self-employment track.

Tutoring, counseling, and program support for enrollees—often critical to their success—varies significantly from community to community. Our field staff has also reported that, in some cases, VR&E counselors do not systematically monitor participants to document progress and provide program assistance when needed.

Three other weaknesses in the program warrant comment. First, the program provides only limited temporary support payments for graduates as they move from active duty, through rehabilitation, into gainful civilian employment. Second, there are no long-term measurement mechanisms to quantify program success. Finally, enrollees are not reimbursed to cover expenses which can act as a significant impediment to program completion.

Despite these limitations, VR&E's fundamental framework is sound and provides the basis for significantly improving VR&E. By enhancing critical aspects of VR&E while retaining the fundamental value of the Five-Track Employment Program, VR&E could become the showcase VA program our wounded warriors clearly deserve. Such a model should contain the following elements:

Increased Subsistence Payments and Reimbursed Expenses for VR&E Participants

The VR&E program currently pays veterans who receive education or training monthly subsistence payments. The rate is currently \$541.05 per month for a veteran without dependents who is attending full time in an institution of higher learning. The maximum monthly amount distributed to a veteran with 2 dependents is \$761.18. That amount is, frankly, inadequate and may not be enough even when combined with disability compensation. We believe this contributes to high incompleteness rates among VR&E participants because program participation is simply not affordable for them. More study is needed to determine what the proper rates should be. In our view, VR&E subsistence rates should be greater than those specified in the new G.I. bill. Like the new G.I. bill, subsistence rates should also be adjusted to reflect the local cost-of-living. Additionally, VR&E enrollees should be reimbursed for expenses which, if unreimbursed, would adversely affect the participant's ability to complete their education or training. Expenses like child care, commuting costs, resume preparation, and appropriate job-search attire would likely fall into this category.

At present, enrollees in the first 3 tracks (reemployment, rapid employment, and self-employment tracks) of the Five-Track Employment Program generally do not receive any subsistence, although subsistence is occasionally paid for specific training programs associated with these tracks. Even when paid in the employment tracks, subsistence is only paid for the actual days in training. We believe VR&E should pay a full month of subsistence for every partial month the disabled veteran is enrolled in the first 4 tracks of the program.

Disabled Veterans Should Receive Both G.I. Bill and VR&E Benefits

Veterans have earned their G.I. Bill benefits by virtue of their service, but disabled veterans have earned their VR&E enrollment by virtue of their disability. Wounded Warrior Project recommends allowing eligible veterans to use their VR&E benefits as well as their G.I. Bill benefits and permitting those combined benefits to remain available throughout the 12-year eligibility window which currently exists for both programs.

VR&E Outreach

Many service-connected disabled veterans do not fully understand or are unaware of the value of the VR&E program. VA should be required to provide a VR&E briefing to all servicemembers prior to separation or retirement. This should be provided in cooperation with the Department of Labor, Transition Assistance Program (TAP) at all military installations, and especially with the military's warrior transition units and medical treatment facilities. The briefing should include a detailed discussion of VR&E programs, their benefits, and how the program compares to the new G.I. Bill. We also believe more service-connected disabled veterans would apply to participate in VR&E if they had the advantage of a Memorandum Rating for their disability conditions prior to receiving these mandatory briefings.

As part of their Transition Assistance Programs, servicemembers should be required to acknowledge, in writing, their receipt of the VR&E program briefing. Additionally, when the disabled veteran receives his or her initial disability rating and any time that disability rating changes, VA should be required to specifically inform the veteran about VR&E programs, their benefits, and how they compare to the G.I. bill. Disabled veterans should be required to acknowledge they understand the availability and benefits of the VR&E program in each of these instances.

Eligibility and Enrollment

At present, veterans are eligible for enrollment in VR&E if they are at least 10 percent disabled. To be enrolled, veterans must be interviewed by a Vocational Rehabilitation Counselor who then makes a decision based on that evaluation of the veteran's disability, whether or not to enroll the veteran, and, in many cases, whether a veteran should or should not be placed into a particular track. Wounded Warrior Project is receiving a significant number of anecdotal reports that disabled veterans diagnosed with TBI, PTSD, and/or an injury at the lower end of the disability rating scale (in the 20-50 percent range) are being denied access to VR&E ostensibly because counselors may not think employment plans are feasible for them.

Our field staff is also reporting that, possibly in response to a recent emphasis on the employment tracks, some disabled veterans applying for the education track are being denied entry into that track and are being required by their counselor to enter one of the employment tracks.

The Five-Track Employment Program is a good program. Wounded Warrior Project believes that, with some enhancements, VR&E could be made to accommo-

date rehabilitation training and education for every disabled veteran regardless of the nature of the individual's disability. However, track choice should be left to the veteran except in extreme cases. The ability to choose how to shape one's future is a vital element of any holistic rehabilitation strategy and lies at the heart of empowerment for a disabled veteran. Counselors should shape but should not decide the VR&E track for the veteran except in rare cases.

Regarding the current enrollment process, Wounded Warrior Project recommends a study be conducted to determine why an increasing number of OEF/OIF veterans are apparently being denied entry into the program. The study should also examine the feasibility of streamlining the enrollment process entirely. If the VR&E program could feasibly be expanded to allow for universal eligibility and a universal enrollment opportunity for any disabled veteran, VR&E would come much closer to realizing its greatest potential.

Ongoing Tutoring, Counseling, and Monitoring

Through its Training, Rehabilitation, and Advocacy Center—the “TRACK” program—Wounded Warrior Project has developed a holistic rehabilitation program which seeks to ensure each wounded warrior's total body, mind, and spiritual fitness. We understand the vital role tutoring, counseling, and monitoring play in each enrollee's progress. Like our TRACK program, VR&E enrollees may experience academic or other problems and may fall behind or need extra help to avoid failure in their program. Others may choose to change tracks midway through the VR&E 5-track program. We appreciate that VR&E's goal is to provide each enrollee with continuous tutoring, counseling, and other assistance as needed. Yet, Wounded Warrior Project field staff report that VR&E counselors often have large caseloads or additional administrative duties which reduce the time available to provide the necessary “hands on” attention needed by some enrollees. Current counselor caseloads are averaging about 130 cases per counselor. Wounded Warrior Project believes caseloads for counselors must be reduced and, depending on the track, should not exceed 30–40 cases per counselor for moderate to severely disabled veterans. VA must ensure that adequate numbers of qualified employment coordinators and counselors are available to meet the total rehabilitation needs of participants.

Extended Subsistence Payments

Veterans who successfully complete their VR&E education or training program should receive extended subsistence payments tailored to each track of the VR&E program. The VR&E program exists specifically to ease a wounded warrior's passage from active duty to gainful civilian employment. It is unrealistic to expect any VR&E enrollee to move from the VR&E education and training environment, particularly in the employment tracks, to stable civilian employment in one step. Extended subsistence payments tailored to the specific circumstances of each of the 5 tracks would significantly ease that process. These extended subsistence payments would help defray the uncertain costs associated with acclimating into the civilian workforce.

Currently, the subsistence allowance ends 2 months after the completion of the VR&E education track and there are very limited or no subsistence payments for those in the 3 employment tracks. In an alternative model, monthly subsistence could be paid to all tracks during any period of enrollment and would extend for a period following the completion of each track. The extended subsistence period could vary by track. For example, extended subsistence payments for an individual in the self-employment track might extend for 6 months after course completion, whereas extended subsistence payments for those veterans returning to a previously held job, might only last for 1 month or even not at all.

Continued Close Collaboration with the Department of Labor and an Expanded VA Work-Study Program

WWP applauds the close collaboration of the Departments of Labor/VETS and VR&E in improving placement rates and employment outcomes for VR&E participants. This collaboration must continue, especially at the completion of the program. Much of this interface takes place through the workforce investment system in partnership with State Workforce Agencies (SWAs). VR&E job-ready veterans who are referred to and registered with the SWAs may receive intensive services and access to the Direct Employers Job Central Job Bank, which lists over ½ million jobs in all State job boards. Additionally, VETS-funded veteran employment representatives assist service connected disabled veterans who take jobs soon after they leave service but later find themselves underemployed and who may not be aware that they are still eligible to get VR&E education and job training.

The VA Work-Study Program currently allows VR&E enrollees to be paid for work with the VA while they are enrolled in a VR&E training program. This program

should be expanded to enable VR&E enrollees to be paid for work within any Federal agency.

Remove Congressionally Mandated Limits on Independent Living (IL) Programs

Given the large number of Vietnam-era veterans now approaching their senior years and an unknown number of OEF/OIF veterans entering the system over the next few years, Congress should remove the current enrollment cap on VA's Independent Living Program. VA and the VSO community have sought removal of this cap several times during past congressional sessions. While the current program is operating under the cap, Vietnam-era veterans are approaching a threshold where more of these veterans may seek to enter the IL program. If this increase begins to approach the limits of the current cap, OEF/OIF veterans also seeking to enter the IL program may be denied entry. The cap is an artificial limit which serves no obvious purpose.

The counselor caseload addressed earlier is also a serious concern as it relates to the unique needs of counselors supporting the IL program. A caseload of 1 to 130 is probably 3 to 4 times higher than it should be for a counselor serving an IL enrollee.

Additionally, discussions with Wounded Warrior alumni and their families indicate that there is a growing population of young, severely disabled veterans who will never meet the stated criteria of enrollment in the VR&E IL program, namely, future employability. And yet, the IL program could profoundly enhance the quality of life of these severely disabled veterans with little or no modification. Wounded Warrior Project recommends that VA examine this program to determine if enhanced quality of life rather than future employability should become a principal focus of the IL program.

Specialized Training to Enable Disabled Veterans to Become Certified Rehabilitation Counselors (CRCs)

The VR&E program is continually expanding its counseling staff to accommodate the unique needs of the newest generation of wounded warriors. VA may want to consider developing a specialized training program to enable disabled veterans to become CRCs. Also, preferential hiring should be offered by VR&E to these individuals to become permanent VR&E counselors.

Long-Term Outcomes Measurement

Finally, we applaud the VR&E program's ongoing efforts to implement a long-term outcomes measurement system to quantify the program's success. As noted in the GAO report, however, more work is required. Wounded Warrior Project believes strongly in measurable outcomes to include 6-month, 1-year, and 2-year follow-up evaluations which focus on employment retention and earnings. VA should also implement lifelong longitudinal assessments to ensure the next generation of wounded warriors benefits from the lessons we are learning today. The individual stakes are high. In a very real sense, the lives of the men and women who have given so much to their country may depend on this program's effectiveness. Every effort must be made to ensure that the VR&E program is having the impact and results intended.

Conclusion

The VR&E program can and should become one of the most successful and sought-after VA programs serving disabled veterans, one of the "crown jewels" of VA. Creating the Five-Track Employment Program was the right idea. It offers the framework to accommodate the urgent rehabilitation needs not just of our current veterans, but of our future wounded warriors as well. However, the VR&E program must be improved. With the improvements WWP has recommended and commitment by all involved, VR&E can achieve its vital objectives.

Wounded Warrior Project knows firsthand how successful these types of programs can truly be. Our TRACK, Warriors-to-Work, and Transition Training Academy are all designed to provide a complete range of education, counseling, vocational training, physical rehabilitation, and education through a holistic approach to the rehabilitation journey. Bi-directional feedback between our staff and our wounded warrior alumni is continuous, and program adjustments are made in real time. Most importantly, we establish benchmarks to measure the success of our programs. We believe the VR&E program has similar potential for success. We invite Members of the Committee to visit our TRACK program and the Wounded Warrior Project headquarters in Jacksonville, FL, at any time.

Thank you for allowing Wounded Warrior Project to participate in this important hearing. I would be happy to respond to any questions.

**Prepared Statement of John M. McWilliam, Deputy Assistant Secretary,
Veterans' Employment and Training Service, U.S. Department of Labor**

Madam Chairwoman Herseth Sandlin, Ranking Member Boozman, and Members of the Subcommittee:

I am pleased to appear before you today to discuss the collaborative efforts and the partnership between the Department of Labor's (DOL) Veterans' Employment and Training Service (VETS) and the Department of Veterans Affairs' (VA) Office of Vocational Rehabilitation and Employment (VR&E) Service, and our joint efforts to serve our Nation's disabled veterans in need of VR&E services that lead to employment.

In 2005 senior leadership from VETS and VR&E, including the Assistant Secretary for VETS and the Director for VR&E, met with the Subcommittee staff to discuss how the 2 agencies could better collaborate. As a result of that meeting, a new Memorandum of Agreement (MOA) between DOL and VA was executed and 3 work groups were established. Those 3 work groups have now been combined into a Joint Working Group (JWG).

I am pleased to report that there is strong and continuing close collaboration between our 2 agencies. In FY 2008, we initiated monthly meetings with senior staff from both agencies. In addition, the JWG meets periodically and the most recent meeting was March 16–19, 2009.

During FY 2008, VETS continued to focus on serving those disabled veterans who participate in the VR&E program, which is administered by the VA. The ultimate goal in this partnership is successful job placement and adjustment to employment for disabled veterans without duplication, fragmentation, or delay in the services provided.

Interagency initiatives to increase the employment opportunities and placements for service-connected disabled veterans who participate in VR&E continue to improve. DOL/VETS and VA/VR&E have been implementing the updated MOA outlining the process—and responsibility—to work together to maximize the services both agencies provide on behalf of disabled veterans.

Much of VETS' interface with the VR&E program is through the workforce investment system. Accordingly, VETS continues to work in partnership with its Jobs for Veterans State Grant (JVSG) recipients on behalf of VR&E job-ready veterans who are referred to and registered with the state workforce agencies (SWA) for intensive employment services.

Current status of DOL support to the VR&E program

VETS is working toward ensuring a veterans' employment representative is outstationed at each of the 57 VR&E Regional Offices. Preferably, these offices will have a Disabled Veteran Outreach Program (DVOP) specialist or a Local Veterans' Employment Representative (LVER) outstationed at least half time. As identified in the following chart, there is currently either a DVOP specialist or LVER outstationed at least half time in 49 of their Regional Offices and 19 satellite offices. This equates to 52 FTE DVOP and 7½ FTE LVER for a total FTE of 59½ as shown in the following chart.

Our standard is for one DVOP at every VR&E office. The State's JVSG 5 Year Strategic Plan (FY 2010–2015) will require the States to outstation a DVOP specialist at each VR&E Regional Office. These individuals will assume the new title of Intensive Service Coordinators (ISC) to differentiate between the duties and responsibilities at a One Stop Career Center (DVOP/LVER) and a VR&E location

(ISC). The table below shows the number of DVOPS/LVERS outstationed at VR&E sites.

National Roll-up DVOP & LVER Staff Outstationed at VR&E Locations (As of March 26, 2009)								
State	DVOP				LVER			
	# of FT Pos @ VR&E RO	# of HT Pos @ VR&E RO	# of FT Pos @ Satellite or Sub- Office	# of HT Pos @ Satellite or Sub- Office	# of FT Pos @ VR&E RO	# of HT Pos @ VR&E RO	# of FT Pos @ Satellite or Sub- Office	# of HT Pos @ Satellite or Sub- Office
NAT TOTAL	37	8	10	2	1	1	5	2
Total FTE	52				7.5			
	59.5							

The following table displays program results for FY's 2007 and 2008. It compares the levels of referral, registration, and entry into employment for FY 2006, FY 2007, and FY 2008 for disabled veterans who have completed VR&E and have been referred to the State Workforce Agency for intensive employment services. Retention data has not been collected in the past. However, as a result of the pilot project retention is now being collected and will be available this year. These results indicate that from FY 2007 to FY 2008 that the number of veterans referred by VA increased by 8 percent and the number registered by the SWAs increased by 9 percent. We are pleased to report there was an increase of 18 percent in the average entry hourly wage.

Key Measures of VR&E Performance for FY 2007 and FY 2008

Fiscal Year	Veterans Referred from VA to SWA	Veterans Registered by SWA	Veterans Entered Employment	Average Entry Wage*
2006	6,658	5,801	3,189	\$14.91 per hour
2007	6,520	5,549	3,662	\$13.64 per hour
2008	7,060	6,068	3,516	\$16.16 per hour

The VA/DOL Joint Working Group

As mentioned earlier the Joint Working Group evolved from the 3 work groups that were charted in the 2005 MOA. The goal of the JWG is to improve the quality of employment services and job placements for veterans enrolled in VR&E programs.

DOL and VA leadership have taken an active role with the JWG. I have taken a personal interest in this issue and have been involved in meetings with the joint work groups. I take this cooperative effort very seriously.

The 3 work groups were established to execute the requirements of the MOA. VETS' participants have included one individual from each of our 6 regions and at least 3 individuals from the national office. The 3 work groups are organized to deal with the following subjects:

- Performance Measures for Assessment of Partnership Program Results;
- Curriculum Design; and
- Joint Data Collection, Analysis, and Reports.

These groups have made significant accomplishments; they have:

- Facilitated a pilot program to identify and catalogue best practices from existing sites. This was a 1-year pilot that involved 8 locations.
- Developed roles and responsibilities for the major agencies involved in the VR&E process.
- Identified the major data collection issues to provide shared data collection between the VA and DOL.
- Identified the joint training requirements needed for this program.
- Published joint VA/DOL guidance. This technical assistance guidance document was published by both the VA and DOL in December 2008.

As a result of the initiative to clearly identify roles and responsibilities, we have designated the outstationed DVOP position as an Intensive Service Coordinator.

This designation, with new duty requirements, clearly differentiates the work required at VR&E sites from the roles of the DVOP at a One Stop Career Center.

In December 2008, the end of the pilot program was marked by a webcast to all VR&E locations that initiated the implementation phase of this project.

The next steps for the working group include:

- Development of joint training for all agencies. This is expected to be completed within 12 months.
- Conduct technical assistance visits to field locations to ensure the consistency of application of the new procedures.
- Resolve the shared data collection issues.

Moving forward, the work groups will continue to monitor information, such as that presented above, and on the new data collection tool, and provides much needed technical assistance in order to increase entered employment rates.

We are proud of our collaboration with the VA to increase employment opportunities for service-disabled veterans. That positive working relationship has also carried over into other initiatives and strengthened cooperation and coordination between VETS and our State workforce partners.

Participation on Joint Committees and Task Forces

In addition to implementing the MOA, VETS works with VR&E and VA in other ways:

- A VETS' staff person is a Member of the Veterans Advisory Committee on Rehabilitation (VACOR). This Committee reviews and makes recommendations to the Secretary of Veterans Affairs on all rehabilitation issues including those affecting policies and programs administered by VR&E.
- A staff Member represents VETS on the VA Advisory Committee on Women Veterans. This Committee reviews and makes recommendations on issues specifically related to women veterans.
- A staff Member represents VETS on the VA Advisory Committee on Education. This Committee makes recommendations on issues related to education and training issues including the GI Bill.
- A staff Member represents VETS on the VA Advisory Committee on Homeless Veterans. This Committee makes recommendations on issues related to homeless veterans.
- The VA's Undersecretary for Benefits represents VA on DOL's Advisory Committee on Veterans Employment, Training, and Employer Outreach.
- VETS works closely with VR&E, as well as the Department of Defense, on issues involving transition of active duty servicemembers. VETS chairs a Transition Assistance Program Steering Committee with the Department of Defense, on which VR&E and other VA interests are represented.
- VETS also participated on the VR&E Task Force on Vocational Rehabilitation. This group developed the Five Track System currently being implemented at all VA Regional Offices.

Other collaborative efforts

VETS senior staff participated in VR&E's last 4 National training conferences. A VETS' staff Member also presented VETS' programs at the VA Employment Coordinator conference in September 2008. VR&E staff also frequently participates in LVER and DVOP State training conferences. I have met with the VA's Under Secretary for Benefits, and can tell you that we share a commitment to improving employment outcomes for VR&E participants. In addition, VETS' senior staff now have a standing schedule for regular monthly meeting with the VR&E to discuss current issues of mutual concern and to enhance our joint partnership.

While not specifically a VR&E or VETS initiative, staff from both agencies participated in the 34th Institute on Rehabilitation Issues (IRI) sponsored by the George Washington University Center for Rehabilitation Counseling Research and Education (CRCRE). *The report When Johnny (or Jeannie) Comes Marching Home . . . and Back to Work* was recently released and is available at <http://www.gwu.edu/~iri/publications.htm>. This monograph discusses linking Veterans Affairs and State Vocational Rehabilitation (VR) services for service men and women. The role played by VETS is also well delineated.

This concludes my statement and I would be happy to respond to any questions.



**Prepared Statement of Ruth A. Fanning, Director, Vocational
Rehabilitation and Employment Service, Veterans
Benefits Administration, U.S. Department of Veterans Affairs**

Madam Chairwoman and Members of the Subcommittee, thank you for inviting me to appear before you today to discuss VA's Vocational Rehabilitation and Employment (VR&E) program. My testimony will provide an overview of the VR&E Program and the services we provide, a review of performance statistics, status of the relationship between VA and the Department of Labor (DOL), progress on the congressionally mandated 20-year longitudinal study, and improvements to VR&E programs.

Overview of VR&E

VR&E provides career and independent living services to Veterans and Servicemembers through 2 programs, Coming Home to Work (CHTW) and VetSuccess. Approximately 1,100 employees in 57 regional offices and over 100 out-based offices provide services to Servicemembers and Veterans with disabilities resulting from their military service, as well as to certain family Members. Servicemembers and Veterans are assisted in obtaining and maintaining suitable careers and living as independently as possible in their homes and communities. We provide interested Servicemembers and Veterans career and adjustment counseling during their transition from active duty and throughout their enrollment in VA sponsored education programs. Career counseling is available to children and spouses or widows of Veterans who have permanent and total service-connected disabilities or who died during military service or as a result of their service-connected disability. Additionally, children of certain Veterans who served in Vietnam or Korea are eligible for services under Chapter 18 to mitigate spina bifida disabilities and complete training leading to a suitable job.

Coming Home to Work

VR&E is engaged in aggressive outreach through the Coming Home to Work (CHTW) program. This program provides expedited entry into the VR&E program and eases Servicemembers' transition into their educational and career paths. Outreach is conducted at Department of Defense (DoD) facilities, VA medical centers, and special homecoming events. CHTW was recently expanded to outreach to Guard and Reserve Members during Post Deployment Health Reassessment events and Yellow Ribbon functions. To make sure Servicemembers on medical hold have easy access to VR&E services, 13 full-time vocational rehabilitation counselors are stationed at 12 DoD military treatment facilities. VA has also appointed a CHTW coordinator in every regional office.

VetSuccess

VR&E's VetSuccess program assists Veterans to prepare for and enter careers, and live as independently as possible at home in their communities. Counseling and employment staff assists Veterans to plan for their future careers, receive necessary training or education, and successfully compete for careers. For those Veterans whose disabilities are too severe to make employment feasible, VR&E provides a wide range of independent living services, including volunteer work placement, assistance using public transportation, life skills coaching, counseling, and other services.

VR&E services are tailored to meet each individual Veteran's needs and are provided within 5 general "tracks" or types of services. These tracks include re-employment with a previous employer; rapid access to employment through job-readiness preparation and incidental training; self-employment, for those who wish to own their own businesses; employment through long-term services that include formal training and education programs leading to suitable employment; and services to maximize independence in daily living, for veterans who are currently unable to work or participate in other programs of vocational rehabilitation. Independent living services may also be provided concurrently with another track if needed to meet individual Veteran needs.

Program Statistics

The typical VR&E participant is a male Army Veteran, 30 to 39 years old; the typical OEF/OIF participant is 20 to 29 years old. The most common period of service is the Gulf War Era, and the most typical disability results from an orthopedic injury. Currently 106,000 Veterans and Servicemembers are receiving VR&E services. Over 71,522 new applications were received for the VR&E program last year—over a 13-percent increase from 2007.

Veterans participating in the VR&E program are monitored based on case statuses. Case statuses correspond to the 5 tracks of services, with Rehabilitation to Employability (RTE) being the training or Long-Term Services track; Job Ready (JR) including the job placement tracks of Reemployment, Rapid Access to Employment, and Self-Employment; and the Independent Living (IL) status corresponding to the IL track. Currently, the average time in training is 613 days, the average time for job placement services is 203 days, and the average time for independent living services is 310 days.

Because services are tailored to Veterans' needs, there is crossover between the tracks; for example, a Veteran receiving services in a job placement track may require short-term training to obtain certifications in the IT industry prior to starting to look for work. Further, as Veterans' needs change, the types of services provided may also change.

VR&E Service implemented a track selection identifier in its corporate database in 2007 and is working to develop corresponding reports to collect information about which tracks of services are most commonly used. Because rehabilitation planning is a dynamic process that changes based on Veteran needs, VR&E is currently evaluating system changes needed to also capture changes in programs of services in order to gain a full understanding of services received by individual Veterans.

Despite the current economic environment, the rate of veterans getting jobs and achieving independent living goals has remained steady. This rehabilitation rate is measured as the percentage of Veterans completing their VR&E program who achieve their VR&E goals and are declared rehabilitated as compared with all veterans leaving the program, including those discontinuing the program prior to completing their VR&E plan of services. In FY 2008 and this fiscal year to date, the rehabilitation rate was 75 percent. This represents almost 8,800 veterans reaching their career goals last year, with another 2,200 reaching independent living goals.

Average entry-level earnings were approximately \$33,500 yearly, with 76 percent entering careers in the professional, managerial or technical fields. The average total program cost for a rehabilitated Veteran is \$32,088. Costs include tuition, books, fees, equipment, subsistence allowance, and contracted services.

About 14,000 of the over 28,000 OEF/OIF Veterans enrolled in the VR&E program are eligible for the new Post-9/11 GI Bill program. The new GI Bill program pays tuition, within program limits, and also provides a book stipend and housing allowance. As the new Post-9/11 GI Bill is implemented, VA will need to monitor participation to ensure that these programs are coordinated to best serve Veterans' success.

As previously noted, VR&E is engaged in active outreach to inform Veterans about the various benefits available to them in order to assist Veterans to select VR&E or GI Bill programs best suited to their needs. Additionally, VR&E Service is studying recommendations made by various study groups that have proposed transition and incentive benefits for Veterans participating in programs of rehabilitation to help more Veterans complete VR&E programs and enter suitable careers.

VA and DOL Partnership

VR&E has an active partnership with the Department of Labor's Veterans' Employment and Training Service (VETS) program, focused on advancing, improving, and expanding employment of Veterans with disabilities. Through this partnership, VR&E and VETS established a joint workgroup that designed, tested, and implemented a best practice team model. This model has improved working partnerships between VETS, VR&E, and State Workforce Agencies (SWA) around the country. A post implementation joint workgroup is in place to look for additional process improvements; changes needed due to evolving employment needs of Veterans with disabilities; and assistance needed by specific VETS, SWA, or VR&E sites to effectively collaborate to help Veterans become employed.

20-Year Longitudinal Study

The longitudinal study mandated by Public Law 110-389, section 334, is expected to be awarded no later than September 30, 2009. A statement of objectives has been developed and an Integrated Project Team (IPT) is being established. The IPT's role is to expedite award of the contract to implement the longitudinal study. The contract includes logistical work necessary to set up the study, as well as data collection and analysis necessary to deliver the first report due to Congress in July 2011.

Improvements to the VR&E Program

Coming Home to Work

As previously discussed, the CHTW program was expanded in February 2008 to become VR&E's primary outreach and early intervention program. This expansion

includes establishment of an outreach team in VBA Headquarters to ensure a continued focus with DoD in providing transition services to Servicemembers on medical hold, as well as ensuring continued outreach to all Veterans in need of assistance with career or independent living issues resulting from their disability conditions. To date, these collaboration efforts have resulted in an increase in Servicemembers and veterans applying for VR&E services, with over 13 percent more applications for VR&E services received last year.

Marketing of the VR&E Program

In order to increase Servicemember and Veteran awareness of the services provided by the VR&E program, VR&E is launching a marketing campaign. This campaign will focus on branding the employment and independent living services provided through the VR&E program as "VetSuccess." VR&E Service redesigned its Veteran-focused Web site—VetSuccess.gov. The VetSuccess.gov Web site provides Veterans with access to a variety of program and online tools to assist them in achieving their career goals.

In partnership with Direct Employers and the National Association of State Workforce Agencies, the Job Central database of over 500,000 jobs has been incorporated into the VetSuccess.gov Web site. In addition, VetSuccess.gov contains a specialized job bank for Veterans receiving Chapter 31 services. This feature allows employers to list job openings and search through the VetSuccess resume bank for candidates to match their staffing needs. This Web-based tool also provides résumé support, career resources, program information, access to online applications for various VA benefit programs, and other resources. Future enhancements will focus on tools related to success in training programs, independent living services, and other resources to help Veterans make a successful transition to work and home.

In addition, transparency of VR&E program results for stakeholders and the public has been expanded through development of additional outcome metrics that separate outcomes for employment and independent living successes.

Training

Equipping VR&E staff to meet the needs of today's Veterans is vital to the success of the VR&E program. VR&E's training team is actively developing and deploying computer-based training job aids and programs. These tools are designed to provide desktop access to just-in-time work aids and training guides for every function of the counselor and employment specialist roles. In addition, national training for new counselors is provided, with over 150 counselors trained in 2008 and training planned in 2009 for over 100 additional counselors. A new-manager training program was also launched in 2008, and a management enhancement program is being planned in 2009 to identify and begin to develop new leaders. VR&E is working with VA's Education, Development, and Training Office, to assess skills of professional staff. This information will be used to target training on topics most relevant to helping Veterans return to suitable careers and be as independent as possible.

VR&E also works with the Council for the Certification of Rehabilitation Counselors (CCRC) to provide certified VR&E professional staff with continuing education credits. Support of the CCRC continuing education credit process encourages vocational rehabilitation professionals to maintain professional certifications and stay current in the rehabilitation field.

Conclusion

VR&E has made significant program improvements in the past 4 years. The VR&E program is Veteran-focused, with services directly linked to the achievement of suitable careers and/or maximum independence at home and in the community. We continue to work aggressively to improve and market the program to our Veterans in order to assist more Veterans to achieve their rehabilitation and employment goals—particularly during the current economic downturn.

Madam Chairwoman, this concludes my statement. I would be pleased to answer questions from you or any of the other Members of the Subcommittee.



**Statement of Patricia Nunez, Chairwoman,
Commission on Rehabilitation Counselor Certification**

Madam Chairwoman and Members of the Subcommittee, thank you for inviting me to present testimony related to the Vocational Rehabilitation and Employment (VR&E) Programs. Although the Commission on Rehabilitation Counselor Certification (CRCC) is unable to provide verbal testimony, we appreciate the opportunity to provide this written testimony. My testimony will highlight the continued need for qualified services through the Vocational Rehabilitation and Employment programs and how Certified Rehabilitation Counselors (CRCs) are uniquely qualified to provide such services to veterans.

CRCC Supports the Benefits of the VR&E Programs

The mission of CRCC is to promote quality rehabilitation counseling services to persons with disabilities through the certification of rehabilitation counselors and to provide leadership in advocating for the rehabilitation counseling profession. Veterans who have a service-connected disability are a growing population of individuals. They need services from those who are uniquely qualified to provide effective vocational rehabilitation services so that veterans may transition from military service to suitable employment or, for those who with severe disabilities who are unable to work, to independent living. We understand the VR&E to be conscientious about continually assessing its programs and services to ensure that veterans are receiving quality services from the point of initial evaluation to the end goal of suitable employment or independent living. Likewise, VR&E leadership is fully supportive of ensuring that the VR&E staff are equipped with the most up-to-date knowledge by providing and supporting their continual learning and development.

The Department of Veterans' Affairs is an Employer of Choice for CRCs

Certified Rehabilitation Counselors are increasingly seeking employment within the VR&E programs, as these programs provide them with the ability to provide the full scope of rehabilitation counseling services for which they are trained. CRCs, through formal education and training, demonstrate that they have met the national standard for rehabilitation counseling and have the unique skills to assist individuals with disabilities as they seek re-employment with a previous employer, rapid access to employment through job-readiness preparation, self-employment, employment via long-term training and education, and services to maximize independence in daily living for those unable to work. The VA is also an employer of choice for CRCs due to the favorable pay and benefits offered by the Department. Benefits are inclusive of the commitment to supporting and providing continuing education for staff, which is also a requirement for those who are certified as CRCs.

While the VA does employ CRCs, we recognize that the VA has established hiring requirements based on specific education and coursework, which some CRCs may not meet who are otherwise very highly qualified and skilled in providing services offered by VR&E. Other practice settings are experiencing a shortage of qualified staff and are in a position of re-examining hiring standards as a result. We would urge the VA, and any other practice setting experiencing the same shortage of qualified staff, to maintain high standards by considering the many qualified CRCs who may not meet the exacting educational standards currently in place.

Benefits for Veterans

The VR&E's commitment to quality services, and thus a benefit for the veterans they serve, is certainly highlighted in their continual program assessment and commitment to continued training and education for staff. CRCC likewise supports these aspects by requiring that CRCs maintain their certification through a program of continuing education or by re-examination. CRCs are uniquely qualified to provide the full range of services provided by VR&E including:

- comprehensive rehabilitation evaluation to determine abilities, skills, interests, and needs
- vocational counseling and rehabilitation planning
- employment services such as job-seeking skills, resume development, and other work readiness assistance
- assistance finding and keeping a job, including the use of special employer incentives
- if needed, training such as On the Job Training (OJT), apprenticeships, and non-paid work experiences
- if needed, post-secondary training at a college, vocational, technical or business school

- supportive rehabilitation services including case management, counseling, and referral
- independent living services

Concluding Remarks

In anticipation of an increasing demand for services for the many deserving veterans, CRCC fully supports the continuing need for the VR&E programs, their continued development and advancement, and the advancement of hiring standards to recognize CRCs. The population of veterans is not only increasing but the severity of disabilities is also increasing. It is important that quality services be provided by those who are uniquely qualified to provide them—Certified Rehabilitation Counselors.

Madam Chairwoman, this concludes my written testimony. I would be pleased to respond to questions from you or any of the other Members of the Subcommittee.

MATERIAL SUBMITTED FOR THE RECORD***Wounded Marines: School Didn't Deliver***

By Gidget Fuentes—Staff writer

Posted: Monday Mar 9, 2009 19:02:10 EDT

http://www.navytimes.com/news/2009/03/marine_schoolsuit_030609w/

SAN DIEGO—A film-training and job-placement program created for wounded Marines and corpsmen by a foundation with Hollywood connections looked like a sweet deal when the first class graduated last year.

But some participants say Wounded Marine Careers Foundation Inc. fell short on its promise of a free, 10-week training program with guaranteed employment and Membership in a key Hollywood union.

Instead, some claim the private, nonprofit foundation charged the Department of Veterans Affairs for \$88,000 in vocational rehabilitation benefits for some students, but didn't deliver on a variety of promises.

Now, one former Marine has filed a nearly \$300,000 civil suit against the group, and some graduates are weighing their options.

Giving something back

Wounded Marine Careers Foundation was established in 2007 by Emmy award-winning filmmaker Kevin Lombard and his wife, Judith Paixao, to teach filmmaking skills—including photography, editing and audio—to disabled veterans, with costs expected to be covered by donations and other fundraising. The goal “was to do a seamless transition for them into the workforce,” Paixao said.

The group signed up a blue-chip roster of trustees, including 2 former commandants, retired Generals P.X. Kelley and James L. Jones, the latter now national security adviser to the Obama Administration. The foundation transformed a studio warehouse building in San Diego into a well-equipped school and graduated 19 students in the first class.

“I wanted to give back to these guys,” said Lombard, whose father was a Marine and who has spent 38 years as a cinematographer, director and producer.

In a Feb. 19 interview, Lombard and Paixao said they initially believed donations would be enough to cover the training costs for the students.

“We didn't think that a wounded veteran would have to pay for a wounded warrior program,” Lombard said. “I thought, being in the motion picture industry for 30 years . . . once people found out about this, we'd be funded. To me, it seemed like making a small-budget independent film.”

But they didn't realize how tough it would be to get \$2 million in donations, the amount Lombard estimates is needed annually to run the training center for the 3-year “pilot” program.

“The equipment is expensive, and the personnel who teach you to learn on the equipment is expensive,” Lombard said. “The technology is changing so quickly, you've got to be able to keep up with them.”

Lombard said he didn't know about the VA program until one of the students in the first class mentioned it. The Vocational Rehabilitation and Employment Service covers tuition, fees, books, supplies and equipment for eligible service-disabled veterans and provides a monthly stipend for temporary housing. Benefit amounts vary case by case, and the VA pays the approved school or training program directly.

The foundation applied to become a certified training center, and the VA reviewed and approved the course curriculum, budget, programs, faculty and the facility.

Suspicious and questions

Former Lance Cpl. Brent Callender was sold on the program when he first heard about it from Paixao and Lombard, who visited him as he recuperated at Camp Pendleton.

“They pitched this idea to us as a gift to us, that they would be using private funding,” said Callender, 23, a former combat engineer who suffered extensive injuries in Iraq from a roadside bomb. “I was like, ‘OK, that sounds like a good idea.’ I just wanted to work in TV and film.”

When the course began, an employee asked students if they would use vocational rehabilitation benefits, and distributed forms “just in case we needed it,” Callender said. He signed the form as part of the larger enrollment process, but believed donations would cover the costs, he said.

Program brochures said semesters cost \$10,000 for each student. Several people associated with the foundation questioned the use of VA benefits, including cinematographer Levie Isaacks, a former Army infantry platoon commander and Vietnam veteran, who helped teach the first class.

“To watch these guys learn the creative process, they just come alive. These guys were living in hospitals, they were isolated,” Isaacks said. “It’s just a question of the money.”

Isaacks, who received \$27,500 for teaching the first class, was furious that students had “signed over all their rehab benefits.” He said he’s taught courses that cost \$1,500 a week, but “\$88,000, I’ll tell you, is just outrageous.”

Isaacks said he complained in a letter to the VA but has not received any response.

VA benefits add up

In 2007, the VA approved the foundation and later recertified the school for the current class that began in January, said Tristan Heaton, a VA spokesman in San Diego.

According to VA records, the foundation has received \$1,223,808 in benefits so far. The VA paid the foundation \$88,550 for tuition costs for each of 8 students among the 19 in the first class and \$64,426 for each of 8 students in the current class, Heaton said.

Neither the VA nor the foundation has explained how that figure was determined, or what changed to drive the price down by \$24,000 per student.

It remains unclear whether this represents the only VA rehab benefits available to the students. Each case is tailored to the veteran, Heaton said, but he did not elaborate on whether available benefits are capped at a certain amount.

Paixao said a VA counselor visits each Friday and meets with beneficiaries. She said veterans are not forced into using their VA benefits.

“Many of them do use their own benefits for the program,” she said. “It’s completely elective.”

Donations cover other students’ tuition, as was the case for the first group, where about half of participants did not apply for VA benefits.

Lombard said the couple put up most of their own money to help start the San Diego center. Paixao said they just received their first paychecks in mid-February, but would not disclose the amount.

The foundation received some healthy donations—the couple would not specify those amounts, either—but most donors have given a few hundred dollars at most, Paixao said. Times have seemed “tremendously bleak,” she said.

But former Cpl. Joshua Frey, a graduate of the inaugural class, isn’t feeling sorry for the foundation. Eager to begin a new career after suffering devastating injuries in Fallujah in 2004 as a Member of 3rd Battalion, 1st Marines, Frey signed up after program brochures indicated donations would cover expenses.

“I wasn’t expecting that I had to pay it,” said Frey, 32.

He used his VA training benefits but today fears he wasted it. “We’ve got nothing to show for it.”

Former Lance Cpl. Mike Passmore said he “didn’t know too much about Voc-Rehab, other than it did pay for school. It turned out it was \$88,000. You pay that for a 4-year college degree.”

Passmore, wounded in Iraq with 2nd Battalion, 7th Marines, is bitter. A VA rep told him his benefit “is a one-time deal,” he said.

“In the end, we didn’t get what we were promised,” he said. For instance, students didn’t get a video camera package he believed they’d get at graduation, and several complained the union cards they received were only good for work as a film loader, an entry level job in the industry.

Passmore took a job last April with Fox Sports in Los Angeles, but found he had to learn a different editing system, so he quit.

The couple defends the course. Paixao said students got to keep a digital camera, an editing system and software, and donated laptops, but the foundation didn’t give them the \$5,000 Panasonic video cameras used in the course. Membership with the International Association of Theatrical Stage Employees, Lombard said, is valued and key to getting different types of work.

Defending the curriculum, Lombard said some systems taught in the class might be different than what a student has to use on a job at a television station or on a film set.

Passmore, now an apprentice at a tattoo shop, remains angry.

“They took advantage of Marines who were wounded,” he said.

Lawsuit pending

The second class began in early January, with a dozen students in a revamped 14-week course that will graduate students “qualified to work at higher than entry-level, union-qualified jobs,” according to a recent program brochure.

“It’s much more than just the basics,” Paixao said. Older students make up the newest class—it includes 2 soldiers, a Navy officer, a corpsman and an airman.

Paixao said “the mission is still pure: Train in media skills and help them find jobs.”

She said it’s been a tough road. The couple hears accusations that they’re only in it for the money. Some relationships with people once associated with the center have soured. Their friends wonder why they moved from Connecticut to devote time to the center.

“It’s taking its toll, physically and emotionally, with the 2 of us,” Lombard said.

They have transformed the course for the second class, adding an extra month of instruction and more hands-on training, while driving down the price.

Lombard said they’re talking with a university about giving graduates college credits. The foundation has strengthened its ties with the 50,000-member IATSE union, which recently reiterated its support to waive the \$3,500 initiation fees for each graduate and help them find jobs, he said.

“We’re even more impassioned now. . . . But there’s a lot of heartache with the growing process,” Lombard said.

Others are feeling heartache too, including those who feel betrayed by Lombard and Paixao.

Cpl. Philip Levine, 34, was a mortarman with 3rd Battalion, 5th Marines, and joined the foundation in early 2007 as a co-founder and representative for wounded warriors on its board of directors.

“I thought it would be a great thing, so I gave 100 percent,” he said. He planned to attend the first class.

Levine, wounded in Fallujah in 2004, recalled that donations were supposed to cover tuition.

“We’re a foundation,” he said. “Why should a recipient have to use his benefits?”

His questions led to growing “friction” with Lombard and Paixao by year’s end, he said, and he was voted off the board and barred from taking the course. Levine sued the couple and the foundation in San Diego Superior Court and is seeking nearly \$3,000 of unreimbursed expenses plus damages of \$290,000 over the failed partnership. The trial begins in April.

The couple declined to answer questions about the lawsuit.

“He’s never been paid a dime, and they’ve never even paid his expenses,” said Levine’s attorney, Dick Lynn of San Diego. Levine met once with Commandant General James Conway and helped draw attention and encourage donations for the foundation, Lynn said.

“He worked day and night on this thing for a year.”

Ultimately, Levine said his case isn’t just about the money.

“I’m looking for answers. . . . I gave so much,” he said. “I trusted them.”

Committee on Veterans’ Affairs
Subcommittee on Economic Opportunity
Washington, DC
April 15, 2009

Mr. Peter Gaytan
Executive Director
American Legion
1608 K Street, NW
Washington, DC 20006

Dear Mr. Gaytan:

I would like to request that The American Legion respond to the enclosed questions I am submitting in reference to a hearing from our House Committee on Veterans’ Affairs Subcommittee on Economic Opportunity hearing on *Oversight of Vocational Rehabilitation and Employment Programs* on April 2, 2009. Please answer the enclosed hearing questions by no later than Wednesday, May 27, 2009.

In an effort to reduce printing costs, the Committee on Veterans’ Affairs, in cooperation with the Joint Committee on Printing, is implementing some formatting changes for material for all Full Committee and Subcommittee hearings. Therefore, it would be appreciated if you could provide your answers consecutively on letter size paper, single-spaced. In addition, please restate the question in its entirety before the answer.

Due to the delay in receiving mail, please provide your response to Ms. Orfa Torres by fax at (202) 225-2034. If you have any questions, please call (202) 226-4150.

Sincerely,

Stephanie Herseth Sandlin
Chairwoman

American Legion
Washington, DC.
May 27, 2009

Honorable Stephanie Herseth Sandlin, Chair
Subcommittee on Economic Opportunity
Committee on Veterans' Affairs
U.S. House of Representatives
335 Cannon House Office Building
Washington, DC 20515

Dear Chair Herseth Sandlin:

Thank you for allowing the American Legion to participate in the Subcommittee hearing on Vocational Rehabilitation and Employment (VR&E) Programs on April 2, 2009. I respectfully submit the following in response to your additional questions:

1. Is the VR&E funding level adequate? If not, then at what level should VR&E be funded?

The American Legion believes VR&E is not funded adequately. VR&E needs to have an additional 200 (combined total) counselors and coordinators in order to function at maximum capacity. At approximately \$100,000 per counselor/coordinator, an additional \$20 million would be needed for these key positions.

2. In your testimony you state that VR&E needs relevant data concerning the number of veterans who are applying for benefits to project future workload. What data should VA be looking at, and where can this information be found?

The American Legion believes that through seamless transition efforts between DoD and VA there could be identification of potential VR&E participants in order to project future workload and overall staffing needs. Another approach to receiving relevant data could come from servicemembers who attend the Transition Assistance Program (TAP) along with referrals from job services that feature veterans.

3. In your testimony you state that VA leadership must continue to focus on improvements in case management, vocational counseling, and job placement. What improvements should the VA be making to case management, vocational counseling and job placement?

In relationship to case management and vocational counseling, many VR&E Regional Office staff reported they still do not have enough staff with the right skills to properly administer the program. VA needs to adequately train its staff in these offices so veterans can receive the best education and employment services possible, which will lead to meaningful employment and a high quality-of-life that veterans deserve. The American Legion recommends that participants in the VR&E program be identified in a career path as early as possible.

The American Legion also recommends that veterans be trained and guided in the direction of some of the more difficult positions that need to be filled within the Federal Government. Career Fields like information technology, claims adjudications, and debt collection offer gainful employment and great opportunities for veterans who participate in the VR&E program. This focus would also greatly assist with the job placement piece of the VR&E program. Job placement through VR&E is vital for veterans' financial independence. Clearly, any employability plan that does not achieve the ultimate objective—a job—is falling short of actually helping those veterans seeking assistance in transitioning into the civilian workforce.

While VR&E has focused more on employment, program incentives still haven't been updated to reflect this emphasis. VR&E program incentives remain directed toward education and training. Veterans who receive those services collect an allowance, but those who opt exclusively for employment services do not. The Amer-

ican Legion believes incentives toward the employment services would greatly assist and encourage eligible veterans to remain in vocational rehabilitation programs, search for employment, and assist with living expenses.

Additionally, The American Legion recommends exploring possible training programs geared specifically for VR&E counselors through the National Veterans Training Institute (NVTI). Contracting for standardized or specialized training for VR&E employees could very well strengthen and improve overall program performance. NVTI serves as a valuable resource for Department of Labor, Veterans Employment and Training Service (DOL-VETS) employment specialists and has contributed to a marked improvement in DOL-VETS performance.

Sincerely,

Mark Walker, Deputy Director
National Economic Commission

Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
Washington, DC.
April 15, 2009

Colonel (ret.) Michael R. Turner
Chief, Congressional Affairs
Wounded Warrior Project
10 G Street, NE
Washington, DC 20002

Dear Colonel Turner:

I would like to request that the Wounded Warrior Project respond to the enclosed questions I am submitting in reference to a hearing from our House Committee on Veterans' Affairs Subcommittee on Economic Opportunity hearing on *Oversight of Vocational Rehabilitation and Employment Programs* on April 2, 2009. Please answer the enclosed hearing questions by no later than Wednesday, May 27, 2009.

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Sincerely,

Stephanie Herseth Sandlin
Chairwoman

**Wounded Warrior Project Responses to Questions For the Record
Representative Stephanie Herseth Sandlin
Chairwoman, Subcommittee on Economic Opportunity
House Veterans' Affairs Committee
Oversight Hearing on Vocational Rehabilitation
and Employment Programs**

April 2, 2009

Question #1: How can long-term measurement mechanisms used to quantify program success be improved?

According to its January, 2009 Report (GAO-09-34) the Government Accountability Office noted that VR&E reports an overall rehabilitation rate for all participants. The GAO recommended separate outcome measures for those seeking employment and those in the Independent Living track, in order to measure overall program effectiveness. Wounded Warrior Project agrees with the GAO recommendation because different program services are needed for veterans who are seeking employment and veterans who are learning to live independently.

With regard to performance outcomes for the 3 VR&E employment tracks and the education track, Wounded Warrior Project notes the Department of Labor and the Department of Veterans Affairs have begun to collaborate more closely in improving employment services to VR&E participants and WWP believes this continued cooperation is also essential to improving employment outcomes since the DOL is VA's primary employment services partner.

The 2 agencies have recently developed and begun to implement joint performance measures and tracking systems for VR&E participants. These measures include:

Entered Employment Rate
Employment Retention Rate
Earnings Upon Employment

These measures, if properly implemented, provide the minimum outcome measurements to judge program success. They are also consistent across other programs in Government.

In addition to these primary performance outcomes, Wounded Warrior Project believes supplemental short-term and long-term outcome measurements are needed.

The short term outcome measurements could include (but not be limited to):

1. Number of participants who complete training as planned;
2. Number of participants who complete a modified rehabilitation plan;
3. Number of participants who fail to complete their plan and why;
4. Number of participants who complete their plan and find employment in their planned field;
5. Number of participants who complete their plan but find employment in a different field.

The long-term outcomes measurements should seek to quantify employment success at the 6-month, 1-year, and 2-year point. If employment assistance payments were extended to at least 6 months after employment for the employment tracks, a change Wounded Warrior Project supports, monthly online survey completion could be added as a requirement to remain eligible to receive those payments. Questions at the 6-month, 1-year, and 2-year point could include:

1. How long after completion of VR&E did it take for the participant to first become employed?
2. Is the participant still employed?
3. How many employers has the participant had since completing VR&E?
4. Is the employment in a field identified in the participant's VR&E rehabilitation plan?
5. Rate the value of the VR&E training the participant received in obtaining their first job after completing VR&E.
6. Rate the value of the VR&E training the participant received in obtaining their current job.
7. Rate the employee's current job satisfaction.
8. Provide the employee's current salary.

Question #2: Do you think that the new GI Bill could render VR&E obsolete unless it is improved?

This depends on the course of study sought by the enrollee and the location of the training. Because VR&E has no education assistance cap like the new GI Bill, if the enrollee is seeking education at a particular school not available under the new GI Bill, then VR&E is the better option. However, inadequate subsistence rates in VR&E are a significant detractor and, if left unchanged, will probably result in even lower enrollment in VR&E.

The core elements of the current VR&E program make it far superior to the new GI Bill, however significant enhancements to the program are needed.

First, subsistence levels must be raised to at least that of the new GI Bill. Simply put, if new subsistence rates are needed for the New GI Bill, they are certainly needed for VR&E participants. Otherwise, the perception is that VR&E participants are being penalized if they want to attend a higher tuition school. Subsistence should be paid in whole month increments when any training is received during a month (e.g. vocational training for partial months in the employment tracks). Subsistence payments should extend for 6 months after completion of the VR&E program to assist the veterans with their job search activities.

Secondly, VR&E's unlimited education assistance should be protected.

Thirdly, other expenses like child care, commuting, peer tutors, etc. should be considered on an as needed basis for VR&E participants.

Fourth, counseling and tutoring—critical to VR&E participants' success, varies widely. It should be far more responsive and available.

Finally, and most importantly, it should be mandatory that VA provide VR&E briefing for every servicemember prior to separation from the military. In addition, VA should also inform veterans about VR&E opportunities when the veteran receives his/her disability rating, and each time that rating changes.

With these relatively easy to implement enhancements, VR&E can become the 'crown jewel' of employment programs so richly deserved by our disabled veterans. However, without these changes, enrollment may very likely drop significantly.

Question #3: In your testimony you state that VR&E counselors do not systematically monitor participants to document progress and provide program assistance. Is this due to poor management, high caseload or some other reasons?

Wounded Warrior Project believes the caseload is probably the major factor. VR&E staff acknowledges that the current, average caseload is about 130 cases per counselor. We think this is too high, although the load should vary by track. 130 cases for a counselor monitoring the reemployment track may be an acceptable ratio. However, the same number of cases for a counselor monitoring the education track is probably not. Such a caseload for the IL track is absolutely too high. Furthermore, counseling across tracks is probably not optimum. It is difficult to equate the counseling skills required to support an IL enrollee, someone working toward a Masters degree, and someone attending a small-business startup program.

Participant access to and contact with counselors will obviously vary by track and should reflect an overall counseling plan unique to each track. In the education track, counselors should have an academic counseling background. They also should monitor each student's academic progress, and they should intervene immediately when it is apparent the student is experiencing difficulty with their particular program. Employment tracks other than the education track should be supported by career counselors, and IL counselors clearly should be specialists in assisting the severely disabled.

Question #4: You state that VR&E should pay a full month of subsistence for every partial month a veteran is enrolled. Can you elaborate on what you mean by partial month?

Within the VR&E program, subsistence is paid whenever a participant is enrolled in a formal training program consistent with his or her rehabilitation plan. If this is a partial month, VR&E pays a prorated month. For example, if an enrollee in the rapid access to employment track attends a formal certification course which lasts 10 days, he will be paid subsistence only for those 10 days, not the full month. Three of the 4 employment tracks are generally so short that limited, if any, subsistence is ever paid.

Enrollment in a track should, by itself, be the basis for awarding subsistence, not the duration of the actual training received within that track. In addition, if a veteran enters the rapid access to employment track and takes 2½ months to find a job, he should be paid subsistence for 3 full months even if no formal training is received. Obviously, the VR&E counselor should ensure that the enrollee is actively seeking employment during that entire time.

A simplified and slightly more generous subsistence structure such as this for the 3 non-college tracks—tracks which are used far less frequently than the education track—would likely add some cost to the program although participant levels in these 3 tracks are significantly less than the education track (e.g., the recent GAO review we previously cited indicated that 22 percent of VR&E participants are currently enrolled in these 3 tracks). More importantly, this subsistence structure would create a very meaningful incentive for non-college bound veterans to use the VR&E program.

Question #5: You state in your written testimony that an increasing number of OEF/OIF veterans are apparently being denied entry into the program. Did these veterans meet the criteria and therefore should not have been denied entry into the program?

Yes, the Wounded Warriors referred to in our testimony did indeed meet the criteria and should not have been initially denied entry into the program. The fact that they were later enrolled in the program serves as further evidence that the difficulties these OEF/OIF warriors had in gaining entry into the program were unwar-

ranted. Wounded Warrior Project has worked on multiple occasions to remedy specific case-by case VR&E eligibility issues.

While we can currently provide anecdotal instances of these issues, in order to best portray the realities in the field, WWP will be formally surveying our warriors to garner the statistical data necessary to establish the systemic trends we believe we are seeing. Upon completion of this survey we will gladly relay our findings to the Committee or others who request them.

Question #6: on average, how much contact should a VR&E counselor have with a veteran enrollee and how much time should be spent during each interaction.

Currently, Wounded Warrior Project does not have enough data to definitively recommend an appropriate number of contacts nor do we have enough information to provide an informed opinion as to the time each counselor should spend with each enrollee.

WWP does believe the counselors should be track specialists and we recognize the average number and duration of interactions would generally vary by track. It is also necessary to recognize that counselor interaction with participants should reflect an overall counseling plan unique to each track.

Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
Washington, DC.
April 15, 2009

Mr. Bob Wallace
Executive Director
Veterans of Foreign Wars of the United States
200 Maryland Ave., SE
Washington, DC 20002

Dear Mr. Wallace:

I would like to request that the Veterans of Foreign Wars of the United States respond to the enclosed questions I am submitting in reference to a hearing from our House Committee on Veterans' Affairs Subcommittee on Economic Opportunity hearing on *Oversight of Vocational Rehabilitation and Employment Programs* on April 2, 2009. Please answer the enclosed hearing questions by no later than Wednesday, May 27, 2009.

In an effort to reduce printing costs, the Committee on Veterans' Affairs, in cooperation with the Joint Committee on Printing, is implementing some formatting changes for material for all Full Committee and Subcommittee hearings. Therefore, it would be appreciated if you could provide your answers consecutively on letter size paper, single-spaced. In addition, please restate the question in its entirety before the answer.

Due to the delay in receiving mail, please provide your response to Ms. Orfa Torres by fax at (202) 225-2034. If you have any questions, please call (202) 226-4150.

Sincerely,

Stephanie Herseth Sandlin
Chairwoman

JUSTIN BROWN, LEGISLATIVE ASSOCIATE
NATIONAL LEGISLATIVE SERVICE
VETERANS OF FOREIGN WARS OF THE UNITED STATES
RESPONSE TO QUESTIONS SUBMITTED BY
CHAIRWOMAN HERSETH SANDLIN
COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
Oversight of Vocational Rehabilitation and Employment Programs
Submitted on May 13, 2009

1. What is the major complaint that you hear from veterans about the VR&E program?
 - The VFW's most frequent complaint in regards to VR&E comes from disabled veterans who are upset that they are ineligible for the VR&E program due to its arbitrary delimiting date. Many of these disabled veterans site the fact that their injury did not worsen to the point of needing rehabilitation until long after the delimiting date had passed.
2. In your testimony you state that, "for many disabled veterans with dependants, VR&E education tracks are insufficient." Why is it insufficient and what can be done to improve the program?
 - VR&E's education track is insufficient for veterans with dependants because it does not provide them with the necessary amount of resources to raise a family while pursuing an education. Instead of utilizing education tracks, which will more often provide a higher quality of life and higher rates of long term rehabilitation and employment options, many veterans with dependants are opting into immediate employment to address immediate needs.
3. According to your written testimony, VFW is concerned with how the VR&E "rehabilitation rate" is reported. Is their current reporting method not accurately portraying the "rehabilitation rate"?
 - A. How should this be changed?
 - VR&E's rehabilitation rate might be considered accurate if you are recording short-term job placement. The rehabilitation does not utilize a focus that concentrates on the long-term rehabilitation rate of the veteran. Many veterans' injuries negatively progress over time and may require further rehabilitation. The current figures fail to take this into account and do not consider the long-term effects of the VR&E program. By changing the concentration of the VR&E's results from the short term to the entirety of a veteran's employability an emphasis on long-term results and rehabilitation will be prioritized and veteran's will have a better rehabilitation program.

Committee on Veterans' Affairs
 Subcommittee on Economic Opportunity
 Washington, DC.
April 15, 2009

The Honorable Hilda L. Solis
 Secretary
 U.S. Department of Labor
 200 Constitution Ave., NW
 Washington, DC 20210

Dear Secretary Solis:

I would like to request that the U.S. Department of Labor respond to the enclosed questions I am submitting in reference to a hearing from our House Committee on Veterans' Affairs Subcommittee on Economic Opportunity hearing on *Oversight of Vocational Rehabilitation and Employment Programs* on April 2, 2009. Please answer the enclosed hearing questions by no later than Wednesday, May 27, 2009.

In an effort to reduce printing costs, the Committee on Veterans' Affairs, in cooperation with the Joint Committee on Printing, is implementing some formatting changes for material for all Full Committee and Subcommittee hearings. Therefore,

it would be appreciated if you could provide your answers consecutively on letter size paper, single-spaced. In addition, please restate the question in its entirety before the answer.

Due to the delay in receiving mail, please provide your response to Ms. Orfa Torres by fax at (202) 225-2034. If you have any questions, please call (202) 226-4150.

Sincerely,

Stephanie Herseth Sandlin
Chairwoman

U.S. Department of Labor
Office of the Assistant Secretary for
Veterans' Employment and Training
Washington, DC.
July 17, 2009

The Honorable Stephanie Herseth Sandlin
Chairwoman
Subcommittee on Economic Opportunity
Committee on Veterans' Affairs
U.S. House of Representatives
Washington, DC 20515

Dear Chairwoman Sandlin:

Thank you for the opportunity to respond to your follow-up questions to the hearing at which I testified on April 2, 2009. As requested, I have restated the questions in their entirety and provided the respective answers.

1. Currently you have personnel at 49 regional offices and 19 satellite offices. In your testimony you state that your standard is one per office. When do you expect to reach this goal and what would be your budgetary implications?

Response: The outstationing of Veterans' Employment and Training Service (VETS) funded personnel at the Department of Veterans Affairs' Veterans Rehabilitation and Employment (VR&E) service locations is a work in progress. VR&E currently has 57 regional offices and 120 satellite offices. We currently have personnel at 47 of the 57 VR&E regional offices, and are continuing our work with the VA to provide support to the remaining 8 regional offices. Although we only have personnel at 19 of the 120 satellite offices, the location of those personnel was determined in consultation with the VA. It was never our intention to have personnel at all 120 locations, but rather to provide our personnel to those locations identified by the VA as most in need. Additional reasons for not having personnel at every VR&E site are: staff turnover, which leaves temporary vacancies; and, in some instances, VR&E does not have physical space for additional personnel. However, we continue to work with VR&E and the State Workforce Agencies to accomplish the outstationing necessary to service our disabled veterans.

2. In the table you provided on page 3 you have 6,068 registered veterans, yet only 3,516 entered employment. What is the reason for this steep dropoff and what information do we have on the veterans that did not enter employment?

Response: The reasons for this steep dropoff include: some return to school to further their education; some find jobs on their own; some decline our services after they register with the One-Stop Career Center. Although the percentage of those that actually enter employment has remained rather constant over several years, we continue to work to assist as many veterans as possible in finding gainful employment, and are very encouraged by the average entry wage which has ranged from \$13.64-\$16.16 from FY 2006-2008.

Hopefully, my responses to your thoughtful questions will provide additional information on the work that VETS and VA, through the VR&E program, continue to pursue. Our collaborative efforts to implement an updated Memorandum of Agreement (MOA) outlining the process and responsibility to work together to maximize the services both agencies provide, will hopefully result in an increase in placements and employment opportunities for our disabled veterans and their dependents.

Thank you for the opportunity to provide this information for the record.

Sincerely,

John McWilliam
Deputy Assistant Secretary for Operations and Management

Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
Washington, DC.
April 15, 2009

Ms. Ruth Fanning
Director, Office of Vocational Rehabilitation and Employment
Veterans Benefits Administration
U.S. Department of Veterans Affairs
810 Vermont Avenue, NW
Washington, DC 20420

Dear Ms. Fanning:

I would like to request that the U.S. Department of Veterans Affairs respond to the enclosed deliverables and questions for the record I am submitting in reference to a hearing from our House Committee on Veterans' Affairs Subcommittee on Economic Opportunity hearing on *Oversight of Vocational Rehabilitation and Employment Programs* on April 2, 2009. Please answer the enclosed hearing questions by no later than Wednesday, May 27, 2009.

In an effort to reduce printing costs, the Committee on Veterans' Affairs, in cooperation with the Joint Committee on Printing, is implementing some formatting changes for material for all Full Committee and Subcommittee hearings. Therefore, it would be appreciated if you could provide your answers consecutively on letter size paper, single-spaced. In addition, please restate the question in its entirety before the answer.

Due to the delay in receiving mail, please provide your response to Ms. Orfa Torres by fax at (202) 225-2034. If you have any questions, please call (202) 226-4150.

Sincerely,

Stephanie Herseith Sandlin
Chairwoman

Questions for the Record
The Honorable Stephanie Herseith Sandlin
Chairwoman
Subcommittee on Economic Opportunity
House Committee on Veterans' Affairs
Vocational Rehabilitation and Employment Program
April 2, 2009

Question 1: What is the percentage increase based on the number of counselors that were in your regional offices and employment coordinators in 2007? What was the increase in hires in 2008 and 2009?

Response: Vocational Rehabilitation and Employment (VR&E) Service increased the number of counselors nationwide by 10.3 percent since fiscal year (FY) 2007. The number of employment coordinators has remained relatively constant since FY 2007.

	FY 2007	FY 2008	FYTD 2009 (4/11/09)
Counselors	737	802	813
Increase from FY 2007	—	8.8%	10.3%
Employment Counselors	88	87	89
Increase from FY 2007	—	- 1.1%	+ 1.1%

Overall staffing level has increased as follows:

	FY 2007	FY 2008	FY 2009
VR&E Staff	1,020	1,111	1,073
Increase from FY 2007	—	8.9%	5.2%

Question 2: If we were able to find additional resources how should those additional resources be allocated?

Response: VR&E Service currently operates within the allocated budget to deliver high quality employment and independent living services for servicemembers and Veterans with disabilities. We have forecasted new funding needs in FY 2010 to study new ways to motivate Veterans to enter VR&E programs and ways to improve outreach to new Veterans.

Question 3: What is the placement status of the first group who graduated from Wounded Marine Careers Foundation, Inc?

Response: Of the 7 individuals supported in the first Wounded Marine Careers Foundation (WMCF) class, one was rehabilitated based on his employment with a production company. He has recently been laid off and has an interview scheduled with another production company. Three individuals are in continued training programs toward rehabilitation. One Veteran discontinued his rehabilitation program due to worsening of his disability. The remaining 2 Veterans are in interrupted status after relocating to other parts of the country. Contact has been made with staff at the Veterans' new locations to ensure outreach is conducted to offer job placement assistance and other services as needed.

Question 4: In reviewing the Performance and Accountability Report, Table 1 for Serious Employment Handicap (S.E.H.) Rehabilitation Rate, the target was 74 percent in 2007 and 75 percent in 2008 and the strategic target was 80 percent in 2007 and 2008, but VR&E scored a 73 percent in 2007. Why was the target not met in 2007 and why is the target so low for 2007 and 2008?

Response: The serious employment handicap (S.E.H.) rehabilitation rate measures the success of Veterans with the most serious employment handicaps in achieving their employment or independent living rehabilitation goals. The S.E.H. rehabilitation rate was developed to ensure the program's primary focus is on assisting those Veterans with the most significant employment handicaps. This is measured not only by achievement of the S.E.H. rehabilitation rate target but by comparison with the general rehabilitation rate target, which includes all Veterans served, regardless of the severity of their disabilities. In FY 2007, the S.E.H. rehabilitation rate for the Nation was 73 percent, which was 1 percentage point below the target. Assisting 73 of every 100 seriously disabled Veterans to achieve their rehabilitation goals is significant. The nonsuccess portion of the rate (27 of every 100 Veterans) includes Veterans who dropped out of the program for personal reasons, Veterans whose disabilities worsened, or Veterans who could not continue to participate for financial reasons. Some attrition is usual for a benefit program designed for Veterans to use as an option in their transition process. Therefore, the targets for both fiscal years are considered appropriate.

Question 5: What more can we do to assist Veterans with serious employment handicaps?

Response: The VR&E program does provide a full array of services. As authorized by title 38 U.S.C., the VR&E program is designed to ensure that the highest priority service is provided to Veterans with serious employment handicaps. Intensive and individually tailored services are provided to seriously disabled Veterans to help them achieve employment goals. Additional services include support of higher level training to help Veterans be more competitive in the labor market; specialized support during training, such as tutorial assistance or tailored testing arrangements; more frequent case management services at the training site; special employer incentives to employers who hire Veterans; and job coaching to assist Veterans maintain employment. Veterans with serious employment handicaps who are not employable due to the severity of their disabilities are eligible for independent living services. These services help Veterans be as autonomous as possible in their home and communities and include services such as life skills coaching to help them

independently perform activities of daily living; assistance in establishing a volunteer job to increase community involvement; and help connecting with community supports, such as centers for independent living, support groups, or the Veterans Health Administration (VHA) Vet Center programs. Counselors also coordinate with VHA resources to address mental health, medication compliance, and enrollment in programs to improve living with a chronic illness (such as diabetes).

Question 6: In reviewing the Performance and Accountability Report Table 1 for 2007, the report cites that common measures data was projected to be received from DOL in January 2008, but the table in the 2008 Performance and Accountability Report states the data was to be received from DOL in December 2008. Have you received this data from DOL?

Response: VR&E is working with the Department of Labor to obtain FY 2008 data. The expected completion date is June 30, 2009.

Question 7: Does VR&E have an IT challenge that we should be aware of?

Response: Yes, challenges exist because we are reliant on the benefits delivery network (BDN) legacy system for payment of the VR&E subsistence allowance, eligibility determinations, and related data tracking. VR&E is working to transition these functions from the BDN legacy system into the Veterans Benefits Administration's (VBA) existing corporate database. This initiative includes modernization of work processes and development of a more robust system of reports to further enhance our ability to analyze trends and respond to stakeholder requests for information. VR&E is also engaged in the Department of Veterans Affairs (VA) paperless delivery of Veterans benefits Initiative currently being developed. This initiative is designed to employ enhanced technology platforms that include imaging, computable data, electronic workflow capabilities, rules-based technology, and enterprise content and correspondence management services to support Veteran-focused end-to-end benefits delivery.

Question 8: Has any follow up or a survey been done as to why Veterans enter VR&E and then drop out before completion?

Response: VR&E Service worked with Office of Policy and Planning (OP&P) to gather information about this issue through the 2007 Veterans employability research survey (VERS). The study results were used to identify barriers to retention and develop strategies to increase Veterans' completion of vocational rehabilitation programs. VR&E service is currently working with OP&P to complete a program evaluation, which will include further analysis of program retention and completion.

Question 9: In your opinion can a Veteran with a family realistically complete the VR&E program with the benefits at its current level?

Response: Veterans with families are enrolled in VR&E programs and successfully achieve career and independent-living goals; however, some struggle to complete VR&E programs for a number of reasons. These reasons are similar to the concerns faced by any individual with a family who pursues education toward a new career and include such issues as child care, balancing home responsibilities against educational pressures, and the necessity to maintain employment during training due to financial concerns. These issues are understandably magnified for single parents. VR&E provides supportive services during Veterans' rehabilitation programs to assist them in overcoming these barriers and completing their programs, including subsistence allowance; transitional employment such as work study placements, part-time employment, or full-time employment that assists financially and also builds their resume; individual case-management services to assist them in resolving any barriers that could potentially impact completion of their rehabilitation programs; and special services such as short-term loans or financial counseling, as needed.

Question 10: VR&E will help a Veteran start a business if this is the route they choose to follow. Is a business plan required?

Response: Yes, business plans are required for self-employment plans, and an extensive review of the viability of business plans is conducted. This process includes consultation with SCORE (counselors to America's small business) and the Small Business Administration (SBA).

Question 10(a): If yes, then who reviews the business plan and what background does the reviewer have in business?

Response: Vocational rehabilitation counselors (VRC) assist Veterans with the development of business plans. During this process, the VRC ensures that the Veteran is provided access to a professional business consultant, most often through the SCORE program. Additionally, VR&E works with SBA, small business development center (SBDC), Center for Veterans Enterprise (CVE), and other private small business consulting agencies. These resources have experience in working with Veterans and provide additional expertise in evaluating the viability of business plans and assisting developing small businesses.

Question 10(b): What is the maximum amount of funding Veterans can get to start their own businesses?

Response: There are no established maximums related to the startup of a business for the most severely disabled Veterans. If appropriate for a Veteran with a serious employment handicap, VR&E provides the funding as allowed by regulations and as necessary to support the start up of the business. There are statutory prohibitions on the purchase of land, buildings, lease or rental payments, vehicles, and the stocking of a farm for husbandry or a fishery. In addition, management approval is required for small business plans and related expenditures.

Question 10(c): What has been the success of Veteran entrepreneurship?

Response: VR&E does not have data on the success rate of Veterans electing to pursue a program of self-employment.

Question 10(d): Does VA try to dissuade a Veteran from business if the counselor believes it is not a good idea?

Response: VR&E counselors assist Veterans in the development of an individualized program of services designed to overcome the limitations of their employment handicaps. If it is determined that self-employment provides the greatest opportunity to achieve their rehabilitation goals, assistance is provided toward that objective.

Question 10(e): How many times can a Veteran attempt to start a business with VA help?

Response: VR&E does not limit the number of times a Veteran may attempt to start a business. The VRC will work with the Veteran to conduct a thorough analysis of the feasibility and viability of a subsequent self-employment program. Additionally, the VRC will help the Veteran to identify any concerns or barriers that may have led to the failure of the previous self-employment plan, including assisting the Veteran to determine if self-employment is a good fit.

Question 11: On average how many times does a counselor speak or meet with a Veteran?

Response: Throughout the rehabilitation process, VR&E counselors provide individualized one-on-one services to Veterans. This begins with the initial interview and meetings to complete the entitlement determination. Meetings continue for test administration, if needed, to determine aptitudes and abilities, interpretation of test results, vocational counseling, and rehabilitation plan development.

Once the Veteran has entered a rehabilitation plan, the VRC meets with the Veteran at the rehabilitation or training site at least once a term or once a quarter. If the Veteran's needs dictate, the counselor meets more frequently with him or her, for example, counselors meet with Veterans at least monthly if they are having difficulty in training or if they are participating in the following types of rehabilitation plans: on-the-job training, independent living, extended evaluation, self-employment, or employment assistance. In addition, counselors speak with Veterans by phone or email on a frequent basis to meet emerging needs, such as the need for medical referrals.

Question 11(a): In each encounter, approximately how much time is spent with the Veteran?

Response: Although the times of meetings vary in accordance with individual Veteran's needs, the average face-to-face visit with a Veteran during the counseling process is 90 minutes. The average case-management meeting is 45 minutes.

Question 12: Does VR&E track the number of Veterans who drop out from all programs?

Response: VR&E tracks the number of Veterans who exit or discontinue participation in the VR&E program without completing their individualized rehabilitation plans in our database system. This system also captures the reasons for discontinuance with designated “reason codes.”

Question 12(a): If you do, what is that number?

Response: In FY 2008, 5,103 Veterans discontinued participation in their individualized rehabilitation plans.

Question 13: From the date a Veteran applies for a program, on average how long does it take a Veteran to begin a program?

Response: Veterans who applied during FY 2008 took an average of 95 days from date of application to plan development and entrance into their program of rehabilitative services.

Question 14: On average how long does it take VR&E to validate entitlement for a Veteran?

Response: Currently, the time from date of application to entitlement determination is 49½ days.

Question 15: What are some of the unmet needs that Veterans encounter when they sign up for VR&E?

Response: Although the VR&E program, as authorized under title 38, is a very generous program to assist Veterans to attain and sustain suitable gainful employment, it does not allow for Veterans to cross enroll in the new Chapter 33 GI Bill program as is possible for Veterans using both Chapter 30 and Chapter 31. The subsistence allowance payable by the VR&E program is not sufficient for an enrolled Veteran to support his/her core living expenses during participation in a rehabilitation program. The VR&E program does not support subsistence allowance for employment only programs or for employment-related expenses such as interview clothing. Further, the VR&E program does not support additional financial needs for Veterans attending training, such as child or dependent care expenses.

Question 16: In your testimony you talk about the Coming Home to Work program. What outcomes can you share with us about this program?

Response: VR&E's coming home to work (CHTW) program was expanded in February 2008 to become VR&E's outreach and early intervention program. Through this program, VR&E has dedicated 13 full-time VRCs at 12 Department of Defense (DoD) facilities and appointed a CHTW coordinator in each of the 57 regional offices. VR&E has increased outreach activities to National Guard and Reserve Members by collaborating with DoD to provide outreach at post deployment health reassessment events and Yellow Ribbon Reintegration Program events. Over 2,000 disabled transition assistance program briefings were conducted for almost 38,000 Servicemembers, Veterans and dependents, resulting in over 6,000 career counseling (Chapter 36) sessions and over 3,000 applications for VR&E services. Increased outreach efforts contributed to a 13-percent increase in applications for VR&E services in FY 2008 over the previous year, with continuing trends for increased Veteran and servicemember application and participation in FY 2009.

Question 17: How many participants did VR&E have in 2008?

Response: At the close of FY 2008, 97,000 Veterans were engaged in VR&E services in statuses ranging from applicant to job-ready, and 11,000 were closed as rehabilitated. During FY 2008:

- 84,646 Veterans were carried over in open statuses from FY 2007.
- 71,000 Veterans applied and were found eligible for VR&E services. Of those applicants, 46,000 attended their first counseling appointment and 38,000 participated in the program to the point of an entitlement decision being made.
- 35,000 Veterans were found entitled, and 27,000 elected to work with a rehabilitation counselor to develop and enter a rehabilitation plan.
- Of the total Veterans participating in rehabilitation plans, 16,000 completed rehabilitation plans during FY 2008; 11,000 after completing rehabilitation goals, 3,500 after being discontinued prior to achieving rehabilitation goals, and 1,500

after achieving some rehabilitation gain, but not fully meeting rehabilitation goals.

- 97,116 Veterans continued services into FY 2009.

Question 17(a): Of that number, how many were rehabilitated?

Response: 11,000 Veterans were rehabilitated in FY 2008.

Question 18: In reviewing the Program Assessment Rating Tool, it states that VR&E helped Veterans find suitable employment. Why is it measured from those who exit the VR&E program instead of those who enter the program?

Response: The VR&E employment rehabilitation rate is an outcome measure, captured after Veterans have received services and have achieved—or failed to achieve—their rehabilitation goals. Until Veterans complete services, they remain in an active status in their rehabilitation programs. Because VR&E's focus is on assisting Veterans to achieve careers, programs of services may extend for multiple years. It is not possible to assess success based upon services provided until completion of services because VR&E's outcome goals are based upon achievement and successful maintenance of suitable employment for a minimum of 60 days.

Question 19: In rating the program's success from those who exit and not from those who enter, are we getting a skewed report on the program's success?

Response: No, it is appropriate to rate the VR&E program's success based on those who exit following their participation in a rehabilitation program. The VR&E program is a benefit program, not a mandatory program. Veterans enter the program based upon their personal needs and choice. In FY 2008, 35 percent of Veterans who applied and were found eligible for services subsequently opted not to pursue services. Calculating those Veterans who chose not to pursue, to even their first scheduled VR&E appointment, into VR&E's overall success rate would negatively skew program data. This would inappropriately correlate the Veteran's choice not to use VR&E services with program failure. Further, once Veterans engage in VR&E services, they may be found not entitled for services or may elect not to enter a plan of rehabilitation services.

Factoring in Veterans' decisions not to use the VR&E benefit program instead of assessing the success of those Veterans who were provided programs of rehabilitation through the VR&E program would provide an inaccurate and negatively skewed evaluation of VR&E services.

Question 20: The VA has partnered with FAA to provide Veterans with new training opportunities. What other partnerships has VA formed with other agencies or entities?

Response: VR&E is currently working with many organizations to provide services to Veterans and servicemembers that assist them to transition from military to civilian careers, attain and sustain employment following a worsening of disability conditions, and achieve the maximum level of independence in the community. A few of these partnerships include: the DoD Army Wounded Warriors Program, the DoD Yellow Ribbon Reintegration Program, Easter Seals, Goodwill Industries of America, Centers for Independent Living, VA's Prosthetics and Compensated Work Therapy programs, VA's Blind Services programs, the DOL VETS program, the National Association of State Workforce Agencies, Social Security Administration, Internal Revenue Service, the House of Representatives Wounded Warrior Program, and the Council of State Administrators of Vocational Rehabilitation.

