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PATH OF PURPOSE: RESTORING THE VA VR&E PROGRAM TO EFFECTIVELY SERVE VETERANS

HEARING

BEFORE THE

SUBCOMMITTEE ON ECONOMIC OPPORTUNITY

OF THE

COMMITTEE ON VETERANS' AFFAIRS

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PATH OF PURPOSE: RESTORING THE VA VR&E PROGRAM TO EFFECTIVELY SERVE VETERANS

WEDNESDAY, JULY 16, 2025

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

The subcommittee met, pursuant to notice, at 2:31 p.m., in room 360, Cannon House Office Building, Hon. Derrick Van Orden (chairman of the subcommittee) presiding.

Present: Representatives Van Orden, Ciscomani, Barrett, Pappas, and McGarvey.

OPENING STATEMENT OF DERRICK VAN ORDEN, CHAIRMAN

Mr. VAN ORDEN. The subcommittee will come to order. I want to thank everyone for being here today to discuss the Veterans Readiness and Employment Program, or VR&E.

The purpose of this program is to assist veterans and servicemembers who have service-connected disabilities with on-the-job training, education, and skills they need in order to obtain meaningful employment to live full independent lives. When this program is appropriately administered, VR&E, it is more than just a benefits program. It is also a vital first step for disabled veterans to become more financially independent and give back to their community and achieve their own American Dream. I used VR&E to go to law school at the age of 50 and it led me to Congress, so maybe we should cancel this program. That is a joke. Seriously, this job, right? Yes, he got it. He is the only guy that got it.

Unfortunately, VR&E has been at a crossroads for several years and, unfortunately, it has been abused by a lot of folks. I am very thankful that over this last year our team has been able to investigate some of these potential fraud, waste, and abuse cases. It includes site visits to Detroit, Muskogee, Buffalo, Baltimore, and just last week the folks got back from San Diego. What they found is truly disturbing.

We are now seeing unprecedented increase in wait times and an increased burden on counselors with higher caseloads. There has got to be a better balance of priorities in the program to make sure that veterans get what they need while also ensuring that the U.S. Department of Veterans Affairs (VA) is a responsible steward of the taxpayers' investment. I found that this is a responsibility that VA has a profound and constant inability to perform the oversight

function. I am also going to point the finger this way. We have an oversight responsibility, you have an oversight responsibility, and I think both sides of this fence have not been meeting that.

Finally, my staff has also seen some data that veterans have been in this program for over 20 years. Many veterans are using more than $250,000 in benefit payments, and one veteran in Boston spent over $350,000 in 18 months. Another veteran in Los Angeles has spent $895,000 in 6 years and is still in rehab-to-employment phase of the program. If anyone is concerned about funding for veterans, they need to be concerned about what is going on in this program, also. Cases like this are a direct result of VA granting entitlement extensions past the 48-month limit mandated by law for VR&E recipients; well over 99 percent of the time are not doing their due diligence on the program.

In fact, the VA Committee last month found out that since Fiscal Year 2024, 62,355 extensions were approved while just 59 requests for extensions were denied. That is statistically impossible for that to be a functioning number. It is just absurd.

I am looking forward to hearing from the VA about the real-life examples that constitute granting a waiver. On paper, bureaucrats may just be completing a checking the box exercise instead of completing a thorough review.

Additionally, we heard numerous concerns about long wait times. The current wait time for a veteran to be seen by a counselor in San Diego, Oakland, and Albuquerque is over 100 days. 40 percent of regional offices take over 60 days for a veteran to meet a counselor for an initial evaluation, above the VA goal of a 60-day maximum wait time. A month is too long. Making a veteran put their lives on hold for nearly a year before even being seen by a counselor is ridiculous and has a negative impact on not only their lives, but their entire families.

Finally, we found that 45 percent of participants within the VR&E program have successfully completed the program and subsequently re-entered it. That means that nearly half of the VR&E participants complete a program successfully only to return to the program. I understand the need for the veteran whose disability worsens or reenters the program with the goal of becoming gainfully employed again. However, 45 percent of individuals using a jobs program more than once is a failure, and this will not stand on my watch any longer.

We have also heard from VR&E executive director himself that many veterans are retiring from their jobs and applying for VR&E to receive a substance allowance to supplement their income until they are able to receive retirement benefits and Social Security. In essence, some people are retiring from a job and then entering this program for a period of time to carry them into the age when they are eligible for Social Security. That is not what this program was designed for.

VA knows that there is abuse in this program yet again I hear—until I hear otherwise, VA is not working to fix the holes in the system, period. We cannot ignore this because we cannot let this program fail.

Finally, I recognize VR&E's latest Information Technology (IT) project of Readiness Employment System, or RES, was launched as

a pilot in 2024, and early reports showed that the program has been received very well. I know the VA states they are finally on the right path with the new case management system. However, I am skeptical as this undertaking will now span a term of four administrations and we all know how good the VA is at wasting taxpayers' dollars for IT failures. As a matter of fact, they have a 0 percent rate of getting IT projects right.

Ms. Devlin, I got to tell you, I know you just got here. We met the other day in our office and, as discussed, this is how I want this hearing to go. This is going to be a post-apartheid Truth and Reconciliation Commission, meaning, you know, we are not going to hold you to account. I know you just got here a month ago and I want to make sure that this is an open kimono discussion so that we can clearly identify, articulate, and brainstorm about how to fix these problems. Is that clear?

Ms. DEVLIN. Yes, got it.

Mr. VAN ORDEN. Okay. With that, I would like to now yield to my very good friend and ranking member, Mr. Pappas, for his opening remarks.

OPENING STATEMENT OF CHRIS PAPPAS, RANKING MEMBER

Mr. PAPPAS. Thank you very much, Chairman Van Orden, for holding today's hearing on the Veterans Readiness and Employment Program, otherwise known as VR&E.

We know VR&E is designed to help disabled veterans gain meaningful employment and independent living after their time in service. However, this committee is rightfully concerned about the overall outcomes and effectiveness of the program based on data about its performance and issues veterans have raised about response and wait times, among others. I hope to learn more today about the ways in which we can improve the program so that service-connected disabled veterans are receiving the support they need and have earned and ensure that their transition to civilian life is a successful.

One area that I would like to focus on is the caseload ratios for counselors, which, since 2018, VA established should be at 125 veterans per 1 counselor. Since the passage of the The Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics (PACT) Act, however, caseloads exceed this ratio nationwide and in some areas the ratio is currently 204-to–1.

Additionally, in many regional offices a veteran waits on average a month or more to meet with a counselor, with Boston experiencing an average wait time of 33 days, Phoenix 68 days, Atlanta 77 days, and San Diego 159 days. This means that veterans are waiting longer, counselors are being strained, and veterans are not receiving the best quality of services, and we need to fix that.

While improvements can be made to the program overall, the solution to truly ensuring veterans are accessing and able to make the most of the VR&E program comes down to one critical factor: staffing. For example, VA recently brought down the wait times in Southern California, brought them down dramatically, and the solution was more staff to lessen workload per counselor, process veteran information faster, and give veterans specialized attention and resources that they require.

I am also aware that VA is in the process of modernizing its case management system and implementing the use of Artificial Intelligence (AI) tools, such as the electronic virtual assistant to help schedule appointments with counselors. While these initiatives surely will help make casework more efficient, it is highly unlikely that this will be enough to help VA keep up with the expected increase in caseloads, as VA itself has forecasted.

We also cannot expect VA to improve its performance in the already understaffed program, with VA's recent announcement projecting an expected loss of 30,000 employees by the end of this year. We also acknowledge that VA counselors in general have a high turnover rate, but that is mostly because their caseloads have become unmanageable.

I share the chairman's concerns about veterans staying in the VR&E program for a long period of time, but I do not necessarily agree that instituting time limits is the correct course of legislative action. VR&E counselors do need flexibility in determining individual veterans' situations and circumstances rather than putting additional administrative burdens on them to prove why a veteran needs more time. Addressing the retention of counselors and getting their caseload down to VA's recommended ratio of 125-to–1 is a better use of our time.

VA data shows that regional offices that are adequately staffed are performing well, both in terms of maintaining manageable caseload and number of days for veterans to have their initial meeting with a counselor. Unfortunately, only 28 percent of regional offices are at or below the targeted caseload, with the national ratio currently at 175 cases per counselor. There is significant room for improvement there. I hope that this committee agrees that this is a problem that needs to be addressed.

The services a veteran receives should not be dependent on where a veteran chooses to live after military life, nor should it depend on VA's plans to cut staffing that will undermine critical programs like VR&E that veterans rely on after having served their country. Leaving veterans to their own devices upon leaving the service or critically undermining the VR&E program effectiveness would be a terrible disservice to veterans and their families and, in the end, will only hurt veterans trying to secure the help that they deserve.

I thank you, Mr. Chairman, for holding this hearing, and I yield back.

Mr. VAN ORDEN. The ranking member yields back. Thank you, Mr. Pappas.

I will now introduce our witness panel. It is you. Ms. Margarita Devlin, acting principal deputy under secretary for Benefits at the Department of Veterans Affairs. Will you please stand and raise your right hand, ma'am?

[Witness sworn.]

Mr. VAN ORDEN. Thank you. Let the record reflect that the witness answered in the affirmative.

Ms. Devlin, you are now recognized for 5 minutes to deliver your testimony on behalf of the Department of Veterans Affairs.

STATEMENT OF MARGARITA DEVLIN

Ms. DEVLIN. Chairman Van Orden, Ranking Member Pappas, thank you for this opportunity to testify on the Veteran Readiness and Employment Program.

I have had the privilege of seeing personally the transformational effect that this program can have on veterans lives, both when I started as a voc rehab counselor myself in the field, through various leadership positions in the field ,and at national headquarters in Veterans Benefits Administration (VBA). At every level, I witnessed how important this program can be to their career goals or their independent living goals.

During the first Trump administration, I served as the principal deputy undersecretary for Benefits, and at that time we worked diligently to get to the 1-to–125 ratio, so it was disheartening to see that that has unraveled. VR&E's workload has dramatically increased. In recent years, from October 2020 to June 2025, the caseload grew by 52.3 percent, and that sharp increase was largely driven by an increase in the eligible veteran population due to the PACT Act. Staffing allowances in the past few years hypothetically allowed VR&E to hire 1 counselor for every 140 veterans. However, this is in sharp contrast with VR&E's actual caseload ratio, as you mentioned, of 1-to–175 when factoring in the current caseload and the onboard number of counselors.

Despite these challenges, VBA has made meaningful progress in the past couple of months. We have worked to accelerate eligibility determinations to make sure veterans are getting the timely support that they deserve, and we have increased oversight over the program. VBA leadership at all levels are being held accountable for the performance of this program so that veterans receive the care and benefits that they deserve.

VBA is addressing the increased workload in several ways. We deployed a help team to reduce pending applications at several stations to help expedite entitlement determinations. We implemented a national workload assignment strategy where VBA assigns workload from offices with the highest caseload ratios to stations with lower caseload ratios. This national approach is supported by the fact that many veterans prefer the flexibility of a virtual appointment through telecounseling versus coming into a brick-and-mortar appointment. This helps us balance some of the workload demands across the available capacity. We also provided additional contract counselor support to help some stations with higher workloads.

We have seen a huge difference across the Nation from the cumulative effects of these workload management strategies. For example, in one regional office we reduced the average days pending in applicant status from over 200 days in January to an average of 39 days as of the end of June. Veterans are seeing success through the program. As of the end of June, over 14,000 veterans achieved positive outcomes through the VR&E program so far this year, which is 10 percent more than this time last year.

Employment is tracked as a subset of all positive outcomes. An employment outcome is when a veteran finishes their training and gains suitable employment. As of the end of June, over 7,000 veterans achieved successful employment outcomes through VR&E,

which is 15 percent above VR&E's stated goal for this point in the year.

VBA has successfully deployed the Readiness and Employment System, or RES, to all regional offices in the Southeast and Northeast districts, and we are on track to deploy the Continental and Pacific districts by the end of September. RES has already shown measurable results. RES application automation improved processing time from 7 days down to 3.4 days in the pilot and currently is at 2.3 average days for an eligibility determination. This does not only expedite that decision-making, but gets veterans quicker to a counselor for their first appointment.

In conclusion, the VA is fully committed to making the improvements necessary to strengthen the VR&E program. At the heart of all this is one goal: ensuring that veterans get the support that they need when they need it without lengthy wait times. My commitment is simple. I want to restore your trust in the VR&E program. More importantly, I want to make sure veterans and transitioning servicemembers understand this program is here for them and that they can trust that the program will take care of them. We have a lot more work to do and we are determined to get it right.

Mr. Chairman, this concludes my statement and I welcome any questions you and the ranking member and any other committee members have for me.

[THE PREPARED STATEMENT OF MARGARITA DEVLIN APPEARS IN THE APPENDIX]

Mr. VAN ORDEN. Thank you, Ms. Devlin. The written statement of Ms. Devlin will be entering into the record.

We are going to proceed to question you now. Everyone is going to stick to the 5-minute rule.

I now recognize Ranking Member Pappas for 5 minutes for questions.

Mr. PAPPAS. Well, thank you, Ms. Devlin for joining us. I appreciate you being here and I appreciate you also relating your experience as a voc rehab counselor. That is all valuable perspective, but I also notice that the executive director of the program, the one program that we are discussing today, is not at this hearing.

Mr. Pamperin led the program during record-setting enrollment during the PACT Act, the development of the RES scheduling system. In fact, the reason I think we are holding this hearing is because the chairman and Mr. Pamperin had a back-and-forth line of questioning at a hearing a few weeks ago. I am wondering if you can answer the question why Mr. Pamperin is not at this hearing today.

Ms. DEVLIN. Yes, sir. Thank you for that question.

Mr. Pamperin is in charge of the VR&E service program, but as I am currently performing the delegable duties of the under secretary for Benefits, I am also responsible not only for the VR&E program, but for the Office of Field Operations. VR&E service controls the policymaking, the quality assurance, and many other functions in VR&E, but it is field operations that we are typically talking about that we have concerns with. It is the staffing in the field. It is the counselors doing the work on the ground.

The VR&E program leaders are just one group of leaders that are responsible for implementing the program. We are also talking about VA regional office directors and district directors. Those people do not report to Mr. Pamperin. They report to me.

Mr. PAPPAS. Well, I do not doubt your oversight and your involvement in the program, but he is the named executive director of the program. There are four additional seats at that table and one of them should have been filled by him.

I am wondering if we can get into the detail of some of your testimony and talk about the extended enrollment times that we have seen. The chairman has brought to this committee's attention a few cases in which veterans have been in VR&E for far longer than the policy ever intended. Can you help us understand why there are times that veterans might need to stay in the program longer than just the average time?

Ms. DEVLIN. Yes, there are many reasons that a veteran might be in a program for a long time. Sometimes it is because they are in and out of the program. Maybe they began their program and life circumstances took over. It could be a worsening of their disability conditions. It could be some other life circumstances. It could be a geographic relocation. It could be an accident. It could be a family emergency. It could be a whole host of reasons that could interrupt that veteran's program and then they can return when those issues are resolved.

You know, I have seen a case, just a veteran who was rehabilitated just July 8th, and that veteran was in the program for a few years, had to take time off because of disability conditions, and then came back years later and was able to finish, graduate the program in May—sorry, get a job in May as a human resources manager, and is successfully rehabilitated. You might look at that on the surface and say, well, why was that veteran in the program so long? They needed to take the time off for those medical conditions to restore their health.

Mr. PAPPAS. Well, thanks. Are veterans paid by VA for the entire time period that they are in the program?

Ms. DEVLIN. Veterans receive subsistence allowance only for the time that they are actively pursuing training.

Mr. PAPPAS. Okay. Is there an average number of months that benefits are paid out?

Ms. DEVLIN. Veterans are typically entitled to up to 48 months of entitlement for payment of subsistence unless an extension is granted.

Mr. PAPPAS. Okay. Are there just the most common reason why a veteran might exceed that 48-month timeframe?

Ms. DEVLIN. Typically it is because they have what we call a serious employment handicap, which means they have significant barriers to employability above an employment handicap that requires them to have additional months of training that they might need to become employable——

Mr. PAPPAS. Okay.

Ms. DEVLIN [continuing]. and compete with other people for that same occupation.

Mr. PAPPAS. When a veteran enrolls in VR&E, what is the process and how are counselors assigned to that veteran?

Ms. DEVLIN. Counselors are typically assigned based on geography, where the veteran applies. As I indicated earlier, however, because of our capacity issues, we have assigned veteran applicants to counselors that have availability so that they do not have to wait. Those counselors would meet with that veteran either virtually or in person, depending on the circumstances, to determine their entitlement and review whether they—what type of rehabilitation program they might need.

Mr. PAPPAS. We do hear complaints from veterans sometimes about the difficulty in getting in contact with their counselor. If a veteran moves to a college in a different location, do they keep the same counselor or are they assigned a new one?

Ms. DEVLIN. It depends on the changes and the capacity of the VR&E office. If a veteran is having a hard time reaching their counselor and they have left a voicemail message and not gotten a return call, I would encourage them to call our main number because we can warm transfer them to the VR&E office and see if somebody else in that office can make sure that they get taken care of.

Mr. PAPPAS. Okay. My time is limited, so maybe we will come back in a second round, but thank you.

I yield.

Mr. VAN ORDEN. The gentleman yields back.

The chair now recognizes Mr. Barrett for 5 minutes.

Mr. BARRETT. Thank you, Mr. Chairman, and thank you for being here today. Appreciate your testimony.

I am learning a little bit more about this program along with several others that certainly VA has and continue the mission that we owe to our veterans. I know you mentioned to the ranking member a 48-month eligibility window. That is the months of eligibility in the program, not the calendar months it would take to necessarily progress through the program. Is that fairly accurate?

Ms. DEVLIN. That is correct.

Mr. BARRETT. Then an individual could be eligible for an extension of that due to a life circumstance or a geographical change or a worsening of their condition, another additional months for a new training for maybe a new job or something of that sort?

Ms. DEVLIN. In certain circumstances, yes, there are criteria for those extensions.

Mr. BARRETT. A person may somewhat—not to compare this directly to the GI Bill, but maybe they would use 12 months of eligibility, have a break in time where they were not using it, and then come back and use it again sometime later?

Ms. DEVLIN. Yes. If they still have remaining months of entitlement, they can do that.

Mr. BARRETT. Okay. I know that—I believe in some of my analysis before me, it said something like there were some veterans in this program for like—since the 1990's, I think. Is that some of what—is that starting and stopping or is that people getting new benefits that have been awarded to them due to a change in circumstance?

Ms. DEVLIN. Yes, thank you for the question. In my oversight we have—I have been looking at those cases and I have been asking the regional office directors to look at those cases. What we found

is a combination of things. Some of the cases of veterans who seem to have been in for many, many years, they have been in and out of the program to the point of actually having their cases closed where they are no longer an active case in our program. Then they come back sometimes years later and they reapply. When we look at their cases, we see the life of their participation even if they left the program for several years and came back.

Mr. BARRETT. Okay. The individual I think from 1991 or 1992 that we were alerted to would be somebody most likely, without speaking in that case specifically, but in general would be somebody who may have had some number of benefits 30 years ago and then had time off from that and then maybe had either a worsening of their condition, a geographic relocation, or another change of life circumstance that would necessitate them re-entering the program and reopening that up at some point more recently?

Ms. DEVLIN. Right. Without seeing the case specifically, I cannot speak to that case.

Mr. BARRETT. Yes.

Ms. DEVLIN. Yes, it could be any host of those things.

Mr. BARRETT. The window of time would suggest that this person had been in the program since 1990-whenever, when, in fact, they may have had possibly some months of eligibility then, and then some months of eligibility today. The entirety of that would be shown up on a report somewhere?

Ms. DEVLIN. Yes, that is correct.

Mr. BARRETT. Okay. I appreciate that background. Then could an individual use this, is this just for upskilling or could it be for higher education, advanced degree fields, things of that sort as well, sort of like the GI Bill?

Ms. DEVLIN. The way the statute is written is it is for a vocational goal. Whatever that veteran's career goal, it is the educational level that they need to be able to compete for entry into that occupation. If that occupation that is within their interests, aptitudes, and abilities requires a bachelor's degree or a master's degree or, in some cases, a noncollege degree, some technical training——

Mr. BARRETT. Right.

Ms. DEVLIN [continuing]. that would be the level of training that they would be approved for to participate in.

Mr. BARRETT. I know we have a lot of GI Bill eligibility of differences and things like that. Is there a lot of overlap between a program that would be GI Bill-qualified and would be qualified under this program as well?

Ms. DEVLIN. Recently, actually, VR&E tightened up those guidelines based on an Office of Inspector General (OIG) review. The only types of training programs that a VR&E counselor can authorize for a veteran must be also approved for the GI Bill. The only exception is if they want to approve a special school, it has to come up all the way to the VR&E service director for review.

Mr. BARRETT. Okay. It would have—it is not the other way around, though. The GI Bill does not have to be through VR&E. The VR&E would have to be a GI Bill-approved institution——

Ms. DEVLIN. That is correct.

Mr. BARRETT [continuing]. for qualifying. Okay. Do we pay the full freight for that program if it is GI Bill-eligible, if you are VR&E-eligible?

Ms. DEVLIN. The GI Bill has different rules in place for how much tuition can be paid for.

Mr. BARRETT. Yep.

Ms. DEVLIN. A VR&E participant would get 100 percent of all tuition, books, fees, and supplies that are necessary for them to complete the program.

Mr. BARRETT. The living stipend, as well?

Ms. DEVLIN. As well as the living stipend, which they can elect the Chapter 33 rate if they have that eligibility.

Mr. BARRETT. Okay. Up to 48 months of eligibility, which could be academic months, not calendar months?

Ms. DEVLIN. Correct. It is academic months. It is the months that they actually receive subsistence allowance.

Mr. BARRETT. Okay, thank you. Then my last question, in just the brief time I have available, some of the automation that you have in the replacement of legacy systems, you feel that that is going to offload some of your staff workload to kind of open up more bandwidth for them?

Ms. DEVLIN. It is definitely going to help. We are already showing that it is limited to about——

Mr. VAN ORDEN. The gentleman's time has expired.

Ms. DEVLIN [continuing]. 6,000 hours.

Mr. VAN ORDEN. The gentleman's time has expired.

The chair now recognizes Mr. McGarvey for 5 minutes.

Mr. MCGARVEY. Thank you, Mr. Chairman, and Ms. Devlin for being with us today.

I would like to take a moment to talk about a piece of bipartisan legislation I am working on and proud to be co-leading out of this committee, the Focused Assistance and Skills Training for Veterans Employment and Transition Success. We call it FAST VETS for short. It is one of the several efforts coming out of this committee aimed at making the VR&E program work better for the people it is meant to serve: our veterans.

The FAST VETS Act is not about overhauling VR&E. It is about restoring integrity and ensuring counselors are not given unnecessary workloads. This bill puts in place commonsense guardrails. They respect veterans' time, counselors' capacity, and taxpayer investment because a well-crafted plan is more than a piece of paper. It is a promise.

Ms. Devlin, let us say that Jane Yoakum from Veterans of Foreign Wars of the United States (VFW) Post 8639 in Louisville, Kentucky, is approved for a vocational rehabilitation plan, but later wants to change it. Something happens. What exactly are the counselors looking at when deciding whether to approve that change?

Ms. DEVLIN. That is a really great question. That is considered a redevelopment of a plan and the counselors do have the authority to review the plan with the veteran. In fact, they must review the plan with the veteran at least once a year to make sure the veteran is on track. A veteran who wishes to change their program simply because they wish to must undergo a review by the counselor to de-

termine that they are not going to be wasting basically months of entitlement on training that would no longer be viable.

What usually happens is there is a change in circumstances in that veteran's life. It could be disability-related, it could be geography-related. Occupations are different in different, you know, parts of the country. In those cases, the VR&E counselor would work with the veteran to make sure that they can leverage the months of entitlement they have used while redeveloping their plan to the new vocational goal.

Mr. MCGARVEY. Right, because things happen, life happens. Are those criteria consistent across regional offices? Or is, my example I use Jane Yoakum from Louisville, Kentucky, is that going to experience going to depend on where the veteran lives?

Ms. DEVLIN. It really depends on that veteran's circumstances. This is a program for veterans who are all individuals with their own unique circumstances and the career goals that they are interested are unique as well. I would say it is tailored to the individual.

Mr. MCGARVEY. Let us say that FAST VETS is enacted and plans are only changed if there is a real need, like when the plan is not workable or no longer fits their situation, like you were just describing. What new protocols would the VA need in place within the first year?

Ms. DEVLIN. That is a great question. If this was enacted into law, we would need to put procedures in place that would have the counselor documenting why there was a circumstance that required this change versus it being just a request by the veteran, which is, I believe, what you are aiming to achieve with this bill, if I understood you correctly.

Mr. MCGARVEY. It is. Also, I think, you know, we are worried about this actually going into effect. Right? Again, this cannot be a piece of paper. We are trying to make a program workable for our vets. This is a bridge to their independence that we want to have happen. At least if this gets going, can you commit to issuing updated guidance for counselors and sharing that data with this committee on the redevelopment rates and rationales?

Ms. DEVLIN. Absolutely, yes.

Mr. MCGARVEY. Perfect. In your written testimony, you noted that the VA is currently short 387 vocational rehabilitation counselors that is necessary to meet the VA's 1-to–125 target counselor-to-veteran ratio. Given that only vocational rehabilitation counselors are authorized to make redevelopment decisions for veterans' rehabilitation plans and not other employees like vocational rehabilitation specialists, what steps is VA taking to prevent burnout and to ensure these important decisions are not being rushed or missed?

Ms. DEVLIN. Thank you for the question. That is one of the reasons we implemented the national strategy of caseload assignment, so that we can make sure we are not burning out the counselors in the jurisdictions where we have increased veteran workload that they cannot manage. I will tell you that the President's budget for Fiscal Year 2026 does allow for an additional 403 counselors.

Mr. MCGARVEY. Thank you. Like I said, this is about keeping promises. Right? This is about making sure that our veterans have

the resources they need to get back into the workforce to build that bridge to independence. If we want VR&E to be a bridge to that independence, we need clarity. We need consistency. We need accountability. I know this FAST VETS bill lays the foundation, at least a stone in the foundation for that.

Thank you very much, Mr. Chairman. I yield back.

Mr. VAN ORDEN. The gentleman yields back the remainder of his time.

The chair now recognizes my friend from the great State of Arizona, Mr. Ciscomani.

Mr. CISCOMANI. Thank you, Mr. Chairman, and thank you also, Ms. Devlin, for being here today and thank you for your testimony and thank you for the time with us for coming over and testifying.

I have been very interested in learning more about the VR&E program as you have been talking about its success and how we can best improve it to ensure veterans with disabilities or barriers to employment are properly trained and also educated in that process. I was proud to see you mentioned my bill, H.R. 3579, the Veterans Readiness and Employment Program Integrity Act, in your testimony and that there is a benefit in having success metrics such as participants, the employment status, and the annual wages tracked. I think any kind of metric in every area in government is important, but definitely here to make sure that our veterans are being served properly, and for the average wait times to see a counselor be published online. I think that transparency is also very important and it points to something that we can improve and do a better job at.

A quick question here. One key issue that I often hear about from my constituents are the long wait times associated with VA services overall. At the Phoenix VA in my home State of Arizona, the average wait time for a VR&E appointment is around 114 days. One hundred and 14 days to meet with a vocational rehab counselor, VRC obviously, which well exceeds the VA's goal of the 60-day maximum that we have talked about.

What do you believe accounts for this and what is the VA's plan of action to reduce these wait times, specifically in Arizona, where the wait times in the Phoenix VA is different than the one in the Tucson, the Southern Arizona VA, which they happen to be on different sides of the wait time spectrum here? What are your thoughts on that?

Ms. DEVLIN. Thank you for the question. I will tell you, though, we have improved the wait times in Arizona. It is down to just a little over 41 days now.

Mr. CISCOMANI. The Phoenix VA specifically?

Ms. DEVLIN. Arizona as a whole.

Mr. CISCOMANI. Arizona as a whole?

Ms. DEVLIN. Yes.

Mr. CISCOMANI. Yes.

Ms. DEVLIN. What we are doing to improve that is we are using a national strategy for reassigning signing cases. We have some stations where the counselors are at either 1-to–125 ratio or less than that. We have greater capacity there. We are using virtual counseling capability where the veteran has a virtual counseling appointment with a counselor. It does not have to be a counselor

in Arizona. It can be a counselor in any one of our stations that has capacity. The goal being to get them their entitlement decision quickly so they do not have to wait to get into a rehabilitation program.

Mr. CISCOMANI. They take this from home or——

Ms. DEVLIN. Yes.

Mr. CISCOMANI. Yes? Excellent. Okay. Well, that is good. Thank you for informing me of that. You know, the experiences that I hear about from our veterans at home between one of the VAs, the Tucson one or the Phoenix one, sometimes is very different. I am interested in looking more into the 41-day average, I am assuming, that is between both VAs, which I am assuming that the wait times in the Tucson VA help the average out from what I am hearing from Phoenix. The wait times specifically in the Phoenix one continue to be high from what I am—from the information that I have. I want to make sure that we tackle that.

I think I may have time for one more question. As I mentioned previously, I believe that it is our role to ensure individuals participating in this program are getting a good return on the investment. Some of the recent statistics show that what appears to be a high number of veterans re-enrolling in the program, about 45 percent from the information that I have. What do you believe is the cost of this high re-enrollment rate? What does that say about the success metric of the program and its ability to prepare and connect disabled veterans to meaningful careers?

Ms. DEVLIN. Thank you for the question. The statute does allow for veterans who were previously rehabilitated to, obviously, reapply and to be considered for the program again. If their disabilities worsened or that for some other reason they can no longer perform the occupation, they may be found entitled to another program of services. It is not a continuation of their previous program. It is a new program because that employment that they were suitably employed in is no longer going to work for them.

Mr. CISCOMANI. It is considered a re-enrollment, but it is in nature a new experience, a new enrollment, a new result I am assuming that they are waiting for?

Ms. DEVLIN. It does require—yes, it requires a new rehabilitation plan with a new goal.

Mr. MCGARVEY. Okay, excellent. Well, that is all. I have got one more, but we can do that later.

Thank you, sir. Appreciate it. Yield back.

Mr. VAN ORDEN. The gentleman yields back.

Ms. Devlin, I just want to—what happened, like, what happened over the last, you know, insert months where this seemed to kind of spiral out of control? Can you, you know, give me the Reader's Digest on that one?

Ms. DEVLIN. Well, the main thing is the ballooning of the workload because of the PACT Act making more veterans eligible to apply. Those veterans are predominantly in—certain states have a higher, you know, veteran population. Those stations got impacted more.

Mr. VAN ORDEN. I was not here. Were you here for the PACT Act, Chris?

Mr. PAPPAS. Mm-hmm.

Mr. VAN ORDEN. Was that thought of? I mean, was this predicted in the PACT Act? By the way, we are going to have more guys and gals, and, therefore, we are going to have to have more counselors for VR&E?

Mr. PAPPAS. I am sure it was anticipated, yes.

Mr. VAN ORDEN. Okay. Then we are just failing somewhere along the lines.

I want to talk to you for a second. You said you need 387 additional counselors on top of what is in the President's budget?

Ms. DEVLIN. Yes, sir. That would be to get us to the 1-to–125 ratio.

Mr. VAN ORDEN. Okay. You are saying you need roughly 800 counselors, is that right?

Ms. DEVLIN. We currently have 1,056 performing this work.

Mr. VAN ORDEN. You need 1,400 or 1,500 total? Okay. How many vets have been in this program for longer than 48 months?

Ms. DEVLIN. I do not have that number off the top of my head, sir.

Mr. VAN ORDEN. Right here. It is big. This is, I mean, Chris cannot read this, by the way. I can. I mean, it is really small. I did take my glasses off to read it, but we got some people here that have been receiving these benefits for like 82 months in a row and 461,000 bucks, we got $895,000. The list goes on and on and on and on and on. I am just wondering, you know, has anyone been held accountable to your knowledge, and I know you just got there, for this?

I mean, imagine how much medical benefits we could give to folks or how many more of these people we could hire if we were not spending $900,000 for an individual to get 72 months of training doing I do not know what. To your knowledge, has anyone been held accountable for this?

Ms. DEVLIN. We have increased oversight over the last couple of months in looking into those cases to make sure that the right things are being done. Either the veteran needs to be re-engaged and finish their program or——

Mr. VAN ORDEN. Ma'am, I understand. I am talking about at the Veterans Affairs Administration, to your knowledge, has anyone been held accountable for this absolute buffoonery?

Ms. DEVLIN. We have to look at the individual cases. It is not necessarily incorrect for that veteran to be in the program that long.

Mr. VAN ORDEN. Ms. Devlin, where do you go to college where you spend $900,000 for a degree?

Ms. DEVLIN. One of those cases that I looked at in my oversight capacity was actually an independent living case where the veteran needed adaptation to their home to be able to navigate their home effectively.

Mr. VAN ORDEN. Okay. Now, this is what we talked about previously, and we are talking about splitting pools of money, but is that the case with this guy? We do not know. It is interrupted. We need to really get into this because this committee is also responsible for adaptive housing, so we need to have very clear funding lines.

There is another thing. How do you establish the Basic Allowance for Housing (BAH) rate for a student? What is it based on?

Ms. DEVLIN. The BAH rate is established in the Chapter 33 guidelines, and VR&E simply uses those tables.

Mr. VAN ORDEN. Okay. If a person's home of record is in Michigan and they fly to San Diego to take a single class, they get San Diego per diem?

Ms. DEVLIN. They would get their rate——

Mr. VAN ORDEN. Or BAH.

Ms. DEVLIN. Yes, sir. They would get the rate based on the facility they are attending in person.

Mr. VAN ORDEN. Okay. See, this is an issue because that is $4,000. BAH, you know, having been in the military for a long time, is based on where you live or your duty station. This is something that Chris and I have to work on because that is fraudulent, in my opinion. You know, you are living in a place where the cost of living is so small, and then you fly in for a single class to do something, and you are, you know, making three times the BAH. That is something we need to look at from an oversight perspective, because that is legislative.

Ms. DEVLIN. That is legislative. That is correct, sir.

Mr. VAN ORDEN. That is why we need to do our job. I am telling you, it is frustrating a little bit. What do you think? Like, right now, you have a magic wand, what do you do to fix this program? We got 19 seconds.

Ms. DEVLIN. I do not have a magic wand. What we are doing is increasing internal controls to make sure that we can more closely monitor these things and hold our leaders accountable for monitoring the program.

Mr. VAN ORDEN. Okay. Well, my time has expired.

Mr. Pappas, do you have more questions?

Mr. PAPPAS. Yes, thank you.

Mr. VAN ORDEN. All right. We will do a second round of questioning. Mr. Pappas, you are now recognized for 5 minutes.

Mr. PAPPAS. Thanks very much. I know our friend Mike Levin used to sit in the seat and was very much focused on what was happening in San Diego, where the numbers were far greater in terms of wait times than what I would see in my region of the country. The regional office for VR&E in my region in Boston, the wait time is 33 days. I understand that progress has been made at San Diego. I know that was in your testimony. Can you drill down a little bit on that in terms of what tools have proven successful there? I know you talked about the virtual counseling capabilities and redistributing work, and if you could also talk about whether that has met with veteran acceptance along the way, and that is a path that veterans are okay with choosing, it would be great to hear that.

Ms. DEVLIN. Yes. With San Diego specifically, we deployed a help team of 11 people. These are people who were recently put into quality assurance positions. They are some of our best counselors, and they dug in and helped San Diego first, and then we also did the reassignment of work for the virtual counseling.

We have not heard any complaints. Veterans seem to really appreciate the availability of virtual counseling. Truthfully, it is

seamless to them where their counselor sits as long as they get the counseling appointment that they need to get entitlement and get a rehabilitation plan developed.

Mr. PAPPAS. Okay. It appears that progress was made in part by making sure that ratios were in a much more acceptable place than they previously had been in San Diego. Is that right?

Ms. DEVLIN. Yes. Ratios were adjusted based on moving the workload to the people that we have on board.

Mr. PAPPAS. Okay. It appears that you cannot fully get there nationally and address those ratios without the additional people that you indicated you need for the program.

Ms. DEVLIN. That is correct.

Mr. PAPPAS. Okay. As enrollments increased since the passage of PACT, obviously staffing became a challenge and did not keep pace. I am wondering if you can reflect a little bit more on why that was the case.

Ms. DEVLIN. The VR&E Division and the field offices did do some hiring over the last few years, but they also had some attrition. I will say that the field of rehabilitation counseling as a whole is not a growing occupation. That is why the new position of voc rehab specialist was created, so that different bachelor's degrees, for example, in other human services occupations could be considered.

The previous administration had to make decisions, and they made decisions about hiring based on disability claims processing. The priority was given to hiring of disability claims processors versus voc rehab counselors.

Mr. PAPPAS. In terms of the work that counselors do, obviously you can look at it in terms of numbers and having caseloads in the right place that might provide them with a better working environment and an ability to help veterans in a more timely fashion. Are there other ways you are thinking about retention and holding on to those qualified counselors that you have and working to avoid burnout?

Ms. DEVLIN. Yes, I am very concerned about retention with our counselors. I have recently convened a group of leaders from the field, regional office directors, assistant directors, and VR&E officers to meet with me to give me recommendations on how we can make improvements in the field. VR&E service has done some great work, but really the field is where the rubber meets the road. Those are the people that I need to hear from directly. We have started meeting and discussing what to do to improve the program as a whole and also to improve things like retention and recruitment.

Mr. PAPPAS. Okay. That is it for me. I will yield back, Mr. Chairman.

Mr. VAN ORDEN. Thank you, Ranking Member Pappas.

Can you explain to me the difference between a veterans rehabilitation specialist and a veterans rehabilitation counselor?

Ms. DEVLIN. Yes, sir. A vocational rehabilitation counselor has a master's degree in rehabilitation counseling, and so it is a specific industry. Then a vocational—and they can make decisions, like entitlement decisions, and they can do the full gamut of services. They can get a veteran all the way from the very beginning of application, all the way through to declaration of rehabilitation.

A vocational rehab specialist can be at a bachelor's level, similar types of educational credentials, but at the bachelor's level. They cannot make entitlement decisions, but they can help the veteran. Once the rehabilitation plan has been developed by a voc rehab counselor, they can help the veteran throughout the lifetime of their case, all the way through declarations of rehabilitation or discontinuance if the veteran stops participating.

Mr. VAN ORDEN. What is the ratio between a specialist and a counselor? Like, how many specialists do you have compared to counselors?

Ms. DEVLIN. Well, you know, I have the combined number. It is 1,056 of the two combined. I am sorry, I do not have the ratio between the two.

Mr. VAN ORDEN. In your professional opinion, do you think you need a master's degree to pull this off?

Ms. DEVLIN. I think that what the master's degree gives us, I have a master's degree in rehabilitation counseling, and the training that you get in those master's degrees is how to really take a look at the disability conditions and the occupational areas and all of the support that a veteran might need to achieve rehabilitation and overcome those barriers. Other occupations, such as social work, for example, might be more comprehensive in the clinical sense, but less focused on the occupational sense.

Mr. VAN ORDEN. Well, Ms. Devlin, I would posit that if you have a 45 percent recidivism rate, that is the wrong term because they are not going to jail, but if 45 percent of our veterans are returning, I would say that maybe we are not getting the money—or the bang for the buck with a master's degree. If someone is—if they are missing the mark 45 percent of the time. What we are trying to do, if you need an additional 400 folks, you know, that is going to be really hard to produce these people.

What I need from you is I need the ratio and I would like to see the specific differences. If you do not have in front of you right now, just get it to me. I want to see the specific differences in authorities. Having done this myself, and my counselor, her first name was Ann, I will not say her name, but was awesome. You know, I do not know if she had a master's degree or a bachelor's degree. She was great. Then seeing people along the way, I just think that what we are doing is we are requiring an educational—we are setting a standard for an education that is actually limiting our ability to hire people. I do not see an appreciable difference between the two right now.

I do not want this to be a program that is hampered by an artificial requirement. The Secretary of Defense and some other folks have removed these requirements for GS levels. You know, you have to have a bachelor's to be this and a master's. Okay. That has been removed through a lot of these different career fields. I think that is something we need to look at here just because of these things. I mean, we got real—we have empiric knowledge, you know, experience-based knowledge now that this is something that needs to be looked at. You know, to my ranking member friend's point, you know, we want to make sure that we can get everybody what they need.

You are good? Okay. Well, I want to thank you for coming today, Ms. Devlin. We do have a lot of work ahead of us. I want this to be an open line of communication and, again, I accept full responsibility for my lack of oversight being the chairman of the subcommittee in the last Congress. That is on me and I am not running away from that. I know that you have personally assured me and I am going to take you at your word that you will increase your oversight and I would like to be able to exchange ideas on this.

Again, this is a fantastic program, but it is rife for abuse and it is too easy to defraud this program. We want to make sure that we hyper focus these dollars because this, I mean, how much is it, 72,000 bucks a year? I mean, we could essentially fund everybody you need if we got rid of what is clearly fraud. I mean, we can say whatever you want, but you do not spend $900,000, not have a bachelor's degree. It is just not it.

Then we are also going to work on splitting off the adaptive home things because those are super important, too. I mean, that veteran loses their legs or arms or whatever, that is—we need to do that and I do not care how much it costs. That is a debt that we owe to the veterans. I just want to be able to clean up our funding lines so we know exactly what we are spending it on, so we can maximize these dollars to give every veteran that earned these benefits exactly what they need to thrive.

I would now like to yield to my ranking member if you have any closing comments, sir.

Mr. PAPPAS. No, thanks. I think we generally agree on the challenges here, and I am, you know, grateful to hear some of the ways that you have made some progress at realizing better numbers in certain locations around the country, including San Diego. I think they are important lessons to be learned.

In addition to rebalancing caseloads and having better internal controls and providing the best training possible, it is clear this is an issue where we need more people. We need more counselors and support staff in order to get to those ratios that are acceptable so that veterans are not waiting far too long and are getting the help that they deserve.

I know I want to work with you on that to help get you the support that you need and deserve there. I am grateful for your reflections and want to continue to make sure we are engaging the veteran community in terms of their own satisfaction and trust with respect to this program, which is a real game-changer, as you said, Mr. Chairman. I am glad that this support is there.

We have got a ways to go to make it better. Certainly we have to pay attention to those cases where fraud is possible or where it may be happening. As you say, there are complex cases out there, and I think we need to make sure that we are focused on the big challenge here, which is ensuring that the increased number of veterans that are moving through this program get the help they need. You cannot get there without people and having the right staff. I remain committed to providing that as best I can.

I yield back.

Mr. VAN ORDEN. The gentleman yields back.

Ms. Devlin, again, thank you so much for coming today. I appreciate it. It is kind of lonely sitting out there by yourself, but you did a bang up job.

I ask unanimous consent that all members may have 5 legislative of days to revise and extend their remarks and include extraneous materials.

Without objection, so ordered.

The hearing is now adjourned.

[Whereupon, at 3:21 p.m., the subcommittee was adjourned.]

A P P E N D I X

PREPARED STATEMENTS OF WITNESSES

Prepared Statement of Margarita Devlin

Chairman Van Orden, Ranking Member Pappas, and distinguished members of the Subcommittee, I appreciate the opportunity to appear before you today to discuss the Veteran Readiness and Employment (VR&E) Program.

I had the privilege of seeing the transformational impact of the VR&E program from multiple vantage points. I began my journey as a counselor working directly with Veterans to navigate their career paths and achieve their goals. I then had the honor of holding several leadership positions in VR&E in the field and at headquarters. At every level I witnessed how the program can truly change lives—helping Veterans rediscover purpose, achieve independence, and thrive in their post-service careers. During the first Trump administration, I served as the Principal Deputy Under Secretary for Benefits.

One of our top priorities at that time was to address staffing shortfalls in VR&E by working diligently to achieve the counselor-to-Veteran ratio of 1 to 125. That is why it was especially disheartening to see much of that progress eroded over the past 4 years.

Challenges and Change

One of the challenges we face is the result of programmatic mismanagement over the past few years, which diverted critical funding away from hiring much needed counselors. Under this Administration's leadership, I developed a resourcing plan to ensure that resources allocated to VR&E through the President's budget are fully directed to the mission they are intended to support. Bottom line—not having focus on the program and ignoring the challenges it faced was unacceptable.

Despite these challenges, we made meaningful progress in the past couple of months. I understand that your staff recently visited our San Diego Regional Office. I hope you saw there that we are working hard to make changes to better serve Veterans.

Other significant changes currently in progress include improving workload management, which you highlighted in previous hearings—high wait times and cases so old due to lack of proper oversight.

We also are accelerating eligibility decisions and making sure Veterans are getting the timely support they deserve. We deployed help teams, streamlined processes, and focused squarely on service delivery.

Under new leadership, my commitment is simple. I want to restore your trust in the VR&E program and earn the trust of the Veterans and transitioning Service members who earned this benefit and deserve only the best.

Program Overview

The mission of the Veterans Benefits Administration (VBA) VR&E program is to assist Service members and Veterans with a service-connected disability that limits their ability to work or prevents them from finding or maintaining suitable careers or living more independently. VBA achieves this mission by providing direct counseling services to ensure participants' goals are not only achievable but attained.

VR&E assists Service members and Veterans to find a suitable career goal or to live more independently through its five tracks of service: (1) rapid access to employment, (2) re-employment, (3) employment through long-term services, (4) self-employment, and (5) independent living. VR&E works directly with Service members and Veterans to identify suitable goals and develop a highly individualized plan for them. VR&E also monitors their progress and provides professional counseling and support by trained Vocational Rehabilitation Counselors (VRCs) and Vocational Rehabilitation Specialists (VRS).

Program Growth, Staffing, and Workload Management

VA consistently monitors Veteran participation in VR&E services to ensure that the program provides dedicated and focused counseling that leads to successful em-

ployment outcomes. From October 2020 to June 2025, the VR&E caseload grew significantly. The caseload was 112,627 in October 2020 and is 186,826 as of June 2025, reflecting a total growth of 52.3 percent. This sharp increase underscores the escalating demand for VR&E services, driven by an increase in the eligible Veteran population due to the PACT Act and Benefits Delivery at Discharge program, as well as successful outreach efforts aimed at informing more Veterans about the program. This includes the program name change in June 2020, to better reflect the program's focus on helping Veterans achieve their employment goals and reduce any stigma or confusion associated with the previous name.

Staffing allowances in the past few Fiscal Years allowed VR&E to hire 1 counselor for every 140 Veterans in the program. However, with VBA's current counselors onboard, VR&E is at a national caseload ratio at 1 to 175. VR&E currently requires an additional 387 **counselors** to meet the growing demand for VR&E services and drive the staffing toward 1 to 125 counselor to caseload ratio. While VA is reviewing the staffing levels and budget, VR&E is actively taking steps to ensure that every Veteran receives the care and benefits they earned.

VBA is addressing the increasing VR&E workload through several approaches. In recent months, we implemented a help team approach to reduce pending applications at several stations. In this model we take a team of 11 Quality Review Specialists and partner them with station resources to conduct group orientation sessions and expedited entitlement determinations in the initial stages of the VR&E claims process. This implementation allows us to reduce the pending work at the application and evaluation and planning stages, thus providing faster decisions to Veterans. The San Diego Regional Office (RO) used this approach, and recently other stations used this approach to assist pending workload. Quality Assurance results will be monitored to determine if there is an impact to claim quality.

We implemented brokering strategies to address geographical demand and make the most efficient use of our national resources to process pending claims timelier. Stations with the highest caseload ratios broker work to stations with lower caseloads, thus allowing the pending work to be addressed more efficiently. We shift work strategically to balance demands and resources nationwide, thus improving the timeliness of services to Veterans. We employ a combination of a regular brokering cadence and supplement this by addressing surges in workload as needed. We conduct a regular analysis of all workload stages and make adjustment as needed.

We also address our increasing claims inventory by using contracting funds. We are using contracting funds to target assistance to stations with high workloads. The primary focus is on the reduction of the applicant workload but also focuses on cases in the interrupted status. We assign contract dollars as needed for this effort to ensure the funds are allocated based on greatest workload need. Initial results of this new effort are positive.

We are taking advantage of technology to improve our service to Veterans participating in the VR&E program. We launched the Electronic Virtual Assistant (eVA) system on June 20, 2020, which increased efficiencies in administrative duties like requesting and collecting documents in support of the claim and sending appointment reminders. We began implementation of our new Readiness and Employment System (RES) nationwide on May 19, 2025. RES is a new modern case management system that will ultimately replace the legacy system, CWINRS.[1] RES will increase automation and reduce manual calculations, reduce the time needed to perform case management activities, display real-time eligibility and benefit information, and improve business processes to name a few. We will complete this staged implementation roll out by the end of September 2025. Once RES is fully deployed, it will capture additional efficiencies in the establishment of new cases, automate certain financial functions, and provide a more efficient VRC user interface. Veterans will experience reduced wait times and faster decisions.

To address the growing demand for VR&E services, we designed these multiple approaches to mitigate against the current staffing shortage. In addition to these efforts, we use and leverage overtime funds for addressing high priority areas, conduct monthly calls with stations for discussing the status of aging cases, and increase oversight and management support for improving efficiency, applying best practices, and ensuring agile workload strategies are in place.

Program Oversight

[1] Corporate Winston-Salem, Indianapolis, Newark, Roanoke, and Seattle System. The name is derived from the first letter of the names of the five pilot test stations that tested the original program. It is an automated case management system supporting the VR&E program (legacy).

VA's dedication to improving the VR&E program led to several initiatives aimed at enhancing service delivery for Veterans. Our comprehensive plan to enhance VR&E program compliance underscores our strong commitment to proper oversight, regulatory adherence, and consistent service delivery across all regional offices. Due to the increased demand for services, national compliance required additional oversight for workload management and customer service strategies. Consequently, we adjusted auditing processes to ensure field leaders had the necessary knowledge and skills to meet larger workload demands.

As part of this initiative, we designed revamped site visit protocols to ensure consistency and thorough workload management. We structure these visits to identify best practices, address challenges, and ensure compliance with regulations, policies, and procedures. The goals are to guarantee consistent service delivery across all VR&E ROs, provide comprehensive workload management and oversight, highlight and share best practices, and promptly address challenges. These measures reflect our dedication to improving the VR&E Program and offering Veterans the highest quality of service.

VA is committed to ensuring that congressional intent is carried out in a fiscally responsible and responsible manner to honor Veterans enrolled in the program. An example of VA's responsiveness is demonstrated by the quick actions taken as a result of a 2023 Office of Inspector General (OIG) report. VA demonstrated proactive leadership and commitment to compliance by implementing significant reforms to ensure adherence to Chapter 31–only program requirements. OIG identified that VR&E did not correctly implement the law requiring individual waivers from the executive director for each participant in a Chapter 31–only program.

VA updated its guidance, emphasizing that VRCs must use approved GI Bill programs to the maximum extent. VA worked to ensure only Veterans in unique circumstances received approval to attend a program with this limited authority. VA provided training, updated national procedures, and discontinued facilities outside of congressional intent in less than a year. We complemented these efforts with the establishment of robust monitoring processes, including the implementation of compliance surveys and Department-wide auditing, thus ensuring all Chapter 31–only programs align with legislative intent. VA's proactive actions reflect a dedicated effort to enhance program integrity and ensure that Veterans receive the highest standard of service. These initiatives fortified VA's compliance framework and reaffirmed its commitment to accountability and oversight of Veteran service delivery.

VBA also conducts monthly national quality assurance (QA) reviews on random samples from each RO, alongside individual case manager performance assessments through QA reviews conducted at each local office. As of May 2025, VR&E exceeded the outstanding target in all national performance metrics including Fiscal Accuracy (96 percent), Case Management Accuracy (84 percent), and Program Outcome Accuracy (98 percent).

VR&E related legislation

VA testified before the House Committee on Veterans' Affairs Subcommittee on Economic Opportunity on June 11, 2025, on several bills that would impact the VR&E program. VA supported the proposed legislation that would limit the extension of a vocational rehabilitation program under Chapter 31 to 96 months unless the Secretary determines that extraordinary circumstances apply and submits written notices of the extension and the extraordinary circumstances to the House and Senate Committees on Veterans' Affairs. The limitations on extensions in the proposed bill would ensure that resources are used effectively and fairly. The goal of the VR&E program is to provide personalized support tailored to each Veteran's rehabilitation objectives, thus helping them achieve suitable employment or live more independently within a reasonable timeframe rather than extending benefits indefinitely. Furthermore, VA proposed an amendment to align the calculation of entitlement for the VR&E program with other VA education programs. This amendment aims to reduce the disparity in the order of usage and address reductions of entitlement in the VR&E program resulting from the transfer of entitlement to a dependent.

VA also supported H.R. 3579, the Veterans Readiness and Employment Program Integrity Act. This proposed legislation would require the Secretary to report on the employment and annual wages of its participants, thus ensuring Veterans are achieving meaningful employment. It also would require the Secretary, on an annual basis, to publish on a VA website the average wait time from when a Veteran requests a vocational rehabilitation program under Chapter 31 to when the Veteran first meets with a counselor as part of the Veteran's program.

Additionally, H.R. 3579 proposes a 1-year limit on employment assistance for Veterans who have previously participated in the VR&E program or a similar voca-

tional rehabilitation service. Research indicates that the highest engagement in employment services typically occurs within the first 3 to 6 months. Most participants find employment during this timeframe. VA suggested an amendment to apply a similar limitation to counseling and placement and postplacement services addressed in section 3105(b)(1), which currently allows for assistance for up to 18 months. This limitation aims to ensure that services and resources are used more efficiently and effectively.

The VR&E program acknowledges that collecting and reporting data is crucial for demonstrating the program's effectiveness and improving its services. The program recently achieved split positive outcomes to show those metrics on Veterans who obtain employment and those who have achieved rehabilitation to the point of employability. The program constantly seeks ways to demonstrate a good return on investment and ensure that it effectively meets the needs of Veterans participating in the VR&E program.

Employment Metrics

Veterans who complete a program of rehabilitation show significantly better outcomes compared to those who stop participating such as higher employment rates (73 percent vs. 43 percent), greater income earnings ($80k vs. $50k), and increased home ownership (77 percent vs. 62 percent).[2] In addition, their reliance on supplemental programs decreased (35 percent vs. 58 percent), thus highlighting participants successful transition and reduced need for further support.

Continuing our commitment to helping more Veterans successfully transition into the workforce, VR&E focuses on employment outcomes. An employment outcome represents a rehabilitation when a Veteran completes their program and is successful in gaining suitable employment. From Fiscal Year (FY) 2020 to Fiscal Year 2024, VR&E Service recorded a consistent number of employment outcomes, over 10,000 each fiscal year, and 10,501 in Fiscal Year 2024 alone. In Fiscal Year 2025, 7,486 employment outcomes were achieved through June 20, 2025, which is currently 9 percent over the established target for Employment Outcomes.

Readiness and Employment System

As noted earlier in this testimony, VR&E began implementation of the RES nationwide. A significant leap toward enhancing efficiency and service delivery, VR&E successfully automated the eligibility determination process through the RES. This process, previously requiring the effort of two employees, was streamlined to require only one employee, thanks to the integration with the Master Person Index and VA Profile. When an application arrives in RES, it is immediately matched with enterprise data to automate previously manual data entry, thus ensuring all necessary information is readily available. The system's intuitive design processes the data and uses green checkmarks and red X's to visually represent eligibility decisions, thus simplifying the validation process for field staff. This automation not only expedites decision-making but also allows staff to focus on more critical aspects of their roles. Accepted applications lead directly to case creation and the assignment of a VRC, thus ensuring timely service for Veterans. By the end of the pilot, RES automation demonstrated an average processing time for Eligibility of 3.4 days, versus over 7 days in the legacy CWINRS platform.

RES significantly increases the availability of real-time data, thus enabling more informed and accurate entitlement decisions through automated business rules. By consolidating various data sources and providing comprehensive insights into each Veteran's profile, RES helps address individual needs more effectively and optimizes the support provided. In addition, RES's embedded analytics and robust tracking of case management enable more effective decision-making and workload management.

Since October 9, 2024, the automation processes within RES eliminated 5,903 hours of manual data entry, thus allowing field staff to dedicate more time to directly supporting Veterans. The automated eligibility determinations transformed a two-person intake process into a simplified one-person review, which greatly improved efficiency. In addition, the automation of calculation and case approval processes reduces the need for out-of-system procedures, thus simplifying data management. The implementation of a modern user interface based on human-centered design principles minimizes fatigue and ensures easy access to information within correct workflows, thus further reducing administrative constraints.

Conclusion

[2] Fiscal Year 2023 Veteran Readiness and Employment (VR&E) Longitudinal Study

In conclusion, VA is fully committed to making the improvements necessary to strengthen the VR&E program from ensuring fiscal stewardship and filling critical vacancies to modernizing how we deliver services. At the heart of all this work is one goal: ensuring that Veterans receive the support they earned, when they need it, without lengthy wait times. We know we have work to do, and we are determined to get it right. Our Veterans deserve nothing less. Mr. Chairman, this concludes my statement. I would be happy to answer any questions you or other members of the Subcommittee may have.

STATEMENTS FOR THE RECORD

Prepared Statement of U.S. Department of Veterans Affairs, Office of the Inspector General

DEPARTMENT OF VETERANS AFFAIRS
OFFICE OF INSPECTOR GENERAL

STATEMENT FOR THE RECORD
OFFICE OF INSPECTOR GENERAL
US DEPARTMENT OF VETERANS AFFAIRS
TO THE
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
COMMITTEE ON VETERANS' AFFAIRS
US HOUSE OF REPRESENTATIVES
HEARING ON
PATH OF PURPOSE: RESTORING THE VA VR&E PROGRAM
TO EFFECTIVELY SERVE VETERANS
JULY 16, 2025

Chairman Van Orden, Ranking Member Pappas, and members of the Subcommittee, thank you for the opportunity to provide a statement for the record on the independent oversight conducted by the Office of Inspector General (OIG) on VA's Veteran Readiness and Employment (VR&E) program. The OIG is committed to conducting audits, reviews, and inspections that result in clear findings and practical recommendations to help VA promptly and effectively provide veterans with the benefits, quality health care, and other services they are due. To that end, the OIG works diligently to ensure every report it releases—even if focused on a single program or VA facility—serves as a road map for VA leaders nationwide and contributes to overall systems improvements. The OIG also vigorously pursues criminal investigations involving potential fraud and other crimes affecting veterans and the waste of VA funds, as well as administrative investigations of abuse of authority and misconduct related to VA's operations, programs, and services.

The VR&E program, administered by the Veterans Benefits Administration (VBA), is authorized by Chapter 31 of the United States Code (U.S.C.) and is often referred to as the Chapter 31 program. VR&E supports veterans who have disabilities connected to their military service (service-connected disabilities) that limit their ability to work.[1] The program helps veterans explore employment options and address education or training needed to support their goals.[2]

[1] 38 U.S.C. § 3101(2) A service-connected disability is a disability incurred during or aggravated by active military service. Specifically, the program provides job training and other related services for veterans with "an impairment resulting in substantial part from" a serviced-connected disability, of their "ability to prepare for, obtain, or retain employment consistent with [their] abilities, aptitudes, and interests".

[2] VA, Veteran Readiness and Employment (Chapter 31), accessed June 27, 2025.

VR&E pays the cost of all tuition, books, fees, and supplies, and provides a monthly subsistence allowance during training. Unlike the Montgomery and Post-9/11 GI Bill education programs that cap tuition based on the type of school, VR&E has no cap on the amount spent per veteran, potentially making it more expensive on a per-veteran-served basis.[3] During fiscal year 2024, the most recent year for which data are available, the VR&E program provided services to 267,613 veterans who received more than $2 billion in VA-derived funds.[4]

The subjective aspects of the VR&E laws, regulations, and manual provide VBA the flexibility to meet the individual needs of veterans, yet creates risks of fraud, waste, and abuse that must be addressed. Mitigation of these risks requires strong VBA internal controls with clear policies and procedures, oversight, and monitoring. Given the billions of dollars at issue, the need for strict accountability and effective oversight are vitally important to ensure funds are being properly used for eligible beneficiaries and for the continuous improvement of the program.

Following some context on the program requirements and administration, this statement highlights two OIG reports that have identified deficiencies in internal controls and oversight challenges with related recommendations for corrective action. The first audit found VBA did not implement a law to approve and monitor veterans' use of VR&E-only programs, which may only be used when GI Bill programs are insufficient.[5] The second report, which was released in 2024, found that VR&E participants were being improperly authorized for Veteran Employment Through Technology Education Courses (VET TEC), which provides veterans with the opportunity to pursue high-technology training, such as computer programming, outside the regular VR&E program.[6] The statement concludes with a discussion of the OIG's investigative efforts to combat fraud in the VR&E program.

PROGRAM CRITERIA AND GOVERNANCE

For veterans to receive VR&E benefits, they must meet both eligibility and entitlement requirements.[7] Depending on their discharge date, some veterans' eligibility extends to 12 years from the date they received notice of their first service-connected disability rating. Other requirements include that their discharge was under conditions other than dishonorable; they have an "employment handicap;" and their service-connected disability is rated at 10 percent or more.[8]

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[3] 38 U.S.C. §§ 3015, 3313; 38 C.F.R. § 21.430 (2025). US Department of Veterans Affairs FY 2024 Budget Submission showed the average benefits for Chapter 33 (Post-9/11 GI Bill) as $14,588 and Chapter 31 (VR&E) as $17, 061 per veteran.

[4] VBA, *Annual Benefits Report Fiscal Year 2024*.

[5] VA OIG, *Staff Did Not Limit the Use of Schools and Training Programs That Were Only Approved for the Veteran Readiness And Employment Program*, September 14, 2023.

[6] VA OIG, *Veteran Readiness and Employment Staff Improperly Sent Participants to Veteran Employment Through Technology Education Courses*, March 28, 2024.

[7] 38 U.S.C. §§ 3102-3103.

[8] 38 U.S.C. §§ 3102-3103.

There are two scenarios under which a veteran is eligible and entitled to receive benefits through the VR&E program: In the first scenario, the veteran must have what VA terms an "employment handicap" and a service-connected disability evaluated as 20 percent disabling or greater. For the second scenario, the veteran must have a service-connected disability evaluated at 10 percent with a "serious employment handicap".[9] To determine whether a veteran has a "serious employment handicap," a vocational rehabilitation counselor considers factors such as the severity of disabling conditions, a pattern of reliance on government support programs, and the existence of neuropsychiatric conditions.[10]

Once a veteran's eligibility and entitlement are established, a vocational rehabilitation counselor helps the veteran identify a suitable employment goal and determines what services are necessary to achieve it. Often, this includes college, non-college-degree training, on-the-job-training, or an apprenticeship program. As the figure below illustrates, and as discussed later in this statement, the training or program facility must be previously approved by VA and have a facility code that is related to invoicing.

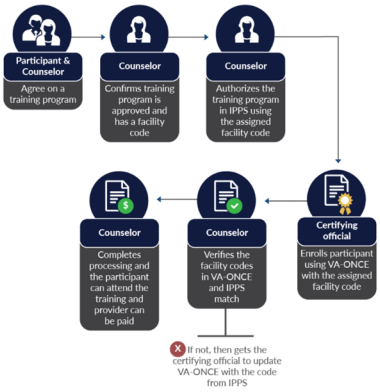

Figure. *VA OIG analysis of the VR&E process that was conducted for VA OIG. Source:* Veteran Readiness and Employment Staff Improperly Sent Participants to Veteran Employment Through Technology Education Courses.

Note: IPPS stands for the Invoice Payment Processing System that allows schools and vocational programs to be paid by VR&E. VA-ONCE refers to a system used by VR&E to process living allowances for enrolled veterans.

[9] 38 U.S.C. § 3102(a).

[10] VA Manual 28C, "Evaluation Process," chap. IV.B.1 in *Veteran Readiness and Employment Manual*, para. 1.05, updated April 7, 2023.

VR&E Organizational Structure

VR&E is governed by the program's executive director. The director is responsible for developing policy, procedures, and workload systems; supporting VR&E staff training; and providing oversight of VR&E divisions with quality assurance reviews and site surveys. The director also supports staff by serving as the chief point of contact for Congress and all federal agencies on the VR&E program.

In addition, VBA's 58 regional offices each have a VR&E division, led by a VR&E officer who implements policies and procedures, and establishes, maintains, and provides oversight.[11] The VR&E officer reports to the regional office director who provides general management for the VA regional office, including the VR&E division, and ensures all policy and procedure changes are properly implemented and benefits are provided in a timely manner.

Each VR&E officer manages staff generally composed of vocational rehabilitation counselors and employment coordinators, as well as technical and administrative support staff. Counselors manage cases for assigned veterans with disabilities. They determine entitlement, coordinate readiness and employment services, document progress and adjustments, authorize payments, and maintain case records. Employment coordinators assist ready-to-work veterans with service-connected disabilities by providing job development and placement services, such as skills for conducting job searches, résumé development, and interviewing.

OIG FOUND VET TEC PROGRAM AUTHORIZATIONS NEEDED TO BE IMPROVED

In September 2022, the OIG received an allegation that a training provider in the VET TEC program enrolled VR&E participants with improper authorizations.[12] The program pairs participating veterans and eligible service members with industry-leading and high-technology training providers to help participants enhance their skills or acquire new skills to enter the job market. VET TEC programs must meet less stringent approval requirements than VR&E, are not approved for use under the GI Bill, and require a waiver from the VR&E executive director for VR&E participants to use them. The allegation also stated that some VR&E counselors had worked with the training provider, while other counselors had refused to authorize payments for courses.

The OIG substantiated the allegation that VR&E staff improperly authorized 31 participants to attend the courses offered by the VET TEC training provider. The team also identified 11 additional VR&E participants attending courses at eight other VET TEC training providers that VR&E staff improperly authorized. According to law, VR&E participants must attend GI Bill–approved programs to the

[11] Each of the 58 VR&E regional divisions is also connected to one of VBA's regional offices. The regional offices fall under the authority of the Office of Field Operations. Field operations staff oversee operations at VBA district, regional, and field offices to ensure VBA delivers benefits and services effectively and efficiently, including for VR&E.

[12] VA OIG, *Veteran Readiness and Employment Staff Improperly Sent Participants to Veteran Employment Through Technology Education Courses*.

maximum extent possible or obtain a waiver from the executive director of VR&E.[13] The VET TEC courses authorized for these 42 participants were not approved for the GI Bill and no waivers were obtained to allow participation.

The team found that 22 of the 31 VR&E participants improperly authorized to attend the VET TEC provider's courses mentioned in the complaint were subsequently enrolled.[14] In addition, the other 11 improperly authorized participants were also enrolled in the other eight VET TEC courses. Because 33 of the 42 total VR&E participants were improperly enrolled, the OIG considered the $387,000 spent on those courses between April 1, 2019, and December 31, 2022, as improper payments.[15]

The improper authorization occurred because VR&E staff were not adequately informed about the VET TEC pilot program and were generally unaware the program could not be used by VR&E participants unless a waiver was obtained from the VR&E executive director. These VR&E staff did not receive any VET TEC–specific training, leading to confusion.

VR&E controls were ineffective because they did not prevent participants from being authorized and then enrolled in unapproved courses. The team determined that this occurred in two ways: First, at the time of the OIG review, VR&E counselors were unaware that the training provider's certifying officials were required to use the VBA's enrollment system, which is the VA Online Certification of Enrollment (VA-ONCE).[16] Failure to consistently check whether the system was being used allowed certifying officials to bypass the control. Instead of using VA-ONCE as required, the certifying official was allowed to email an enrollment form to the counselors. Second, VR&E counselors did not verify that the facility code used on the authorization in the Invoice Payment Processing System was the same code used by the school certifying officials on the enrollments. Because the controls were ineffective, counselors missed opportunities to determine if the VET TEC courses were approved.

To address identified weaknesses, the OIG made two recommendations to the then under secretary for benefits. First, VR&E must implement policies and controls to ensure all programs approved for use by counselors for VR&E participants meet the requirements of applicable laws and regulations. Second, appropriate VR&E staff at regional offices should be trained to verify programs are approved for use before selecting participating veterans and to verify facility codes match from authorization through enrollment. The recommendations are now closed as implemented.

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[13] 38 U.S.C. § 3104(b).

[14] The remaining nine were not enrolled for various reasons, such as deciding to attend a GI Bill–approved program instead or leaving the VR&E program.

[15] The number is rounded to the nearest $1,000. An improper payment is any payment made to an ineligible recipient for an ineligible good or services. Office of Management and Budget Circular A-123, March 5, 2021.

[16] US Department of Veterans Affairs VR&E School Certifying Official Handbook, updated December 4, 2019. School certifying officials are employed by schools and training facilities to certify VA student enrollment to VBA.

VBA DID NOT PROPERLY LIMIT THE USE OF VR&E-ONLY APPROVED PROGRAMS

VR&E participants typically must attend schools and training programs approved under the Montgomery and Post-9/11 GI Bills.[17] Some participants have special or complex needs that cannot be met by an approved GI Bill program, so VR&E could approve non-GI Bill, or Chapter 31-only, programs for use by these participants. In December 2016, Congress amended the law that allows for the use of Chapter 31-only programs and explicitly requires that VR&E issues a veteran-specific waiver each time a participant needs to use a Chapter 31-only program.[18] Given the OIG's focus on ensuring the proper expenditure of federal funds, an audit was conducted to determine whether VR&E properly approved and monitored participants' use of Chapter 31-only programs.[19]

The OIG found that VR&E leaders did not properly implement the law as amended because they did not understand that it required individual waivers from the executive director each time a Chapter 31-only program was selected for a participant.[20] The OIG identified over $13 million in technically improper payments to Chapter 31-only programs that likely would not have received those funds if VR&E had followed the law and limited use of the Chapter 31-only programs.[21]The team determined that the technically improper payments were questioned costs because at the time of the audit there was no documentation to support that waivers were obtained on a case-by-case basis as required by law.[22]

VR&E regional office staff told the audit team that, generally, Chapter 31-only programs were not needed because alternative GI Bill–approved programs were available. Based on a review of Chapter 31-only programs attended by a sample of 52 participants between March 1, 2021, and February 28, 2022, the team confirmed that these veterans generally could have attended GI Bill–approved programs instead.

After the OIG presented its findings, VR&E issued updated guidance to staff on the use of Chapter 31-only programs.[23] According to the guidance, when vocation rehabilitation counselors develop plans,

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[17] 38 U.S.C. § 3104(b).

[18] 38 U.S.C. § 3104(b).

[19] VA OIG, *Staff Did Not Limit the Use of Schools and Training Programs That Were Only Approved for the Veteran Readiness and Employment Program*.

[20] 38 U.S.C. § 3104(b).

[21] Office of Management and Budget, "Reviewing the Necessity of Statue and Regulation for Technically Improper Payments," sec. I.A.2a in "Requirements for Payment Integrity Improvement," app. C to OMB Circular A-123, March 5, 2021. Technically improper payments are those in which a payment was made to the correct recipient for the correct amount, but the payment process failed to adhere to all applicable statutes and regulations. Because VR&E operated under the inaccurate assumption of approving the program instead of issuing individual veteran waivers, these Chapter 31-only payments were made to correct recipient, therefore, no dollar amount needs to be recovered.

[22] The Inspector General Act defines questioned costs as a finding that, at the time of the audit, the cost is not supported by adequate documentation. Inspector General Act of 1978, 5a U.S.C. § 405.

[23] VR&E released interim procedures to staff on December 14, 2022, and further updated those procedures in an email to staff on February 2, 2023.

they must use approved GI Bill programs to the maximum extent possible or obtain approval from the VR&E executive director to use a Chapter 31-only program for each participant attending the facility. In addition, VR&E started developing new procedures, such as requiring all documents be filed in a veteran's case record, improving Chapter 31-only documentation in monthly quality assurance case reviews, establishing mandatory training on the approval and use of Chapter 31-only programs, and updating the VR&E manual to eliminate the term "special and complex needs" and replace it with a requirement that counselors must make determinations on a case-by-case basis and clearly explain the need for selecting a Chapter 31-only program.

What the OIG Recommended

Still, the OIG recommended that the then under secretary for benefits ensure that VR&E personnel understand the current laws and regulations that govern Chapter 31-only programs, including training all appropriate VR&E regional office staff to complete annual compliance surveys and obtain waivers for each veteran to attend a Chapter 31-only program. VBA also was called on to review, and update if necessary, the VR&E manual's existing waiver and compliance survey requirements for Chapter 31-only programs to ensure it reflected governing law. Finally, the OIG recommended that VR&E develop processes to monitor the use of Chapter 31-only programs. The recommendations are now closed as implemented based on documentation provided by VA.

OIG CRIMINAL INVESTIGATIVE EFFORTS TO COMBAT FRAUD IN THE VR&E PROGRAM

Over the last decade, the OIG's Office of Investigations has increasingly focused investigative resources on education benefits program fraud cases, leading to the prosecution of numerous institutions and their leaders. In most of these cases, the losses have overwhelmingly come from GI Bill funds. However, prosecutions have also involved VR&E program fraud. Additionally, a small number of cases have involved institutions approved solely under the VR&E program—Chapter 31-only schools. The two criminal prosecutions involving VR&E fraud described below highlight vulnerabilities that were identified in our audit reports: a lack of internal controls and inadequate oversight.

Lack of Separation of Duties and Insufficient Oversight

In the *James King, et al.* case, James King, a VR&E counselor, was assigned numerous critical responsibilities without adequate checks and balances. [24] King used his position to demand and receive bribes from VR&E participating schools. He frequently carried out the following responsibilities without secondary review from within the VR&E office:

- Approving schools for VR&E participation, their enrollment requests, and their invoices for routing to the finance department

[24] US Department of Justice, "Department of Veterans Affairs Official Sentenced to 11 Years in Prison for $2 Million Bribery Scheme Involving Program for Disabled Military Veterans," February 15, 2019.

- Conducting initial site visits of prospective schools
- Approving beneficiary participation and school selection
- Purchasing supplies for VR&E beneficiaries

The VR&E program requires a high-cost memorandum and a second-level review when tuition exceeds a certain threshold. Defendants in the *James King, et al.* case circumvented this by splitting tuition across multiple invoices. This concealed the true total cost of tuition and ensured that no single invoice triggered the threshold for enhanced review. The responsibility is on the VR&E counselor to alert VR&E management when the threshold is exceeded. There are no alternative mechanisms in place to detect such violations independently.

Insufficient Reviews and Monitoring by VR&E

Under current practice, GI Bill–approved schools are not required to obtain separate approval to enroll VR&E beneficiaries. VR&E staff do not routinely conduct a review of the materials submitted by the school during the GI Bill approval and compliance processes. As a result, when schools later submit enrollment requests to VR&E, its staff make enrollment decisions based on limited information that may not align with what was approved under the GI Bill. In the *Wilbert McNair, et al. case*, this contributed to a VR&E beneficiary being approved for "Art Welding Sculpting/Fabrication" and "Fine Arts" courses that the designated school did not offer, an issue that could have been caught through a basic review of the school's course catalog submitted to GI Bill program officials. [25] A detailed understanding of the services that a GI Bill–approved school represents it will provide to veterans is essential for effective oversight.

VR&E staff also have not routinely performed compliance surveys at VR&E-only schools. Additionally, while compliance surveys are conducted at many GI Bill–approved schools that enroll VR&E beneficiaries, there is no requirement to examine VR&E student files as part of those reviews. These oversight gaps limit visibility into program compliance and increase the risk that fraud will go undetected.

CONCLUSION

The OIG's reports on the VR&E program have helped VBA address significant internal control deficiencies and monitoring challenges, as well as fraudulent activities that drain resources from the program that should be used for veterans' employment assistance. VBA's actions in response to the reports' recommendations have been encouraging. An upcoming OIG report on eligibility and entitlement will present VBA with further recommendations to improve the program. The OIG will monitor VBA's plans for implementing these recommendations and ongoing efforts to advance this important program while reducing the risk of fraud, waste, and abuse.

[25] US Department of Justice, Eastern District of Virginia, "Owner of Welding School Sentenced for $1.4 Million GI Bill Fraud," May 1, 2018.

Prepared Statement of Veterans Education Success

Our Statement for the Record on the Topic of "Path of Purpose: Restoring the VA VR&E Program to Effectively Serve Veterans"

STATEMENT FOR THE RECORD
SUBMITTED TO THE
HOUSE COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
119TH CONGRESS, FIRST SESSION

JULY 16, 2025

Chairman Van Orden, Ranking Member Pappas, and Members of the Subcommittee:

We thank you for the opportunity to share our perspective on the Veteran Readiness and Employment (VR&E) program. Veterans Education Success works on a bipartisan basis to advance higher education success for veterans, service members, and military families, and to protect the integrity and promise of the GI Bill® and other federal education programs.

We provide direct assistance to hundreds of student veterans each year. Through this work, we have heard from veterans about their experiences with VR&E.

We believe that comprehensive support and access to high-quality postsecondary education and workforce training are essential to helping veterans transition successfully into civilian life. These investments not only change individual lives—they strengthen our economy. VR&E is one of the VA's most vital programs, providing veterans with service-connected disabilities the tools they need to "prepare for, obtain, and maintain suitable employment."[1] We are grateful to the Subcommittee for its continued attention to this critical program.

Following our previous statements to the Subcommittee in 2019, 2022 and 2024, we have continued to receive complaints from veterans about VR&E.[2],[3][4] The recent complaints reviewed in advance of this hearing continue to tell a story that the process for VR&E benefits is often too complicated and stressful, and veterans get tired of fighting for what they deserve. All too often, there are counselors who prove to be unresponsive, or even antagonistic, to a veteran's interests.

Veterans who reach out to our team about VR&E are often very discouraged and do not feel like counselors are assisting them. Veterans have shared stories that indicate their

counselors do not have the competence or time needed to help them, and, to the veterans, the counselors appear as if they are actively working to disqualify them from benefits. A veteran is sometimes assigned multiple successive counselors or even assigned to new VR&E offices, and they receive contradictory and confusing directions and decisions in regard to their VR&E benefits. Some veterans also have shared their concern that the counselor may retaliate against the veteran.

Highlighted below are specific areas of concern raised by veterans who have contacted us recently, followed by recommendations of potential solutions to the challenges veterans face.

Veterans feel counselors and the program steer them away from high-quality programs or push them to enroll in low-quality programs.

We have heard from numerous veterans that VR&E counselors will not approve programs at prestigious four-year universities because of cost, regardless of any demonstrated increase in the likelihood of employment. At the same time, we have heard that some VR&E counselors explicitly steered students to online for-profit schools with similarly high costs.

A veteran shared that he was accepted into a highly regarded business school at an Ivy League institution. The veteran said his VR&E counselor immediately denied approval for the school, stating that it is a “high-cost school” and the credential can be earned “at a local university with reasonable costs.” According to the veteran, the VR&E counselor was “callous” and “uninterested, and disregarded the specifics of his situation and discounted the benefits of the school.”

Similarly, another veteran planned to attend a prestigious arts institution, after gaining experience, connections, and recommendations in her field of study. The VR&E counselor refused to approve the school for the veteran, stating that the school would be a “high-cost school” and that there are other schools with similar degree options that would be more “economical.” The veteran believed the VR&E counselor ignored several practical reasons that the chosen school was actually a better fit than other suggested schools, including that the school’s prestige would provide greater opportunities for employment in a competitive field.

Particularly frustrating to the veterans in these last two examples is that the school approval process appeared arbitrary. In both instances, the veterans knew that other VR&E counselors had approved veterans to attend these exact same institutions.

Veterans complain that applying for and using VR&E benefits is too difficult and arbitrary, causing tremendous stress.

We frequently hear from students that the VR&E application process and subsequent decisions seem to be arbitrary or unreasonable given the students' disabilities and employment goals.

Many veterans have complained that they have difficulty using VR&E for graduate or professional degrees. One student recently shared that, when he inquired about a PhD program, his counselor told him, "We don't say the word 'doctor' around here." Another veteran who contacted us explained that his VR&E counselor would not consider approving him for a doctoral program. Instead, the VR&E counselor approved the veteran for a Master's level program that would qualify the veteran only for work incompatible with the veteran's disability. The counselor did not address the veteran's concern that the program would not provide suitable employment.

Additionally, veterans have complained to us that counselors have improperly determined that VR&E benefits may not be utilized to complete graduate or professional educational programs. The counselors have also determined that completing the graduate or professional program is unnecessary for a vocation, sometimes even after the veteran has commenced the course of study.

It appears some counselors may not have the training to understand the value of certain advanced degrees, especially for a veteran with a disability who already possesses a post-secondary credential.

VR&E counselors are often difficult to reach and do not provide timely information and responses to veterans.

In the VA's testimony today, they acknowledged the stark reality facing veterans applying for this program. There is a burgeoning backlog of VR&E cases (over 186,000 pending cases) causing veterans to have unacceptably "high wait times." In fact the VA disclosed today that the current staffing ratio is 1 counselor to every 175 clients, well above the current goal of 1 to 125 and a far cry from our recommended 1 to 85. Additionally, veterans are sometimes assigned multiple successive counselors or even assigned to new VR&E offices,

A veteran who had been seeking stable employment since 2022 recently shared that she met with a counselor who approved her for benefits, collected information about her program, and verbally informed her that it would be approved. Two weeks later, she was reassigned to a new counselor in another state who required her to resubmit all the

information she had already provided and then denied her program. She is now left struggling to figure out what to do, as her program is supposed to begin next month.

Similarly, another student shared, “Despite applying and being evaluated three separate times—at three different regional offices—I have not received any benefits or assistance through the program. …These inconsistencies have delayed my education by over a year. I am still unhoused and unemployed as of this writing, having been caught in an institutional cycle that retraumatizes veterans while failing to uphold VA’s Duty to Assist.”

A veteran shared with us, “From personal experience, I have encountered significant hurdles in navigating the VR&E process. The complexities, delays, and frequent misunderstandings have caused considerable frustration and impacted my educational and professional goals. Unfortunately, my situation is not unique. Numerous fellow veterans here at [school] are facing similar challenges, often left feeling unsupported and overwhelmed while attempting to secure benefits they've earned through their dedicated service.”

A student also shared his counselor’s perspective: “I really do try and assist everyone, but it is a daunting task!! I work all the OT they will give me and often hours spent after hours. I hope they take action, but am guarded.”

Based on the issues addressed above, Veterans Education Success makes the following recommendations for the Subcommittee’s consideration:

- **Staff Ratio.** As the veterans’ stories above demonstrate, too many VR&E counselors are overburdened and unresponsive. We renew our call for Congress to further decrease the number of clients per counselor from 125 clients to around 85 clients per counselor. While VA has worked to reduce the number of clients per counselor, we believe it would be beneficial to further decrease the Congressionally mandated ratio to a maximum of 85 clients per counselor. The current threshold of 125 is too high for counselors to address the individual needs of student veterans adequately, and veterans often complain about the lack of responsiveness of their counselors. In the VA’s testimony today, VA disclosed that the current staffing ratio is 1 to 175 with a backlog of over 186,000 cases (up 52% over the past 5 years).[5] This backlog is unacceptable.

- **Counseling Consistency.** As raised in our prior statements to the Subcommittee, we continue to hear from veterans admitted into top-tier universities who were forced by counselors to enroll in low-quality schools, notwithstanding that the low-quality school would not produce the career

outcomes that a degree from a top school would bring the veteran. Some veterans even reported previously that VR&E counselors required them to forgo Ivy League colleges (where they had been admitted) in favor of low-quality, online for-profit colleges that had been successfully sued by the federal government for fraud. As discussed above, too many veterans continue to report subpar counseling.

Consequently, we continue to recommend increased training for VR&E counselors that includes comprehensive information for all five tracks in the VR&E program, consistent expectations, and requirements for quality to help improve veteran outcomes and overall customer experience. In particular, counselors should be trained to avoid recommending schools that have federal caution flags or law enforcement actions. Counselors should also be empowered to approve requests for obtaining additional education, including graduate degrees, when it is needed for veterans to obtain their vocational goals. We believe additional training and more explicit guidance for counselors could help improve the program delivery and experience for student veterans.

- **System Modernization.** We believe it is imperative for VA to continue to focus on improving and modernizing the current case management system so that payments to students are not delayed, given the dire financial situations many veterans are currently facing. As program participation rates rise, we feel these suggestions should be considered for future legislation to provide veterans with the world-class experience they deserve. Along these lines, we commend the recent e-VA Document Repository and Automation Initiative, which we believe significantly reduces an otherwise time- and effort-intensive process for VR&E counselors. This digitization and automation will allow student veterans to provide critical information in a greatly more efficient and effective manner. We are encouraged to hear that the VA has launched their Readiness and Employment System (RES) nationwide which will hopefully modernize the current byzantine VR&E case management system.

- **Housing Allowance Parity.** We urge Congress to establish a Monthly Housing Allowance (MHA) for VR&E students at rates similar to the Post-9/11 GI Bill to keep pace with the rising cost of living.[6]

- **Proper Oversight.** We concur with the VA Office Inspector General (OIG)'s findings that VA needs to implement proper oversight of the VR&E program to "overcome oversight gaps [that] limit visibility into program compliance and increase the risk that fraud will go undetected." [7] Specifically, the VA needs to conduct routine compliance surveys of VR&E-only approved schools, ensure

VR&E students are included in compliance reviews for GI Bill approved schools and implement internal controls that non-GI bill approved programs taught at GI Bill approved schools are not inadvertently approved for VR&E students.

We thank the Subcommittee for your attention to this important issue and your consideration of our statement. We will also continue to provide feedback we hear from the veterans with whom we work. The VR&E program is one of the most important tools in helping veterans transition into long-term careers to support themselves and their families. We look forward to continuing to collaborate with your staff and the Department of Veterans Affairs to improve this crucial program.

Conclusion

Veterans Education Success sincerely appreciates the opportunity to express our views before this Subcommittee. As the higher education industry continues to evolve in these very dynamic times, we emphasize the importance of maintaining high standards of quality. Student veterans, taxpayers, and Congress must expect the best outcomes for veterans' hard-earned VA benefits. We look forward to the discussion and review of these proposals, and we are grateful for the continued opportunities to collaborate on these topics.

Information Required by Rule XI2(g)(4) of the House of Representatives

Pursuant to Rule XI2(g)(4) of the House of Representatives, Veterans Education Success has not received any federal grants in Fiscal Year 2024, nor has it received any federal grants in the two previous Fiscal Years.

[1] U.S. Department of Veterans Affairs. Vocational Rehabilitation and Employment (VR&E) Longitudinal Study (PL 110-389 Sec. 334): Annual Report 2018 for FY 2017. https://www.benefits.va.gov/VOCREHAB/docs/2017LongStdy.pdf

[2] Veterans Education Success, "VES Written Statement on Evaluating the Effectiveness of VA Vocational Rehabilitation and Employment Programs Before the House Committee on Veterans' Affairs Subcommittee on Economic Opportunity," June 4, 2019. https://vetsedsuccess.org/wp-content/uploads/2019/06/VES_SFR_VRE_06032019-1.pdf

[3] Veterans Education Success, "Our Statement for the Record on the Topic of 'Veteran Readiness and Employment: Is VA Succeeding?,'" September 15, 2022.

https://vetsedsuccess.org/wp-content/uploads/2022/09/VES-SFR-VRE-Hearing-HVAC-EO-September-15-2022.pdf

[4] Veterans Education Success,"Statement for the Record on the Topic of "Examining the Effectiveness of the Veterans Readiness and Employment (VR&E) Program," December 11, 2024.
https://vetsedsuccess.org/our-statement-for-the-record-on-the-topic-of-examining-the-effectiveness-of-the-veterans-readiness-and-employment-vre-program/

[5] Department of Veterans Affairs, J. MARGARITA DEVLIN ACTING PRINCIPAL DEPUTY UNDER SECRETARY FOR BENEFITS, "PERFORMING THE DELEGABLE DUTIES OF UNDER SECRETARY FOR BENEFITS VETERANS BENEFITS ADMINISTRATION DEPARTMENT OF VETERANS AFFAIRS (VA) BEFORE THE COMMITTEE ON VETERANS' AFFAIRS SUBCOMMITTEE ON ECONOMIC OPPORTUNITY U.S HOUSE OF REPRESENTATIVES ON PATH OF PURPOSE: RESTORING THE VA VR&E PROGRAM TO EFFECTIVELY SERVE VETERANS," JULY 16, 2025.
https://docs.house.gov/meetings/VR/VR10/20250716/118499/HHRG-119-VR10-Wstate-DevlinJ-20250716.pdf

[6] Veterans Education Success, "Statement for the Record, House Committee on Veterans' Affairs Economic Opportunity Subcommittee Hearing, *Getting Veterans to Work after COVID-19*," July 21, 2020.
https://vetsedsuccess.org/our-sfr-for-july-21-hvac-economic-opportunity-subcommittee-hearing-getting-veterans-to-work-after-covid-19/

[7] Department of Veterans Affairs, Office of Inspector General, "STATEMENT FOR THE RECORD OFFICE OF INSPECTOR GENERAL US DEPARTMENT OF VETERANS AFFAIRS TO THE SUBCOMMITTEE ON ECONOMIC OPPORTUNITY COMMITTEE ON VETERANS' AFFAIRS US HOUSE OF REPRESENTATIVES HEARING ON PATH OF PURPOSE: RESTORING THE VA VR&E PROGRAM TO EFFECTIVELY SERVE VETERANS," JULY 16, 2025.
https://docs.house.gov/meetings/VR/VR10/20250716/118499/HHRG-119-VR10-20250716-SD002.pdf

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