

Education, Employment, and Training

During this time of persistent unemployment in our country, the veterans community has been hit especially hard. Estimates from the Bureau of Labor Statistics compiled throughout 2011 indicate that the unemployment rate among veterans of the current conflicts was at least 2 percent greater than the national average.¹

With the end of the conflict in Iraq, withdrawal from Afghanistan on the horizon, and proposals to scale back our nation's active duty military, identifying and creating economic opportunities for today's war-fighters is a national imperative that continues to demand decisive action.

Our veterans have made tremendous sacrifices for our nation. Congress and the Administration must make a concerted effort to ensure that veterans have access to education, employment, and training opportunities to ensure success in an unfavorable civilian job market.

Unfortunately, the gap is widening between America's veteran and civilian populations, and neither employers nor veterans know how to translate years of military training and experience into the civilian marketplace.

A 2012 report from the Center for a New American Security outlined the business case for hiring veterans, pointing to leadership, character, and discipline as primary reasons for veteran hires. However, the report also pointed to misconceptions about relevant skill translation, negative stereotypes, and possible future deployments as deterrents to offering veterans employment opportunities.²

It is critical that today's military service members have the ability to correlate their leadership experience and military competencies to nonmilitary job sectors. In recognition of veterans' employment challenges, Congress passed the VOW to Hire Heroes Act (P.L. 112-56), an important step in improving veterans' job prospects. Service members deserve relevant transitional resources, the opportunity to pursue a quality education through their earned benefits, and the chance to start a meaningful career once they return to civilian life.

Assisting those who have honorably served to secure the proper skills, certifications, and degrees so that they can achieve personal success is central to our support of veterans. In addition, individuals with disabilities, including veterans, often encounter barriers to

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entry or reentry into the workforce. The lack of appropriate accommodations on the job can make obtaining quality training, education, and job skills especially problematic. These difficulties, in turn, contribute to low labor force participation rates and leave many disadvantaged veterans with little choice but to rely on government assistance. At current funding levels, entitlement and benefit programs cannot keep pace with the demand for such benefits. The vast majority of working-age veterans want to be productive in the workplace, and Congress and the Administration must provide greater opportunities to help them achieve their career goals.



Education

In 2008, Congress enacted the Post-9/11 GI Bill and ensured that today's veterans have greater opportunities for success after their years of voluntary service to our nation. *The Independent Budget* veterans service organizations (IBVSOs) were pleased with the quick passage of this landmark benefit and worked with Congress to quickly correct unforeseen inequities via the Post-9/11 Veterans Education Assistance Improvement Act of 2010.

When the act was signed into law, leaders in Congress and in the veterans' advocacy community predicted that this important legislation could create a new "Greatest Generation," offering critical job skills and training to a new generation of leaders. However, the IBVSOs are very concerned about the continued viability of the Post-9/11 GI Bill, should predatory practices continue or become prevalent. This landmark benefit is too important to our veterans and our nation to allow any hint of impropriety.

The IBVSOs believe that it is imperative for the Veterans Benefits Administration and the Department of Education, in combination with the

state approving agencies, to refine metrics on student-veteran outcomes and also combine their resources to monitor postsecondary educational institutions that accept the Post-9/11 GI Bill in order to curb predatory practices.

Last year, the President signed an executive order seeking to improve consumer education and consumer protection resources for student-veterans, but the IBVSOs believe that legislation still must pass Congress to ensure that these resources are properly implemented.

The IBVSOs are also concerned that the Post-9/11 GI Bill may be vulnerable to budgetary attacks as the conflicts in Iraq and Afghanistan draw to a close. The benefits of the Post-9/11 GI Bill must continue to remain available to honor the sacrifice of our nation's veterans. To support this request, the Department of Veterans Affairs must develop the metrics to accurately measure the short-term and long-term impacts of these educational benefits. The IBVSOs believe that the Post-9/11 GI Bill is an investment in our veterans and must be protected.

VA'S COORDINATION WITH STATE APPROVING AGENCIES IS INSUFFICIENT TO PREVENT FRAUD

The Department of Veterans Affairs and state approving agencies must work together to ensure that only quality education programs can receive GI Bill funding.

Leaders in Congress and in the veterans community have discovered instances of predatory practices among some proprietary schools receiving Post-9/11 GI Bill funds. In 2009, for-profit schools received more than one-third of all GI Bill funds, while graduating less than 30 percent of all enrolled student-veterans.³

As widespread allegations surfaced across the higher education industry, the Department of Education (DOE) sanctioned five schools, including four for-profit institutions, for excessive default rates among students.⁴ The Department of Justice (DOJ) also filed a civil suit against one such institution for its predatory practices.⁵

Despite these troubling findings from the DOE and the DOJ, all the schools in question have continued to receive Post-9/11 GI Bill funds. To *The Independent Budget* veterans service organizations (IBVSOs), a critical disconnect exists between the gatekeepers of veterans' education programs, the state approving agencies (SAAs), and the ultimate approving authority for GI Bill-eligible schools, the Secretary of Veterans Affairs.

A recent Government Accountability Office report highlighted the fraudulent and questionable practices exhibited by certain educational institutions.⁶ This report underscores the urgency of the issue and the need for improved oversight and coordination among state and federal agencies responsible for auditing and certifying schools.

Title 38, Code of Federal Regulations clearly outlines the duties of SAAs, including their periodic inspection of schools receiving GI Bill funds. The authority of SAAs was established by Congress in 1947 to ensure that veterans and eligible dependents can use the GI Bill educational entitlement in an approved educational program. Under contract with the Department of Veterans Affairs, the key function of SAAs is to ensure that education and training programs meet VA standards through a range of approval entities

and activities. Today, under contracts with VA, SAAs ensure that education and training programs meet federal VA standards through a variety of activities, such as evaluating course qualifications, assessing school financial reports, and monitoring school progress.

Furthermore, 38 CFR clearly mandates that the Secretary of Veterans Affairs is the final approval authority for all schools to become eligible. Unfortunately, a major disconnect persists between the Secretary and the SAAs because the Secretary is expressly prohibited from exerting any kind of control or oversight over the SAAs. This weak relationship demands scrutiny from both the IBVSOs and Congress to ensure that SAAs can competently assess GI Bill-eligible schools and that the Secretary asserts the authority to approve and disapprove schools.

Although the Secretary cannot oversee the SAAs, the Veterans Benefits Administration (VBA) should have unlimited access to information already gathered and tracked by the Departments of Education, Justice, and Defense. This would allow the VBA to make fact-based and informed decisions on educational institutions serving veterans and receiving federal funding. Moreover, if another federal agency or department has sanctioned institutions of higher learning for predatory or other questionable practices, the Secretary must have the authority to sanction the same schools.

The IBVSOs note that the SAAs are not solely responsible for the current situation. In the early 2000s, the SAAs faced losing their funding altogether. Fortunately, they succeeded in securing mandatory funding in 2006. When the Post-9/11 GI Bill took effect in August 2009, the scope of the SAAs' responsibilities changed dramatically. However, due to the mandatory funding model, resources have remained stagnant. The IBVSOs believe SAAs may be challenged to carry out their duties without the proper resources.

Recommendations:

Congress should grant the Secretary of Veterans Affairs the authority to leverage available information sources, including that of the state approving agencies (SAAs) and the Departments of Defense, Justice, and Education, to make an informed decision on program eligibility and institutions that will receive federal GI Bill funding.

Congress should grant the Secretary the authority to sanction schools when a federal agency or

department cites an institution of higher learning for predatory or other questionable practices.

Congress must reexamine the role of SAAs in the 21st century to ensure that the gatekeepers of GI Bill eligibility have the policies and resources in place to effectively serve as consumer watchdogs for student-veterans in their communities.

Congress must also revisit the funding mechanism for SAAs to ensure that they have the resources necessary to properly carry out their mission of overseeing GI Bill-eligible programs.



METRICS TO TRACK GI BILL AND EDUCATION BENEFITS SUCCESS ARE INSUFFICIENT

The Department of Veterans Affairs must track metrics beyond simple enrollment and benefit usage to be able to gauge education program success.

The Veterans Benefits Administration (VBA) previously tracked individual enrollment and benefit usage by veterans utilizing Post-9/11 GI Bill benefits; however, beginning with the 2011–12 academic year, the VBA has begun to track graduation rates. This shift in policy limits VA ability to measure the number of veterans using their education benefits at a given time and how much of that benefit has been used to date. Put simply, the Department of Veterans Affairs has no metrics to determine whether students who use their benefits achieve their academic goals.

Without proper metrics, VA, Congress, and *The Independent Budget* veterans service organizations cannot accurately assess the effectiveness of GI Bill programs or recommend corrections.

The Department of Education (DOE) surveys all schools receiving title IV funding and monitors dozens of metrics and data points. This oversight role allows it to consistently analyze programs like Pell Grants and Stafford Loans. Using such metrics, the DOE can detect trends among schools that may not be delivering the kinds of outcomes expected by the taxpayers. This information enables the DOE to take corrective action. However, the DOE does not

monitor the use of veterans benefits on its surveys. VA has not developed the capability to collect and utilize this kind of data.

Fortunately, Presidential Executive Order #13607 in April 2012 directed the VBA to work in concert with the Department of Defense, the DOE, the Consumer Financial Protection Bureau, and the Federal Trade Commission to inventory the current metrics collected across agencies on student persistence and success in achieving higher education goals. However, officials recognize that such an inventory could take months to complete, at which time agencies would need to agree on the kinds of metrics that best indicate programmatic success for GI Bill beneficiaries.

Recommendation:

The Veterans Benefits Administration must work closely with its partners in the Departments of Defense and Education, the Consumer Financial Protection Bureau, and the Federal Trade Commission to quickly complete a metrics inventory and identify programmatic success metrics for GI Bill beneficiaries.

CONSUMER INFORMATION FOR POTENTIAL STUDENT VETERANS REMAINS INSUFFICIENT

The delivery mechanisms for consumer information offered to student-veterans by the Department of Veterans Affairs are inconsistent and confusing to the end-user.

The *Independent Budget* veterans service organizations (IBVSOs) believe that the best way to fight against institutions that fail to educate veterans is to ensure that student-veterans make informed decisions about those they choose to attend.

Our military is recognized as the most professional and most effective fighting force in the world because we give our service personnel the best training, equipment, and information. Unfortunately, when we send our veterans off to school we fail to prepare them similarly for what lies ahead. If the Post-9/11 G.I. Bill is going to be the generationally transformative benefit that we want it to be, we have to do better by our student-veterans.

The Department of Veterans Affairs now offers much more consumer information on its website www.gibill.va.gov than ever before. Schools agreeing to adhere to certain standards and practices to best serve the needs of student-veterans commit to a VA “Principles of Excellence” standard.

On www.gibill.va.gov, veterans can review the list of schools that are included in the “Principles of Excellence standard.” Veterans can also learn whether a school is generally eligible for GI Bill participation through VA’s WEAMS database, what the housing allowance rate would be for the school, whether a school offers additional tuition-matching compensation through the Yellow Ribbon Program, or how the school’s students generally perform through the Department of Education’s Integrated Postsecondary Education Data System (IPEDS) reporting database.

End-users cannot reasonably compare education programs through the resources VA offers on its website, many times even for the same institutions. For example, users may find that a school they are interested in is listed on the VA website as a “Principles of Excellence” participant, but that the same school cannot be found inside WEAMS or IPEDS because it is filed differently in those databases.

The IBVSOs recognize the enormity of the task at hand for VA and its partners in improving consumer education for student-veterans, and we applaud VA’s efforts to ensure that pertinent information is made available to student-veterans through VA’s online resources.

While VA continues to work with its partners in the Departments of Defense and Education, the Consumer Financial Protection Bureau (CFPB), and the Federal Trade Commission (FTC) to inventory the current metrics collected across agencies on education persistence and success, VA and these partners must also identify information points that would be relevant to a potential student-veteran and present them in an easy-to-use format.

The IBVSOs stress that the metrics with which Congress and policy analysts measure GI Bill success are distinctly different from the kinds of information potential student-veterans would need to make an informed decision about the kinds of academic programs they would wish to pursue.

According to Student Veterans of America, an organization representing student-veterans on more than 500 campuses, VA and its partners should focus on developing relevant data for potential student-veterans on the following metrics: course completion, retention, graduation, transfer out, persistence, and employment.

In addition, the IBVSOs learned that VA and the DOD have developed curricula for potential student-veterans as part of the ongoing redesign of the military’s Transition Assistance Program. The new curriculum will present potential students with a wealth of information on how to compare educational programs and prepare to enter academic life. The IBVSOs must ensure that the curriculum is relevant to today’s student-veterans.

Recommendations:

Congress must ensure that VA works with the Departments of Defense and Education, the Consumer Financial Protection Bureau, and the Federal Trade Commission to identify and consolidate information points relevant to potential student-veterans.

Congress must ensure that consumer information presented to potential student-veterans through VA's

online resources—particularly www.gibill.va.gov—is presented in a consistent, easy-to-understand format that allows veterans to make an informed educational choice.

Congress must ensure that the education curricula designed for the military's new Transition Assistance Program meet the needs of potential student-veterans as they seek to choose a school and enter academia.



VETSUCCESS ON CAMPUS MUST EXPAND TO SERVE MORE STUDENT VETERANS

The Department of Veterans Affairs must strategically expand the reach of the VetSuccess on Campus program and work with student-veterans to determine the services that will lead to educational success.

In June 2009 the Department of Veterans Affairs piloted the VetSuccess on Campus program. The purpose of the program is to help veterans succeed in completing their educations. Although veterans using the Post-9/11 GI Bill are the focus of the program, any veteran may benefit from the available services. The program is located on more than 30 college campuses but is still limited in reach.

The VetSuccess on Campus program is part of VA's Vocational Rehabilitation and Employment (VR&E) Services program. VetSuccess on Campus places VA vocational rehabilitation counselors and outreach coordinators on college campuses to provide veterans with career and academic counseling and information about the services and supports, including VA benefits and programs, that will help them succeed.

VA plans to continue to expand the program to reach veterans at additional college campuses. The expansion will focus on campuses that have a population of approximately 1,000 student-veterans. Other criteria for selection include the availability of free, furnished office space by the school and the presence of student-veteran organizations and other supports.

The VetSuccess on Campus program has the potential to make a significant contribution to the educational experience of student-veterans. The program provides assistance to these veterans at a critical

time in their transition from active duty to civilian life. As of fiscal year 2011, there were approximately 555,000 student-veterans using the Post-9/11 GI Bill to attend school at more than 6,000 campuses.

Extending these services to more campuses will require additional financial resources. *The Independent Budget* veterans service organizations believe that the investment in VetSuccess on Campus is critical to ensuring the long-term success of the Post-9/11 GI Bill. Investing in supportive services helps to ensure that student-veterans are able to fully benefit from their VA educational benefits. Without these services, some student-veterans may not complete their educations.

As VA continues to increase its presence on our nation's college campuses, it must ensure that additional campuses are selected based on their capacity to benefit student-veterans. This will allow the VetSuccess on Campus program to have a broad impact on veterans seeking higher education. A comprehensive rubric for selecting campuses should include the number of veterans on campus, other resources available to veterans, and geographical location relative to other educational institutions.

In addition to traditional brick-and-mortar campuses, a significant number of student-veterans use Post-9/11 GI Bill benefits and other educational benefits to

attend online campuses. These student-veterans should also have the opportunity to benefit from VetSuccess on Campus program supports and services. VA must move forward in establishing a virtual VetSuccess on Campus program to reach these students. If the virtual program is successful, it may be able to assist VA in reaching not just student-veterans attending online campuses but also those who are attending schools that do not have a high veteran enrollment.

To ensure that VetSuccess on Campus is meeting the needs of student-veterans, VA must perform regular program evaluation. These evaluations are critical to determining whether the services and supports being offered are addressing student-veteran concerns. Degree completion is not the only measure of success but should also extend into the ability of students to gain and maintain employment.

VA must also ensure that VA vocational rehabilitation counselors and outreach coordinators be skilled to effectively address the needs of student-veterans. Students should be able to receive accurate information and appropriate referrals for VA and other

supportive services. Regular training could help to ensure that staff is able to serve as a quality resource.

Recommendations:

VA must strategically expand the VetSuccess on Campus program so that VA vocational rehabilitation counselors and outreach coordinators are able to provide supports to a majority of student-veterans, including those who attend online campuses.

VA must enhance evaluation of the VetSuccess on Campus program by measuring not only student-veterans' use of the program but also the degree to which they successfully complete their educations.

VA must continually educate VetSuccess on Campus vocational rehabilitation counselors and outreach coordinators regarding VA programs and services so that these staff will be effective resources for student-veterans.



Employment and Entrepreneurship

The Independent Budget veterans service organizations (IBVSOs) have long-argued a disproportionate impact from the nation's economic recession on veterans, many of whom were welcomed back from Iraq and Afghanistan by bleak job prospects.

As veteran unemployment became a mainstream issue following the return of thousands of service members from overseas conflicts, efforts on the part of federal and state governments are worth noting. The Veterans Opportunity to Work to Hire Heroes Act of 2011 helped provide seamless transition for service members; expanded education and training opportunities for older veterans through the Veterans Retraining Assistance Program, which hit 57,635 approved applications as of October 25, 2012;⁷ and offered tax credits for employers who hired disabled veterans. Also, the Veterans Jobs Skills Act helped veterans enhance their employability by making military training satisfactory to meet credentialing prerequisites in certain professions.

Finally, such events as the National Veterans Small Business Conference, hosted by the Department of Veterans Affairs in Detroit, helped veteran advocates and employers identify and better understand the needs of unemployed veterans and how to answer those needs. In addition, the three-day hiring fair/expo that accompanied the event provided unmatched networking opportunities among veterans, government and nonprofit agencies, veteran-owned small businesses, and larger corporations.

These efforts have shown signs of impact. The Bureau of Labor Statistics (BLS) released veteran unemployment data for the month of September, reporting the unemployment rate for all veterans dropped to 6.7 percent—more than a full percentage point lower than the national average of 7.8 percent, which is the lowest overall unemployment rate since January 2009.⁸ For post-9/11 veterans, the rate fell to 9.7 percent.

While we celebrated this indication of a long-awaited turning point, the IBVSOs remain cautiously optimistic about long-term improvement, given persistent vulnerabilities. The BLS warns that the sample size for month-to-month data is often too small to identify significant trends, encouraging analysts to rely on aggregate yearly data, which is available in March of every calendar year.

While leaders within the Departments of Defense, Veterans Affairs, and Labor have acknowledged the need for additional resources to aid the transition of veterans to employment, the IBVSOs remain concerned over whether the myriad of existing programs, such as the Veterans Retraining Assistance Program and Veterans' Employment and Training Service, offer adequate services and resources to disabled veterans and chronically unemployed veterans who may need sustained support in order to remain employed. As pointed out in *The Independent Budget for Fiscal Year 2013*, the absence of measurable data, particularly where outcomes are concerned, makes it difficult for the IBVSOs, Congress, and federal agencies to adequately assess program successes and shortfalls.

Entrepreneurship opportunities provide an equally viable path toward economic self-sufficiency for veterans if adequate resources are in place. The IBVSOs support veteran entrepreneurs who start businesses, and advocate for improving programs designed to ensure that veterans can succeed in the corporate world. Programs like the Center for Veterans Enterprise provide critical tools to aspiring veteran

entrepreneurs, but more needs to be done to connect veterans to the available resources. We also believe that set-aside contracts must go to verifiable veteran-owned and service-disabled, veteran-owned small businesses.

Perhaps the starkest reminder that more work needs to be done lies in the lived experiences of unemployed veterans in the subpopulations that have been hardest hit, even as unemployment falls. The employment needs of national guardsmen and reservists, women, minorities, mentally ill, and severely disabled veterans remain unmet. For example, the September 2012 unemployment rate for women Gulf War veterans was 17.7 percent compared to the Current Population Survey female unemployment rate of 13.2 percent. Older BLS data from 2011 indicate that among all veterans, those with a service-connected disability rated 60 percent or higher had a workforce participation rate of only 26.6 percent. Sparse data exist to reflect the employment status of veterans who served the nation honorably but who acquired a significant disability in military service.

These gaps through which certain segments of the veteran population tend to fall highlight the critical importance of ensuring veteran education benefits and post-service transition programs are adequate for all service members facing a highly competitive work environment. Despite early indications of increased employment rates for veterans, it is critical that Congress remain focused on improving veterans' access to their earned employment benefits, entrepreneurial opportunities, and education programs.

MILITARY TRANSITION ASSISTANCE PROGRAMS MUST BE RELEVANT TO TODAY'S JOB MARKET

It is imperative that Congress ensure proper funding for transition assistance programs and that the programs are continually updated to meet the increasing needs of those repatriating from overseas deployments.

The Transition Assistance Program (TAP), an inter-agency program pursuant to section 502 of the National Defense Authorization Act for Fiscal Year 1991 (P.L. 101-510), was established as a partnership between the Departments of Veterans Affairs, Defense, and Labor to provide resources and expertise to assist and prepare veterans and service members to obtain meaningful careers, maximize their employment opportunities, and protect their employment rights. The Department of Labor Veterans Employment Training Service (DOL-VETS) continues to provide wide-ranging services to meet the ongoing employment and training needs of transitioning veterans, especially those injured or disabled, and to bring together employers and qualified veterans to fill open positions.

A brief overview of some of the programs and initiatives under the auspices of DOL-VETS, according to its FY 2011 Report to Congress⁹ includes—

- the Jobs for Veterans State Grant program, which distributes funding to states for Disabled Veterans' Outreach Program (DVOP) specialists who work with veterans experiencing the most significant barriers to employment and Local Veterans' Employment Representative (LVER) staff, whose main task is work with employers to cultivate employment opportunities for veterans. These individuals provide concentrated case management services to veterans and encourage the hiring of veterans through direct marketing and outreach activities with employers.
- the Homeless Veterans' Reintegration Program, which has as its noble goal the reintegration of homeless veterans into both society and the workforce. In FY 2011 this program helped place thousands of previously homeless veterans on the road to recovery and integration.
- the Recovery & Employment Assistance Lifelines initiative, which focuses on services to those transitioning service members and veterans wounded and injured in Iraq and Afghanistan.
- the Veterans' Workforce Investment Program, under P.L. 105-220, section 168, which provides resources for the training necessary to prepare veterans for

meaningful employment and to encourage effective implementation of services for eligible Veterans facing significant barriers.

- TAP Employment Workshops, which provide critical assistance to service members and their spouses by giving them the tools necessary for a successful transition from military to civilian life.

DOL-VETS, which originally began providing TAP employment workshops in 1991, provided more than 4,200 TAP classes to nearly 145,000 participants around the world in FY 2011. Although new data is not currently available, the DOL reports that activity was expected to increase in 2012 to 5,700 TAP classes provided to more than 200,000 participants worldwide.

TAP and the Disabled Transition Program (DTAP) will be mandatory thanks to the VOW to Hire Heroes Act and will result in the program becoming an even greater benefit in meeting the needs of separating service members as they transition to civilian life. The VOW to Hire Heroes Act—

- directs the DOD and the Department of Homeland Security to require the participation of members of the armed forces being separated from active duty and their spouses. Waivers of participation would be permitted for those whose participation is not and would not be of assistance, since such members are unlikely to face major readjustment, health care, employment, or other challenges associated with transition to civilian life; and for those with specialized skills who are needed to support imminent deployment.
- requires the DOL to conduct a study and provide a report to Congress to identify any equivalencies between the skills developed by members through various military occupational specialties and the qualifications required for various positions of civilian employment. These skills equivalencies will be published on the Internet and updated regularly.
- directs the DOD to ensure that each member participating in TAP receives an individualized equivalencies assessment and to make each assessment available to VA and the DOL.

- requires VA to contract, within two years, with appropriate contractors to provide members being separated from active duty, and their spouses, with appropriate TAP services. Retirees may begin TAP classes two years prior to retirement and nonretiree service members may begin TAP classes one year prior to separation.
- authorizes the DOL, VA, the DHS, and the DOD, in carrying out TAP, to contract with private entities that have experience with instructing members on relevant topics on job training and job searching, including academic readiness and educational opportunities.
- authorizes the DOD and DHS, as part of TAP, to permit an eligible member to participate in an apprenticeship or preapprenticeship program that provides education, training, and services necessary to transition to meaningful employment.
- directs the Comptroller General to conduct a review of TAP, and to submit review results and recommendations to Congress.
- treats an individual as a veteran, a disabled veteran, or preference eligible for purposes of appointments to federal competitive service positions if the individual meets all other qualifications except for the requirement of discharge or release from active duty under honorable conditions, as long as such individual submits to the federal officer making the appointment a certification that he or she is expected to be discharged or released under honorable conditions within 120 days after submission of the certification.
- requires the director of the Office of Personnel Management to designate agencies to establish a program to provide employment assistance to members being separated from active duty and ensure that such programs are coordinated with TAP.
- requires the inclusion of TAP performance measures in annual DOL reports on veterans' job counseling, training, and placement programs.

As noted above, as part of the first major redesign of the TAP program in 20 years, eligible members will be allowed to participate in an apprenticeship or pre-apprenticeship program that provides the education, training, and services necessary to assist them in the transition to meaningful employment in crafts and trades. These new TAP classes will also upgrade career counseling options and résumé writing skills, as well as ensuring the program is tailored for the 21st century job market.

Currently, TAP consists of five components:

- preseparation counseling conducted by the respective military services;
- employment workshops presented by the DOL;
- veterans' benefits briefings conducted by VA;
- DTAP facilitated by VA; and
- personalized coaching and practicum.

Since 2005, TAP classes have been offered to eligible, demobilizing reserve members (upon their return from mobilization of 180 days or more). These TAP classes are designed to address the following four areas:

- transition counseling—mandatory and conducted by the military services;
- Uniformed Services Employment and Reemployment Rights Act briefing (normally conducted by the DOL);
- veterans' benefits briefings—facilitated and sponsored by VA; and
- DTAP facilitated and sponsored by VA.

Efforts to improve both TAP and DTAP are under way. The scope of the changes was noted in DOL testimony before the House Veterans' Affairs Committee of June 2, 2011. *The Independent Budget* veterans service organizations (IBVSOs) understand the plan is to begin piloting the redesigned workshops starting in January 2013 and to roll out the new workshops to all continental United States DVOP/LVER-facilitated TAP sites by the end of FY 2012 and to the remainder of the overall sites by the end of 2012. We look forward to the deployment of the improved TAP and DTAP.

Individuals leaving the military with service-connected disabilities are offered DTAP, a program that includes the normal three-day TAP workshop plus additional hours of individual instruction and advice to determine employability and to address their unique needs related to disabilities. DTAP provides important information to wounded service members and their families at a critical nexus. Often these individuals are hospitalized or receiving rehabilitation away from their regular units during their military service discharge process.

Because these individuals are no longer located on or near a military installation, they are often forgotten in the transition assistance process. In this respect DTAP has not scored the level of success that TAP has achieved, and it is critical that coordination be closer

between the DOD, VA, and the VETS to reduce this disparity for these severely disabled service members.

The IBVSOs believe Congress, the DOD, VA, and the DOL should provide increased funding for TAP and DTAP to support the now required attendance for all personnel being discharged.

The IBVSOs have also been concerned with the large numbers of reserve and National Guard service members moving through the discharge system with only the benefit of the abbreviated TAP, as opposed to the more comprehensive program attended by active component members.

Neither the DOD nor VA seems prepared to handle the large numbers and prolonged activation of reserve forces for the global war on terrorism. The greatest challenge with these service members is their rapid transition from active duty to civilian life. If service members are uninjured, they may clear the demobilization station in a few days, and little if any of this time is dedicated to informing them about veterans' benefits and services. Additionally, DOD personnel at these sites are most focused on processing service members through the sites. Lack of space and facilities often restricts contact between demobilizing service personnel and VA representatives.

The 2010 DOL Office of Inspector General (OIG) audit of VETS found problems with contract compliance and tracking of service delivery. The OIG found that VETS did not have effective management controls to ensure TAP participants received the employment assistance needed to obtain meaningful employment.

VETS could not substantiate the 124,700 participants it reported as having attended TAP workshops with participant attendance documents and monitoring of 117 of 247 (47 percent) domestic and overseas TAP sites. The OIG found a lack of consistent evaluation criteria and resolution tracking in VETS' monitoring. Also, VETS did not use measurable performance goals and outcomes to evaluate program effectiveness, and lacked adequate controls over contracting for TAP workshop services.

These deficiencies have resulted in undermining VETS' ability to ensure that it was providing a high-quality program, as required, to provide the assistance needed to ensure that veterans succeed in obtaining meaningful employment, and they may impact critical program decisions by Congress, VETS, and other stakeholders. In addition, the OIG identified deficiencies that resulted

in \$2.3 million in unsupported and other questioned costs and found that \$713,000 spent might have been put to better uses by VETS.

The OIG recommended the following actions by VETS:

- development and implementation of procedures to report and document participant attendance, a monitoring process, and controls for contract activities and administration;
- ensuring that VETS personnel adequately monitor TAP workshops;
- retention of participant information needed to measure and report outcome goals;
- establishment of new memoranda of understanding with its partner agencies;
- revision of methods for contractor cost justification and cost comparisons; and
- recovery of unsupported and questioned contract costs.

The aforementioned revisions to TAP and DTAP for which the IBVSOs continue to advocate should provide the basis to properly address the concerns identified by the DOL OIG and minimize the likelihood of their recurrence. The IBVSOs fully concur with these recommendations and urge VETS to move forward on implementation. The IBVSOs also recommend regular audits of TAP to ensure that these recommendations are correctly implemented.

The transition from a military career to a civilian and corporate-sector career involves a major life change for many new veterans. Veterans not only need employment, but often need assistance in making this adjustment. This time of transition can be a stressful and challenging experience. After spending years becoming part of a military culture, service members who leave the military face a new, unknown culture when they step into a civilian role or corporate career. This transition is often complicated by injuries. VA, the DOD, the DOL, and the DHS must adapt their current transition and education programs to meet the needs of today's veterans.

Recommendations:

All Transition Assistance Program (TAP) classes should include in-depth VA benefits and health-care education sessions and allow time for question-and-answer sessions.

VA, the DOD, DOL, and DHS should design and implement a stronger Disabled Transition Assistance Program (DTAP) for wounded service members who have received serious injuries, and for their families.

Chartered veterans service organizations should be directly involved in TAP and DTAP or, at minimum, serve as an outside resource to TAP and DTAP.

The DOD, VA, the DOL, and the DHS must do a better job educating the families of service members on the availability of TAP classes, along with other VA and DOL programs related to employment, financial stability, and health-care resources.

Congress should increase the funding for Disabled Veterans Outreach Programs to ensure that there are enough to meet the expected demand, with special focus on rural areas.

Responsible agencies should establish an incentivized grant process for any innovative programs utilizing improved methods of meeting the needs of veterans.

Congress and the Administration must provide adequate funding to support TAP and DTAP to ensure that all transition service members, whether active or reserve component, receive proper services during their transition periods.



MOVE VETERANS EMPLOYMENT AND TRAINING SERVICE TO THE DEPARTMENT OF VETERANS AFFAIRS

Programs that assist veterans with employment issues should be under the jurisdiction of the Department of Veterans Affairs.

For more than two decades, the Department of Labor's Veterans Employment and Training Service (DOL-VETS) has been charged with providing employment services to veterans and disabled veterans to reengage them in the workforce. Unfortunately, multiple reports from the Government Accountability Office (GAO) and various government commissions have shown that VETS has been unable to provide adequate oversight of its state grant program and has failed to implement adequate performance metrics to determine the quality of services provided to veterans seeking employment. Moreover, too often Disabled Veterans Outreach Program (DVOP) specialists and Local Veterans' Employment Representative (LVER) staff have been forced to perform other functions within state workforce agencies leaving veterans without adequate service.

For this reason, *The Independent Budget* veterans service organizations believe that veterans seeking employment would be better served by transferring the programs administered by DOL-VETS to the authority of the Department of Veterans Affairs. During the 112th Congress the House Committee on Veterans' Affairs approved legislation to accomplish this transfer, H.R. 4072, the "Consolidating Veteran Employment Services for Improved Performance Act." During that time veterans service organizations

worked with the Senate for companion legislation to be introduced.

Moving VETS to VA, along with budget, personnel, assets, and resources, will position this program to better coordinate and assist veterans taking advantage of the Post-9/11 GI Bill (and other education benefits) as well as the Vocational Rehabilitation and Employment (VR&E) program as they use these resources in their current and future employment goals. Consolidating these programs under the jurisdiction of VA will ensure better management, oversight, and ultimately productivity from VETS staff. The DOL's future plans (fiscal years 2013–14) call for further integrating the LVER positions into the states' employment workforce to supplement budget shortfalls in other (nonveteran) employment program funding. This integration will further reduce the autonomy of the LVER from the duties of the typical state employment worker.

Recommendation:

Congress should pass legislation that will transfer the Veterans Employment and Training Service to the Department of Veterans Affairs.

VETERANS AND POST-SERVICE LICENSURE AND CREDENTIALS

Federal, state, and local governments as well as the business community should increase focus on the translation of military experience to civilian occupations.

Thanks to the continuing high unemployment rates experienced by veterans, the Departments of Veterans Affairs, Defense, and Labor continue to devote substantial resources, financial and human, to assist service members as they transition from military to civilian life.

According to the Institute for Veterans and Military Families, the latest employment data from the October 2012 Bureau of Labor Statistics (BLS) report “The Employment Situation of Veterans” indicates a modest decline in the overall veteran unemployment rate from 6.7 percent in September 2012 to 6.3 percent in October 2012. The veteran group experiencing the highest unemployment rate is the post-9/11 cohort, with an average rate of 9 percent for male veterans and 15.5 percent female veterans.

Perhaps some of the reasons for the persistently high unemployment rate among veterans are stated in a June 2012 study conducted by the Center for New American Security. The report, “Employing America’s Veterans: Perspectives from Businesses,” examined the effect of military service on former service members as it relates to their employment opportunities. While there were many positive reasons for hiring veterans noted in the report, 25 of the 30 companies involved in the study reported some specific challenges associated with hiring veterans, including the following:

- difficulty in skill translation;
- negative stereotype;
- skill mismatch;
- possible deployments (National Guard and Reserve members);
- difficult acclimation process; and
- difficulty finding veterans.

In considering the many challenges facing transitioning veterans, it appears that perhaps the toughest barrier to breach is employment. It is abundantly clear that transitioning veterans seeking employment, especially those with health issues, face some unique obstacles, including the process of securing the licenses and credentials required by some professions.

The issue of veteran licensing and credentialing continues to be of concern to those within the military and veteran communities and is made especially difficult for veterans due to the following:

- its highly parochial nature;
- the complexities within the civilian credentialing system itself;
- the fact that each of the military services has its own unique training and credentialing programs;
- the need to overcome real or perceived gaps in military training, education and experience;
- the ambiguity about which of the roughly 4,000 different credentials are most important to civilian employers; and, perhaps most significantly,
- the fact that many military occupations, unlike their civilian equivalents, have no credentialing requirements.

Due to its very nature, the problem of credentialing cannot be resolved solely by the federal government and its agencies. The National Council of State Legislatures (NCSL) and the National Governors Association (NGA), as two of the chief players in the credentialing game, should also have a substantial role to play, especially since licensure and certifications are handled at the state level in most cases. Military service and training are provided at the state level for members of the National Guard or the federal level for active duty and reserve personnel. In light of this, a massive collaboration between the DOD, VA, the DOL, the Department of Education, and the individual states will be required. In an ideal world, all proposed legislation or regulations dealing with the credentialing issue would be initiated by the NCSL and the NGA in order to provide the basic structure for linking military skills, training, and service to the requirements and opportunities within each state.

Until such time as the suggested coalition is established and functioning, veterans needing assistance in all facets of acquiring civilian employment may take advantage of myriad services available to them through the DOL’s Veterans Employment and Training Service (VETS), as well as other VA and DOD employment-assistance programs.

As an invested player in the area of veteran credentialing, VETS is engaged in—

- sponsoring major conferences to bring together the important players in the licensing and credentialing field;
- publicizing this specific barrier to employment;
- identifying ongoing difficulties and helping to develop veteran-friendly policies to overcome those challenges;
- helping to bridge the gap that hampers veterans needing credentials through the involvement of its staff members on a number of national certification advisory boards, committees, and regulatory bodies; and
- providing grants to a variety of Workforce Investment credentialing projects.

Furthermore, in November 2011 the Employment and Training Administration (ETA) launched websites specifically tailored to assist veterans in exploring related civilian careers, civilian training, and credentials, as well as job openings in their local areas. Since its launch on Veterans Day in November 2011, the site has garnered more than 270,000 visits and nearly a million page views.

Some recent veterans legislation, such as the VOW to Hire Heroes Act of 2011 signed into law late last year and the more recently passed Military Commercial Driver's License Act of 2012 (P.L. 112-196), has been aimed at minimizing the credentialing obstacles faced by veterans. DOL-VETS is working closely with its partners in the ETA, VA, and the DOD to improve transition and employment services for all veterans by working on two specific projects authorized by the VOW to Hire Heroes Act:

- A study to look at the most common occupations in the service branches to see whether the skills veterans learned in the military can be used to meet the requirements for civilian occupation credentials—what has been referred to as the “skill equivalencies” study.
 - ETA has entered into a year-long contract with the same firm that the DOD is using to examine military to civilian linkages, the primary objective of which is to conduct a detailed analysis of military occupations in order to develop a more robust military to civilian conduit; and

- This will include a multilevel analysis that takes into account the type of linkage between the military occupation and the civilian occupation and the strength of the linkage or the ease/difficulty of attaining related civilian credentials and qualifications.
- A demonstration project will be conducted in select states in order to determine the best way to prepare veterans for transition into civilian employment, as well as ways to accelerate their attainment of civilian credentials.
 - The design will involve testing approaches to help veterans obtain credit for skills and training attained in the military and find ways to identify the training needed to meet any remaining skill gaps needed to qualify for civilian employment; and
 - This larger project is in the final stages of award as a contract to a group representing governors, as required by the VOW Act.

The DOL study will focus on methods and costs for training veterans for civilian careers after separation from the military, while the DOD will examine ways for active duty service members to acquire civilian credentials prior to separation.

The Administration has offered its support to ensure that service members leave the military career-ready by proposing the following:

- increased veteran and service-disabled veteran tax credits;
- a challenge to private-sector firms to commit to hiring or training 100,000 unemployed veterans or their spouses by the end of 2013 (this challenge has led to a public-private partnership to develop a Troops to Energy Jobs program and a Veterans on Wall Street program, both of which seek to help support, educate and recruit military veterans and their families as they transition to the civilian workplace);
- “A Career-Ready Military” that calls for the DOD and VA to lead a joint task force with the White House economic and domestic policy teams and other agencies to develop proposals to maximize the career-readiness of all service members, including a “Reverse Boot Camp;” and
- an initiative to deliver enhanced job search services to transitioning veterans through American Job Centers, including improved TAP workshops.

A variety of programs have been developed to assist veterans in making their transition easier upon leaving the military, including

- Troops2Truckers, which provides transitioning service members with professional commercial trucking industry training, commercial driver's license or training certification, and a job offer with no out-of-pocket cost;
- Helmets to Hardhats, which introduces veterans into building and construction careers through apprenticeships where they learn trades using on-the-job training in conjunction with classroom instruction;
- Troops to Teachers, which introduces qualified veterans to the field of public education;
- Operation Boots to Business, which provides support and training to equip veterans to start their own businesses;
- Troops to Energy Jobs, which connects veterans to up-and-coming jobs in the energy field; and
- Veterans on Wall Street, which seeks to honor veterans and employees currently in the National Guard and reserve by providing career and business opportunities in the financial services industry.

While it is obvious that the federal government, civilian employers, and members of the military/veterans community are gravely concerned about these issues and they have taken some important steps toward

alleviating and/or minimizing the obstacles veterans face when seeking professional civilian credentials, there is still a long way to go before all of the current roadblocks are removed and an effective and comprehensive solution is achieved.

Recommendations:

Congress should continue to monitor and hold accountable the DOL's ongoing implementation of the VOW to Hire Heroes Act provisions, including mandating that the DOD, VA, and DOL work together to identify equivalencies between military and civilian occupations and the credentialing, licensing, and certification so military training meets civilian certification and licensure requirements in each state; the design and implementation of a "skill equivalencies" study; and the development and execution of the required multistate demonstration project in order to determine the best way to prepare veterans for transition into civilian employment, as well as ways to accelerate their attainment of civilian credentials.

The demonstration project mentioned above must include the development of a clear process so that wherever a veteran chooses to reside after military service, that state will grant an expedited licensure or certification for the civilian equivalent job he or she held while in the military.



VETERAN-OWNED BUSINESSES AND THE FEDERAL GOVERNMENT

Efforts within the federal government to meet the goals of contracting with veterans or service-disabled veteran-owned small businesses and to prevent fraud require additional action.

At present, vendors desiring to do business with the federal government, with one exception, must register in the central contractor registration (CCR) database,¹⁰ and those who indicate they are veterans or service-disabled veterans, simply self-certify their status without verification. The exception is for those who wish to do business with the Department of Veterans Affairs, in which case certification is a more formal undertaking managed by VA's Office of Small and Disadvantaged Business Utilization (OSDBU). Approximately \$10 billion in contracts were awarded in fiscal year 2010 to self-certified service-disabled, veteran-owned small businesses (SDVOSBs) in the CCR.¹¹

P.L. 109-461 requires VA to establish a vendor information page (VIP) database to move beyond veteran or service-disabled veteran business owners' simple self-certification and instead to accurately identify businesses that are 51 percent or more owned by veterans or service-disabled veterans.¹² The act also requires that VA only use its set-aside and sole-source award authority for SDVOSB firms listed in the database and to debar for a reasonable period of time those businesses that seek to defraud the government.¹³

This database was originally established to act as a single source of certified veteran-owned small businesses (VOSBs) and SDVOSBs to supply all federal agencies and prime contractors with information to assist the federal government with achieving the not less than 3 percent goal of set-aside contracts being awarded.

The government's support of VOSBs and SDVOSBs contributes significantly to restore veterans' quality of life while aiding in their transition from active duty. Yet, their ability to compete for contract awards remains problematic since many federal agencies have not reached the 3 percent goal of set-aside contracts. Federal agencies must be held accountable to meet the federal procurement goals outlined by Executive Order 13360 and sections 15(g) and 36 of the Small Business Act, which gives agency contracting officers the authority to reserve certain procurements for SDVOSBs.

As increasing numbers of service-disabled military members begin to transition into civilian life, many choose to start their new lives as entrepreneurs. One of the benefits of successful VOSBs and SDVOSBs is that veterans tend to hire fellow veterans.¹⁴ This has the potential to decrease veteran unemployment. With the recent changes in the verification system, VA must have the proper number of trained personnel working to certify and to recertify SDVOSBs and VOSBs in a timely manner. As of October 2011, VA's VetBiz vendor information page (VIP) database, managed by its Center for Veterans Enterprise (CVE) within the OSDDBU, shows that the agency has verified the eligibility of more than 5,000 SDVOSB firms.¹⁵ Currently there are more than 15,000 firms that have self-certified their SDVOSB eligibility in the CCR database.¹⁶ Hundreds, perhaps thousands more SDVOSB and VOSBs may be in the process of registering their businesses or verifying their status.

In audits of the SDVOSB program conducted in 2009 and 2010, the Government Accountability Office (GAO) identified controls in fraud prevention controls that may have allowed ineligible firms to receive about \$100 million in SDVOSB contracts.¹⁷ These areas include the lack of governmentwide controls that allow ineligible firms to receive contracts by self-certifying that they are legitimate SDVOSB firms. In addition, VA lacks the ability to continue the monitoring of firms' eligibility and an effective process for investigating and prosecuting firms.

According to last year's Interagency Task Force on Federal Contracting Opportunities for Small Businesses, veteran business owners could be better served if VA and the Small Business Administration (SBA) established a partnership to assist veterans who are interested in participating in federal procurement. CVE would maintain the VIP database and verify accurate veteran/service-connected disabled veterans' status. The SBA would retain the responsibility for validating the business ownership, size standards, and structural integrity of the business. The SBA would have direct reporting and input authority to the VIP database through the Office of Veterans Business Development once this information is collected. VA would maintain the veteran eligibility status. The SBA would be responsible for verifying all other socioeconomic categories for the purpose of federal procurement. The SBA already maintains the infrastructure, expertise, and established regulatory guidance to include the veteran population within its authority. VA would develop clearer and more comprehensive small business contracting policies.¹⁸ The IBVSOs support these task force recommendations for these important programs.

Recommendations:

Congress should take the necessary actions to require all federal agencies to use a single-source database in all verifications of veteran-ownership status before awarding contracts to companies on the basis of a claim of service-disabled, veteran-owned small business or veteran-owned small business preference.

The Departments of Labor and Veterans Affairs must improve oversight and outreach to all federal agencies, the Small Business Administration, and all other federal agencies tasked with protecting and promoting service-disabled, veteran-owned small businesses, to assist in the development and implementation of stronger strategies/plans to reach the minimum 3 percent goal.

Congress must ensure that adequate resources are available to effectively monitor and recognize those agencies that are not meeting the 3 percent minimum goal and hold them accountable. The annual reports filed by all federal agencies, reporting fiscal year percentage of goal achieved, should serve as guidance on which agencies need the most assistance in the development and implementation of stronger contracting plans.

Congress must ensure that adequate resources are available in VA and other federal agencies to effectively monitor, identify, and prosecute those businesses that commit or attempt to commit fraud when contracting with the government.

VA must place increased effort on the certification process to ensure veteran-owned businesses that depend on or are waiting for a government contract can be assured that excessive wait times on VA's administrative processes will not hinder the veterans' success for conducting their business.



REASONABLE TRANSITION FOR SERVICE-DISABLED, VETERAN-OWNED SMALL BUSINESSES

There needs to be a reasonable transition period for all service-disabled, veteran-owned small businesses to retain their federal protected status following the death of the disabled veteran.

For a veteran who suffers a disability while in military service, the federal government has deemed it appropriate to provide the disabled veteran with a range of benefits designed to ease the economic and other losses and disadvantages incurred as a consequence of such disabilities. These benefits include government assistance for entering the federal procurement marketplace. Service-disabled, veteran-owned small businesses (SDVOSBs) were first provided the opportunity to compete for procurement contracts on December 16, 2003, as a result of the Veterans Benefits Act.¹⁹

Executive Order 13360, signed on October 20, 2004, directed all federal agencies to implement, in conjunction with various Small Business Acts, a goal of at least 3 percent of federal contracting for service-disabled veteran-owned businesses and gave agency contracting officers the authority to reserve certain procurement for SDVOB set-asides.

P.L. 109-461, "Veterans Benefits, Health Care, and Information Technology Act of 2006," established a Veterans First Contracting Program specifically for the Department of Veterans Affairs (to increase business opportunities with VA for SDVOSBs).²⁰

As a result of numerous public laws, many disabled veterans have been encouraged to take the personal risk of establishing small businesses, often only with the support of their families and their own personal financial resources. According to the Service Disabled Veteran Owned Small Business Council, there are roughly 5 million Veteran Owned Businesses and approximately 500,000 Service Disabled Veteran Owned Businesses in the United States.²¹ Their risk,

when successful, creates new job opportunities, in many cases for other disabled veterans and veterans. The presence of SDVOSBs is essential, particularly during our current challenging economic times.

While acquiring that first federal contract and meeting its many prerequisites may be a big challenge for SDVOSBs generally, a closer examination finds that the death of a service-disabled business owner currently presents a significant obstacle that can mean the dissolution of the business soon afterward. According to section 8127 (h)(2)(C), P.L. 109-461, the disabled veteran business owner's surviving spouse is provided a 10-year transition period if the owner was a 100 percent disabled veteran at the time of his or her death, or if he or she died as a result of a service-connected disability in relation to contracts only with VA. Conversely, if the veteran business owner was rated less than 100 percent service connected or died of a nonservice-connected condition, the surviving spouse has only one year to transition the business, again for contracts only with VA. If the service-disabled business owner holds contracts with any other federal government agency, the business immediately loses its SDVOSB status upon the death of the disabled veteran. Current law provides for no period of transition. Thus, the SDVOSB can no longer compete for federal procurement opportunities.

The loss of the veteran business owner can place SDVOSB employees and their families as well as the surviving spouse at severe risk due to either downsizing or closing the business because of loss of federal procurement opportunities and laying off their workers. Such events can result in severe financial hardship for all concerned. These circumstances could

be averted, or at the very least the impact could be phased in over a longer time frame, if surviving spouses not protected by the limited provisions of P.L. 109-461 or heirs of disabled veterans were allowed to have a more reasonable transition period for the SDVOSB program than the current one-year, VA-only provision. To do so would help maintain the jobs created by the SDVOSBs for disabled veterans, other veterans, and other employees and would not unduly put them at increased financial hardship due to job loss or downsizing or closing of the SDVOSB.

Recommendation:

Congress should provide for a reasonable transition period for all service-disabled, veteran-owned small businesses, not covered by the limited provisions of P.L. 109-461, to retain their SDVOSB status with the federal government following the death of the disabled veteran via a surviving spouse, children, or heirs.



NON-VA WORKFORCE DEVELOPMENT PROGRAMS

Continued efforts must be made to ensure that all veterans have access to all the vocational and employment services from which they can benefit and that these programs are held accountable for effective outcomes.

Despite the improved employment data and the growing number of employers who express a desire to hire veterans, many companies report difficulty in connecting with employable veterans. Moreover, many veterans and employers alike have a hard time translating military skills and experience into relevant civilian employment qualifications. To address these and other veteran employment problems, Congress enacted the VOW to Hire Heroes Act of 2011, which contained numerous sections designed to broaden veterans' access to vocational rehabilitation and employment opportunities. Among its provisions, the VOW Act will assist veterans in translating their military skills and training to civilian sector jobs. Additionally, this law targets older veterans for retraining and enhances connections between state workforce systems, nonprofit organizations, and the Department of Veterans Affairs to help veterans with disabilities who have exhausted unemployment insurance benefits. The importance of this new collaboration was acknowledged in the VOW Act, which now authorizes government agencies to forge partnerships with nonprofit organizations in the development of job mentoring programs.²² These job mentoring relationships are inextricably linked with career search and development processes, thus should seamlessly bind the efforts of state and federal agencies with those of nongovernmental and nonprofit organizations that are more often committed to ensuring career sustainability long after initial placement.

Several federal programs beyond VA offer employment services for veterans; their effectiveness in serving this population has not been thoroughly evaluated, yet significant numbers of veterans seek services each year through these agencies. In addition to the Department of Labor Veterans Employment and Training Service (DOL-VETS) and the Small Business Administration Veterans Business Outreach Program, state agencies operate federally funded one-stop career centers that served more than 75,000 veterans in 2009, the last year for which data are available.²³ State vocational rehabilitation agencies serve on average 11,000²⁴ veterans with significant disabilities each year. Most of these veterans are likely to be those with nonservice-connected disabilities who are currently ineligible for the VA VR&E program.

As outlined in testimony to the House Veterans' Affairs Committee in June 2011,²⁵ many state workforce agencies have created special systems for serving veterans—particularly because these state agencies are often the first place employers reach out to when seeking veterans to recruit. Many states have established strong coordination processes between their employment and vocational rehabilitation systems, and Disabled Veteran Outreach Program personnel and local veterans employment representatives have created veteran portals for links to information and resources for veterans and their families, and sought

ways to leverage funds from programs serving homeless veterans. The DOL, in its efforts to inform veterans about the VOW Act's Veterans Retraining Assistance Program, has reached out to the public workforce system through one-stop career centers, veterans receiving services under DOL Wagner-Peyser programs, and other state agencies.²⁶

For veterans with significant disabilities, both service-connected and nonservice-connected, cooperative agreements between federal and state agencies have led to progress in addressing unemployment across all demographics. Through memoranda of agreement, state vocational rehabilitation agencies functioning as extensions of the Department of Education (DOE) Rehabilitative Services Administration have set up collaborative arrangements with VA to ensure that veterans receive all the vocational and other services to which they are entitled. However, far too many veterans are unaware of these services, or they and their families find it too daunting to navigate the complex labyrinth of various services, thus diminishing the reach and potential of otherwise effective government programs. For disabled veterans who need employment services, many must work with state counselors who are unfamiliar with the unique aspects of combat-acquired post-traumatic stress disorder or traumatic brain injury. Such injuries make sustainable job placement a challenge and require special expertise on the part of vocational advisers and job developers to serve as the bridge between the veteran and the employer community.

The Independent Budget veterans service organizations (IBVSOs) believe state agency and VA Vocational Rehabilitation and Employment program staff would greatly benefit from training conducted by subject matter experts on the functional challenges of traumatic brain injury, post-traumatic stress disorder, spinal cord injury, and other disabilities to improve the delivery of vocational intervention services to those veterans.

A number of non-VA, constituency-focused providers are better positioned to provide the targeted outreach and customized vocational assistance necessary to meet the needs of these uniquely challenged veterans. Yet those aforementioned cooperative agreements between VA and state agencies do not consider how potential nongovernmental partners could augment VA and state agencies in order to address the needs of veterans who require more than conventional career

assistance services. VA can meet this need through cooperative agreements with nongovernmental agencies, nonprofit organizations, and veterans service organizations through structured referral processes intended to supplement services by state agencies that cannot serve lower priority veterans due to budget shortfalls and understaffing.

It bears noting that several current Homeless Veterans Reintegration Program and Veterans Workforce Investment Program grants awarded by DOL-VETS are successfully operated by nonprofit organizations, many of which directly employ veterans to help unemployed veterans find jobs in their communities. Program and funding opportunities at VA can be limited only to small businesses, including veteran-owned small businesses, through contract set asides. In those cases, qualified nonprofits are unable to compete for these opportunities, even if they can perform the identified task in an efficient and cost-effective manner. Nonprofits currently serving veterans should continue to have the opportunity to offer their services, helping veterans obtain economic self-sufficiency in any transfer of DOL-VETS to VA.

Establishing a centrally managed web portal to coordinate and customize both government and nongovernment vocational services for veterans and employers would have the potential to reduce the bureaucratic burden and provide a path toward employment. Such a system would be well served by a partnership between VA and non-VA employment resources, such as veterans service organizations and nonprofits that focus on underserved segments of the disabled veteran population. The IBVSOs commend VA for entering into a number of cooperative agreements with private organizations. Nevertheless, we urge a more integrated, results-oriented approach to addressing the unique employment needs of disabled service members and veterans.

Many unemployed veterans with less severe physical or mental disabilities remain on state vocational rehabilitation waiting lists or are directed to other state programs because their situation falls too low on a state agency's "order of selection" scale to receive services from that agency. Because of the order of selection option that states can exercise, it is possible for an unemployed veteran with a disability to meet the vocational rehabilitation agency's eligibility requirement and still never get served because other individuals determined to have more significant disabilities

get served first. This is in large part due to competing priorities that prevent many states from meeting the state-federal 20:80 matching ratio they must satisfy in order to receive federal funding necessary to maintain effective vocational assistance programs.

Many state employment services have experienced years of flat or diminished funding. Moreover, the current fiscal climate in Washington has targeted DOL and DOE employment and training programs for serious budget reductions. For example, under the Budget Control Act of 2011, state vocational rehabilitation agencies were slated to lose \$246 million and funds to state employment agencies were to be reduced by \$262 million.²⁷ If these state employment programs sustain significant cuts, there will be fewer resources available at the state level to serve veterans and their families who seek services through these avenues. This is likely to result in greater pressure for VA to fill gaps in employment services resulting from cuts to state workforce programs.

Recommendations:

The Department of Veterans Affairs should improve its partnership with state agencies by incorporating the services of non-VA counselors and constituent-specific vocational assistance programs (those that cater to women, combat-exposed, paralyzed, blind, amputee, traumatic brain injured, etc.) to ensure that all veterans, regardless of demographic status, receive the full array of benefits and level of customization

necessary for meaningful and effective vocational intervention.

VA must work in concert with the Department of Labor, the Small Business Administration, the Rehabilitative Services Administration, and applicable state agencies to develop and implement a single-source database and employer outreach interface geared toward facilitating contact between veterans seeking jobs and employers. Partnerships between VA and non-VA employment resources managed through a central web portal would reduce the bureaucratic burden on veterans and their families.

Congress should examine the effectiveness of state one-stop career centers and vocational rehabilitation programs in serving veterans and veterans with disabilities, both service connected and nonservice connected.

Budgetary decisions should not hinder the ability of state workforce development systems to serve veterans who depend on them for vocational assistance. In the event that federal funding to these systems is decreased substantially, VA must receive adequate additional resources to meet the needs of veterans previously served by state programs if budget cuts compel state systems to reduce services.

The VA must ensure that constituency-focused non-profit providers serving veterans can continue their programs under any transfer of Department of Labor Veterans Employment and Training Service to VA.

Training and Rehabilitation Services

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

Approximately 48,000 active duty, reserve, and guard personnel are discharged annually, with more than 25,000 of those on active duty found "not fit for duty" as a result of medical conditions that may qualify for VA disability ratings. With a disability rating, the veteran would potentially be eligible for VR&E services.²⁸ According to the most recent report from the Government Accountability Office (GAO) on VR&E services, the ability of veterans to access them has remained problematic.

In 2003, the GAO designated federal disability programs, including those at VA, as high risk because they had difficulty managing their programs and were in need of transformation.²⁹ In March 2004 the VR&E task force, created by the Congressional Commission on Service members and Veterans Transition Assistance (Commission), released its report, with 110 recommendations for VR&E service improvements.³⁰ As a direct result of that report, VR&E implemented the five-track employment process, which strengthened the program's focus on employment. While important adjustments were made in numerous areas, VR&E's incentive structure for veterans remains primarily aligned with education and training programs, with no financial incentive for those seeking immediate employment.

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

While the Veterans Benefits Administration has implemented most of the 110 VR&E task force recommendations, *The Independent Budget* veterans service organizations continue to support its recommendations as well as those of the Commission³¹ to further enhance this important benefit by—

- expanding access to all medically separated service members;
- making all disabled veterans eligible for vocational rehabilitation and counseling services;
- screening veterans rated as individually unemployable for other VR&E assistance;
- implementing satisfaction surveys of participants and employers;
- creating a monthly stipend for those participating in the employment track of VR&E's programs and creating incentives to encourage disabled veterans to complete their rehabilitation plans;
- increasing the ratio of VR&E counselors and case managers to handle a growing caseload;
- effectively tracking and reporting on participants to provide greater clarity on the utilization of the five-track employment model;
- tracking employment outcomes that are measured longer than 60 days after hiring; and
- eliminating the current 12-year eligibility limit for veterans to take advantage of VR&E benefits.

It is readily apparent that VR&E is working to maximize its limited resources. Its work will continue as the number of veterans in the various phases of VR&E programs is expected to increase as more service members return from the conflicts in Southwest Asia. Even though the focus of the VR&E program has changed to career development and employment, it is not clear whether VA is able to meet the current and future demand for employment services without additional resources.

VOCATIONAL REHABILITATION AND EMPLOYMENT FUNDING ACCOUNTABILITY AND PERFORMANCE DATA

The VA Vocational Rehabilitation and Employment program needs to be accountable to ensure successful employment outcomes for veterans with disabilities and VA should improve the accuracy of its data on performance and veteran participation while conducting research to determine why veterans fail to complete the VR&E program.

FUNDING ACCOUNTABILITY

Vocational rehabilitation and employment (VR&E) services are critical to helping eligible service members and veterans with service-connected disabilities obtain the skills necessary to help them reintegrate into the workforce. Participation in the workforce is particularly critical for veterans with the most significant disabilities, since employment provides individuals with not only financial but also social benefits that contribute to an enhanced sense of purpose.

Ten years of war coupled with stagnant employment opportunities mean that the number of veterans with disabilities requesting and receiving vocational rehabilitation and employment programs will likely continue to increase. Compounded by high unemployment rates across all sectors, competition for many employment opportunities is harder than ever. Department of Veterans Affairs VR&E services are critical to ensuring that veterans with disabilities have the competitive edge to win precious employment opportunities.

The ultimate accountability measure for VR&E funding is whether eligible veterans actually use the services to obtain long-term employment or live independently. Despite continued efforts to improve VR&E services, however, a significant number of veterans still do not successfully complete their rehabilitation plans. Although reasons vary for not completing the rehabilitation goal, VR&E must ensure that flaws in the design or implementation of the program itself are not contributing factors.

For veterans who obtain employment, VR&E must provide increased follow-up to ensure that veterans have long-term employment success. Currently, veterans with disabilities who maintain a suitable job for 60 days are considered to be rehabilitated; however, it is felt by VR&E and supported by *The Independent Budget* veterans service organizations (IBVSOs) that a more expansive period of at least one year would be a more adequate period to fairly determine whether a veteran will be successful in his or her new job.

Ultimately the VR&E program must continue to streamline processes and implement metrics that will determine areas for improvement and allow for constrained resources to be used as efficiently as possible. Veterans who need VR&E services must be able to receive them through a delivery system that is veteran-centric and understands the needs of veterans with varying life experiences and responsibilities.

PERFORMANCE DATA

The VR&E program performance reports claim a rehabilitation rate of 70 percent; however, those results do not reflect the significant number of program participants who fail from the start as a result of veterans not keeping initial appointments with VR&E counselors.

According to the Government Accountability Office,³² VR&E began excluding from the total of active cases veterans who discontinued the program for reasons considered to be beyond VR&E's control. Specifically, VR&E excluded veterans from the calculation if they accepted positions deemed incompatible with their disabilities, were considered employable but were no longer seeking employment, or were unemployable as a result of medical or psychological reasons.

In its 2011 *Performance Accountability Report*, VA reported a 74 percent rehabilitation rate in 2009 and 76 percent in 2010.³³ However, these calculations exclude 5,002 veterans in 2009 and 7,160 veterans in 2010 who discontinued participation without a rehabilitation plan. Had those excluded veterans been counted, the true VR&E success rate would have totaled 45 percent for 2009 and 43 percent for 2010, well below the numbers that were actually reported.

The number of veterans requiring VR&E services is expected to increase following the wind-down of decade-long hostilities in southwest Asia.³⁴ The current unemployment rate among the veteran population has reached a staggering level and could worsen without an immediate and significant increase in

employment for our returning veterans. For veterans with service-connected disabilities, this dramatically compounds the importance of the VR&E program.

The IBVSOs appreciate Congressional efforts—through P.L. 110-389, “Veterans Benefits Improvement Act of 2008”—to require VA to fully examine this vital program over a 20-year period for veterans who began participating in 2010, 2012, and 2014.³⁵ However, this examination is funded internally by VA. Nevertheless, the effort toward more accurate VR&E program reporting as a basis for evaluating success must continue. As VA learns more about veteran nonparticipation from performance data gathered through this study, performance metrics should factor in the aforementioned group of veterans, which should result in the development of interventions that can be implemented and evaluated during the life of the study.

This study should include an acute focus on the reasons veterans discontinue participation in VR&E program and provide a foundation for designing interventions that may ease either lack of participation or discontinuance.

Recommendations:

Vocational Rehabilitation and Employment must develop and implement metrics that can identify problems and lead to solutions that effectively remove barriers to veteran completion of VR&E programs.

Congress must provide the necessary funding to carry out the longitudinal study over a period of at least 20 years as directed by P.L. 110-389, section 334.



VOCATIONAL REHABILITATION AND EMPLOYMENT ELIGIBILITY AND INSUFFICIENT SUPPORT FOR EDUCATION TRACKS

Congress must change the eligibility requirements for the VA Vocational Rehabilitation and Employment program to increase access to services while increasing subsistence allowance to a more realistic and adequate level for veterans in a vocational rehabilitation and employment program who are also supporting dependents.

Veterans must apply for Vocational Rehabilitation and Employment (VR&E) services within 12 years of the date of their military separation or upon notification by the Department of Veterans Affairs of a service-connected disability rating conferring eligibility. Services that seek to return veterans to the workforce and allow them to live independently should be greatly encouraged. Many veterans, however, are either not informed of their eligibility for VR&E services or do not fully understand the benefits of these services.

Although many veterans may not understand their eligibility or the value of VR&E services, other veterans who are initially eligible may not need the services until after the 12-year delimiting period has expired. Even though VR&E may assist eligible veterans who file applications for services outside of the 12-year delimiting period if the applicant has a serious employment handicap, veterans who would be entitled to services may believe that they will not be able to receive assistance. Furthermore, others who

do apply after the 12-year delimiting period may not be able to receive assistance.

Because the mission of VR&E is to assist veterans with disabilities related to their service requiring rehabilitation to actively engage in the workforce and live independently, the arbitrary timeline for eligibility must be removed. Eliminating VR&E’s delimiting date would allow veterans to access the VR&E program on a needs basis for the duration of their employable lives. Veterans would still be subject to the applicable service caps.

Additionally, if a veteran has been deemed eligible for VR&E service, entitlement should be assumed. Currently, it can take several months for a veteran to begin a program of training. This occurs primarily because VR&E must validate entitlement to services. It is very rare, however, that a veteran is not found to be entitled for VR&E services. At the very least, this process must be streamlined to help veterans expeditiously begin receiving VR&E services.

Veterans with families are the second-largest demographic that relies on vocational assistance as a means of enhancing economic opportunity and independence. They also present with the most pressing need for meaningful, long-term employment. However, a great number of severely disabled veterans cannot complete vocational rehabilitation due to the lack of financial support necessary to engage in extensive vocational assistance programs while bearing the immediate and costly burden of supporting a family.

The intent behind vocational rehabilitation is well established: to provide veterans who are disabled as a result of their service with the resources necessary to achieve economic self-sufficiency through gainful, sustainable employment. The adequacy of these resources heavily depends on whether a veteran's life circumstances are conducive to successful completion of a program intended to result in enhanced economic opportunity in the future. Where that opportunity is deferred due to the length of time it takes to complete such programs, immediate demands, such as bills, family, and security, often rival a focus on vocational recovery. As veterans with spouses and/or children tend to utilize VR&E program employment tracks at a rate higher than disabled veterans without dependents, these services must address the immediate concerns of veterans with dependents. Absent this, alternatives to vocational recovery that do provide supplemental payment for the cost of caring for children and other dependents, such as Social Security Disability Insurance and Supplemental Security Income, become more attractive options than an uncertain, often-protracted investment in future economic viability.

Veterans seeking vocational intervention and assistance present with differing needs. For those with families

who receive training, rehabilitation, and education services through VA, assistance with the cost of supporting a family, including cost-of-living increases, is imperative to successful completion. Increased subsistence allowance along with child care vouchers for veterans undergoing vocational rehabilitation would provide a much stronger foundational support necessary to successfully complete such programs while maintaining some semblance of quality of life for the family. In doing so, the veteran is not forced to choose between remaining on government assistance in order to stay on the socioeconomic margin of security versus sinking below the poverty level in the short term in order to pursue a long-term educational and vocational rehabilitation track.

Recommendations:

Congress must eliminate the 12-year delimiting period for Vocational Rehabilitation and Employment (VR&E) services to ensure that disabled veterans with serious employment handicaps, including those who qualify for independent living services, qualify for VR&E services for the entirety of their employable lives.

Congress should study changing the current program eligibility standards to determine if doing so would streamline the process by expanding eligibility to all veterans who have been assigned a service-connected disability rating, regardless of the percentage.

Congress should provide child care vouchers, linked to cost-of-living increases, for veterans who have families and are undergoing a VR&E program.

VOCATIONAL REHABILITATION & EMPLOYMENT PRODUCTIVITY AND COUNSELING PARTNERSHIPS

Productivity of the VA Vocational Rehabilitation and Employment Service is not sufficient to meet the needs of our nation's veterans in a timely manner. Cooperative partnerships between the Department of Veterans Affairs and state agencies do not provide the full array of benefits and customized services to veterans in key demographics.

The task before the Vocational Rehabilitation and Employment (VR&E) VetSuccess program is critical, and the need becomes clearer in the face of the statistics from the current conflicts. Since September 11, 2001, there have been more than 2.2 million service members deployed. Of that group, nearly one million have been deployed two or more times. As a result, many of these service members will be eligible for VA disability benefits and VR&E services if they are found to have a serious employment handicap. Due to the increasing number of service members returning from tours in southwest Asia with serious disabilities, VR&E must be provided with the resources to further strengthen its program. There is no VA mission more important than that of enabling injured military personnel to lead productive lives after serving their country.

In the face of these facts, of concern to the *The Independent Budget* veterans service organizations (IBVSOs) are the current constraints placed on VR&E as a result of an average client-to-counselor ratio of 145:1 compared to the VA standard of 125:1. VR&E has expressed its concern of not being able to provide adequate service, including one-on-one counseling, even at the 125:1 ratio and has suggested a much more conducive client-to-counselor ratio of 100:1. Given the anticipated caseload that future downsizing of the military will produce, accurately determining staffing requirements based upon a more rigorous manpower formula is imperative; a new methodology must be developed.

Adding to its staffing and caseload challenges, VR&E continues to utilize its outdated legacy case management system that provides support to schedule and track appointments, authorize, and track payments to facilities and contract service providers, and maintains a history of events for each veteran. Along with Veterans Benefits Administration efforts to upgrade its antiquated information technology systems by implementing the new Veterans Benefits Management System, an upgrade of VR&E's current system is expected as part of this endeavor. In

addition, the IBVSOs believe there should be additional study to determine if VR&E's current tracking of whether a veteran participating in the program remains employed beyond the current standard of 60 days is adequate. The IBVSOs have long been concerned that this length of time is not sufficient as a measure of success, since many employers have probationary employment periods in excess of 60 days. After initial placement, we believe a lengthier period of time, such as one year, for VR&E to follow-up with the employer would be more appropriate and beneficial to the veteran and VR&E.

Although VR&E staffing was increased over the past year, the majority of these individuals were placed in VetSuccess on Campus positions, which have no immediate bearing on VR&E caseload at VA regional offices. The IBVSOs remain concerned that the current VR&E staffing ratio of 145:1 dramatically impacts VR&E's ability to provide adequate one-on-one counseling and the full range of services to the growing number of potentially eligible disabled veterans. We believe increased staffing is essential for VR&E to be successful in its overall mission, including tracking veterans who are within the current 60-day early employment period or measuring employment success beyond that period.

COUNSELING PARTNERSHIPS

Despite the constellation of vocational rehabilitation services for veterans offered by the Department of Education (DOE), VA, and state vocational rehabilitation agencies, unacceptable rates of unemployment still persist. Veterans in demographics that were not historically deployed to combat theaters in substantial numbers, such as women and members of reserve components, now factor into the problem, and at even higher rates of unemployment.

For disabled veterans who need employment services, many must work with state counselors who are unfamiliar with the unique aspects of combat-acquired post traumatic stress disorder or traumatic brain

injury. Such injuries make sustainable job placement a challenge, a problem that similarly plagued Vietnam veterans. Research published in August 2010 indicated that in comparison to both nonveterans and veterans who never engaged in combat, veterans returning from combat face significant socioeconomic challenges, as evidenced by consistently higher rates of disability and unemployment. “Veterans who saw combat started their work lives at a relative disadvantage that they were unable to overcome,” the research reported. “Soldiers exposed to combat were more likely than noncombat veterans to be disabled and unemployed in their mid 20s and to remain so throughout their worklife.”³⁶ To exacerbate the problem, this challenge extends to women veterans and reservists who were exposed to combat, for whom a solution has not been developed.

Cooperative agreements between federal and state agencies have led to progress in addressing unemployment across all demographics, for both service- and nonservice-connected veterans. Through memoranda of agreement, state agencies function as extensions of the DOE. However as discussed earlier, far too many veterans are unaware of these services. VA can meet this need through cooperative agreements with non-governmental agencies, nonprofit organizations, and veterans service organizations through structured referral processes intended to supplement services by state agencies that cannot serve lower-priority veterans due to budget shortfalls and understaffing.

The importance of this type of collaboration was woven into the VOW to Hire Heroes Act of 2011, which authorizes government agencies to forge partnerships with nonprofit organizations in the development of job mentoring programs.³⁷ These job mentoring relationships are inextricably linked with career search and development processes, thus should seamlessly bind the efforts of state and federal agencies with those of nongovernmental and nonprofit organizations that are more often committed to ensuring career sustainability long after initial placement.

The IBVSOs believe state agency and VA VR&E program staff would greatly benefit from training conducted by subject matter experts on the functional challenges of traumatic brain injury, post-traumatic stress disorder, spinal cord injury, and other severe or catastrophic disabilities to improve the delivery of vocational intervention services to those veterans.

Recommendations:

VA needs to strengthen its Vocational Rehabilitation and Employment (VR&E) program to meet the demands of disabled veterans, particularly those returning from the conflicts in southwest Asia. It must provide a more timely and effective transition into the workforce and provide placement follow-up with employers for a minimum of six months.

Congress must provide the resources for VR&E to establish a maximum client-to-counselor standard of 125:1.

Congress and the Administration must ensure that VR&E is given the necessary resources and support to upgrade its antiquated information technology systems in concert with Veterans Benefits Administration larger information technology improvement initiatives, such as the Veterans Benefits Management System, currently being implemented.

VA should improve its partnership with state agencies by incorporating the services of non-VA counselors and constituent-specific vocational assistance programs (those able to accommodate women, combat-exposed, paralyzed, blind, amputee, traumatic brain injured, etc.) to ensure that all veterans, regardless of demographic status, receive the full array of benefits and level of customization necessary for meaningful and effective vocational intervention.

VR&E AND DEPENDENTS: EDUCATION TRACKS ARE INSUFFICIENT FOR A SIGNIFICANT NUMBER OF DISABLED VETERANS WITH FAMILIES

VA stipends fall short of adequately assisting veterans undergoing vocational rehabilitation and employment while supporting dependents.

Veterans with families are the second-largest demographic that relies on vocational assistance as a means of enhancing economic opportunity and independence. They also present with the most pressing need for meaningful, long-term employment. However, a great number of severely disabled veterans cannot complete vocational rehabilitation due to the lack of financial support necessary to engage in extensive vocational assistance programs while bearing the immediate and costly burden of supporting a family.

The intent behind vocational rehabilitation is well established: to provide veterans who are disabled as a result of their service with the resources necessary to achieve economic self-sufficiency through gainful sustainable employment. The adequacy of these resources heavily depends on whether a veteran's life circumstances are conducive to successful completion of a program intended to result in enhanced economic opportunity in the future. Where that opportunity is deferred due to the length of time it takes to complete such programs, immediate demands such as bills, family, and security often rival a focus on vocational recovery. As veterans with spouses and/or children tend to utilize Vocational Rehabilitation and Employment program employment tracks at a rate higher than disabled veterans without dependents, these services must address the immediate concerns of veterans with dependents. Absent this, alternatives to vocational recovery that do provide supplemental payment for the cost of caring for children and

other dependents, such as Social Security Disability Insurance and Supplemental Security Income, become more attractive options than an uncertain, often protracted investment in future economic viability.

Veterans seeking vocational intervention and assistance present with differing needs. For those with families who receive training, rehabilitation, and education services through VA, assistance with the cost of supporting a family, including cost-of-living increases, is imperative to successful completion. Increased living stipends and child care vouchers for veterans undergoing vocational rehabilitation would provide the foundational support necessary to successfully complete such programs while maintaining some semblance of quality of life for the family. In doing so, the veteran is not forced to choose between remaining on government assistance in order to stay on the socioeconomic margin of security versus sinking below the poverty level in the short term in order to pursue a long-term educational and vocational rehabilitation track.

Recommendation:

Congress should provide childcare vouchers linked to cost-of-living increases for veterans who have families and are undergoing vocational rehabilitation.

VOCATIONAL REHABILITATION AND EMPLOYMENT STAFF TRAINING AND CONTINUING EDUCATION

VA Vocational Rehabilitation and Employment counselors need to have appropriate training and participate in meaningful continuing education to ensure quality services for veterans.

The effectiveness of vocational intervention relies on the competence and knowledge of the counselor tasked to provide such services. Consequently, the Department of Veterans Affairs Vocational Rehabilitation and Employment (VR&E) counselors must have the proper training to be able to provide veterans with the necessary vocational rehabilitation services that will allow them to work and live independently. Specifically, counselors should possess professional certification through the Commission on Rehabilitation Counselor Certification. VA should require counselors to be accredited to help ensure that only knowledgeable counselors are assisting veterans with vocational rehabilitation. Furthermore, to retain this certification, accredited counselors must complete continuing education or pass a re-examination.

Additionally, initial and continuing education must better address key segments within the veteran demographic who present complex education and job placement issues. These segments include veterans who are catastrophically disabled, homeless, single parents, and/or mentally ill. In order to provide effective vocational support services for these veterans, VR&E counselors need a deeper understanding of the vocational barriers particular to the veterans in each segment. Where traditional vocational rehabilitation methodologies primarily focus on mere job placement, research supports that a holistic approach to vocational intervention is critical to sustainable postrehabilitation success.³⁸ This includes improving access to education resources, ensuring quality health care, providing family/community support, and other support activities that address other concerns in the veteran's life, thus allowing for a more acute focus on vocational recovery.

VA must ensure that VR&E counselors have appropriate training and certification, whether through an

outside accrediting body or through a VA-specific accreditation process. In lieu of requiring certification through an outside accrediting body, *The Independent Budget* veterans service organizations believe VA should develop a VA-specific certification for all VR&E counselors. However, in doing so VA must consult with outside stakeholders, including the Commission on Rehabilitation Counselor Certification, the Department of Education's Rehabilitation Services Administration, and veterans service organizations.

VA must implement a targeted training program that familiarizes VR&E counselors with the special needs and vocational challenges inherent to the aforementioned key segments of the veteran demographic. In order to ensure such training is timely and relevant, VA should regularly solicit the input of veterans service organizations, nonprofit organizations, and subject-matter experts that represent the interests of those special-needs constituencies.

Recommendations:

VA must ensure that Vocational Rehabilitation and Employment (VR&E) counselors have appropriate training and certification, whether through either an outside accrediting body or through a VA-specific accreditation process.

VA must implement a targeted training program that provides VR&E counselors with a deeper understanding of the special needs and vocational challenges inherent to veterans who are catastrophically disabled, homeless, single parents, and/or mentally ill.

VA PENSION WORK DISINCENTIVES

VA pension work disincentives should be removed.

Many veterans who served honorably and were discharged in good health later acquire significant disabilities. Eligible veterans will qualify for the Department of Veterans Affairs pension.³⁹ VA pension is often likened to Supplemental Security Income (SSI) under Social Security. However, SSI recipients have access to a work incentive program whereby their public benefit is gradually reduced as their earned income rises. Unlike SSI recipients, VA pensioners face a “cash cliff” in which benefits are terminated once an individual crosses an established earnings limit. Because of a modest work record, many of these veterans or their surviving spouses may also receive a small Social Security Disability Insurance (SSDI) benefit that supplements their VA pension. If these individuals attempt to return to the workforce, not only is their SSDI benefit terminated but also their VA pension benefits are reduced dollar for dollar by their earnings.

More than 20 years ago, under P.L. 98-543, Congress authorized VA to undertake a four-year pilot program of vocational training for veterans awarded a VA pension. Modeled on the Social Security Administration’s trial work period, veterans in the pilot were allowed to retain eligibility for pension up to 12 months after obtaining employment. In addition, they remained eligible for VA health care up to three years after their pension terminated because of employment. Running from 1985 to 1989, this pilot

program achieved some modest success. However, it was discontinued because prior to VA eligibility reform, most catastrophically disabled veterans were reluctant to risk their access to VA health care by working.

The VA Office of Policy, Planning and Preparedness examined the VA pension program in 2002 and, though small in number, 7 percent of unemployed veterans on pension and 9 percent of veteran spouses on pension cited the dollar-for-dollar reduction in VA pension benefits as a disincentive to work.⁴⁰ Now that veterans with catastrophic, nonservice-connected disabilities retain access to VA health care, *The Independent Budget* veterans service organizations believe that work incentives for the VA pension program should be re-examined and policies toward earnings should be changed to parallel those in the SSI program.

Recommendation:

Work disincentives in the VA pension program should be re-examined and consideration given to changes that would parallel Social Security work incentives, such as a trial work period and reduction in benefits as earned income rises.

CONGRESS SHOULD REMOVE THE CAP ON THE INDEPENDENT LIVING PROGRAM

Assistance for veterans with specific barriers to employment should be allocated to according to need rather than by arbitrary program caps.

All veterans, including seriously disabled veterans, who choose to participate in the Vocational Rehabilitation and Employment (VR&E) program are assigned to a vocational rehabilitation counselor (VRC). Together they complete a comprehensive evaluation to determine the veteran's interests, aptitudes, and abilities, and identify any current barriers to employment or training. Based on these results the VRC and the veteran choose one of the following five tracks of services:

- re-employment (with a former employer);
- direct job placement services for new employment;
- self-employment;
- employment through long-term services, including on-the-job training, college, and other training;
- independent living services.

When evaluating barriers to employment, the VRC takes into consideration the veteran's level of disability, rehabilitation potential, and future employment goals. For those veterans with severe disabilities and not ready to pursue employment goals, VR&E has the option of offering further rehabilitation assistance through the Independent Living (IL) Program.

The IL option was created by Congress in 1980 as a pilot program. At that time an arbitrary cap of 500 maximum participants was assigned for the program. Placing a cap of 500 was sufficient in 1980 because the Vietnam conflict had ended and the military services had reduced their enlisted forces to peacetime levels.

With the IL program proving to be an integral part of the rehabilitation process, Congress expanded the cap for total participation several times to the current level of 2,700. *The Independent Budget* veterans service organizations firmly oppose a cap on this unique, individualized rehab assistance for severely disabled veterans. Because Congress has placed a mandatory cap on this program, VR&E management must monitor total veterans enrolled into this program, ensuring participation will not exceed the

cap. Monitoring the program to limit participation is contradictory to the mission of providing the best options for the disabled veteran.

VR&E counseling staff must be better educated about the purpose and benefits of this program. This will insure this option is offered to and available for all who may benefit from the program. Those veterans who are willing and capable of working in one of the other four tracks should not be misdirected or persuaded into the IL Program. In some VR&E offices the IL program has been misused. In those locations veterans' advocates have reported that if a veteran uses a wheelchair (paraplegic or quadriplegic) or is missing a limb, often the VRC assumes that veteran is out of the workforce and will never work. The fast and easy option for the VRC is placing the veteran in IL. Unfortunately two or three years spent in the IL program is valuable time lost that the veteran could have used in preparing for future employment goals.

Some VR&E offices regularly place veterans with barriers to work in the IL program while others are reluctant to use the IL option. Again, this demonstrates the need for better education of the VR&E counselors. VR&E management must examine this pattern to determine if some offices need more training.

Recommendations:

Congress must remove the cap on the independent living option of the Vocational Rehabilitation & Employment (VR&E) program. All rehabilitation options, including independent living, must be available for veterans that require such services.

VR&E management must provide specific training for counselors about the benefits that can be achieved and appropriate use of the Independent Living Program.

NOTES

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- ² Center for a New American Security, "Employing America's Veterans: Perspectives from Business" (June 11, 2012); <http://www.cnas.org/node/8373>.
- ³ Sen. Tom Harkin, *Benefitting Whom? For-Profit Education Companies and the Growth of Military Educational Benefit* (December 2010); <http://harkin.senate.gov/documents/pdf/4d01011f6076e.pdf>.
- ⁴ U.S. Department of Education, "Default Rates Rise for Federal Student Loans" (September 2011); <http://www.ed.gov/news/press-release/default-rates-rise-federal-student-loans>.
- ⁵ U.S. Department of Justice, "U.S. Files Complaint Against Education Management Corp. Alleging False Claims Act Violation" (August 2011); <http://www.justice.gov/opa/pr/2011/August/11-civ-1026.html>.
- ⁶ U.S. Government Accountability Office, For-Profit Colleges, "Undercover Testing Finds Colleges Encouraged Fraud and Engaged in Deceptive and Questionable Marketing Practices." GAO-10-948T (August 4, 2010); <http://www.gao.gov/products/gao-10-948t>.
- ⁷ <http://benefits.va.gov/vow/education.htm>.
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- ⁹ See the full report at http://www.dol.gov/vets/media/FY2011_Annual_Report_to_Congress.pdf.
- ¹⁰ CCR is the primary contractor registrant database for the U.S. federal government. CCR collects, validates, stores, and disseminates data in support of agency acquisition missions.
- ¹¹ Government Accountability Office, Service-Disabled Veteran-Owned Small Business Program, "Additional Improvements to Fraud Prevention Controls Are Needed," GAO-12-205T (November 30, 2011), 1.
- ¹² Pub. L. No. 109-461, 502, 120 Stat. 3403, 3431-3435 (2006).
- ¹³ *Ibid.*
- ¹⁴ Bureau of Labor Statistics "Employment Situation of Veterans News Release, Table 5," November 8, 2012; <http://stats.bls.gov/news.release/vet.htm>.
- ¹⁵ Government Accountability Office, Service-Disabled Veteran-Owned Small Business Program, "Additional Improvements to Fraud Prevention Controls Are Needed," GAO-12-152R (October 26, 2011), 3.
- ¹⁶ *Ibid.*
- ¹⁷ *Ibid.*
- ¹⁸ Small Business Administration, Interagency Task Force On Federal Contracting Opportunities For Small Businesses, "Empowering Veterans Through Entrepreneurship" (November 1, 2011); <http://www.sba.gov/sites/default/files/FY2012-Final%20Veterans%20TF%20Report%20to%20President.pdf>.
- ¹⁹ P.L. 108-183, Veterans Benefits Act of 2003, Sec. 308, Procurement program for small business concerns owned and controlled by service-disabled veterans; <http://www.gpo.gov/fdsys/pkg/PLAW-108publ183/html/PLAW-108publ183.htm>.
- ²⁰ P.L. 109-461, Section 8127, "Veterans Benefits, Health Care, and Information Technology Act of 2006." Small business concerns owned and controlled by veterans: contracting goals and preferences; <http://www.gpo.gov/fdsys/pkg/PLAW-109publ461/pdf/PLAW-109publ461.pdf>.
- ²¹ Service Disabled Veteran Owned Small Business Council; <https://www.sdvosb-council.org/>.
- ²² VOW to Hire Heroes Act of 2011; <http://veterans.house.gov/vow>.
- ²³ Testimony of Richard Hobbie, Executive Director, National Association of State Workforce Agencies, "Putting America's Veterans Back to Work," House Veterans' Affairs Committee, June 1, 2011.
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- ²⁷ Office of Management and Budget Report Pursuant to the Sequestration Transparency Act of 2012, 61 and 129.
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- ²⁹ GAO-09-34, VA Vocational Rehabilitation and Employment: Better Incentives, Workforce Planning, and Performance Reporting Could Improve Program, 7.
- ³⁰ GAO-09-34, 1.
- ³¹ Prepared Statement of Ruth A. Fanning, Director, Vocational Rehabilitation and Employment Service, Veterans Benefits Administration, Committee on Veterans' Affairs Subcommittee on Economic Opportunity, United States House of Representatives, March 31, 2011.
- ³² <http://www.gao.gov/new.items/d0934.pdf>; 09-34 Report.
- ³³ Department of Veterans Affairs 2011 Performance and Accountability Report, Part II, Part II—Performance Summaries by Integrated Strategy, II-55.
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- ³⁵ P.L. 110-389, "Veterans' Benefits Improvement Act of 2008," October 10, 2008, 28.
- ³⁶ American Sociological Association, "Sociologist Finds Combat Veterans Face More Lifelong Socioeconomic Challenges," Press Release, August 2, 2010; <http://www.asanet.org/press/combatveteransfacemorelifongsocioeconomic-challenges.cfm>.
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- ³⁸ "Employment outcomes of adults who sustained spinal cord injuries as children or adolescents," *Arch Phys Med Rehabil* 83(6): 791-801. "A predictive model of employment identified four factors associated with employment: education, community mobility, functional independence, and decreased medical complications. Other variables significantly associated with employment included community integration, independent driving, independent living, higher income, and life satisfaction."
- ³⁹ Title 38 Code of Federal Regulations Section 3.3. Improved pension, P.L. 95-588 (92 Stat. 2497). A benefit payable by the Department of Veterans Affairs to veterans of a period or periods of war because of nonservice-connected disability or age. The qualifying periods of war for this benefit are the Mexican border period, World War I, World War II, the Korean conflict, the Vietnam era, and the Persian Gulf War. Basic entitlement exists if a veteran served in the active military, naval or air service for 90 days or more during a period of war (38 U.S.C. 1521(j)) and meets the net worth requirements under 3.274 and does not have an annual income in excess of the applicable maximum annual pension rate specified 3.23; and is age 65 or older; or is permanently and totally disabled from nonservice-connected disability not due to the veteran's own willful misconduct.
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