

# Education, Employment, and Training



Since the Revolutionary War, the question of what a service member does when he or she is no longer in the service has been a problem, not only for themselves and their families, but also for society as a whole. From the late-nineteenth century to the early twentieth century, the national solution to this ‘veteran problem’ was, to some extent, to isolate and segregate them from civil society. Isolating veterans led to soldiers’ and sailors’ homes, federal vocational schools, and veteran farm colonies. With the emergence of expanding social mores following the aftermath of WWI, it became increasingly obvious that this policy was severely flawed, and *The Independent Budget* veterans service organizations (IBVSOs) began to see developments toward our current veterans policies.

In light of the extraordinary service and sacrifice required of our all-volunteer military, the IBVSOs believe that our nation has not only a moral obligation to assist our transitioning service members but a practical one as well. The economic reasons are perhaps more true than ever, as our transitioning service members continue to return to a slowly recovering economy which continues to offer limited, living-wage employment opportunities.

From a purely economic point of view, assisting transitioning service members in reaching their employment potential is truly a win-win-win situation – employing veterans is good for the economy, good for employers and good for our veterans. Veteran employment is especially important as the majority of working-age veterans want to remain as productive in the civilian workplace as they were while in the service, and nation has a solemn obligation to ensure them every opportunity to be successful in that endeavor. The most critical time for action in attaining employment is immediately after a service member transitions to civilian life, but IBVSOs must provide support and resources to veterans from all eras.

According to a recent VA National Center for Veterans Analysis and Statistics report:

- the population of Caucasian, male veterans will decline overall through 2043;
- the population of female veterans will simultaneously increase through 2043;
- the minority veteran population is expected to increase through 2014

Much of the projected decrease in the male veteran population cohort is because of a dwindling of the last draft-era veterans from WWII (1.2 million as of 9/30/13), the Korean Conflict (2.1 million as of 9/30/13) and Vietnam (7.3 million as of 9/30/13). At the end of the Vietnam War, the veteran population stood at nearly 60 million, compared to the roughly 21,973,000 current living veterans, which means that over the course of the past 40 years America has lost more than two thirds of its veterans. This downward trend in the veteran population should not be viewed as a decrease in the educational, employment or training needs of our service members: rather, while the numbers of veterans may gradually diminish, their needs will remain high.

A 2012 survey done by Prudential Financial, Inc., entitled, “Veteran Employment Challenges,” addresses both the specific employment roadblocks, as well as the numbers, of our newest veterans. The report indicates that as of the first quarter of 2013, approximately 783,000 veterans were unemployed, of whom, 207,000 were post-9/11 veterans. The IBVSOs note that in light of the continuing military troop strength drawdown over the course of the next few years, close to 1,000,000 service members will be transitioning out of the military.

The IBVSOs gratefully acknowledge the continued support of both the Administration and Congress for their efforts in not only recognizing, but prioritizing, the specific employment challenges being faced by transitioning service members. We also believe that our service members need and deserve:

- ongoing access to relevant career development and employment resources throughout their military service geared toward their current and future employment needs;
- the opportunity to continue or pursue an education;
- support in earning any required licenses and/or credentials to ensure veterans are able to equitably compete with their civilian counterparts for living wage jobs; and
- the opportunity to continue serving their country in a meaningful career once veterans return to civilian life.

Our nation has many reasons to support our veterans as they transition from military to civilian society, and this discussion will outline some of the ongoing problems facing veterans, many of the resources that are available to assist them, and specific recommendations for improvement.

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## Ensure Veteran Success in Higher Education

### RECOMMENDATIONS:

Congress, VA, the Department of Defense, and the Department of Education must work together to ensure that college-bound veterans have access to quality pre-enrollment consumer information and post-enrollment consumer protections when utilizing their earned education benefits at the college or university of their choice.

VA must develop quality metrics that evaluate student veteran success in higher education, identify potential problems, and develop quantifiable solutions.

Congress must continue to invest in campus-based support resources for student veterans to include expansion of the VetSuccess on Campus program or additional programs that support peer-to-peer support or offer resources to develop veteran centers of excellence.

### BACKGROUND AND JUSTIFICATION:

In 2009, Congress made a significant investment in the future of our nation's veterans by commissioning the Post-9/11 GI Bill. This landmark benefit would provide veterans who served in support of the Global War on Terror with the financial means to pursue higher education.

Five years into the program, more than one million veterans have already chosen to tap into this generous benefit program, seeking to become our country's next generation of leaders. However, with the expected drawdown of our military's active duty force, VA officials believe that we have not yet seen the largest influx of post-9/11-era veterans into America's classrooms.

With such a significant investment in the future success of today's military service personnel and newer veterans, Congress, as well as VA and its partner agencies, have an obligation to ensure that veterans not only enroll in college but that they succeed when they get there. As a nation, we also have the responsibility to ensure that veterans will not become victims of fraud, waste, or abuse when they seek to use these earned benefits.

By education-industry standards, student veterans are often considered nontraditional students. Veterans often bring significant transfer credits and life experience to the classroom, and they must often balance significant life obligations that many of their college peers do not bear. As a result of these unique characteristics, the education industry is many times not equipped to serve the unique needs of veterans or track their progress.

By implementing *The Independent Budget's* recommendations, we can work to ensure that college-bound veterans make informed decisions on how to best utilize their benefits, that campuses are prepared to best serve the unique needs of student veterans, and that we can demonstrate return on investment in our nation's veterans.

## Licensing and Credentialing

### RECOMMENDATIONS:

The DOD, VA, the Department of Labor and other federal, state, and local government agencies tasked with assisting transitioning service members should continue coordinated efforts with private sector entities to address the many challenges veterans face in obtaining civilian licenses and credentials. Such efforts must focus on identifying equivalencies between military and civilian occupations and developing processes to bridge the gap between state credentialing, licensing, and certification requirements and military training. Such processes should ensure veterans are able seamlessly to transfer their military training into meaningful civilian employment in any state, regardless in which state veterans received their military training.

Congress and the DOD must work to remove barriers so states can recognize military training that leads to occupational licenses and or credentials.

Congress should ensure that all the military service branches cover the costs of credentialing examinations and fees for all enlisted service members.

### BACKGROUND AND JUSTIFICATION:

Every year, between 240,000 and 360,000 military members make the transition from military to civilian life and employment, and as the drawdown continues, the military expects a million service members will transition from military service back to civilian life over the next few years. During this transition, veterans will undoubtedly face many challenges. Obtaining meaningful employment continues to be one of the biggest challenges they face during this often-difficult transition. IBVSOs cannot over-emphasize the importance of transferring veterans' military training into civilian licensing and credentialing when veterans seek to obtain gainful employment.

We recognize that the Federal government cannot solely resolve the many challenges transitioning service members face when obtaining civilian licenses and credentials. The Administration has worked with stakeholders at all levels, including employers, to establish a task force and numerous specialized workgroups, issued targeted grants, created a variety of programs, and implemented several valuable initiatives to develop best practices and workable solutions which, while seeking to maintain high standards, eliminate or minimize employment obstacles for veterans. While progress has been made, the military and veteran communities continue to be concerned that veterans face undue burdens when they seek to obtain the civilian licenses and credentials they need to succeed in the civilian workforce.

According the DOD Military Credentialing and Licensing Task Force's September 2014, report, almost 3,500 service members from 57 military occupational specialties have participated in credentialing and licensing pilot programs.

Currently, the Navy is the only military service that pays for credentialing examinations and fees for all enlisted service members. According to the DOD Military Credentialing and Licensing Task Force, other services will fund credentials in a targeted manner and are exploring broader funding. Congress must maintain oversight of this process to ensure a uniform and equitable system of payments for these opportunities for enlisted personnel.

## Strengthen Veteran-Owned Small Business Programs

### RECOMMENDATIONS:

Congress must take the necessary steps to prevent excessive delays in awarding contracts to service-disabled veteran and veteran-owned companies by requiring all federal agencies to use a single-source verification database.

The Department of Labor and VA must improve oversight and assist in development and implementation of stronger strategies to reach the federally mandated minimum three percent procurement goal.

Congress must provide for a reasonable transition period for family members of all service-disabled veteran-owned small businesses in the event of the death of the veteran owner.

### BACKGROUND AND JUSTIFICATION:

The government's support of VOSBs and SDVOSBs contributes significantly in restoring veterans' quality of life while aiding in their transitions from active duty. Yet veterans' ability to compete for contract awards remains problematic since many federal agencies have not reached the three percent goal of set-aside contracts. Federal agencies must be held accountable to meet the federal procurement goals outlined by Executive Order No. 13360 and sections 15(g) and 36 of the Small Business Act, which gives agency contracting officers the authority to reserve certain procurements for SDVOBs.

Because of changes in the verification system, timely verification continues to be an issue for SDVOSBs and VOSBs. VA must hire and train a sufficient number of employees to quickly and effectively certify and recertify veterans' small businesses.

Finally, while acquiring an initial federal contract and meeting its many prerequisites may be a big challenge for SDVOSBs, the death of a service-disabled business owner presents significant obstacles that can lead to the surviving spouse or children's loss of the business. Currently, surviving spouses of 100 percent disabled veteran business owners have a 10-year period to re-categorize the business after the date of the veteran's death if the death is related to his or her disability. All other surviving spouses have one year to transition if the contract is through VA and loss of status is immediate if the contract is held by any other federal agency.

Accommodations must be made so businesses built and operated by disabled veterans can continue to thrive and support not only the owner's family but also the families of those who are employed through these SDVOSBs.

## Assure Proper Oversight of and Support for Non-VA Workforce Development Programs

### RECOMMENDATIONS:

Congress must monitor the implementation of the Workforce Innovation and Opportunity Act to ensure that the law's promised improvements in state workforce programs for veterans and their families come to fruition.

Congress should restore the access of veterans with nonservice-connected disabilities to veteran specialist employment assistance provided by Disabled Veterans Outreach Programs and Local Veterans' Employment Representatives.

Congress should ensure that the Department of Labor properly enforces the new Vietnam Era Veterans Readjustment and Assistance Act regulations governing federal contractor obligations to recruit, hire, and advance veterans.

Congress should permanently authorize the Work Opportunity Tax Credit because of its importance to companies in hiring veterans.

### BACKGROUND AND JUSTIFICATION:

Several programs outside of the Department of Veterans Affairs have an impact on the employment prospects of veterans. These include the Jobs for Veterans State Grants program under the Workforce Innovation and Opportunity Act (WIOA), federal contracting rules under the Vietnam Era Veterans Readjustment and Assistance Act (VEVRAA) and veteran hiring incentives provided by the Work Opportunity Tax Credit (WOTC). *Workforce Innovation and Opportunity Act* — On July 22, 2014, the President signed WIOA, a law reauthorizing the nation's workforce development system. The law, which becomes effective July 1, 2015, contains several major provisions of interest to the veteran community including:

- Representation on state and local workforce boards of organizations serving veterans with barriers to employment.
- Requirements that state workforce plans specify how they will implement priority of service for veteran.
- Funding to help veterans and people with disabilities navigate multiple service programs and activities.
- Looser Job Corps eligibility rules for veterans within six months of discharge.
- Assurances that veterans with disabilities will be better served by state vocational rehabilitation programs.

The Department of Labor (DOL) is analyzing how WIOA provisions affect the Jobs for Veterans State Grants program and plans to issue further guidance as needed. However, in April 2014, the DOL issued a directive that could have an impact on the effectiveness of the WIOA in serving certain veterans with disabilities. In a Training and Employment Guidance Letter (TEGL 19-13), the agency narrowed the scope of services provided by Local Veterans' Employment Representatives (LVERs) and Disabled Veterans' Outreach Program (DVOP) specialists. LVERs are no longer allowed to perform any casework for individual veterans, and DVOP specialists are no longer allowed to serve veterans with nonservice-connected disabilities, even if these staffers have time to do so. Estimates state that 70 percent of veterans, including veterans with disabilities, will be denied access to these veterans' employment specialists.

WIOA was hailed as important bipartisan legislation that aims to streamline and focus the nation's workforce-development system on the most effective tools for improving employment prospects for those most in need of assistance. Strong Congressional oversight will be required to ensure that veterans receive the attention they deserve as implementation of WIOA moves forward. Moreover, Congress should act to enable LVERs to provide individual casework to veterans and allow DVOP specialists to serve all veterans covered by 38 U.S.C. § 4103 (A).

VEVRAA – On September 24, 2013, the U.S. Department of Labor’s Office of Federal Contract Compliance Programs (OFCCP) published a Final Rule that makes changes to the regulations implementing the Vietnam Era Veterans’ Readjustment Assistance Act (VEVRAA), at 41 C.F.R Part 60-300. These new regulations became effective on March 24, 2014.

In 2012 according to Bureau of Labor Statistics data, the unemployment rate for Gulf War-era II veterans was 9.9 percent, compared to 7.9 percent for nonveterans. To address these and other disparities affecting veterans, the Office of Federal Contract Compliance Programs (OFCCP) strengthened the regulations implementing VEVRAA by making affirmative action requirements more specific and by requiring contractors to establish benchmarks to measure their progress toward achieving equal opportunity for protected veterans. The new VEVRAA regulations also make it easier for veterans to find and apply for the jobs that federal contractors list with job agencies. The OFCCP plans to use the additional documentation requirements called for by the regulations to conduct more effective compliance evaluations of federal contractors. Congress must monitor the implementation of VEVRAA to make sure that companies receiving federal contracts are abiding by their obligations to recruit, hire, and advance covered veterans.

WOTC – The Work Opportunity Tax Credit (WOTC) has offered employers tax incentives to hire certain targeted populations, including veterans, since 1996. In 2011 the Veterans Opportunity to Work (VOW) to Hire Heroes Act expanded provisions in the WOTC to cover additional veterans with employment barriers. Department of Labor statistics indicate that, in FY 2013 alone, over 65,000 veterans were certified by state workforce agencies, allowing employers to claim the tax credit on their tax returns. Unfortunately, WOTC authorization expired as of January 1, 2014 so that companies making new hires after that date would not be able to use the tax credit. Legislation has been introduced to make the WOTC permanent. Congress should act to reauthorize WOTC retroactively and make its authority permanent so that employers will continue to have access to this hiring incentive.

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## Helping Veterans with Disabilities Successfully Transition to Employment

### RECOMMENDATIONS:

Transition Goals, Plans, Success must include meaningful information about disability employment rights and protections as required by Section 521 of the Fiscal Year 2014 National Defense Authorization Act (Public Law 113-66).

The Department of Labor must work with internal and external partners to share resources on disability employment protections for transitioning service members.

### BACKGROUND AND JUSTIFICATION:

The Veterans Opportunity to Work (VOW) to Hire Heroes Act of 2011 (Public Law 112-56) requires service members to participate in Transition GPS as part of their transition out of the military. The goal of Transition Goals, Plans, Success (GPS) is to provide service members and their families with the resources they need to help them in returning to civilian life. Required transition briefings include information about Department of Veterans Affairs benefits and a DOL employment workshop.

Despite efforts to facilitate the transition to civilian employment, many veterans with disability ratings from VA of 60 percent or higher are not participating in the workforce, according to data from the U.S. Bureau of Labor Statistics. For example, approximately 24 percent of Gulf War-era veterans reported having a disability related to their military service. Of those veterans, 431,000 reported having a disability rating of 60 percent or higher. Their workforce participation rate was 53.9 percent compared to 80.1 percent for veterans without a service-connected disability.

Many of these disabled veterans do not possess the information that they need about their employment rights and protections as people with disabilities. For example, a study of veterans with disabilities found that nearly half believed that a person with a disability must let an employer know if he or she has a disability. Furthermore, nearly half believed that an employer isn't required to make appropriate job-related accommodations for an employee with a disability.

Veterans who have acquired disabilities as a result of their military service need to gain a basic understanding of the protections available to them under the law as they return to the workforce or pursue educational opportunities. Section 521 of the FY 2014 National Defense Authorization Act (Public Law 113-66) seeks to address this knowledge gap by requiring Transition GPS to include information about disability-related employment and education protections. This requirement must be met no later than April 1, 2015.

Information about disability-related employment and education protections is an important component to the DOL employment workshop. The protections available can assist anyone who is discriminated against because of a disability. To ensure that meaningful information about workers with disabilities returning to the workforce is included, the DOL Veterans' Employment and Training Service must work with internal partners such as the DOL Office of Disability Employment Policy and external partners, including the Equal Employment Opportunity Commission. These partners can provide expert information about the Americans with Disabilities Act, reasonable accommodations, and other areas impacting veterans with disabilities who are returning to the workforce.

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## Enhance Vocational Rehabilitation Productivity and Partnerships

### RECOMMENDATIONS:

VA must provide a more timely and effective transition into the workforce and provide placement follow-up with employers for a minimum of 12 months.

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 the needs of women, combat-exposed, paralyzed, blind, amputee, traumatic brain injured, etc.) to ensure that all eligible veterans receive the full array of benefits and level of customization necessary for meaningful and effective vocational intervention.

The Technical Assistance Guide must be updated regularly to ensure both the Department of Labor and VA are providing appropriate step-by-step services in a consistent manner to disabled veterans, essential in helping make disabled veterans "job ready."

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

## BACKGROUND AND JUSTIFICATION:

Current Vocational Rehabilitation and Employment (VR&E) resources are insufficient to meet the needs of our nation's veterans in a timely manner. Cooperative partnerships between VA, the DOL, and other federal and state agencies must be enhanced to provide the full array of benefits and customized services to veterans in key demographics. VA needs to strengthen the VR&E program to meet the demands of disabled veterans, particularly those returning from the conflicts in Southwest Asia. 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.

The task before VR&E is critical, and the need becomes clearer in the face of the statistics from the current conflicts. Since September 11, 2001, more than 2.4 million service members have been 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 an employment handicap. Far too many veterans are unaware of the services available to them. VA can close these informational gaps 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 because of budget shortfalls and understaffing.

Because of the increasing number of service members returning from tours in Southwest Asia with serious disabilities, we must provide VR&E with the resources to further strengthen its program and partnerships with local and federal entities. No mission is more important than that of enabling injured military personnel to lead productive lives after serving their country. 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 were an under-recognized problem that similarly plagued Vietnam veterans.

The IBVSOs believe state agencies 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.

The IBVSOs believe there should be a study to determine if the VR&E's current tracking of whether a veteran participating in the program remains employed beyond the current standard of 60 days is adequate. Because many employers have probationary employment periods in excess of 60 days, we believe a lengthier period of time, such as one year, for the VR&E to follow-up with an employer would be more appropriate.

To further the understanding of a joint services approach towards getting disabled veterans into suitable employment, a Technical Assistance Guide (TAG), a joint venture between the Department of Labor's Veterans' Employment and Training Service and the Department of Veterans Affairs VR&E Service, was created in 2008. The TAG provides step-by-step instructions on how to get a "job-ready" disabled veteran into the workforce.

The VOW Act of 2011 will influence changes within the TAG; the TAG must be revised and updated to conform to this new legislation. Additionally, lessons learned among the respective departments since the 2008 TAG was established will help to shape the newest version. The new version should incorporate best practices from 2008 to the present so they are repeated and ineffective practices discontinued.

The IBVSOs support a requirement in P.L. 110-389, "Veterans Benefits Improvement Act of 2008," that VA conduct a 20-year longitudinal study of the long-term outcomes of individuals participating in VA vocational rehabilitation programs, beginning with the group that entered vocational rehabilitation in 2010. However, this study is conditioned on the availability of discretionary appropriations; thus, funds to support it must be taken from VR&E's existing resources. Over the course of this study period, the IBVSOs would expect that VA

would develop new interventions based on this longitudinal review. Also, the IBVSOs believe Congress should continue to support this study with sufficient appropriated funding.

We believe the existence of better data, including success rates and evaluation of VA ongoing approaches, are essential to promote an effective vocational rehabilitation effort. This study should include an acute focus on the reasons veterans discontinue participation in the VR&E program and provide a foundation for designing interventions that may ease lack of participation or discontinuance.

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## Enhance Vocational Rehabilitation and Employment Services

### RECOMMENDATIONS:

Congress must eliminate the 12-year delimiting period for Vocational Rehabilitation and Employment (VR&E) services to ensure that disabled veterans with 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 awarded service-connected disability ratings, regardless of the degree of disability.

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

Congress must provide sufficient resources for VR&E to establish a maximum client-to-counselor standard of 125:1 or better and explore new methodologies to formulate a proper client-to-counselor ratio based on the challenges associated with more severely disabled veterans.

### BACKGROUND AND JUSTIFICATION:

Congress must change the eligibility requirements for the VR&E program to increase access to services while increasing subsistence allowances for veterans with dependents. Service-disabled veterans must be authorized to receive access to VR&E services at any point during their employable lives when service-connected disabilities interfere with their employment. Their wounds, illnesses, and injuries are life-long consequences of service to our nation, and so too must be the ability to utilize benefits resultant from such service remain life-long.

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 VR&E, through its VetSuccess program, is charged with providing wounded, ill, and injured veterans with an array of services designed to enable them to obtain and maintain suitable and gainful employment. In the case of those veterans with more serious service-related disabilities, VR&E is authorized to provide independent living services.

In 2003 the Government Accountability Office designated the VA disability program as "high risk" because of program management difficulties; transformation was needed. In March 2004 the VR&E task force, created by the Congressional Commission on Service Members and Veterans Transition Assistance (Commission), released a report with 110 recommendations for VR&E improvements. As a direct result of that report, VR&E

implemented the five-track process that strengthened the program's focus on employment. In response to the 2004 task force report, VA implemented 100 out of the 110 VR&E task force recommendations.

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. Considering the basic costs of living, veterans may be unable to wait until the completion of their program to begin working simply to generate some sort of income. They may be forced to leave the program prematurely simply to provide for themselves or their families.

While the Veterans Benefits Administration (VBA) has implemented most of the 110 VR&E task-force recommendations, The IBVSOs continue to support its recommendations as well as those of the Commission to further enhance this important benefit by expanding VR&E access to all medically separated service members, making all disabled veterans eligible for VR&E counseling services, creating a monthly stipend for those participating in the employment track of VR&E's programs, creating incentives to encourage disabled veterans to complete their rehabilitation plans, and eliminating the current 12-year eligibility limit for veterans to take advantage of VR&E benefits.

As a consequence of increased demand placed upon VR&E's workload and additional collateral responsibilities, the number of veterans in the various phases of VR&E programs is expected to continue rising. As more service members return from the conflicts in Southwest Asia and as the VBA continues to process more claims at an accelerated rate because of gains achieved through its transformation and automation, the IBVSOs are concerned with the current constraints placed on VR&E because of an average client-to-counselor ratio of 145:1, and the disparity among caseloads within some VA regional offices, compared to the VA standard ratio of 125:1.

The VR&E will not be able to provide adequate service, especially one-on-one counseling, at the 145:1 ratio. Given the anticipated increased VR&E caseload that future downsizing of the military will produce, and the complex nature associated with rendering appropriate services for our more severely disabled veterans, accurately determining staffing requirements based upon a more comprehensive manpower formula is imperative; a new methodology must be developed.

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## VA Pension/Work Disincentives

### RECOMMENDATION:

Work disincentives in the VA pension program should be re-examined and policies toward earnings should be changed to parallel those in the Supplemental Security Income program.

### BACKGROUND AND JUSTIFICATION:

Many veterans, who served honorably and were discharged in good health, later acquire significant disabilities. As a consequence eligible veterans will qualify for the Department of Veterans Affairs nonservice-connected pension. 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 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 program 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, seven percent of unemployed veterans on pension and nine percent of veteran spouses on pension cited the dollar-for-dollar reduction in VA pension benefits as a disincentive to work. Now that veterans with catastrophic nonservice-connected disabilities retain access to VA health care, loss of access to medical care is no longer an impediment to work but the VA pension cash cliff remains a barrier.

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## Enhance the Independent Living Program

### RECOMMENDATIONS:

Congress must remove the cap on the Independent Living Program (ILP) within the Vocational Education and Employment (VR&E) program. All rehabilitation options, including independent living, must be available for veterans that require such services.

VR&E management must provide adequate oversight of the ILP specific Training Performance Support System deployed in FY 2013, to ensure vocational rehabilitation counselors understand the eligibility requirements and benefits that can be achieved through appropriate use of this program.

The VR&E must have the appropriate resources and technologies to collect relevant information for the ILP, including but not limited to the number of disabled veterans applying for the ILP and the goods and services provided to a disabled veteran in the program.

### BACKGROUND AND JUSTIFICATION:

The Independent Living Program (ILP) was created by Congress in 1980 as a pilot program with a cap of 500 participants. Realizing the significance of the ILP, Congress increased the cap several times to the current level of 2,700. *The Independent Budget* veterans service organizations firmly oppose a cap on this uniquely individualized rehabilitation assistance for severely disabled veterans. Because Congress placed a mandatory cap on this program, some adverse consequences have been created leading to poor program understanding and utilization including the need for VR&E management to monitor total veterans enrolled in this program to ensure participation will not exceed the cap. The law also mandates that each ILP created for a veteran counts toward the cap; as a veteran may require multiple ILPs within the same fiscal year, each established ILP would count toward the cap.

All veterans, including seriously disabled veterans, who are found eligible and choose to participate in the Vocational Rehabilitation and Employment (VR&E) program are assigned to a Vocational Rehabilitation Coun-

selor (VRC) for a services evaluation. The ILP assistance afforded to wounded, ill, and injured veterans with specific barriers to employment should be allocated according to need rather than by arbitrary program caps. Upon completion of the comprehensive evaluation between the VRC and the veteran, they will then choose one of the five tracks of services within VR&E.

The five tracks include 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; and finally, independent-living services. For those veterans with severe disabilities who may not be ready to pursue employment goals, VR&E has the option of providing further rehabilitation assistance through the ILP.

VRC's must be better educated about the purpose and benefits of this program. More informed VRC's would ensure that this option is offered to, and available for, all who may benefit. Without proper training and consistent oversight, the administration of the ILP will continue to vary between regional offices and among VRCs.

Finally, adequate systems and technologies are crucial for proper administration of the ILP. The VR&Es current case management system, Corporate Winston-Salem, Indianapolis, Newark, Roanoke, Seattle, lacks the ability to capture ILP-specific data such as the number of applicants, number of plans created for a disabled veteran, and succinct categorization of expenditures for goods and services provided to a veteran.