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TESTIMONY

Of

The Honorable Dorcas R. Hardy
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Before the

United States Senate
Committee on Veterans' Affairs

Review of Veterans' Disability Compensation: Rehabilitating Veterans

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Mr. Chairman and Members of the Committee, I appreciate the opportunity to speak with you today about the Department of Veterans Affairs' Vocational Rehabilitation and Employment Program (VR&E).

As you are aware, I served as Chairman of the Vocational Rehabilitation and Employment Task Force of 2004 and its report to Secretary Principi: The Vocational Rehabilitation and Employment Program for the 21st Century Veteran. I am also a former Commissioner of Social Security and was Chairman and CEO of a rehabilitation technology firm in the 90s.

The United States is at war. At this time there is no more important mission for the Department of Veterans Affairs than enabling our injured soldiers, sailors, and other veterans with disabilities to experience a seamless transition from military service to successful rehabilitation and on to suitable employment. For some severely disabled veterans, this success will be measured by their ability to live independently, achieve the highest quality of life possible, and realize the hope for employment given advances in medical science and technology.

Current efforts of the Departments of Defense and Veterans' Affairs Steering Committee are focused on seamless transition through case management, utilizing Recovery plans and Recovery Coordinators. Numerous government agencies and private sector Commissions have also contributed ideas and plans to enhance the wounded warriors' transition, compensation determination and employment opportunities.

Even when the Task Force began its work nearly five years ago, a major concern of the Task Force was how best to achieve these goals for returning injured men and women. As we began our work, it became clear that the primary approach being taken by the Veterans' Vocational Rehabilitation and Employment Program was to promote a sequential process of formal education and when completed, to address employment options. Even with the Five-Track

Employment Process now in place, the VR&E outcomes are not significantly different than they were then.

Now five years later, one should ask: Do we have the best model for achieving vocational rehabilitation and successful employment for disabled veterans in the 21st Century?

Utilizing the 2004 Task Force Report, VR&E has made progress in modernizing its operations. During the last four years, the Veterans Benefits Administration has increased its support of VR&E and tried to integrate its services into the many efforts that are being directed to disabled veterans returning from Afghanistan and Iraq. While most of the Task Force recommendations have been addressed in one way or another, I do not know if one can declare they have comprehensively addressed all the issues.

After many pilot projects, The Five-Track Employment Process and Integrated Service Delivery System appears to be in place, all Vocational Rehabilitation counselors have been trained, Disabled Transition Assistance Programs (DTAP) briefings have been standardized and include Five-Track System information, a new orientation video for group intake is available, and new employment coordinators, and job resource labs are available.

Despite this emphasis, significantly improved outcomes remain elusive and it appears that much of the program operations are the same as in the past. The program and its processes still take far too long.

Today, I would like to focus my comments on several important and outstanding issues which I believe need considerably more attention:

- , Eligibility Determination;
- Assessment and participation in the Vocational Rehabilitation and Employment program;
- Employment Focus (both jobs and careers), and
- Independent Living

Determination of Eligibility

I continue to believe that the VR&E program employment and "life cycle" transitions counseling should be available to all veterans, in particular all disabled veterans at any stage in their post-military careers without regard to the number of years that have passed since they separated from the military.

One might want to establish a priority ranking system for services based on severity of disability. However, any veteran, especially the disabled veteran, who is ready for employment should not be subject to a time-consuming and extensive eligibility determination process which takes more than 50 days. If an individual is job-ready or nearly so, and presents to the VR&E, there is no reason to be denied access for almost two months to the Rapid Employment Track. The VR counselor should be able to make an immediate referral to an employment coordinator or a private contractor skilled in job placement, e.g Manpower Inc. (I believe any shortened assessment process may require a statutory change.)

Assessment of program participants continues to be much of the core of the program. Perhaps a first time extensive vocational assessment by VR&E is too late in the entire post-discharge process. Currently both the Department of Defense and VA are working to better coordinate and integrate a disability medical determination and case management process. They are piloting new Recovery Plan processes and using DOD Transition Patient Advocates and new VA Recovery Coordinators.

It is well known that a discussion of employment at the earliest point in any rehabilitation process is critical to a successful Return to Work effort. Vocational Rehabilitation Counselors should be integrally involved in early discussions with veterans. I do not mean a cursory discussion of all VA benefits; an early discussion about returning to employment and significant participation in society is essential (recognizing that medical rehabilitation is obviously paramount). Yet VR&E is "at the end of the line" after disability ratings and cash benefits are determined.

Additionally, as the Task Force discussed, functional capacity evaluation (FCE) technology can be very helpful in determining and matching individual abilities with required job skills, thereby facilitating discussions of future opportunities for employment. The Task Force recommended that FCE testing be an integral part of the disability determination process and conducted as early as possible in any assessment (DoD or VA) process. A recommended functional capacity evaluation pilot project to determine the best means to apply this proven technology in the disability determination and VR&E process has not been conducted.

Applicants

In addition to offering VR&E counseling, employment and career transition services to all veterans, at whatever point in time the services may be needed, VR&E service should have a better understanding of the reason for a veteran entering their program. The Task Force found that most applicants wanted a college education.

I have no data to suggest that request has changed. However, I understand that the number of new entrants to VR&E has decreased (about 8,000 persons). My suspicion is that the increase in the GI Bill stipend, which is now larger than the VR&E stipend, has caused many veterans to use their VA Education benefits to pursue higher education, especially if a State provides tuition to a state-supported institution. Why do we need two separate programs for attainment of a college degree? How can we work toward an approach that integrates the GI Bill with the education option of VR&E; the counseling and employment opportunities would be available to all applicants in either program.

The question that one must ask is: Why do we need two separate programs for attainment of a college degree? How can we work toward an approach that integrates the GI Bill with the education option of VR&E; the counseling and employment opportunities would be available to all applicants in either program.

Employment

It is not yet clear, despite VR&E's addition of 50 or so employment coordinators, that the focus

of the program has dramatically changed to career development and employment. Annually, of the more than 90,000 active VR&E cases, no more than 9,000 veterans are "placed" into employment. This result has been steady for many years.

This is just not good enough if we say that the program focus is employment. And there is no information about how long (beyond 60 days) a newly employed veteran stays in the workforce, nor if these veterans have been placed in employment through the Rapid Employment Track in the Five Track Employment Model. Additionally, once a veteran is placed, there is minimal followup with the employer as to whether the new job is a correct fit with the veteran's skills and needs, whether any additional accommodations may be needed, or if further placements are available.

Most of the participants in the VR&E program are still in some kind of formal training, e.g. higher education; the obvious challenge is how to move them through to employment. Perhaps employment coordinators should work under incentives based on successful placements. If the number of employment outcomes does not increase, VR&E should revisit the discussion of contracting out all employment activity and only provide vocational counseling.

Part of the new approaches to motivating program participants to focus on employment has been the introduction of Job Labs at most of the VR&E offices. With many other federal programs, such as Department of Labor One Stop Centers also offering computer labs for job searches, it would be very useful to know if such new equipment has made a difference in successful job search and placement. Contracting with professional employment search firms or working with specific companies to develop appropriate jobs throughout an entire Region would appear to be much more cost beneficial.

Memoranda of Understanding regarding available jobs have been created with large employers e.g. Home Depot. Apparently the number of placements from VR&E has not been large, if at all. There needs to be more communication about the type of applicants that VR&E trains and the kinds of skills they can offer to such companies. An employer needs to understand the skills of VR&E participants (FCE could be used), as well as any necessary accommodations. Success requires employment coordinator outreach to many more companies, and much more interaction with professional employment agencies.

The Task Force suggested adoption of a National Agreement between Veterans Benefits Administration/VR&E with the Council of State Vocational Rehabilitation Agencies. This was executed in 2005. But to be successful, each State Agency needs to tailor its own Agreement with VR&E in order to work together to fill the service delivery gaps that one or the other program encounters when working with the same veteran. VR&E has not followed up to initiate more than a few Agreements; State partners could be extremely helpful if a more formal process of service delivery were in place, I have submitted to your Staff a model agreement between the State of Alabama Department of Rehabilitation Services and VBA/VR&E. Such a simple yet useful document should be in place in every State.

The Ticket to Work Program of the Social Security Administration and VR&E have begun conversations regarding how Employment Networks of the Ticket Program can assist with training and placement of disabled veterans. Though the Ticket program has not yet been as

successful as had been envisioned, I expect that new regulations which will be issued this spring will have a significant impact upon development of a far more successful program of job training and employment.

Another federal employment program at the Department of Labor also works closely with VR&E. It appears to me that both agencies could claim great success if the DOL VETS program (DVOPs: Disabled Veterans Outreach Program and LVERs: Local Veteran s' Employment Representatives) were merged with VA's VR&E program. You may recall that the Servicemember Transition Commission chaired by former VA Secretary Principi in the late 1990s made a similar recommendation. Better employment referrals and opportunities, increased communication with the public and private sectors, and an integrated jobs placement team should surely result.

Promotion of self-employment continues to be a challenge for VR&E. There are several successful private firms that could be of assistance to VR&E employment coordinators. Additionally there are many business persons who, if asked, could assist directly by working with veterans to develop and critique their business plans. Self employment, customized employment options, and supportive employment (such as the VHA program for TBI and PTSD veterans) especially for severely disabled veterans, must be an integral part of the training of VR&E staff and options for veterans.

Independent Living (IL)

For many severely disabled veterans, independent living, not full employment, becomes the outcome. Within the allowable 4 years that a person can utilize IL services, the goal should still be employment, to the best of the ability of the disabled veteran. Individuals may not achieve full employment but many persons can participate in some kind of activity that provides financial remuneration. In cases of traumatic brain injury or severe PTSD, it is recognized that considerable supports may be needed. At this point in the process, the Supportive Employment VHA program should be used as a bridge to full employment.

In such cases, VR&E counselors often become case managers as opposed to rehabilitation counselors. Consideration should be given to forwarding the cases of severely impaired IL individuals to the caseload of the new VA position of Recovery Coordinators, with monthly or quarterly reports to the originating VR counselor. Often care and support services are more appropriate at one time than another; veterans need to receive correct services for their current situations. However, the goal should still be rehabilitation to the greatest extent, and hopefully, some kind of economic participation in society. Regardless of which position, VR&E Counselor or Recovery Coordinator has the responsibility, management should consider introduction of a case weighted performance measure for IL counselors.

The private non-profit sector, through Centers for Independent Living, can also be extremely helpful to IL veterans. The Centers are located nationwide, understand local communities and provide supports and services, accommodations, and knowledge of future opportunities for severely impaired persons. It is not clear that they are being fully utilized to assist disabled veterans.

Since service members began returning from Iraq and Afghanistan, many non-profit, community based organizations have developed throughout the country to provide supports for injured servicemen. VR&E should be known to all of these organizations: Wounded Warriors, America Supports You, Families of the Wounded Fund and many other family-support groups who want to assist with transition and employment needs. If VR&E compiled and distributed a listing of resources and community based services for all veterans in each State, I am confident the result would be new service and employment partnerships which benefit the veteran.

Mr. Chairman, I would like to close my remarks with some observations about the greater World of Disability, of which the Veterans Benefits Administration is one part, a very large part.

GAO found 192 different programs operated or overseen by some 20 different federal departments or independent agencies that are designed to provide supports for people with disabilities. In FY 2003, more than \$120 billion in federal funds were spent on programs serving people with disabilities. Eighty-eight percent (88%) of those federal dollars were spent by the Social Security and Veterans Benefits Administrations. It is especially noteworthy and disheartening that only 2 percent was spent on employment related programs.

This uncoordinated "stove pipe" approach is itself a major part of the problem of disability determination, including rating schedules, case management, Recovery plans and services and supports. To develop a 21st century system for persons with disabilities, there should be a new, single and integrated center of responsibility that can offer people with disabilities a clear and uniform path to finding the support they may need to pursue a path to independence and self support. The entire disability adjudication and support processes in public programs need to be modernized. We need to demand integrated approaches to these issues, better management and better outcomes. Persons with disabilities should receive early and timely assessments and coordinated access to the supports they need to maximize their capabilities.

In a 2006 Report from the Social Security Advisory Board (of which I am a member) entitled "A Disability System for the 21st Century" we stated:

On the disability cash benefit side, we currently have a uniform structure; on the employment support side we have something close to chaos. There are of course, many different kinds of supports including training, medical care and therapy, assistive technology, counseling and more. A variety of providers reflecting different disciplines will need to be involved, but persons with disabilities should have a single point of entry that can help them, as needed, attain and stay on the path to the supports they need.

Our Nation's policymakers need to acknowledge that the current disability programs, though well intentioned, are badly fractured and disjointed. A unifying point of vision, oversight, and management is desperately needed. To rectify this, consideration should be given to the creation by the Administration and the Congress of an entity or entities that can develop and implement detailed legislative proposals for managing and integrating the supports available to people with disabilities in a way that truly offers a coordinated path to achieving community inclusion, independent living, and economic self sufficiency.

Detailed legislative proposals to build a 21st century system could include, where appropriate, a realignment of functions and responsibilities that are currently carried out by numerous entities. It is now a decade and a half since our Nation declared its adherence to a disability policy that encourages and supports people with disabilities in their quest to achieve independence and self-support that is within their capabilities. It is time to begin to make the necessary administrative and statutory changes that can make that policy a reality...the difficulty of that task, while daunting, must not be viewed as a reason for avoiding action.

The issues involved with implementing a modern disability rehabilitation and employment system are not unique to the Vocational Rehabilitation and Employment program for disabled veterans. I still believe that VR&E can become the model public sector rehabilitation and employment program. But they are not there yet; and it is nearly four years since they began their transformation. They need a greater sense of urgency, as well as greater vision.

Mr. Chairman, Thank you for the opportunity to address these issues. I will be glad to answer any questions you may have.