

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 2012 indicate that the unemployment rate among veterans of the current conflicts remained 2 percent higher than the national unemployment rate.¹

With the end of the conflict in Iraq, withdrawal from Afghanistan on the horizon, and our nation's military already scaling back, offering economic opportunities for today's transitioning service members and veterans continues to demand decisive action.

Our veterans have made tremendous sacrifices for our nation. Congress and the Administration must continue to 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.

Our nation has the obligation to ensure that service members and veterans can correlate their military training and experience to civilian jobs. Service members and veterans deserve access to relevant transitional resources, the opportunity to pursue a quality education through their earned benefits, and the chance to start meaningful careers once they return to civilian life.

Fortunately, we have made progress in the last few years, expanding access to skills training through programs like the Post-9/11 G.I. Bill and the Veterans Retraining Assistance Program. Congress has also demonstrated its resolve by passing legislation such as the VOW to Hire Heroes Act, the Improving Transparency in Education for Veterans Act, and the Veterans Skills to Jobs Act.

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, persons with disabilities, including veterans, often encounter barriers to 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

When the Post-9/11 G.I. Bill was signed into law in 2008, leaders in Congress and in the veterans' community praised the landmark legislation as the harbinger of a new "Greatest Generation." In return for their years of service to our nation, Post-9/11 veterans now would gain unprecedented access to critical job skills and training capable of molding a new generation of American leaders. *The Independent Budget* veterans service organizations (IBVSOs) were pleased with the quick passage of this new benefit, and in the subsequent years, the IBVSOs have worked diligently to both improve the benefit and improve consumer resources for veterans through legislation like the Post-9/11 Veterans Education Assistance Improvement Act of 2010 and the Improving Transparency in Education for Veterans Act of 2012.

Recently, the Department of Veterans Affairs reported that the one-millionth veteran enrolled in college using the Post-9/11 G.I. Bill, and recent VA reports show that more veterans are tapping into their earned benefits as we draw down the military (Table 3).

However, the IBVSOs are very concerned about the continued viability of the Post-9/11 G.I. Bill. At a time of budget uncertainty, some in Congress have started to question whether or not G.I. Bill dollars are leading to college degrees. Unfortunately, quality data on student veteran outcomes remains insufficient. The IBVSOs believe we need to be able to demonstrate student veteran success in higher education in order to change this narrative. This landmark benefit is too important to our veterans and our nation to let it go to waste.

To accomplish this goal, the IBVSOs believe that college-bound veterans must fully understand their benefits, be able to choose a school that will fulfill their career goals, and possess the tools to take action against a school if they become victims of fraud, waste, or abuse. Over the last two years, counseling resources for student veterans have drastically improved, but more must be done to ensure that veterans are academically and financially prepared to go to college. The IBVSOs consistently hear from veterans that financial concerns are a primary barrier to completing college. Overcoming this hurdle is why the IBVSOs recommend policies that will keep college affordable for veterans—particularly veterans

Table 3: College Enrollment of Veterans, 2000–11

Fiscal Year	Total Beneficiaries	Program Name					
		MGIB-AD Trainees	MGIB-SR Trainees	DEA Trainees	VEAP Trainees	REAP Trainees	Post- 9/11 Trainees
2000	397,589	279,948	70,299	44,820	2,522	—	—
2001	420,651	289,771	82,283	46,917	1,680	—	—
2002	464,159	323,165	85,766	53,888	1,340	—	—
2003	472,970	321,837	88,342	61,874	917	—	—
2004	490,397	332,031	88,650	68,920	796	—	—
2005	498,498	336,347	87,161	74,267	723	—	—
2006	498,123	332,184	66,105	75,460	627	23,747	—
2007	523,344	343,751	60,298	77,339	568	41,388	—
2008	541,439	354,284	62,390	80,191	560	44,014	—
2009	564,487	341,969	63,469	81,327	448	42,881	34,393
2010	800,369	247,105	67,373	89,696	286	30,269	365,640
2011	923,836	185,220	65,216	90,657	112	27,302	555,329

Source: Department of Veterans Affairs, *Education Program Beneficiaries, FY2000 to FY2011*.

who choose to attend public colleges and universities but who may not qualify for in-state tuition.

The IBVSOs also believe that VA should be able to qualitatively demonstrate student-veteran success in higher education through quality metrics like persistence and graduation. The Veterans Benefits Administration must work collaboratively alongside partner agencies like the U.S. Departments of Education and Defense to refine metrics on student veteran outcomes as well as monitor postsecondary educational institutions that serve veterans to prevent against predatory practices. Thankfully, through the implementation of the Improving Transparency in

Education for Veterans Act, the VBA and its partners are already taking steps to improve metrics and oversight.

The benefits of the Post-9/11 G.I. Bill must continue to remain available to honor the sacrifice of our nation's veterans. To support this request we must offer our veterans all the tools to succeed in higher education, and VA must accurately measure the short-term and long-term impacts of their benefit programs beyond graduation. The IBVSOs believe that all VA educational programs, and particularly the Post-9/11 G.I. Bill, are investments in our veterans and must be protected.



CONSUMER INFORMATION FOR POTENTIAL STUDENT VETERANS REMAINS INSUFFICIENT

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

The Independent Budget veterans service organizations (IBVSOs) believe that the best way for veterans to maximize their earned educational benefits to realize their career goals is to ensure that college-bound veterans fully understand the higher education landscape and can choose the school that is right for them.

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 have consistently failed to prepare them 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. Veterans can review a list of schools that have agreed to adhere to recently established "Principles of Excellence" standards, learn whether or not a school is generally eligible for G.I. Bill participation through VA's WEAMS database, find out what the housing allowance rate would be for a particular school, see whether or not a school offers additional tuition-matching compensation

through the Yellow Ribbon Program, and learn how the school's students generally perform through the Department of Education's Integrated Postsecondary Education Data System reporting database.

Unfortunately, all of this information is scattered across different sections of VA's G.I. Bill website, meaning end-users cannot reasonably compare education programs across schools and often at 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 Integrated Postsecondary Education Data System because it is filed differently in those databases.

Thankfully, last year the IBVSOs scored a major victory with the passage of P.L. 112-249, the "Improving Transparency in Education for Veterans Act," which directs VA to develop an online comparison tool for potential student veterans and to launch a formal complaint system through which veterans can take action against a school should they become victims of fraud, waste, or abuse.

Over the past year the IBVSOs have received regular updates from VA on its implementation of P.L. 112-249 and we have seen considerable progress in

developing these products, but timelines for introduction remain a concern in the wake of the recent federal government shutdown.

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

While VA continues to work with its partners in the Departments of Defense, the Department of Education, the Consumer Financial Protection Bureau, and the Federal Trade Commission 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 must stress that the metrics with which Congress and policy analysts measure G.I. Bill success are distinctly different from the kinds of information potential student veterans would need to make an informed decision about academic programs they would wish to pursue.

According to Student Veterans of America, an organization representing student veterans on more than 700 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.

Last year the IBVSOs highlighted the pilot curriculum for the military's new Transition Assistance Program (TAP) track on higher education. This voluntary track, which the Pentagon officially rolled out in 2013, offers potential student veterans a wealth of information on how to compare educational programs and prepare both academically and financially for college life. Unfortunately, the track is not considered a mandatory component to TAP, and resources from the education track are not yet available to veterans after they separate from the military.

Finally, the IBVSOs understand that the kind of benefits a veteran can receive varies from school to school. One of the largest discrepancies is the difference in

compensation a veteran can receive while attending a public school compared to a private school. In academic year 2013–2014, veterans attending private colleges and universities can receive up to \$19,198 to cover tuition and fees. However, veterans attending public colleges and universities can only receive up to the cost of in-state tuition and fees for their school of choice. This difference means that veterans attending public schools who do not qualify as in-state students will incur substantial out-of-pocket costs to attend college. Moreover, many veterans are disqualified for in-state tuition because of the transience of military life.

The IBVSOs believe that public colleges and universities must make reasonable accommodations for recently separated veterans by offering in-state tuition regardless of residency status. Veterans served the nation not a particular state. The IBVSOs believe, therefore, that public colleges and universities must not deny in-state tuition to veterans who cannot reasonably qualify for in-state tuition because of their prior military obligations.

Recommendations:

Congress must ensure that VA work with the DOE, the Consumer Financial Protection Bureau, and the FTC to identify and consolidate information points that would be relevant to potential student veterans.

Congress must ensure that VA deliver its school comparison tool and formal complaint process in a timely manner and that information be presented in a consistent, easy-to-understand format that allows veterans to make informed educational decisions.

Congress must ensure that the education curriculum designed for the military's new Transition Assistance Program meet the needs of potential student veterans and that resources be available to veterans once they have separated from the military.

Congress must pass legislation offering in-state tuition protections for college-bound veterans who cannot qualify as in-state students because of prior military obligations.

METRICS TO TRACK G.I. BILL AND EDUCATION BENEFITS SUCCESS ARE INSUFFICIENT

VA 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 G.I. Bill benefits; however, beginning with the 2011–2012 academic year, the VBA began to track basic graduation rates. This shift in policy limits VA's 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, VA 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 (IBVSOs) cannot accurately assess the effectiveness of G.I. 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. This information enables the DOE to take corrective action. However, the DOE does not monitor the use of veterans' benefits on its surveys.

Presidential Executive Order No. 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.

In 2013 the agencies completed their inventory and believe they will be able to cross-reference their databases to produce more in-depth metrics like retention from semester to semester and persistence through academic years. However, officials recognize that even with cross-referenced information, metrics like graduation rates, degrees conferred and even student loan debt will remain incomplete.

This interagency task force for the executive order was also tasked to develop an institutional crosswalk between the DOE and VA to reconcile the different school and program codes used by each agency to track schools that participate in G.I. Bill and title IV programs. VA recently reported that the institutional crosswalk was complete for the current year but that the system could easily become obsolete since program codes can change every year.

Fortunately, VA has formalized a memorandum of understanding with Student Veterans of America and the National Student Clearinghouse to compile in-depth information on nearly one million unique student veterans who have enrolled in college since 9/11.

The National Student Clearinghouse receives unique information about 98 percent of all students attending institutions of higher learning across the United States. Through the memorandum of understanding, VA and the National Student Clearinghouse will cross-reference their databases to build quality statistics about student veterans over the last decade. The IBVSOs believe this ambitious project has the potential to create a new narrative about how our veterans fare in college. Once armed with this information, the IBVSOs can make the case to Congress that the Post-9/11 G.I. Bill and similar education programs remain critical to ensuring the future success of our veterans and our economy.

In 2013 the DOE examined ways to improve data collection on student veterans and published six specific questions to be reported by institutions of higher learning through the Integrated Postsecondary Education Data System. These new questions are designed to ensure that the DOE can develop a profile of enrolled veterans in title IV-eligible schools and develop a profile of the kinds of service schools have delivered to veterans. One of the proposed questions asks schools to report whether or not they participate in VA's G.I. Bill programs. The IBVSOs explained that the DOE must also ask schools for any G.I. Bill

program codes in an effort to keep the institutional crosswalk current beyond 2014. The IBVSOs believe that an accurate institutional crosswalk is critical to developing quality consistent data on student veterans in higher education.

Recommendations:

The VBA must work closely with its partners in the DOD, DOE, the Consumer Financial Protection Bureau, and the FTC to quickly report all available metrics through their cross-referenced databases.

VA, Student Veterans of America, and the National Student Clearinghouse must complete their inventory on student veterans who have served since 9/11 to demonstrate performance and outcomes in higher education.

VA's institutional crosswalk must be consistently updated, which is why the DOE must ask schools to report any G.I. Bill program codes to the Postsecondary Education Data System.



VETSUCCESS ON CAMPUS

VA's innovative program helps veterans become students.

The VetSuccess on Campus (VSOC) program began in June 2009 as a pilot program intended to help veterans as they navigate the difficult transition from military to academic life. Today's veterans will begin their belated education with all the challenges faced by other students: academic unpreparedness, lack of a family tradition of college, financial, and other difficulties. They also bring issues as a result of military service, many with combat experience and service-connected disabilities. These issues have no similarity to issues experienced by a traditional college student or the typical adult continuing their education.

VSOC is a program within the Department of Veterans Affairs Vocational Rehabilitation and Employment (VR&E) Services program. The VSOC program places VR&E counselors on college campuses to provide veterans with career, academic, and individual counseling. VA Outreach Coordinators from local Vet Centers also assist with counseling. These advisors offer information about services and supports, including VA benefits, available mental health counseling, and other available programs to help student veterans succeed.

The initial 32 campuses to participate in VetSuccess on Campus program were selected based on the population of veterans enrolled in those schools and their proximity to a VA Regional Office, the VR&E office, and a Vet Center. Within the first two years, VA realized the value of establishing a veterans' counselor

located on the campus. Recent authorizations of the program will expand its locations to a total of 94 campuses. This expansion was scheduled for completion in FY 2014. Although counselors will be located on these select campuses, they will also be available to help veterans from other nearby schools since many metropolitan areas contain multiple colleges, universities, and community colleges.

The VetSuccess on Campus program has the potential to make a significant contribution to the educational experience of student veterans. As of October 2013 over one million veterans, service members, and dependents have received more than \$30 billion in benefits using the Post-9/11 G.I. Bill to attend school at more than 6,000 campuses.

Extending these counseling positions to more campuses will require additional financial resources. In some locations, VA has contracted these positions to fill them with qualified counselors. VA must have the resources needed (contract or otherwise) because VSOC is a powerful tool for ensuring that the billions of dollars spent for the G.I. Bill lead to well-adjusted, employed veterans. The IBVSOs believe that the investment in VSOC is critical to ensuring the long-term success of the Post-9/11 G.I. Bill. Investing in supportive services helps to ensure that student veterans are able to fully benefit from their VA educational benefits. Without these services many student veterans may not complete their educations.

Recommendations:

VA must strategically monitor and expand the VetSuccess on Campus program so that VA counselors are able to provide support to a majority of student veterans, including those who attend online campuses.

VA must continue their efforts to evaluate the VetSuccess on Campus program by measuring the

student veterans' use of the program and the number of veterans that successfully complete their educations. VA must continually provide training for VetSuccess on Campus Vocational Rehabilitation Counselors and the local Vet Center Outreach Coordinators who provide services on campuses. Counselors in these key positions must be knowledgeable of various VA programs and services and be skilled with encouraging further counseling for veterans who may exhibit mental health struggles from military or military combat exposure.



VETERANS RETRAINING ASSISTANCE PROGRAM EXPANSION AND PERFORMANCE METRICS

VA could not exploit the full potential of the Veterans Retraining & Assistance Program because of limits placed on resources and a lack of success measures.

In October 2011, President Obama signed into law the Veterans Opportunity to Work, also known as the VOW to Hire Heroes Act. The new law sought to reduce unemployment among veterans, which at that time hovered at 7.7% for all veterans and at 12.1% for veterans returning from Iraq and Afghanistan. Within this law section 211 established the Veterans Retraining and Assistance Program (VRAP). The VRAP was established to provide nearly 100,000 unemployed veterans between the ages of 35 and 60 with up to 12 months of Montgomery G.I. Bill benefits to retrain for any one of the 210 occupations identified by the Department of Labor in which unemployed veterans could find work after as little as one year of education and training. Funding for the program was limited to 99,000 participants or October 1, 2013, whichever first occurred. According to VA, over 140,000 VRAP applications were received and processed. Of 125,000 approved applicants, 70,500 had enrolled in a training program and over \$518,000,000 in VRAP benefits was granted.

While it can prove difficult to correlate any one program to improvements in unemployment, since the VOW Act was implemented, the overall unemployment rate for veterans in the United States dropped to 6 percent in May 2013. Unemployment among Post-9/11 veterans declined over the same period from 12.7 percent to 7.3 percent. Persian Gulf War era veterans saw a smaller decline in the period, from 6.3

to 5.2 percent. Notwithstanding problems with low participation rates, a lackluster marketing strategy, and reported cases of misinterpretation of several program provisions at the outset, program participation eventually rose and appeared to be well received by the veteran population.

However, the VRAP would not be the panacea for veteran unemployment in the particular segment for which it was created: older veterans. Among these older veterans, ones from World War II, Korea and Vietnam who participate in the workforce, the unemployment rate slightly increased while the unemployment rate decreased in other segments. In May 2013 unemployment rose to 7.1 percent for older veterans. Veterans from other earlier periods of service, such as the Cold War, Panama, and Grenada, also saw a slight increase in unemployment, with percentages identical to older veterans. While many of these older veterans were not served by the VRAP because of its age restriction, a significant number that would qualify if the age restriction were changed still remain unemployed.

Since the VOW Act only provided for a finite number of applications and timeline for funding, those veterans who qualified but did not submit an application remain unemployed and underserved. VA stopped accepting applications for the VRAP after October 1, 2013, which closed doors of opportunity

for veterans who may have become unemployed since then or heard about the VRAP after the date the program closed. Recognizing the ongoing need, House Veterans' Affairs Committee Chairman Jeff Miller introduced House Resolution 562, a bill that would extend the ending date of the program by three months to June 30, 2014.

Recommendations:

The Veterans Retraining Assistance Program should be extended for one additional year to enable more

veterans to complete programs such as certain information technology and healthcare certification courses that require more than the 12 months allotted in the VRAP to complete.

VA should establish program metrics that track key performance indicators, such as the number of Veterans who successfully complete a course of study, number of job placements, length of post-placement employment, and provide monthly/quarterly progress reports to stakeholders for the purpose of justifying the program's continued need for funding and expansion.

Employment and Entrepreneurship

In light of the extraordinary service and sacrifice required of our all-volunteer military, *The Independent Budget* veterans service organizations believe that our nation has not only a moral obligation to assist our transitioning service members but a practical one as well. This obligation is perhaps more true now than ever because our transitioning service members are currently returning to a poor or slow-growth economy that offers limited opportunities.

Even though the gap in employment rate between America's veteran and civilian populations continues to widen, Congress, recognizing the numerous employment challenges being faced by transitioning service members over the last few years, passed P.L. 112-56, "the VOW to Hire Heroes Act." *The Independent Budget* veterans service organizations are grateful for this Congressional support and continue to monitor the implementation of the provisions of this and other veteran employment-related legislation. We also believe that our transitioning service members deserve access to relevant employment resources, the opportunity to continue or pursue an

education, support in earning any required licenses and/or credentials to ensure they are competitive in the civilian job market, and the chance to start a meaningful career once they return to civilian life.

The majority of working-age veterans want to remain as productive in the civilian workplace as they were while in the service, and it is the nation's responsibility to ensure them every opportunities to be successful in that endeavor.

Current Bureau of Labor Statistics data indicate that the decline in the veteran population continues because of the nature of the all-volunteer military. The current veteran population dropped from 21,359,000 in August 2013 to 21,331,000 in September 2013, a loss of 28,000 during that 30-day time frame.

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



VETERANS AND POST-SERVICE LICENSURE AND CREDENTIALS

Federal, state, and local governments as well as businesses should continue their focus on the translation of military experience to civilian occupations.

The unemployment rate among our nation's veterans continues to be an area of intense focus, not only for veterans but also for the Administration, veterans service organizations, and employers, all of whom continue to devote substantial resources to assist service members as they transition from military to civilian life. As an integral part of the overall veteran transition process, the importance of licensing and credentialing in securing appropriate, living-wage employment cannot be overemphasized, and while progress has been made, those within the military and veteran communities continue to be concerned.

In recognition of the fact that the problems related to the licensing and credentialing of veterans cannot be resolved solely by the federal government and its agencies, the Administration has been working with stakeholders at all levels, including employers, to develop best practices and workable solutions which, while seeking to maintain high standards, eliminate or minimize obstacles for veterans. The administration has worked to forge a government-wide collaboration between all of its agencies which are invested in the success of transitioning veterans, including the Departments of Defense, Veterans Affairs, Transportation, Health & Human Services, Labor, and Education.

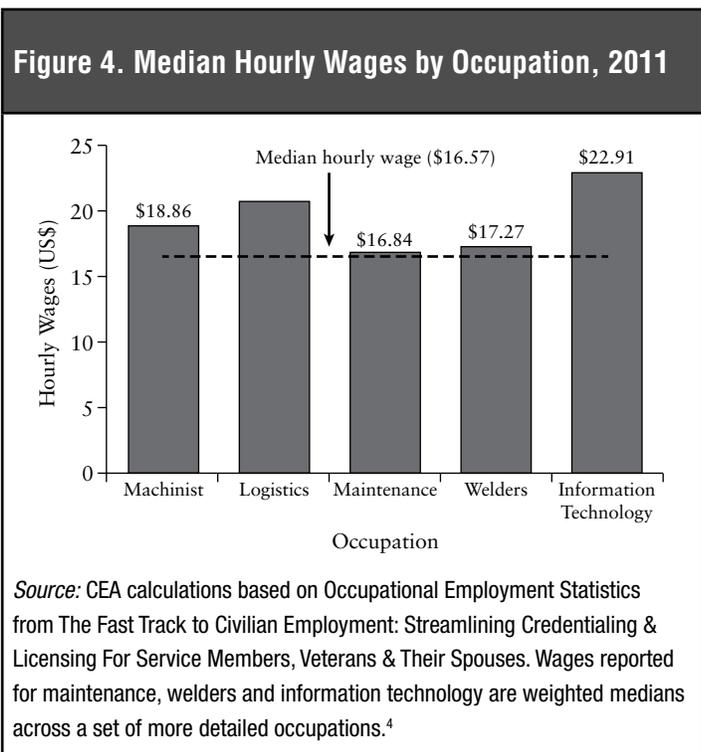
Every year between 240,000 and 360,000 military members make the transition from military to civilian life and employment, and as the drawdown continues, the military expects to transition a million service members over the next few years. As a nation we need to be prepared to do our part to assist our transitioning service members with living-wage employment opportunities so that they become valued additions to our society and economy and are able to adequately support their families. We should continue to see strong demand for skilled labor in the areas of information technology, health, care, renewable energy, and advanced manufacturing, all ideal options for our highly trained and disciplined veterans. If trends continue the expectation is that openings for jobs requiring basic and/or advanced degrees as well as occupational certificates will exceed the growth in overall employment in coming years.²

The Administration and Congress have taken some positive steps towards leveling the employment playing field for veterans. In addition to creating employer tax credits to encourage veteran hiring and expanding employment services to include the Veterans Job Bank and the Gold Card Initiative, the following are some of the recent highlights of activities and initiatives intended to aid veterans in gaining employment:

- The February 2013 release of an Administration report that summarized the myriad licensing and credentialing challenges faced by veterans, service members, and their spouses. The report also sums up the steps taken to date by individual states and the Administration to alleviate some of the identified difficulties, and outlined next steps and best practices needed at both the state and national levels.³
- National Defense Authorization Act Fiscal Year 2012:
 - Section 551: carry out programs to provide members of the armed forces job training and employment skills training.
 - Section 558: carry out a pilot program that assesses the feasibility of permitting service members to obtain civilian credentialing for skills required for military occupational specialties. The Department of Defense has successfully completed the initial phase of the required pilot program with a report to Congress on September 27, 2013.

- Military CDL Act of 2012: States may waive the requirement for a domicile for members of the Armed Forces.
- Moving Ahead for Progress in the 21st Century Act, Section 32308: Program to Assist Veterans to Acquire Commercial Driver's Licenses. DOT study to assess federal and state regulatory, economic, and administrative challenges faced by members and former members of the armed forces who received safety training and operated qualifying motor vehicles during their service, in obtaining commercial driver's licenses.
- Establishment of the *DOD Military Credentialing and Licensing Task Force*, whose task is to identify military occupational specialties that easily transfer to high-demand civilian jobs, work with appropriate stakeholders to address differences between military training programs and civilian licensing and credentialing requirements,, and provide service members with increased access to required certification and licensing assessments.

To date, the Task Force has focused its efforts on industries that offer nationally-recognized, highly portable certifications, such as manufacturing, health care and emergency medical services, logistics and transportation, and information technology (IT) (Figure 4).



Moving forward the Task Force will continue to work with individual states and other stakeholders to remove barriers and streamline the licensing/credentialing process for service members and veterans. Its focus will now include specific occupational specialties such as truck or bus drivers, emergency medical technicians, paramedics, and licensed practical nurses.

The Department of Health and Human Services through its grant programs is expanding educational opportunities for veterans interested in building upon their military medical training and experience to become advanced medical practitioners by incentivizing the enrollment of veterans in physician-assistant and registered-nursing programs and ensuring that veterans get appropriate credit for their military training and experience (Figure 5).

The Department of Transportation (DOT), through its Federal Motor Carrier Safety Administration, has worked with states to waive commercial driver license testing for veterans who have operated equivalent vehicles on active duty and who report safe driving records. Because of the highly mobile nature of military service and the fact that service members often chose to reside in states that are not their legal residence, the DOT has also worked with states to remove commercial driver-license residency requirements.

Other military transportation specialists, such as pilots, aviation maintenance technicians, and air traffic controllers can find resources to assist them in

acquiring Federal Aviation Administration licenses and certifications.

A consortium of IT companies, credentialing associations, and leaders from each of the services joined the Administration in a public-private partnership. The result of that collaboration is the IT Training and Certification Program. The program hopes to offer nationally recognized certifications for up to 161,000 service members in 12 occupational specialties including computer programming, quality-assurance engineering and cybersecurity analysis. An important goal of the program is to provide consistency and equality, and therefore interoperability, among military, civilian and contractor IT sectors. The group has also been working to identify military IT training gaps and to improve access to the examinations necessary for service members to acquire civilian credentials.

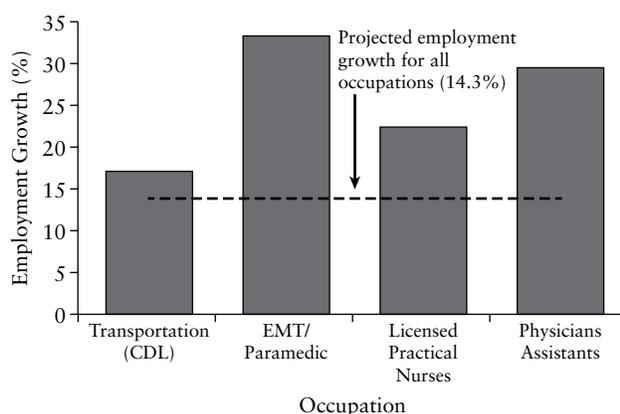
Finally, P.L. 112–56, “the VOW to Hire Heroes Act of 2011,” and the more recently passed P.L. No: 112–196, the “Military Commercial Driver’s License Act of 2012,” have focused on minimizing the credentialing obstacles faced by veterans. DOL-VETS continues to work closely with its partners in the ETA, VA, and the DOD to improve transition and employment services for all veterans.

Section 222 of the VOW Act called for the Department of Labor (DOL), in consultation with VA and the DOD, to enter into a contract with an organization for a study that identified equivalence of skills between military and civilian employment.

Currently, the DOL has online tools that “identify equivalences” by enabling veterans to enter a military occupational specialty code or title and look up information on related civilian careers and job openings by geographic area. The DOL has also received information from the DOD regarding ongoing skills assessment activities. The DOL has awarded the required contract that will compare the curricula of a total of 68 military occupational specialties with their civilian credentialing counterparts in order to identify transferrable skills and will also consider the role of rank and pay grade.

Section 237 of the VOW Act called for a pilot project similar to the one called for in the National Defense Authorization Act assessing the feasibility of permitting service members

Figure 5. Projected Employment Growth by Occupation, 2010–2020



Source: CEA calculations based on Occupational Employment Statistics.⁵

to obtain civilian credentials for skills required in similar military occupational specialties. The DOL has awarded a contract to the National Governor's Association, which held a competition for participation in a Veterans Licensing and Certification policy academy and for the credentialing pilot project. An organizational meeting was held on 1 October 2013.

A variety of programs have been developed to assist veterans in making their transitions easier, 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 (VOWS)*, 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.

Obviously, 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.

Recommendations:

Congress should continue to monitor and hold accountable DOL's ongoing implementation of the VOW to Hire Heroes Act.

Congress should mandate that the DOD, VA, and the DOL continue to work together to identify equivalencies between military and civilian occupations and to take appropriate action to minimize employment barriers in circumstances in which particular military training substantially meets state civilian certification and licensure requirements.

The Independent Budget veterans service organizations recommend that the demonstration project on post-service professional licensure 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.

The IBVSOs recommend that the DOD and other federal agencies tasked with assisting transitioning service members outreach to and educate private sector employers on the value of employing veterans. This outreach must include engaging all employers including federal agencies, for-profit and nonprofit corporations, as well as small businesses.

Congress should continue to engage in a national dialogue to establish a process so military training meets civilian certification and licensure requirements for states in which veterans choose to live once they leave the military. Such a dialogue should involve the Administration generally, and the DOD, VA, and the DOL specifically, as well as governors and state adjutant generals, employers, trade and professional associations, and licensure and credentialing entities at all levels.

VETERAN-OWNED BUSINESSES AND THE FEDERAL GOVERNMENT

The federal government needs additional action to meet the goals of contracting with veterans or service-disabled, veteran-owned small businesses and preventing fraud.

With one exception vendors desiring to do business with the federal government must register in the central contractor registration (CCR) database.⁶ Those vendors who indicate they are veterans or service-disabled veterans simply self-certify their status without verification. The exception to self certification is for those who wish to do business with the Department of Veterans Affairs. In their case certification is a more formal undertaking managed by VA's Office of Small and Disadvantaged Business Utilization. Outside of VA awards, approximately \$10 billion in contracts were awarded in fiscal year 2010 to self-certified service-disabled, veteran-owned small businesses (SDVOSBs) in the CCR.⁷

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.⁸ 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.⁹

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 its goal that not less than 3 percent of set-aside contracts be awarded to veteran-owned small businesses.

The government's support of VOSBs and SDVOSBs contributes significantly to restore veterans' quality of life while aiding in their transitions 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 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 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.¹⁰ This fact has the potential to reduce 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 2013, VA's VetBiz VIP database, managed by its Center for Veterans Enterprise (CVE) within the Office of Small and Disadvantaged Business Utilization, shows that the agency has verified the eligibility of more than 6,000 SDVOSB firms.¹¹ According to a 2011 Government Accountability Office (GAO) report, more than 15,000 firms have self-certified their SDVOSB eligibility in the CCR database.¹² 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 GAO identified weaknesses in fraud prevention controls that may have allowed ineligible firms to receive about \$100 million in SDVOSB contracts.¹³ These areas include the lack of government-wide 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 possesses no effective process for investigating and prosecuting fraudulent firms.

According to the recent 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 eligibility for certification. The SBA would retain the responsibility for validating the business ownership, size standards, and structural integrity of the business. The SBA would obtain direct reporting and input authority to the VIP database through the

Office of Veterans Business Development once this information is collected. VA would maintain and supply the veteran eligibility status. The SBA would be responsible for verifying all other socioeconomic data 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.¹⁴ The IBVSOs support these task force recommendations for these important programs.

Finally, while acquiring an initial federal contract and meeting its many prerequisites may be a big challenge for SDVOSBs in general, the death of a service-disabled business owner currently presents a significant obstacle that can often mean the dissolution of the business soon afterward. Under current law the surviving spouse of a disabled veteran business owner 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, in the case of VA contract(s), if he or she died as a result of a service-connected disability. But 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 for contracts with VA. If the service-disabled business owner holds contracts with any federal government agency other than VA, the business immediately loses its SDVOSB status upon the death of the disabled veteran. Current law provides for no period of transition to allow the surviving spouse to make reasonable business accommodations, meaning the SDVOSB can no longer compete for federal procurement opportunities.

The loss of the veteran business owner can place SDVOSB employees, their families, as well as the surviving spouse at severe risk of either downsizing or closing the business because of loss of federal procurement opportunities. 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 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. Changing this regulation would

help maintain the jobs created by the SDVOSBs for all veterans, including other disabled veterans, and other employees, and would not unduly put them at increased financial hardship because of job loss, downsizing or closing of the SDVOSB.

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 DOL and VA must improve oversight and outreach to all federal agencies, particularly the SBA and federal agencies tasked with protecting and promoting service-disabled, veteran-owned small businesses to assist in the development and implementation of stronger strategies and plans to reach the minimum 3 percent procurement 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 indicate which agencies need the most assistance in the development and implementation of stronger contracting plans.

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

VA must place increased effort on streamlining VA's certification process to avoid excessive delays when veteran-owned businesses that depend on or are waiting for a government contract seek verification

Congress should provide for a reasonable transition period for all SDVOSBs 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 other 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.

The major federal programs outside VA that offer employment services to veterans are the Department of Labor (DOL) Veterans' Employment and Training Service (DOL-VETS) and state agencies operating the federally funded America's Job Centers under the Workforce Investment Act. All DOL programs offer priority of service to veterans as well as their spouses.

DOL's Bureau of Labor Statistics publishes monthly updates on the employment status of veterans and veterans with service-connected disabilities. Such data are useful for tracking the success of the workforce development system in serving these veterans. However, the BLS does not publish employment statistics for veterans with nonservice-connected disabilities, leaving unaccounted for some veterans often underserved by traditional job development agencies.

In the proposed 2014–2018 Strategic Plan for the DOL, many agency departments have outlined strategies for improving services to veterans. DOL-VETS plans to develop interactive transition assistance employment workshops, a virtual curriculum, and a single portal of employment resources for veterans and their families. The Office of Federal Contract Compliance Programs intends to enhance enforcement of recently strengthened federal contractor rules for recruitment and hiring of veterans under the Vietnam Era Veterans Readjustment Assistance Act (VEVRAA) and for veterans and people with disabilities under Section 503 of the Rehabilitation Act. These rules include more definitive benchmarks for hiring veterans and goals for hiring people, including veterans, with disabilities.

Because state employment agencies are often the first place employers outreach 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 funded through the Jobs for Veterans State Grant Program. State agencies have also 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. Yet the effectiveness of state employment agencies in serving veterans has not been thoroughly evaluated even given that significant numbers of veterans are seeking services each year through these state employment agencies.

According to the National Skills Coalition, funding for employment and job training programs has been cut by more than \$1 billion over the past three years. Many workforce development agencies have experienced significant staff reductions but growing workloads, resulting in fewer job seekers assisted and fewer opportunities to outreach to employers. Under sequestration the DOL estimates that over "1 million fewer participants will receive services needed to find or prepare for a new job." Many of those affected will be veterans and their spouses. Unless VA is able to supplement these programs with its own resources, many of these veterans and their families will not be served.

Finally, 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 them find jobs in their communities. Because program and funding opportunities at VA can be limited only to certain small businesses through contract set asides, qualified nonprofits are unable to compete for these opportunities, even if they can perform the identified task in an efficient and cost-effective manner. In the event of any transfer of DOL-VETS to VA, nonprofits currently serving veterans should continue to have the opportunity to offer their services to veterans in helping them obtain economic self-sufficiency.

Recommendations:

VA must work in concert with the DOL, the Rehabilitation 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 the America’s Job Centers and state vocational rehabilitation programs in serving veterans and veterans with disabilities, both service-connected and nonservice-connected.

The DOL Bureau of Labor Statistics should improve and expand the data collection and products related to veterans with disabilities and military family members with disabilities who are in the workplace to help inform policymakers and the public about the challenges and opportunities related to employment of these underserved populations.

Jobs for Veterans State Grants should be fully supported and monitored to ensure compliance with the VOW to Hire Heroes directive that Disabled Veteran

Outreach Program specialists focus exclusively on eligible veterans and not perform nonveteran-related duties.

The Office of Federal Contract Compliance Programs must partner with veteran service organizations and community employment providers to help educate contractors and subcontractors about successful outreach, recruitment, retention strategies, and best practices that could help them achieve the new utilization benchmark goals.

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 reduced substantially, VA must receive adequate additional resources to meet the needs of veterans previously served by state programs if budget reductions compel state systems to reduce services.

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.¹⁵ According to the most recent report from the Government Accountability Office on VR&E services, the ability of veterans to access these services has remained problematic.

In 2003 the Government Accountability Office designated federal disability programs, including those at VA, as high risk because they had difficulty managing their programs and were in need of transformation.¹⁶ 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.¹⁷ As a direct result of that report, the VR&E implemented the five-track employment process, which strengthened the program's focus on employment. While important adjustments were made in numerous areas, the 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

was issued, VA has identified other significant opportunities in its continuing efforts to enhance service to veterans. The 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 Commission¹⁸ 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.

The VR&E is obviously 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 rise 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, whether VA is able to meet the current and future demand for employment services without additional resources is not clear.

ENSURING A SUCCESSFUL TRANSITION TO EMPLOYMENT FOR DISABLED VETERANS

The Department of Labor and VA must ensure that transitioning service members with disabilities receive the information they need regarding the opportunities and protections available to ensure a successful transition to employment.

The Transition Assistance Program (TAP) continues to undergo significant changes as required by the Veterans Opportunity to Work (VOW) to Hire Heroes Act of 2011 (P.L. 112-56). Under the VOW Act, all service members are now required to participate in TAP as part of their transition from the military. Included in mandatory TAP briefings is information about Department of Veterans Affairs benefits and attendance at a Department of Labor (DOL) employment workshop. The goal of requiring service members to participate in TAP is to ensure they experience a better transition to civilian life, including finding employment.

Many veterans with significant disabilities are not participating in the workforce. The most recent statistics available from the U.S. Bureau of Labor Statistics addressing the cross section of veterans with service-connected disabilities illustrate the connection between disability and veteran status on employment.¹⁹ In August 2012, 28 percent of veterans of the wars in Iraq and Afghanistan reported having a service-connected disability. Of those veterans, 236,000 reported having a service-connected disability rating of 60 percent or greater. Workforce participation for these veterans was 51.3 percent compared to 87 percent for veterans without a service-connected disability.

Although the level of disability among these veterans is significant, the level of knowledge about their rights and protections as people with disabilities is not. For example a recent study of disabled veterans found that nearly half believed that a person with a disability must inform an employer if he or she has a disability.²⁰ In addition nearly half also believed that employers do not have to make job related changes needed to accommodate an employee with a disability.²¹

To ensure a successful transition to employment following the military, service members who have disabilities must know about their rights and responsibilities under disability rights laws, including the

Americans with Disabilities Act (ADA). The ADA is a federal law that seeks to promote equal opportunities for people with disabilities. These protections are available to people who have a disability that substantially limits one or more major life activities, who have a history of a disability, or who are regarded as having a disability.

Many, if not most, veterans who are awarded disability benefits from the Department of Defense and/or VA would be considered to have a qualifying disability under the ADA. Protections available under the ADA allow for receiving reasonable accommodations that assist an otherwise qualified person in performing his or her job.

The natural place for presenting this information is during DOL's TAP employment workshop because the protections available can assist anyone who is a victim of discrimination.

However, providing the information through VA's presentation on benefits, particularly by VR&E personnel, would be another avenue to ensure that information is presented to those service members most in need. We believe that the DOL and VA should also work with the Equal Employment Opportunity Commission because the EEOC has information specifically geared to the ADA and service members.

Recommendations:

The Transition Assistance Program must include information about the disability employment rights and protections available to transitioning service members. This information should be integrated into DOL's TAP employment workshop to ensure that all service members, but particularly those with disabilities, receive this information.

The DOL and VA must work with the EEOC to share resources on disability employment protections for transitioning service members.

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 for veterans with dependents.

Veterans must apply for Vocational Rehabilitation and Employment (VR&E) services within 12 years of military separation or upon notification by the Department of Veterans Affairs of award of service-connected disabilities conferring VR&E 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 potential benefit of these services.

Many veterans may not understand their eligibility or the value of VR&E services at first. Veterans who are initially eligible may not need the services before the 12-year delimiting period expires. The VR&E may assist an eligible veteran who files an application for services outside of the 12-year delimiting period if the applicant presents a serious and qualifying employment handicap.

Some veterans believe they are not able to receive assistance after reaching the 12-year delimiting date, which discourages their pursuit of VR&E assistance.

The mission of the VR&E is to assist veterans with disabilities related to their service requiring rehabilitation and to enable them to engage in the workforce and live independently. The *Independent Budget* veterans service organizations believe the arbitrary timeline for eligibility must be repealed. 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.

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 delay occurs primarily because the VR&E must validate entitlement to services. Veterans are almost always entitled to 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 have the most pressing needs for meaningful, long-term employment. However, a great number of severely disabled veterans cannot complete vocational rehabilitation because of 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.

Wounded, injured, and ill veterans seeking VA vocational rehabilitation present individualized needs. Veterans with dependents tend to use the VR&E program at a rate higher than single disabled veterans. VA's programs must address the immediate concerns of veterans with dependents. Absent this support alternatives to vocational recovery that do provide supplemental payment for the cost of caring for children and other dependents, including Social Security Disability Insurance and Supplemental Security Income, become more attractive.

For those with dependents, VR&E assistance with the cost of supporting a family, including cost-of-living adjustments, is imperative. Increased allowances and other supports, such as childcare vouchers, would provide a more stable foundation for success, while maintaining a reasonable standard of living. Refashioning VA vocational rehabilitation in this manner would provide a safety net to prevent a veteran's income from sinking below the poverty level while pursuing vocational rehabilitation.

Recommendations:

Congress must eliminate the 12-year delimiting period for 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 awarded a service-connected disability rating, 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.



VOCATIONAL REHABILITATION AND EMPLOYMENT FUNDING ACCOUNTABILITY AND PERFORMANCE DATA

The VA Vocational Rehabilitation and Employment program needs to be held accountable for ensuring successful employment outcomes for veterans with disabilities through better data collecting and research.

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 both financial and also social benefits that contribute to an enhanced sense of purpose and overall fulfillment.

Over a decade of war coupled with stagnant employment opportunities mean that the number of veterans with disabilities requesting and receiving vocational rehabilitation and employment programs likely will 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 and limited 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, a significant number of veterans still do not successfully complete their rehabilitation plans. Although reasons vary for not completing the rehabilitation goal, the VR&E must ensure that flaws in the design or implementation of the program itself are not contributing factors.

For veterans who obtain employment, the VR&E must provide increased follow-up to ensure that veterans gain long-term employment success. Currently, veterans with disabilities who maintain a suitable job for 60 days after completing VR&E participation are considered to be rehabilitated; however, *The Independent Budget* veterans service organizations (IBVSOs) recommend a more expansive period of at least one year post-VR&E 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 in the most efficient manner. 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

According to the Government Accountability Office, the 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, the 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 the 2012 *Performance and Accountability Report*, VR&E reports a rehabilitation rate of 77 percent; however, those results do not reflect the number of program participants who fail from the start as a result of not keeping initial appointments with VR&E counselors.

The number of veterans seeking VR&E services is expected to rise following the wind-down of decade-long hostilities in southwest Asia.²² The current unemployment rate, now at roughly 7 percent, among the veteran population has lessened some from the previous year but could worsen without an immediate and significant increase in employment opportunities for our returning veterans. For veterans with service-connected disabilities, this dramatically compounds the importance of the VR&E program.

The IBVSOs support a requirement in P.L. 110-389, the "Veterans Benefits Improvement Act of 2008,"

that VA conduct a 20-year longitudinal study of the long-term outcomes of individuals participating in VA's vocational rehabilitation programs, beginning with the group who 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 the 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. We believe the existence of better data, including success rates and evaluation of VA's 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.

Recommendations:

The VR&E must develop and implement better 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 PRODUCTIVITY AND COUNSELING PARTNERSHIPS

Current VA Vocational Rehabilitation and Employment Service resources are insufficient to meet the needs of our nation's veterans in a timely manner. Cooperative partnerships between VA, Department of Labor, and federal and state agencies must be enhanced to 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, 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. Because of the increasing number of service members returning from tours in southwest Asia with serious disabilities, the VR&E must be provided with the resources to further strengthen its program. No VA mission is 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 Independent Budget* veterans service organizations (IBVSOs) are the current constraints placed on the VR&E because of an average client-to-counselor ratio of 145:1 compared to VA's standard of 145:1. 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.

Adding to its staffing and caseload challenges, the VR&E continues to use its outdated legacy case-management system to schedule and track appointments, authorize and track payments to facilities and contract service providers, and maintain 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 the VR&E to follow-up with the employer would be more appropriate and beneficial to the veteran and the 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 the 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 myriad of vocational rehabilitation services for veterans offered by VA, the Department of Education (DOE), 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 have 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 work-life.”²³ To exacerbate the problem this challenge, for which a solution has not been found, extends to women veterans and reservists who were exposed to combat.

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 Department of Education. However as discussed earlier, far too many veterans are unaware of these 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 because of 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.²⁴ These job mentoring relationships are inextricably linked with career search and

development processes and 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.

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. This guide provides step-by-step instructions on how to get a “job-ready” disabled veteran into the workforce.

The VOW Act will influence changes within the TAG; the TAG must be revised and updated to conform to this new legislation. Additionally, lessons learned amongst the respective departments since the 2008 TAG 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.

Recommendations:

VA needs to strengthen its VR&E program to meet the demands of disabled veterans, particularly those returning from the conflicts in southwest Asia. VA 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 sufficient resources for the VR&E to establish a maximum client-to-counselor standard of 125:1 and explore new methodologies to formulate a proper client-to-counselor ratio based on the challenges associated with more severely disabled veterans.

Congress and the Administration must ensure that the VR&E be given the necessary resources and support to upgrade its antiquated information technology systems.

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 DOL and VA are providing the appropriate step-by-step services in a consistent manner to the disabled veteran, essential towards making disabled veterans “job ready.”



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 qualify for the Department of Veterans Affairs disability 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 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 VA pensions. 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 pensions 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.

VA’s Office of Policy, Planning, and Preparedness examined the VA pension program in 2002 and found that 7 percent of unemployed veterans on pension and 9 percent of veterans’ 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:

Congress should examine work disincentives in the VA pension program and consider 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 AND PROVIDE CONSISTENT TRAINING AND ADEQUATE IT SUPPORT FOR PROPER ADMINISTRATION OF THE INDEPENDENT LIVING PROGRAM

The Independent Living Program assistance for veterans with specific barriers to employment should be allocated 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 prospects. For those veterans with severe disabilities who may not be ready to pursue employment goals, the VR&E has the option of offering further rehabilitation assistance through the Independent Living Program (ILP).

The ILP 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.

With the ILP 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 rehabilitation assistance for severely disabled veterans. Because Congress has placed a mandatory cap on this program, VR&E management must monitor total veterans enrolled in

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.

Complicating matters with current legislation and the cap is the requirement to count each ILP created for a veteran toward the cap. One veteran may require multiple ILPs within the same fiscal year, and each ILP counts towards the cap. Such a policy has the potential to exclude disabled veterans from receiving services under the ILP.

VR&E counseling staff must be better educated about the purpose and benefits of this program. More informed VR&E staff would ensure that this option is offered to and available for all who may benefit. Those veterans who are willing and capable of working in one of the other four tracks should not be misdirected or persuaded to join the ILP.

For some veterans two or three years spent in the ILP is valuable time lost that the veteran could have used in preparing for future employment goals. Without proper training and consistent oversight, the administration of the ILP will continue to vary between regional offices and among VRCs. VRCs can mistakenly steer a disabled veteran toward the ILP because it could be viewed as an easier solution for more seriously disabled veterans.

Finally, without adequate systems and technologies, proper administration of the ILP will continue to be a serious challenge. The VR&Es current case management system, Corporate Winston-Salem, Indianapolis, Newark, Roanoke, Seattle (CWINRS), lacks the ability to capture ILP-specific data. CWINRS is unable to capture base data such as number of applicants, number of plans created for a disabled veteran, and succinct categorization of goods and services provided to a veteran.

Recommendations:

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

The VR&E management must provide specific training for counselors about the benefits that can

be achieved and appropriate use of the Independent Living 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.

NOTES

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