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VOCATIONAL
REHABILITATION

Opportunities to Improve
Program Effectiveness

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Vocational Rehabilitation: Opportunities to Improve Program Effectiveness

Mr. Chairman and Members of the Subcommittee:

We are pleased to be here today to provide our views on efforts the Veterans Benefits Administration (VBA) has made to help disabled veterans obtain suitable employment through its vocational rehabilitation and counseling program.¹ VBA is responsible for administering the Department of Veterans Affairs' (VA) nonmedical programs that provide financial and other benefits to veterans and their dependents and survivors.

Millions of veterans have disabilities resulting from their service in the military. As a result, some need help in obtaining and maintaining employment. Since the 1940s, VA, previously the Veterans Administration, has provided training to veterans with service-connected disabilities to help improve their employability. In 1980, the Congress enacted the Veterans' Rehabilitation and Education Amendments, which changed the focus of the vocational rehabilitation program from just providing training to improve the employability of disabled veterans to helping them find and maintain suitable jobs. In fiscal year 1997, VBA spent about \$388 million to provide vocational rehabilitation benefits to about 59,000 disabled veterans.

My statement today will focus on the past problems that VBA has faced and the progress it has made in helping disabled veterans obtain suitable employment. The information in this statement is based on reviews we conducted of the vocational rehabilitation program as well as recent discussions with program officials.² Because of time constraints, we did not attempt to update information on the services veterans received or the outcomes they achieved.

In summary, we found that the vocational rehabilitation program has not emphasized its mandate to find jobs for disabled veterans. In 1984, 1992, and again in 1996, we reported that the vocational rehabilitation program primarily focused on sending veterans to training, not on finding veterans suitable employment. For example, we found that VBA placed over 90 percent of eligible veterans directly into training programs, while less than 5 percent went directly into the program phase designed to find them jobs. VBA program officials told us that staff focused on providing training services because, among other reasons, the staff lacked adequate training and expertise in job placement. Similarly, we found that VBA placed few veterans in jobs. For example, we reported in 1992 and 1996 that VBA

¹VA defines a suitable job as a position consistent with a veteran's aptitudes, abilities, and interests.

²A list of related GAO products appears at the end of this testimony.

rehabilitated less than 10 percent of veterans found eligible for vocational rehabilitation services.³ VBA program officials told us that the primary reason for the low percentage of rehabilitations was the lack of focus on providing employment services. Furthermore, we found that VBA has not focused on assessing program effectiveness.

In response to our and VA's earlier findings and recommendations, VBA's vocational rehabilitation and counseling service established a design team in 1995 to radically restructure the program. In 1996, the design team made specific recommendations aimed at improving program effectiveness. During recent discussions with program officials, we found that VBA is in the early stages of implementing the design team's recommendations. Program officials told us they are currently developing a strategic plan that they believe will address prior recommendations and set forth a plan of action for improving program effectiveness.

Background

The mission of the vocational rehabilitation and counseling program is to provide all services and assistance necessary to enable veterans with service-connected disabilities to achieve maximum independence in daily living and, to the extent feasible, to become employable and to obtain and maintain suitable employment. Veterans are eligible for program services if they have a 20-percent or higher service-connected disability⁴ and they have been determined by VBA to have an employment handicap. The law defines an employment handicap as an impairment of a veteran's ability to prepare for, obtain, or retain employment consistent with his or her abilities, aptitudes, and interests.⁵ A veteran with a 10-percent service-connected disability may also be eligible if he or she has a serious employment handicap.⁶ The eligibility period generally extends for 12 years, beginning on the date of the veteran's discharge. A veteran found eligible for services can receive up to 48 months of benefits during the 12-year period.

³Disabled individuals who obtain and maintain a suitable job for at least 60 days are classified as "rehabilitated."

⁴Veterans are assigned a disability rating ranging from 0 to 100 percent in increments of 10 percent. The rating represents the average impairment in earning capacity resulting from a service-connected injury or a combination of injuries.

⁵38 U.S.C. 3101.

⁶VBA determines whether the applicant has a serious employment handicap after evaluating the veteran's history, including the effects of disability, prior training and employment, and other pertinent factors.

The vocational rehabilitation process has five phases. In the first phase (application), VBA receives the veteran's application, establishes eligibility, and schedules a meeting with the veteran. In phase two (evaluation and planning), a counselor determines whether the veteran has an employment handicap; if so, the counselor and the veteran jointly develop a rehabilitation plan.⁷ The veteran then moves into training or education (phase three), if needed, and on to employment services (phase four) if training or education is not needed or after it is completed. During phase four, VBA and other federal and state agencies may help the veteran find a job. In phase five, the veteran is classified as rehabilitated once he or she finds a suitable job and holds it for at least 60 days.

VBA Has Not Emphasized Finding Jobs for Veterans

The 1980 Veterans' Rehabilitation and Education Amendments made a significant change in VBA's vocational rehabilitation program by requiring VBA to assist veterans in obtaining and maintaining suitable employment. However, despite recommendations we made in 1992 that VBA fully implement this amendment and VBA's agreement to emphasize employment services, staff continued to focus on sending veterans to training rather than on finding them jobs. As a result, we reported in 1996 that few disabled veterans in the vocational rehabilitation program had obtained jobs. In addition, VBA has not focused on assessing program effectiveness as required under the Government Performance and Results Act of 1993 (the Results Act).⁸

VBA Has Not Emphasized Employment Services

VBA's vocational rehabilitation program has primarily focused on sending veterans to training rather than on finding them suitable employment. In 1992, VBA issued guidance that emphasized the importance of finding suitable jobs for veterans and suggested that field offices begin employment planning as soon as a veteran's eligibility for program services is established. However, regional officials told us that staff generally did not begin exploring employment options until near the end of a veteran's training.

In 1992, we reported that 92 percent of veterans who received a plan between October 1983 and February 1991 went from the evaluation and planning phase directly into training programs, while only 3 percent went

⁷A rehabilitation plan outlines specific services to be provided the veteran, the duration of services, and a basis for assessing progress toward the program goal.

⁸The Results Act requires agencies to clearly define their missions, set goals, measure performance, and report on their accomplishments.

into the employment services phase. The remaining 5 percent went into a program designed to help them live independently or were placed in a controlled work environment. These figures remained virtually unchanged for the period we examined in our 1996 report. For example, from October 1991 to September 1995, 92 percent of veterans who received a plan went from the evaluation and planning phase into training programs, while 4 percent went directly into the employment services phase. The remaining 4 percent entered an independent living program or were placed in extended evaluation.

Moreover, our 1996 analysis of national program data on program participants showed that the vast majority of veterans in training were enrolled in higher education programs. For example, about 91 percent of such veterans were enrolled in a university or college.⁹ The remaining 9 percent were enrolled in vocational/technical schools or participating in other types of training programs, such as apprenticeships and on-the-job training.

VBA regional officials we visited during our 1996 review offered several reasons for emphasizing training over finding veterans jobs. First, VBA officials told us that staff found it difficult to explore employment options early because many veterans entering the program expect to be able to attend college. Veterans had this expectation, according to VBA officials, because the program was often marketed as an education program, not as a job-oriented program. This image of the program was also evident among some VA management. For instance, the director at one regional office described the vocational rehabilitation program as the “best education program in VA.”

A second reason for emphasizing training over employment, according to VBA officials, was that staff generally lacked adequate training and expertise in job placement activities. At one office, for example, a counseling psychologist told us that he and other program staff were not equipped to find veterans jobs because they lacked employer contacts and detailed information on local labor markets. In fact, counseling psychologists at the regional offices we visited during our 1996 review described the employment services phase as “the weakest part of the program.”

⁹VA's national database captures the number of veterans enrolled in college or vocational/technical schools. However, several regional office staff told us that a significant number of veterans classified as attending college are actually enrolled in a vocational/technical training program provided by a community college. VA officials were not able to estimate how many veterans belong in this category.

Third, VBA officials told us that large caseloads made it difficult for program staff to spend time exploring employment options with veterans. As one counseling psychologist responsible for managing over 300 cases told us, “with such a large caseload, it’s easier to place veterans in college for 4 years than it is to find them a job.” VBA’s Vocational Rehabilitation Service’s Chief of Program Operations told us that the optimal caseload per staff person is about 125.

VBA Has Placed Few Disabled Veterans in Jobs

The vocational rehabilitation program has not been effective in placing veterans in suitable jobs. VBA program officials told us that the primary reason for the low percentage of rehabilitations was the lack of focus on employment services. In our 1992 report, we noted that approximately 202,000 veterans were found eligible for vocational rehabilitation program services between October 1983 and February 1991. About 62 percent dropped out of the program before ever receiving a rehabilitation plan, and an additional 9 percent dropped out after receiving a plan. VBA rehabilitated 5 percent of the eligible veterans, while the remaining veterans (24 percent) continued to receive program services.

In our 1996 report, we noted that 201,000 veterans applied to the vocational rehabilitation program between October 1991 and September 1995. VBA classified approximately 74,000 (37 percent) veterans as eligible.¹⁰ Of these veterans, 21 percent dropped out before receiving a plan, and another 20 percent dropped out or temporarily suspended their program after receiving a plan. VBA rehabilitated 8 percent of the eligible veterans, and the remaining eligible veterans (51 percent) were still receiving program services at the time of our review.

VBA Has Not Focused on Assessing Program Effectiveness

In testimony before this Subcommittee last June, we noted that VA’s June 1997 draft strategic plan for fiscal years 1998 through 2003 included measures of veterans’ progress in completing each rehabilitation phase of the vocational rehabilitation program.¹¹ However, the plan did not describe how VBA plans to assess the program’s effectiveness in helping veterans get and keep suitable employment. In subsequent testimony, we noted that VA’s August 1997 draft strategic plan was an improvement over the earlier version and observed that it contained possible results-oriented

¹⁰Of the 201,000 veterans who applied to the vocational rehabilitation program, 55,000 (27 percent) were classified as ineligible, 11,300 (6 percent) were awaiting an eligibility determination, and 60,400 (30 percent) dropped out of the program.

¹¹VA developed this strategic plan pursuant to the Results Act.

goals, such as increasing the number of disabled veterans who get and keep suitable employment and are considered to be rehabilitated. However, VA's strategic plan, which was formally issued on September 30, 1997, lacks a detailed discussion about how VBA plans to measure the overall effectiveness of its vocational rehabilitation program.

VBA Has Made Limited Progress Toward Implementing Program Improvement Initiatives

In response to GAO and VA reports, the director of the vocational rehabilitation program established a design team in 1995 to radically restructure the program through improvements in program management. To help identify needed program improvements, the design team consulted with many internal and external stakeholders, including state and private-sector vocational rehabilitation officials, veterans' service organizations, the Department of Labor, and private contractors.

In October 1996, the design team issued a report that contained 15 recommendations for improving program effectiveness. Consistent with our findings and recommendations, the design team's recommendations focused on the need for vocational rehabilitation staff to emphasize employment throughout the program. The recommendations covered four major redesign areas: (1) changing the culture of the program, (2) implementing a strong marketing program, (3) streamlining program business operations, and (4) automating more of the program's business processes. The design team recommended, for example, that VBA develop an employment assessment model that would include an analysis of transferable work skills and a needs assessment. The model would be designed to give an accurate view of a veteran's abilities, aptitudes, and interests and help program staff focus on employment. Another recommendation was that VBA establish a national marketing strategy to provide accurate information about the vocational rehabilitation program, specifically to make clear the program's emphasis on employment. Furthermore, the design team recommended that VBA devise a work measurement system compatible with the Results Act, VBA work systems, and other information needs.

Shortly after the design team completed its report, the director of the vocational rehabilitation program retired, and an acting director led the program for nearly 9 months. In part because of this change in leadership, VBA is only now in the early stages of implementing the design team's recommendations. However, the new vocational rehabilitation program director told us he and his management team support the need to refocus the program toward the goal of employment and explained that they have

begun to take specific actions to do so. He noted, for example, that they are in the process of contracting out for assistance in reviewing and revising program communications, including program applications, forms, pamphlets, brochures, and form letters, to ensure that these documents clearly communicate the program's focus on employment. The first stage in a multiyear rollout of a new automated management information system has also been completed, according to program officials. This system is being designed to help program staff streamline and simplify work processes, measure program outcomes, and establish new work measurements nationwide.

In addition, program officials told us they are developing an overall strategic plan, which they hope to have completed by the end of this month, to address our and VA's past recommendations. This plan is to serve as a road map for the program—it will describe where the program is and where it needs to go, to better help disabled veterans obtain suitable employment. The plan will also include performance goals and outcome indicators to measure program effectiveness.

Conclusions

Despite a legislative mandate enacted almost 2 decades ago that required VBA to help program participants obtain suitable jobs and our prior reports documenting VBA's limited success, we found that the vocational rehabilitation program has not emphasized employment services. As a result, the program has rehabilitated few disabled veterans. VBA has recently taken steps that, if continued, could help the program better emphasize employment. With new program leadership in place, VBA has an opportunity to implement recommendations it has failed to act on in the past. However, the concerns addressed in this statement are long-standing, and sustained efforts will be needed to improve program effectiveness.

Mr. Chairman, this completes my testimony. I would be pleased to respond to any questions you or Members of the Subcommittee may have.

Related GAO Products

The Results Act: Observations on VA's August 1997 Draft Strategic Plan ([GAO/T-HEHS-97-215](#), Sept. 18, 1997).

Veterans Benefits Administration: Focusing on Results in Vocational Rehabilitation and Education Programs ([GAO/T-HEHS-97-148](#), June 5, 1997).

Vocational Rehabilitation: VA Continues to Place Few Disabled Veterans in Jobs ([GAO/HEHS-96-155](#), Sept. 3, 1996).

Vocational Rehabilitation: Better VA Management Needed to Help Disabled Veterans Find Jobs ([GAO/HRD-92-100](#), Sept. 4, 1992).

VA Can Provide More Employment Assistance to Veterans Who Complete Its Vocational Rehabilitation Program ([GAO/HRD-84-39](#), May 23, 1984).

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