

# Chapter 4

## VR&E for the 21st Century: A New Service Delivery System

### Overview: New Employment-Driven Service Delivery System

The Task Force concluded that the service delivery system used by the VR&E Service is not designed to readily provide employment services to veterans with the most serious service-connected disabilities. The current system, including all support functions, provides traditional vocational rehabilitation with an emphasis on training. As such, this approach has been previously characterized as a “same size fits all veterans” process that is composed of many sequential steps with the focus on employment and independent living services not coming until the end of this process.

### *New Five-Track Employment Process*

In order to be effective and efficient in the 21st Century, the Task Force recommends that the VR&E Service implement a new employment-driven process as the cornerstone of a new service delivery system. We refer to this new process as the Five-Track Employment Process, which is depicted in Exhibit 12.

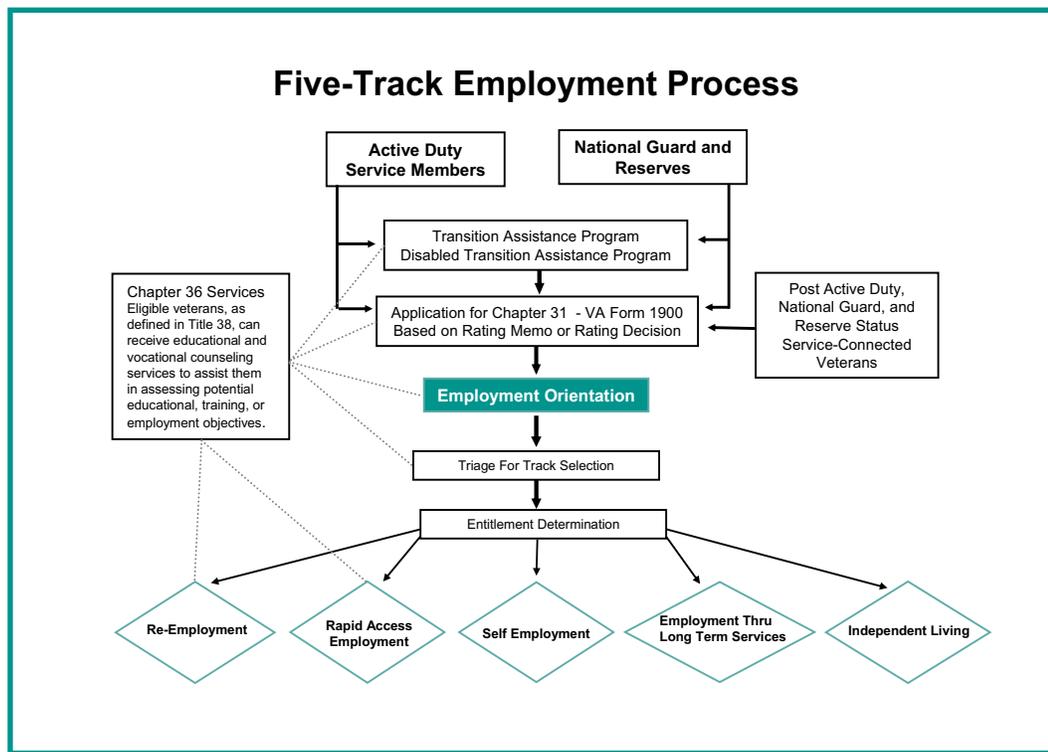


Exhibit 12

This new process includes five specialized program and service delivery options for veterans with disabilities. The operational concept for this new service delivery strategy is summarized later in this chapter. This process provides the following services to veterans:

- Reemployment of veterans with their previous employers
- Access to rapid employment services with new employers
- Self-employment for veterans
- Long-term (traditional) vocational rehabilitation services including education
- Independent living services with the possibility of employment as appropriate

This employment-driven process is part of a larger system that describes how VR&E operates. This chapter of the report describes the essential operational features of this larger VR&E delivery system including this new employment-driven process, the operational concept for this improved systems approach to delivery of VR&E services, and considerations for how this concept should be implemented.

More details about this process and other considerations about how this process works are provided in Appendix 11. A key component of this strategy is integration of the VR&E Service's capabilities with those of VHA and other agencies such as DoD, DOL, state agencies for rehabilitation, and the wider vocational rehabilitation community. Chapter 5 addresses the integration of multi-organizational operations to facilitate the delivery of services.

#### ***Key Features of the 21st Century VR&E Service Delivery System***

The new employment process is part of a dynamic system for delivering services to veterans. This larger systems view is depicted in summary form in Exhibit 13. This system begins with a detailed understanding of the characteristics of the current and future veteran population that may place demands on the VR&E system and concludes with the successful transition of the veteran to sustainable and suitable employment or achievement of a higher quality of life that could lead to employment.

This larger systems view must also include serving unique populations of veterans, such as Native Americans, who often live in rural and isolated areas. These veterans with disabilities often face numerous obstacles including lack of access to employment and economic opportunities, lack of transportation, unavailable and unaffordable housing, lack of services and supports, and a lack of access to health care providers.

In its 21<sup>st</sup> Century Service Delivery System, the Task Force encourages VR&E to gather data on the service needs of unique populations of disabled veterans and provide proactive outreach to veterans in rural areas in culturally sensitive ways.

The Task Force makes further recommendations about changes that must be made to rebuild this total VR&E system and program for the 21st Century and

# Five-Track Employment Process

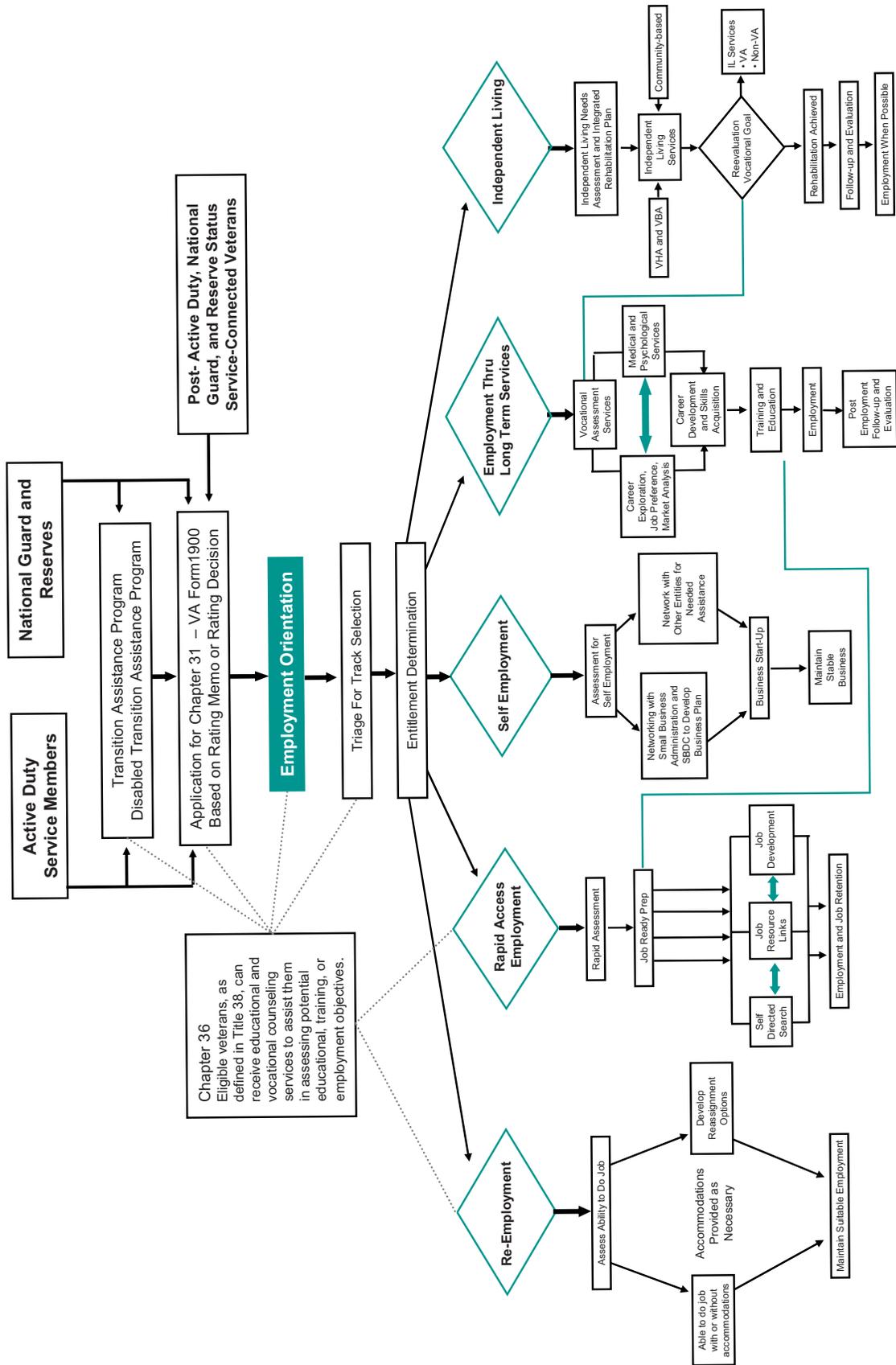


Exhibit 13

facilitate operation of this new service strategy. The changes proposed by the Task Force are strategic in direction, scope, and timing, not just for the VR&E Service, but also for VA. Implementation of this proposed integrated service delivery process and other changes will require major changes to the VR&E organization, program, work processes, and the integrating capacities that support delivery of services. Chapter 6 of the report presents and discusses the recommendations concerning these needed changes to reform the VR&E Service.

These changes define the key operational features of this new VR&E Service Delivery System. The key features of this system are highlighted in Exhibit 13, and the operational concept for this new system is summarized later in this Chapter.

### **Process Improvements**

- Streamlined eligibility and entitlement criteria for the most seriously disabled veterans desiring to use Chapter 31 services.
- Expansion of the Chapter 36 Educational and Vocational Counseling Program to fully utilize the inherent capabilities of this program to assist veterans.
- Use of triage techniques for timely assessment of veteran needs to quickly direct the veteran into specialized services and the appropriate track in the service delivery process.
- Movement within the new Five-Track Process based on the individual needs of veterans.
- Emphasis on the concept of the veteran's choice as to suitable employment.
- Changes in the traditional vocational rehabilitation work process to facilitate staff efficiency and effectiveness.
- Incorporation of Functional Capacity Evaluation as a VR&E best practice to shift the focus from veterans' disabilities to their abilities for employment.
- Proactive outreach through improved services to unique populations in rural and isolated areas.

### **Staffing and In-house Capacities**

- Creation of four new VR&E staff positions – Employment Readiness Specialist, Marketing and Placement Specialist, Independent Living Specialist, and Contracting/Purchasing Specialist.
- Development of in-house VR&E capacities for employment readiness, job development, job search, and job placement so that VR&E's performance is not totally dependent upon organizations outside the control of VR&E.
- Application of technology to modernize VR&E service delivery.
- Development of in-house capacities to gather data regarding service needs of Native Americans and other unique populations.

### **Service Integration and Partnerships**

- Proactive outreach through improved administration of the VBA's role in the Disabled Transition Assistance Program (DTAP) coordinated by DOL.

- Aggressive integration of VHA and VBA services to better serve those populations of veterans needing specialized independent living and other services to speed delivery of Chapter 31 benefits.
- Leveraging partnerships with other organizations directly engaged in providing rehabilitation and employment services to persons with disabilities so these capabilities can assist veterans with disabilities.

### **21st Century VR&E Service Delivery System Operational Concept**

The operational concept for this new service delivery system is driven by the goal of placing the veteran in the track of service that is most appropriate to meet his or her needs as quickly as possible to shorten the time to deliver comprehensive employment services to the veteran.

Several Task Force members who are experienced in employment services said that employers have demonstrated their readiness to hire veterans to fill immediate staffing needs. As the Task Force sees it, the purpose of the program is clear: The VR&E service is to quickly and efficiently prepare veterans for employment and work with them to find suitable jobs.

In order to do this, the VR&E Service must retool its comprehensive vocational evaluation, educational, and employment services to the contemporary, real-time employment needs of individual veterans. The VR&E process today essentially places veterans in a multi-year process to prepare veterans for jobs that may not exist in three or more years due to the dynamic nature of the economic environment and constant changes in the labor market. This highlights the imperative that the VR&E Service must become proactive and implement a new operational concept using state-of-the-art employment readiness, job placement, and marketing methods that will lead to high rates of employment for veterans.

This operational concept cannot be implemented without considerations about the populations of veterans that may need VR&E Services, the application process, and entitlement to the program. These pieces, which are part of the larger system that must be reformed, are discussed following our discussion of the five-track Process.

#### ***Staffing for the Improved System***

This operational concept calls for the creation of three new VR&E field staff positions for the new Five-Track Employment Process. These positions are the Employment Readiness Specialist (ERS), the Marketing and Placement Specialist (MPS), and the Independent Living Specialist (ILS). These positions, along with a contract purchasing specialist, are discussed in Chapter 6 Recommendations on Workforce Management and Staffing. The Task Force has also provided a draft set of qualifications and duties for the ERS, MPS, and IL positions. See Appendix 12.

#### ***Employment Readiness Specialist (ERS)***

The primary focus of this position is to provide job readiness, job seeking, and reemployment services to disabled veterans in order to make veterans more competitive in the labor market. The Employment Readiness Specialist will

also lead the Triage Team and must foster coordination and cooperation with the Employment Marketing and Placement Specialist, the Independent Living Specialist, and vocational rehabilitation counselors. The ERS will use state-of-the-art technology to facilitate the range of readiness assessment tools. The experience of many of the Task Force members who have worked directly with employers who hire people with disabilities indicates that job readiness and job search services are critical to enhancing the VR&E employment activities intended to generate employment outcomes for veterans. Without employment-ready veterans, there is no point in developing partnerships with employers willing to hire veterans with disabilities.

The intent of this position is to fill the gap in employment-related services created by the large VRC caseloads and the significant size of the territories for the current Employment Specialist. The Task Force was concerned with data from the 2002 Survey of Veteran's Satisfaction with Employment Services:

- A major area of concern to veterans was job search.
- Almost one-fourth (23.5 percent) of those submitting comments wrote in to request more help with job hunting.
- The most common types of employment services respondents reported needing were resume preparation and development (27.5 percent) and job hunting strategy (26.4 percent).
- The more important determining factor in the employment status of the veteran is whether or not the counselor was actively involved during the job search.
- Veterans view job search assistance to be the most important service provided.

In this and previous surveys, VR&E scored consistently lower on the Job Ready Phase than in the other two phases of evaluation & planning and rehabilitation services. The new ERS position should help bring up these veterans' satisfaction scores.

Ideally, every Regional Office (RO) should have one ERS who is dedicated to the performance of the core tasks of this position. Operationally, ERSs should be based in the area or region served by the RO that has the largest number of veterans. This approach facilitates face-to-face employment readiness services as often as possible in a designated service area. For the remainder of the region outside the service area for the ERS, this individual can provide job readiness services via group classes, video conferencing, online resources and networking with other agencies. ERSs should also develop resource teams outside their service area to help provide job readiness services to veterans in outlying areas. Resources might include state Vocational Rehabilitation Services, State Department of Labor One Stop Career Centers, Disabled Veteran's Outreach Program (DVOP), and contract employment service providers.

#### *Employment Marketing and Placement Specialist (EMPS)*

The marketing and placement specialist will be responsible for direct employer development and veteran job placement in designated "high volume" service

areas. These employment specialists will use state-of-the-art technology capabilities to facilitate all aspects of the employment marketing and placement tasks related to employment and reemployment. Additionally these specialists will establish local employer development and placement teams in outlying areas beyond the primary service area and will be expected to use state-of-the-art employment technology. The local teams will involve both internal and external resource networks. The marketing and placement specialist will be required to do customized marketing with employers based on the job skills of the employment-ready disabled veterans. This should be done in lieu of blanket marketing to all employers so as not to set up a system with a glut of employers wanting to hire veterans but no job-ready veterans to meet the employer's needs. These employment specialists will also identify and track the employer contacts and "accounts" being developed by VR&E staff around the country using new VR&E technology systems.

#### *Independent Living Specialists (ILS)*

This is a new position that implements the Task Force's recommendation to make IL a specialist rather than a generalist area of service. The volume of Independent Living cases does not currently justify the Task Force recommending additional staffing to fill this new position. However, we do recommend that a dedicated staff person be added to the Central Office staff to manage the Independent Living program.

#### *Outreach and Disabled Transition Assistance Program (DTAP)*

VR&E outreach efforts have been limited and are essentially performed by the C&P Service's outreach program that is targeted at generating claims. Within VBA, the administration of DTAP should be transferred to the VR&E Service, fully resourced and staffed and standardized in terms of content and presentation. See Chapter 6.

The Task Force believes that VBA's corporate goal should be to focus on the successful transition and employment of disabled veterans. This means that the end goal for VBA should not be whether or not the veteran filed a C&P claim. Filing a C&P claim, providing rehabilitation services, and facilitating employment are all means to accomplishing the goal. In this redesigned outreach concept, a VR&E staff member should make personal contact with each service member medically discharged either through group presentations or one-on-one sessions as early in the separation process as possible. Given the distribution and locations of Military Treatment Facilities, it may be more feasible for VR&E to use contractors to accomplish this goal.

#### *Chapter 36 Educational and Vocational Counseling*

VR&E's current operational concept essentially requires that a veteran be found eligible and entitled to Chapter 31 benefits after receiving a service-connected disability (SCD) rating from the C&P Service before the veteran can even have an opportunity to receive counseling. By counseling, the Task Force means professional counseling about any problems including personal issues related to career choice and preparation, testing, school or job training, job selection, and search.

The Task Force believes that the implementation of Chapter 31 is overly restrictive. In our view, a counselor should be able to provide assistance to the veteran without a C&P rating up to the point of actually writing a rehabilitation plan. The Task Force also believes that a veteran eligible for Chapter 36<sup>1</sup> services should be able to receive counseling from VBA at any time on any problem before or after discharge without regard to any time limits or number of visits. The Task Force views Chapter 36 as the primary means to provide these counseling opportunities to all veterans. However, Chapter 36 services are currently underutilized. Contractor counselors serving large military installations deliver almost all Chapter 36 services now delivered by the VR&E Service.

Because Chapter 36 under Title 38 is somewhat buried under VR&E, one of the shortfalls is the organization's inability to execute these services for veterans, other than Chapter 31, who are eligible for vocational educational counseling through VR&E. These include those eligible for Chapters 18, 30, 32, 35, which we discussed in Chapter 1 and Appendix 10-A. In FY 2003, only about 5 percent of those eligible actually received these benefits under Chapter 36.<sup>2</sup>

It seems safe to say that the non Chapter 31 veteran receives negligible impartial, professional counseling. The Task Force does not count the group counseling through TAP at the time of separation because it normally provides only an overview of general information. VR&E has not used all available funding to outsource Chapter 36 counseling and, in recent years, funds available to provide this counseling have not been fully obligated. VR&E needs to use this funding, and, moreover, needs to provide an outreach program that will increase veteran benefit usage rates.

VR&E staff in some Regional Offices perform a few counseling services and Task Force discussions with field personnel suggest that some field staff are not knowledgeable about the provisions of Chapter 36 counseling. For the Chapter 36 counseling that is provided, the VR&E Service has not provided the oversight and guidance necessary to establish best practices and provide systematic follow-up with the veteran. One important step is for VR&E to ensure that both VR&E counseling staff and contract counselors receive standardized training that provides accurate and complete information related to education and training options available under all benefit programs. The Task Force encourages all Regional Offices to provide vocational/educational guidance counseling services on military bases in their respective states and also to those veterans who were unable to take advantage of such counseling prior to separating from the service.

Operationally, both the triage concept described below and the initial counseling provided by VR&E employment and counseling staff and contract counselors can be provided under the provisions of Chapter 36 or Chapter 31.

#### *Triage Team and Specialization*

The Task Force uses the term triage to mean the timely assessment of the needs of a veteran seeking employment or personal assistance by a team of VR&E Employment Readiness Specialists, Marketing and Placement Specialists,

Vocational Rehabilitation Counselors, and other professionals as needed to quickly direct the veteran into a track of specialized service. We use the term Triage Team in the same sense that C&P Service uses the Triage Team to assign work to the appropriate functional expert or to complete the work on the case within the Triage Team unit as soon as possible. The team approach should continue to operate within the specialized service tracks. The Employment Readiness Specialist should lead the Triage Team.

Rather than place a veteran in a long, linear, and multi-step evaluation process, the operational concept is to use the expertise and experience of the two employment specialists and counselors to work as a team to meet with the veteran and then provide the veteran with timely information to enable the veteran to make an informed choice about his or her options. This choice will lead to providing the veteran with specialized services as quickly as possible. The triage operational concept, coupled with specialization of the work force, allows for a better match of veteran needs with the knowledge, skills and experience of individual staff members.

#### *Functional Capacity Evaluation*

Functional Capacity Evaluation is a mature technology (knowledge, systems, and procedures) that is being used in many settings, such as workers' compensation and disability insurance programs, to provide a systematic method of measuring a person's ability to perform meaningful physical tasks on a safe and reliable basis. The Task Force believes that the use of Functional Capacity Evaluation (FCE) should be an essential component of the 21st Century VR&E operational concept. The Task Force had the opportunity to observe an FCE being conducted during two site visits.

Currently, FCE technology is used infrequently by individual VR&E staff and the VR&E Service has not established uniform standards, policies, and best practices of its use. Ideally, the Task Force believes that DoD and VA owe all veterans with service-connected disabilities data and information on their residual abilities from an FCE as part of the career transition, planning, discharge, disability determination, and vocation rehabilitation processes, when this is appropriate. Again, this is part of the continuum of service that should begin in DoD and continue at VA.

The disability compensation program is designed in part to recognize the life cycle impacts of a veteran's disabilities by providing monetary benefits. However, DoD and VA do not provide veterans with information on their baseline residual abilities given their SCD status and, prospectively, how these abilities will change over the veteran's life cycle. The Task Force believes that armed with this information, veterans would be able to make better decisions about career planning and employment that would result in more efficient and effective rehabilitation and employment processes with more successful outcomes. In this new service delivery process, FCE technology should be part of the testing and assessment protocols for selected cases. Chapter 6 of this report provides recommendations on implementing Functional Capacity Evaluation.

### *Five-Track Employment Process*

The following section of this Chapter provides an overview on the functions and tasks associated with each component of the Five-Track Employment Process. A detailed narrative on the description, characteristics, and implementation strategies for the Five-Track Employment Process is provided in Appendix 11.

#### *(1) Reemployment Service Delivery within the Five-Track Employment Process*

There is an urgent need to create this service delivery track on an interim basis as well as for the long term. This track of services is designed for those individuals who have served on active military service or in the National Guard or Reserves who are now returning to their previous employer.

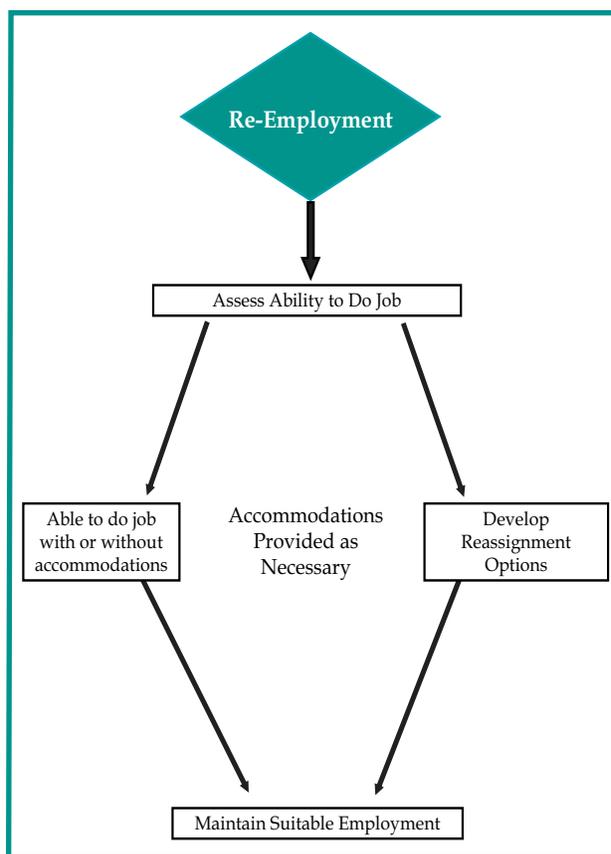
This track is designed to provide early intervention through rapid VR&E response to a veteran's need for services to successfully return to previous employment or transition to new employment. The flow of services in this track is shown in Exhibit 14. This service delivery track provides for services both to the veteran returning to work and the employer, as highlighted below.

#### *VR&E Services to the Veteran Employee*

- Develop a comprehensive return-to-work plan with the employee.
- Work with the employer to enhance productivity that might be affected by the veteran's disability and related issues.
- Provide a continuum of service to the employee through job stabilization.
- Create options to transition the veteran employee to alternative vocational options if necessary because of the inability to accommodate the veteran in the job.
- Work collaboratively with the employer and VA health care personnel to provide those services necessary to mitigate the risk of the veterans not being able to sustain their job performance.

#### *VR&E Services to the Employer*

- Conduct an initial assessment of the issues impacting the veteran's return-to-work. This includes performance of job tasks, interactions



**Exhibit 14**

with coworkers, access to guaranteed benefits, and compliance with company policies and procedures.

- Perform a job task analysis when needed to identify specific performance issues.
- Identify the requirements to provide reasonable physical and technology job accommodations such as physical access, technology, scheduling, etc.
- Clarify veteran employee capabilities and challenges related to the veteran's medical condition.
- Facilitate the provision of specific job accommodations (if needed).
- Develop modified or alternative duty and/or transitional job options in return-to-work plans allowing the returning veterans the option of a time-limited job assignment while adjusting to his or her disabling condition.
- Provide the veteran counseling on their reemployment rights, and facilitate assistance to the veteran by the Department of Labor.

The VR&E Service does not currently provide these reemployment services to veterans or to employers. There is a need for a more timely response and delivery of critical services to restore or maintain employment for disabled veterans. Frequently, employers do not have the expertise or resource linkages to accomplish this reemployment outcome for disabled veterans without assistance from rehabilitation professionals. Indeed, there are many benefits to employers that VR&E can use in its marketing efforts – the employer retains a productive worker, has help in complying with federal mandates for returning veterans, and gets access to technical expertise in customized accommodation options, and all at no cost. Although DTAP training sessions can be the largest single referral source of veterans who wish to return to work, VR&E will need to do outreach to business and industry, including marketing to immediate supervisors, human resource managers, safety officers, benefits staff, and others.

Implementation of this new service delivery track will require that VBA invest in staff with proper skills, policies and procedures, training, and new IT functionality. Operationally, the processes and staff to implement this track should be fast, flexible, and pragmatic in delivering services. VR&E Central Office and field staff must also become knowledgeable about the range of VA and DoD program benefits available to Guard and Reserve personnel as well as the employment rights of returning service members.

*(2) Rapid Access Employment (RAE) Services within the Five-Track Employment Process*  
Immediate employment can certainly be an important goal for many disabled veterans who do not wish to pursue, or are unable to pursue, long term educational goals or who have a need for immediate income. RAE service delivery is targeted to those disabled veterans who have expressed a desire to seek employment soon after separation or who already have the necessary skills to be competitive in the job market in an appropriate occupation. A depiction of this appears in Exhibit 15.

The veteran may identify the desire for immediate employment during the TAP or DTAP process, Chapter 36 counseling session, or upon making direct application to VR&E. The point from an operation perspective is that VR&E

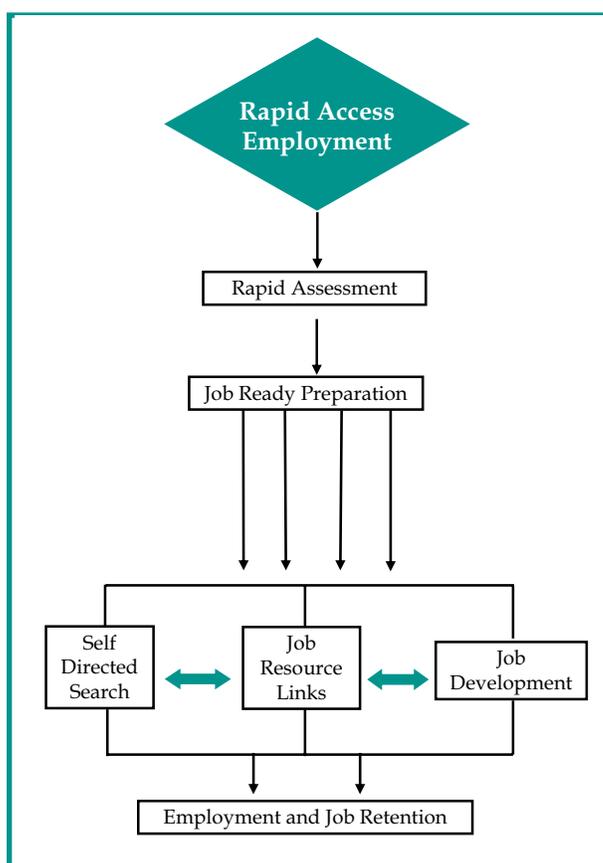
should expedite services to those seeking immediate employment; those services should not be burdened by the bureaucratic red-tape of detailed and lengthy assessments and development of detailed rehabilitation plans. For example, service members who are to be medically discharged and desire immediate employment should be provided those services even before they are officially separated from service if that is what the service member desires. Service members who ask for immediate employment services during Chapter 36 counseling should be referred to the VR&E Triage Team for assessment and delivery of appropriate services. This service delivery track will also present the VR&E program in a much more favorable light to the employers when employment outreach efforts are conducted.

Ideally, the VR&E Triage Team (employment and rehabilitation staff) should make recommendations to the veteran on the suitability of a job as it relates to the abilities of the veteran not his or her limitations. While the goal of the employment service is to assist veterans in attaining suitable employment consistent with their physical or mental condition, it is ultimately the veterans who make the choice as to whether or not the job appropriately meets their needs, not the VR&E staff member. In this track the Employment Readiness Specialist (ERS) plays the primary role as Triage Team Leader.

After the choice for immediate employment is made, the ERS will be responsible for oversight and integration of the various services that need to be provided to the disabled veteran for entry into the labor market. Employment services should include:

- Rapid Assessment of Transferable Skills
- Job Readiness Preparation
- Self-directed, but monitored Job Search or VR&E Job Development Services
- Development of Employment Resource Networks and Links
- Provision of Job Accommodations (when needed)
- Employment
- Post Employment Follow-up and Evaluation to ensure job retention

(3) *Self-employment Services within the Five-Track Employment Process*  
Rehabilitation of a veteran through



**Exhibit 15**

the self-employment track in a small business may be an option in two situations, 1) if the veteran's access to the normal channels of access to suitable employment is limited due to the veteran's disability or 2) other circumstances in the veteran's life warrant consideration of self-employment as an additional option. VR&E staff have historically not considered self-employment as a viable employment option. This is understandable given the complexity of guiding a self-employment case and the associated risks. In some cases, self-employment can be considered for disabled veterans who have limited access to employment, need flexible work schedules, or who need a more accommodating work environment than is normally achievable in traditional work places. The Task Force believes that well-planned and properly-resourced businesses are a reasonable option for persons with disabilities. Further, changing business needs increase opportunities for self-employment.

Recently de-activated or discharged members of the National Guard and Reserve are prime candidates for self-employment support. In March 2003, GAO testified to Congress that a 2000 DOD survey showed that 7 percent of Reservists were self-employed or worked without pay in their family businesses or farms. Many of these members suffer significant damage to their small business while mobilized and following their return. Self-employed members who are disabled while serving may face additional and significant challenges as they return to self-employment.

Services provided in this track, as depicted in Exhibit 16, should include the critical components identified below to ensure delivery of quality services to disabled veterans who have both the interest and the aptitude to pursue self-employment.

- Establish formal technical assistance agreements with the Small Business Administration District Offices to ensure full and coordinated access to all SBA programs and services.
- Network with other small business assistance groups.
- Facilitate business start-up and assessment.
- Maintain stable employment and long-term evaluation.

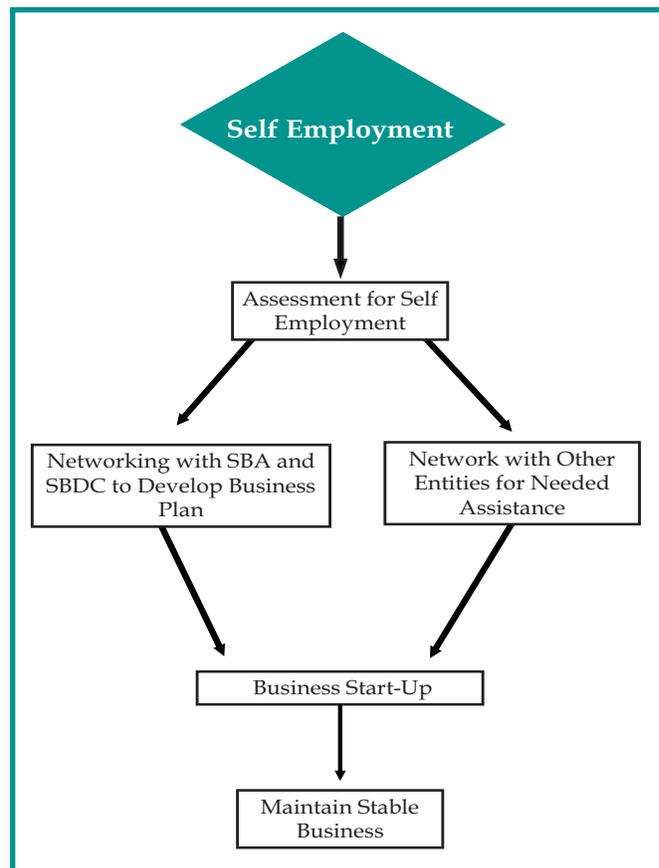


Exhibit 16

In this self-employment service process, VR&E should facilitate the provision of technical assistance to veterans rather than providing direct consulting services. VR&E staff should continue to provide these applicants all the other traditional services necessary to support the veteran.

The Task Force was made aware that Public Law 104-275 contains provision for VA to provide support to the most seriously disabled service-connected veterans who have aspirations to pursue self-employment opportunities. VR&E indicated about 39 veterans had business plans approved in FY 2003, but success rates for self-employment veterans are not known by VR&E. There is an approval process in place – albeit not a standardized approach used across the system – that requires a veteran to submit a business plan, marketing information, financial proposal, and risk management assessment for review by VBA or an independent panel of small business experts. Within VBA, there are different approval levels predicated on the amount of financial support that VA will provide. At present, VA Regional Office Directors can approve self-employment plans up to \$100,000 and proposals above \$100,000 require VBA Central Office approval.

The proposed self-employment option in the Five-Track Employment Process does not preclude VR&E from continuing to provide start-up stocks, materials, or goods for the most seriously disabled veteran in accordance with the provisions of PL 104-275. As indicated above, the focus of self-employment services should principally be on providing guidance, information, and referrals to Chapter 31 veterans who want to enter into a self-employment opportunity. VR&E may want to consider loans, not grants, if a veteran is unable to secure financing of initial capital requirements for a self-employment business opportunity.

During the writing of this report, the Small Business Administration let the Task Force know that SBA is the largest provider of lending to small businesses in the United States. The 2000 GAO Report (GAO/GGD-00-158), *Credit Costs & Risks of Proposed VA Small Business Loan Guarantee Program*, recommended consideration of expertise-sharing between VA and SBA to expand SBA guaranteed business loan opportunities to veterans. SBA and VA agreed with this conclusion. SBA is currently exploring special lending for veterans, service-disabled veterans, and members of the Reserve and National Guard and remains open to exploring partnering options with VA in this regard.

Self-employment should be viewed as a specialized function, and VR&E should designate specific employment or vocational rehabilitation counselor staff members at the Regional Office or on a geographic or area basis as the lead to facilitate all self-employment cases. The low volume of demand for this service and the technical assistance requirements do not support an investment to acquire a full complement of “in-house” self-employment service capabilities.

Operationally, VR&E should rely on the Small Business Administration as a point of entry to an array of self-employment services. SBA has 8,000 locations nationwide, which includes its resource partners, including about 1,000 Small Business Development Centers. SBA has particular and statutory interest in

ensuring that all service-disabled veterans have full access to all of the federally-supported services and programs offered by SBA and its resource partners. Every SBA District Office has an assigned Veterans Business Development Officer (VBDO) on staff. This official could coordinate for local VR&E staff and participants to access all SBA programs, services, and partners. The Task Force suggests that VR&E and SBA explore a national agreement to coordinate access to programs at the national and local level and also to explore funded contracts if necessary.

The VR&E Central Office should establish a set of protocols and standards to ensure that the program is administered consistently nationwide. VR&E should rely on the Small Business Administration to coordinate technical assistance to:

- Assess the capability of persons interested in starting their own business
- Guide the disabled veteran in the development of a feasible business plan
- Link the disabled veteran to financial resources

The first year of a new business is the most critical in the determination of the success of the business. VR&E should routinely work with SBA, or a Small Business Development Center, to monitor and assess the implementation of the veteran's business plan on a regular basis. This will include identification of job accommodations, the need for additional resources, and facilitation of Chapter 31 services to support the veteran. Consequently, VR&E staff must continue to provide needed rehabilitation services and support past the first year to ensure stable "employment."

There are several other entities that provide assistance to individuals interested in starting new businesses. VR&E CO should take the lead to establish national relationships and strategic partnerships with organizations such as Small Business Administration, VA's Center for Veteran's Enterprises, SCORE (Service Corps of Retired Executives), and lending institutions. In this regard, VR&E CO may want to seek the advice and assistance of VBA's Loan Guaranty Service that has extensive knowledge and experience with the private sector lending community.

*(4) Employment Through Long Term Services within the Five-Track Employment Process*  
When employment is more of a long-term goal or the other tracks do not achieve success, the VR&E Triage Team and the veteran may want to consider the feasibility of achieving success through the traditional vocational rehabilitation approach. Exhibit 17 shows the different elements of this track. The VR&E traditional case management approach to service delivery service was described earlier along with the work process and workload management issues that drive the need for changes.

The major components of this track include the following:

- Traditional Vocational Assessment Services
- Testing and Evaluation
- Career Guidance/Job Preference/Market Analysis

- Medical and Psychological Services
- Career Development and Skills Acquisition
- Training and Education
- Employment (post education and training)
- Post Employment Follow-up and Evaluation

To meet the needs of the service-connected disabled veteran, the Training and Education component must emphasize non-traditional training and educational courses and experience, including on-the-job training (OJT), apprenticeships, internships, job shadowing, work monitoring, work-study programs, and public-private job partnering programs in addition to higher education, which is the emphasis in the current approach.

The administrative process that is currently used by the VR&E Service to implement the Chapter 31 program of services can be burdensome for veterans, lengthy in terms of chronological time, and labor intensive for VR&E staff. As discussed in this report, VR&E's current operations are under stress. Recommendations to improve delivery of these services are in Chapter 6 of this report.

The operational concept for this track in the new VR&E system is based on:

- Specialization of the work force and only selective use of life cycle case management for each applicant by the same counselor.
- Use of technology to automate certification, monitoring of veteran education, training progress, and interface with educational institutions.
- Standardization of best practices and reduction of paperwork.
- Design and implementation of interventions to mitigate the risk of a veteran's rehabilitation plan being interrupted or a veteran being discontinued from the program.

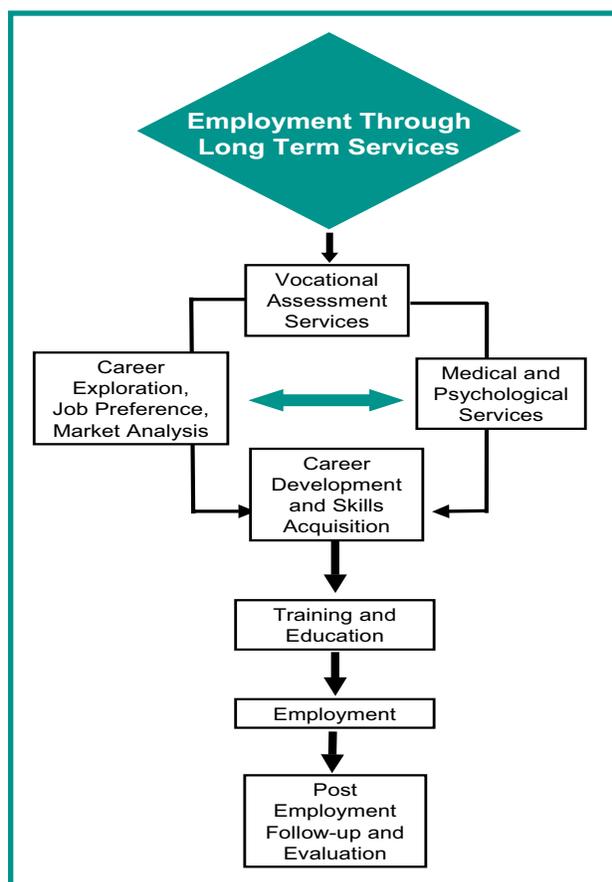


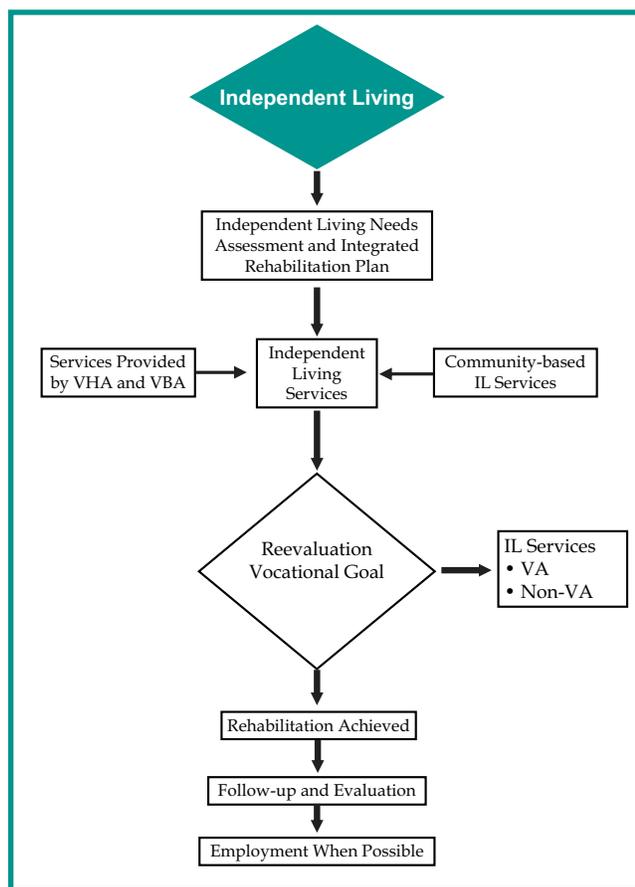
Exhibit 17

*(5) Independent Living (IL) Services within the Five-Track Employment Process*

Independent living services are critical to many veterans. These services can make the difference in disabled veterans' improving their quality of life and achieving their goals to the point that paid or volunteer employment is feasible, as new technologies and approaches become available. Based on a conference call to the VR&E offices in areas with the highest use of IL services, it appears to the Task Force that Independent Living services are being used as an alternative to employment in some areas with few employment opportunities. The intent of the VR&E Service providing Independent Living services is an excellent one, but the effort lacks sufficient direction, standard of practices, protocols designed to quickly assist the veteran, and specially-trained staff. It also lacks integration with VHA and the larger community-based independent living movement. A flow chart for Independent Living Services is shown in Exhibit 18.

There also appear to be differing philosophies about the scope and intent of the program even though the VR&E Service has published guidance on administration of the program. As a result, the delivery of Independent Living services has been inconsistent across VBA's Regional Offices. Individual VR&E Service offices have implemented their own approaches to Independent Living services without sufficient and tailored training of specialized staff. Many VR&E offices delivering Independent Living services emphasize only quality of life issues and personal goals, with little attention paid to potential employment opportunities. The seemingly arbitrary annual Congressional cap on the number of Independent Living participants (currently 2,500 new cases per year) may contribute to the inconsistent administration of the program.

The limitation on the maximum number of months Independent Living services may be utilized also hinders effective service delivery. Currently, Independent Living services may be delivered for 24 service months with an option for another 6 months of services. The VR&E Service may authorize an additional 24



**Exhibit 18**

service months of Independent Living benefits following discontinuance of the veteran from the program.

Since the disabling conditions creating the need for Independent Living services are not temporary, the VR&E Service case manager must also work to put in place a program of services that will sustain the veteran beyond the period the VR&E Service can provide specific Independent Living services. The development and implementation of a sustainment plan must begin before the end of the 30-month period, and this requires that the VR&E staff broker community-based and other services for the veteran and his or her family. From the Task Force interviews with the VR&E staff, it does not appear that development and management of a sustainment plan is an inherent part of the process. In the view of the Task Force, there is nothing in the current rules and procedures for Independent Living that prevents a VR&E case manager from brokering non-VA services, providing continual monitoring of the veteran, and providing brokered interventions to solve problems impacting the veteran during the post-30 month period or for the life cycle.

The Independent Living recommendations provided in Chapter 6 are designed to improve the administration of this program. The key operational features of this redesigned service delivery strategy include:

- Establish a new focus for the program based on achieving independence for the veteran and informed choice about empowerment, employment, and productivity.
- Change the focus of Independent Living to a delivery of services strategy supporting a flexible plan of rehabilitation rather than a dedicated plan.
- Shift local administration of all Independent Living cases from vocational rehabilitation counselors to a new Independent Living specialist staff that is well trained and has extensive experience in social work and facilitation of community-based resources.
- Leverage the Centers for Independent Living and other community-based resources through contract support arrangements for technical assistance and case management of VR&E Independent Living cases to provide short term and sustaining services to veterans.
- Consider improving coordination and eventual integration of the assistive housing programs (now administered by Loan Guaranty Service) and the ancillary equipment program (now administered by the C&P Service) into the VR&E Service.
- Assess abolishing the Legislative cap on the number of annual new Independent Living cases.
- Improve coordination and accountability between the VA and VR&E for the provision of integrated services.

### *Other Key Elements*

We will now look more closely at other integral elements of the new 21st Century service delivery system, all of which must be considered if the process is to work.

#### *The New Veteran*

Currently, the VR&E Service does not analyze active duty and Guard and Reserve force levels, discharges, or trends in order to assess the potential impact on workload, nor does the Service adjust its operations to meet the evolving needs of these service members. Meeting the needs of all veterans is important, and VBA should understand that Guard and Reserve service members present different challenges for VR&E Service than service members discharging from active duty for three primary reasons:

- Guard and Reserve members can currently apply for VR&E benefits under existing regulations while they remain in the Guard and Reserve or even when mobilized. Recent estimates indicate 300,000 Guard and Reserve members have been called up to active duty status since September 11, 2001.
- Many Guard and Reserve personnel are typically employed (30 percent are estimated by DoD to be in college full-time or part-time<sup>3</sup>) before being mobilized. Being able to rapidly return to employment is therefore a major issue for Guard and Reserve personnel. While Guard and Reserve personnel have return-to-work rights in their former positions, experience indicates that they do not always return to former positions. The amount of time the individual is mobilized and the progression of any previous service-connected disability (SCD) may create a need for the veteran to seek employment assistance to provide job accommodations in order to return to his or her previous job or seek other employment.
- Guard and Reserve personnel who are medically discharged after an injury or with other problems face additional challenges. Many of these veterans will not be able to return to their previous civilian career fields and positions.

The Task Force believes that VBA operations should be based on a thorough understanding of the six populations of veterans that drive the VR&E Service workload.

#### *Medically Discharged*

Based on C&P Service data, the Department of Defense annually discharges approximately 14,000 active duty and Guard/Reserve service members for medical reasons. These service members may be 1) medically discharged, or 2) placed on the Temporary Disabled Retired List for up to 2 years and then placed on the Permanent Disabled Retired List, or 3) determined not to have a disability, or 4) given severance pay. The proposed operational concept for VR&E outreach and DTAP are designed to proactively provide outreach services to these medically discharged veterans.

*Discharged with a Service-Connected Disability (SCD)*

There are two categories of veterans in this population. The first population includes those active duty and Guard/Reserve veterans who filed disability claims with VBA prior to discharge through the Compensation and Pension (C&P) Service's Benefits Delivery at Discharge process. The second category of veterans includes those who file disability claims some period of time, perhaps years, after they have been discharged from service.

*Discharged without a Service-Connected Disability*

There is a large population of active duty and Guard/Reserve veterans who have never filed a claim for disability compensation with VBA. Even though these veterans have not filed a disability claim, they may need transition assistance, education and vocational counseling, assistance with personal problems, and employment assistance, much of which could be offered under Chapter 36.

Under current regulations governing the VR&E process, veterans cannot receive Chapter 31 counseling or other assistance from the VR&E Service unless their disability claim has been approved.

*Demobilized with a Service-Connected Disability*

Guard and Reserve service members may submit claims for service-connected disabilities each time they are demobilized from active duty. Those veterans who are demobilized with a SCD may receive disability payments from VBA while remaining in the Guard and Reserve. Once Guard and Reserve personnel are demobilized from active duty, they may need transition assistance, education and vocational counseling, assistance with personal problems, and employment assistance.

*Mobilized with a Service-Connected Disability*

This group of Guard and Reserve personnel includes those who receive monthly payments from VBA based on a previously-filed claim for SCD. Monthly disability payments are adjusted for those days that Guard and Reserve members are on drill or training status and when they are mobilized.

*Demobilized without a Service-Connected Disability*

Most Guard and Reserve personnel have not filed a claim for a SCD. However, these personnel may also have a need for transition assistance, education and vocational counseling, assistance with personal problems, and employment assistance, which could be offered under Chapter 36.

**Eligibility, Entitlement, and the Application Process**

In the view of the Task Force, the current eligibility, entitlement, and application process factors hinder the timely delivery of VR&E services. As highlighted repeatedly in this report, the path to receiving VR&E services goes through the Compensation and Pension (C&P) Service. The C&P Service effectively functions as a gate to receiving timely rehabilitation and employment services.

*Eligibility and Entitlement*

Task Force recommendations on eligibility and entitlement (See Recommendations on Eligibility in Chapter 6 of this report) are driven by two objectives. The first objective is to focus as early as possible the leadership, management capacities, and resources of the VR&E Service on the population of disabled veterans who have the most serious disabilities. The second objective is to create a system that bypasses the C&P “Memo Rating”<sup>4</sup> gate for as many veterans as possible so that VR&E can accelerate the delivery of services to those most in need.

Rather than making VR&E a post-C&P claims issue, the Task Force believes it is essential that VR&E services be focused upfront in VBA’s interaction with the veteran and as early as feasible given the desires of the veteran. Further, we believe that until such time that the VR&E Service counselor or contract counselor actually writes a plan for rehabilitation, a “Memo Rating” should not be required to provide assessment and counseling services.

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*“Eliminate entitlement decisions. Most applicants are entitled anyhow. The June 2003 Chapter 31 statistical report shows that the program nationally finds 88% (including the 10 percent-ers)...entitled to service. This increases to 91% without the 10%ers. By eliminating the decisions, the VRCs could concentrate on what services a disabled vet needs, regardless of rating, to get back into the job market.”*

*– Comment from the field.*

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To this end, the Task Force has proposed four changes in eligibility and entitlement criteria. The recommendations associated with these changes appear in Chapter 6 of this report:

- Make any member of the uniform services who is medically separated from the military automatically entitled to VR&E services. In the view of the Task Force, these members have already been found to have a serious employment handicap since the Department of Defense has made a determination that they are no longer fit for duty anywhere in the world. VR&E’s immediate focus should be on determining the abilities of these veterans and providing them assistance to make informed choices about their future.
- Revise the entitlement criteria and provide priority to those veterans with a combined service-connected disability of 50 percent or greater and those receiving Special Monthly Compensation for loss or loss of use of a limb.
- Remove the statutory annual 2,500 case cap on Independent Living cases and change the negative language in the law. Seek congressional action to remove the terminology “achievement of a vocational goal currently is not reasonably feasible” for severely disabled veterans and substitute with “employment is not an immediate goal.”
- Remove the limiting periods for use of Chapter 36 Education and Vocational Rehabilitation Counseling benefits so that any veteran at any time can seek counseling assistance from a VR&E counselor or contract counselor.

### *Application for Services*

Additional efficiencies in VR&E operations can be gained by changes in the VA Form 28-1900 process. Currently, C&P Service policy calls for the Service Center to include a VA Form 1900 Application for VR&E Services with the Notification of Award Letter sent to each veteran who is found entitled for disability compensation benefits and each time that a service-connected veteran receives an increased rating.

This process may be well intended, but Task Force field interviews consistently indicated that sending out VA Form 1900 when ratings are increased generates additional and unproductive work for VR&E. Based on Task Force field visits it appears that many veterans who make application do not show up for appointments and, of those who do show for their appointments, many veterans decline the service. In some situations, as the Task Force learned during field visits, veterans are completing and submitting VA Form 1900 they receive in the mail from the Service Center because they somehow believe that submitting the “1900” to VR&E is tied to their receiving or maintaining their increased benefits.

If VBA believes that VA Form 1900 should be automatically forwarded to the veteran, then as matter of policy, VR&E staff should develop a protocol to screen questionable applications by calling the applicant to determine their actual interest in the program before even scheduling an appointment. This operational approach would expedite delivery of services and has been demonstrated to be successful in the Denver Regional Office.

### **Implementation Strategies for the VR&E Five-Track Employment Process**

From a practical standpoint, the Task Force believes there are a number of operational factors that must be considered in implementing a new service delivery process. These principal factors include:

- Widely dispersed Regional Offices and out-based network of staff and support contractors.
- Uneven distribution of the VR&E workload across the system.
- Significant regional and local differences in terms of economic growth and job opportunities.
- Differences in veteran population demographics may drive different needs and demands for individualized services from Regional Office to Regional Office.
- The location of certain Regional Offices and out-based locations in relation to military installations and Military Treatment Facilities.
- The level of performance provided by partner organizations (DVOP, state vocational rehabilitation, VHA and others).

Because of these factors, the VR&E Service should tailor the implementation of this process based on the above factors. In general, the Task Force recommends that this process be implemented without consideration of existing Regional Office jurisdictional boundaries and current structures. For example, how the VR&E Service implements this process in St. Paul, where there are no military

installations, will be different than how the process is implemented in Regional Offices where there are numerous and large military installations such as San Diego, St. Petersburg, and Atlanta. Regional solutions involving more than one Regional Office may be appropriate where the local VR&E workload is not dynamic and geographical factors are prominent. For example, the regional approach may be appropriate in the New England area. Implementation of an integrated process for all of the Regional Offices in Texas may be appropriate to leverage resources and achieve better utilization and coordination of partnership organizations.

The Task Force is aware of the constraints that impact the VR&E Service's capacities for planning and management of complex organizational and program changes. In consideration of these fact-of-life constraints, the Task Force recommends that the VR&E Service begin this process by designing and implementing two operational strategies and associated pilot projects that bracket the extreme variations in operational factors that impact how this service process is implemented. The VR&E Service should use the experience from implementing these two strategies to design and implement the service delivery process VBA-wide. These two strategies are summarized below and appear in more detail in Chapter 6 of this report.

#### ***Low Workload, Multi-RO Operations Strategy***

This strategy is designed to serve economic and geographical areas containing multiple Regional Offices where each Regional Office has a small workload and dynamic economic environments. Seventeen of VA's Regional Offices each have less than one percent of the VR&E Service national workload and account in total for about 10 percent of the national workload. This strategy is driven by economic, geographical, and employment considerations rather than the location of Regional Offices. The staffing, skills mix, organizational structure, and sites should be driven by the needs to serve a large geographical area. The Task Force recommends this process project be implemented first in the New England area. The VR&E Service may also want to consider implementing this type of network strategy in a Western State with a Regional Office serving as the lead for developing and implementing a regional strategy.

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*"The new process puts employment upfront and embraces access, customer choice, and service integration."*

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#### ***Large Workload Operations Strategy***

This strategy is designed to serve an area characterized by high workload, economic and job growth, and large military installations. Based on FY 2003 data, about 23 percent of the VR&E Service's national workload is managed by five VR&E offices and 14 VR&E offices account for a total of about 50 percent of the national workload. The Task Force recommends the VR&E Service implement this strategy by first focusing on the high volume VR&E offices. This includes St. Petersburg, Atlanta, Montgomery, and in Texas with a statewide program integrating Houston and Waco VR&E operations. Implementation of the process in Montgomery is designed to develop the policies and procedures for leveraging the capabilities of State Vocational Rehabilitation (SVR) organizations. The results of this project in Montgomery should be used to guide the development

and design of specific work processes to further the VR&E Service's relationship with other SVR organizations.

### **Operational Summary**

The operational concept described above identifies the key features of the new VR&E Five-Track Employment-driven Service Delivery Process, and more detailed information is provided in Appendix 11. The features of this new process emphasize a proactive process that rapidly tracks a veteran into a specialized set of services that are targeted to meet the veterans' needs. This new process is in contrast to the current service delivery process that is composed of many sequential steps with a focus on employment and independent living services coming at the end of this long process. The new process puts employment upfront and embraces access, customer choice, and service integration.

The Task Force recognizes that implementation of this new way of doing business presents a number of resource and management challenges to VBA and the VR&E Service. Additional FTE and dollar resources will be required to implement this process along with strong program management capabilities. The Task Force identifies the priorities associated with the recommendations to implement this process and improve overall VR&E performance in Chapter 6 of this report.

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<sup>1</sup> An individual is eligible for Chapter 36 if she or he is eligible for educational assistance under Chapter 30, 31, or 32 of Title 38 or Chapter 106 or 107 of Title 10.

<sup>2</sup>According to FY 2002 VR&E data (latest available) on Persons in Education Programs for Entitlements, 430,717 veterans were participating in Chapters 30, 32, 34 and Section 1606 education programs. In the FY 2003 VR&E Quarterly Statistical Report, Chapter 36 counseling was conducted for 18,915 veterans (18,664 by contractors and 251 completed cases for Chapters 30, 32, 35, 36, 18, and Section 1606). This roughly computes to less than a 5 percent usage rate.

<sup>3</sup> 30 percent estimate was provided in a phone call by John O'Hara, Executive Director, the Task Force, to the Employer Support of the Guard Reserve Office at the Department of Defense.

<sup>4</sup> A memo rating is a preliminary disability rating decision completed by VBA based upon examination of available medical evidence. The memo rating allows VR&E to begin working with the veteran before a permanent rating decision has been made.