



January 2014

VA VOCATIONAL REHABILITATION AND EMPLOYMENT

Further Performance and Workload Management Improvements Are Needed

Why GAO Did This Study

Veterans with disabilities face special challenges to finding employment—resulting, for example, from the veterans’ physical or mental health, or negative attitudes or stereotypes on the part of some employers. VA’s VR&E program aims to help veterans with disabilities obtain and maintain suitable employment—compatible with their disabilities—through services such as training and job search assistance. The VOW to Hire Heroes Act of 2011 directed GAO to review the program. GAO examined (1) the outcomes for veterans seeking employment through the program, and (2) the progress VA has made in addressing critical management issues. GAO reviewed relevant laws, regulations, and guidance as well as recent studies; reviewed various program management criteria; analyzed VA administrative data on veterans who entered the program between fiscal years 2003 and 2012; interviewed staff at the VA central office and 8 regional offices; interviewed a random but non-generalizable sample of 17 program participants; and analyzed data from a VA survey of participants.

What GAO Recommends

GAO recommends that VA reflect success rates in revised performance measures, ensure the reliability of its customer satisfaction survey results, re-visit its staff allocation formula, study staff assignments, and close certain gaps in its training for staff. In its comments, VA generally concurred with these recommendations and noted steps it plans to take to address them.

View [GAO-14-61](#). For more information, contact Daniel Bertoni (202) 512-7215 or bertonid@gao.gov

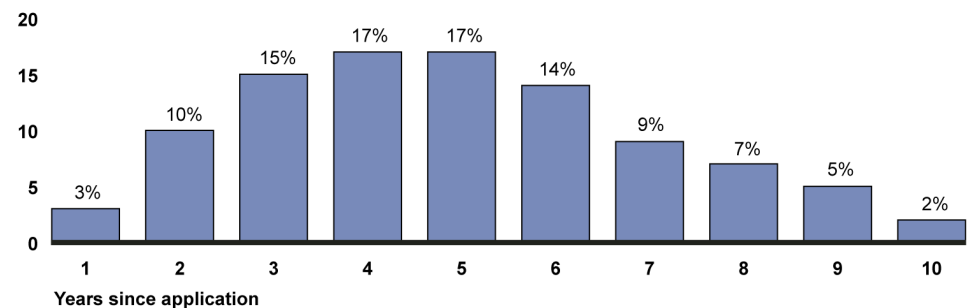
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Further Performance and Workload Management Improvements Are Needed

What GAO Found

About half of the almost 17,000 veterans who entered the Department of Veterans Affairs’ (VA) Vocational Rehabilitation and Employment (VR&E) program in fiscal year 2003 and received employment-related services were placed in suitable jobs, one-third left the program, and most of the others are still participating. It often took veterans 6 years or more to achieve success (see figure), due in part to veterans often leaving the program temporarily. Interviews with VR&E staff and participants and administrative data GAO reviewed suggest veterans face numerous challenges that affect their ability to obtain employment, especially related to mental health conditions, working with multiple VR&E counselors over time, and civilian employers’ limited understanding of military work experience.

Time to Achieve Suitable Employment for Fiscal Year 2003 Applicants
Percentage of veterans



Source: GAO analysis of VA data.

VA has taken steps to improve VR&E performance management, workload management, and staff training, but weaknesses remain. With regard to performance management, VA has an ongoing initiative to revise its approach for measuring rehabilitation success at the individual employee, regional, and national levels. However, the new approach VA is considering for employees reflects only the number, not the rate of successful outcomes, and therefore would not provide sufficient context for understanding program success. VA has not yet developed its new approaches for assessing rehabilitation success regionally and nationally. Also, VA began surveying participants’ satisfaction with the program and plans to use the results to manage performance; while VA has generally followed good survey design practices, the agency has not fully assessed the reliability of early customer satisfaction results. In terms of workload management, VA has taken steps to reduce paperwork burdens on regional offices. However, several offices still reported heavy workloads and noted that VA’s formula for allocating staff among offices does not consider other staff duties affecting workloads, such as education counseling. In addition, VA has not studied the relative effectiveness and efficiency of regional offices’ approaches for assigning staff to manage workloads. Finally, with respect to training, VA has addressed redundancy and most gaps in training for VR&E staff, but gaps remain in the areas of job placement assistance and workplace accommodations.

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Abbreviations

CWINRS	Corporate WINRS
EC	Employment coordinator
FTE	Full-time equivalent
Labor	Department of Labor
MRG	maximum rehabilitation gain
OMB	Office of Management and Budget
PTSD	Post-traumatic stress disorder
TBI	Traumatic brain injury
VA	Department of Veterans Affairs
VBA	Veterans Benefits Administration
VRC	Vocational rehabilitation counselor
VR&E	Vocational Rehabilitation and Employment

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January 14, 2014

The Honorable Bernard Sanders
Chairman
The Honorable Richard Burr
Ranking Member
Committee on Veterans' Affairs
United States Senate

The Honorable Jeff Miller
Chairman
The Honorable Michael Michaud
Ranking Member
Committee on Veterans' Affairs
House of Representatives

About 3 million veterans—including more than 700,000 from the Iraq and Afghanistan era—have a disability connected to their military service,¹ and many face special challenges obtaining employment. Veterans with disabilities may face employment challenges related to physical impairments, less visible mental health conditions, or negative attitudes and stereotypes among some employers. The Department of Veterans Affairs (VA) operates the Vocational Rehabilitation and Employment (VR&E) program to help veterans with service-connected disabilities obtain and maintain suitable employment, which it considers to be employment consistent with their abilities, aptitudes, and interests. The program provides services including vocational assessment, education and training, and job placement. In fiscal year 2012, about 121,000 veterans participated in the program at a cost of almost \$1 billion.

To improve the transition of veterans to civilian employment, Congress passed the VOW to Hire Heroes Act of 2011 (VOW Act).² In addition to provisions intended to promote veterans' employment, including expanded access to VR&E benefits for certain unemployed veterans, the

¹ These data are based on a survey of veterans conducted in August 2012 by the U.S. Census Bureau.

² Pub. L. No. 112-56, tit II, 125 Stat. 711, 712.

VOW Act mandated that GAO review the VR&E program.³ We examined (1) the outcomes for veterans seeking employment through the VR&E program, and (2) the progress VA has made in addressing critical management issues. To address these objectives, we reviewed relevant federal laws, regulations, and guidance as well as documentation related to recent management initiatives. We analyzed VA administrative data on VR&E participants who applied to the program between fiscal years 2003 and 2012, including their characteristics, services received, and outcomes obtained. We assessed the reliability of these data through electronic testing and interviews with VA staff, and found them sufficiently reliable for our reporting purposes. We interviewed VA central office staff responsible for the VR&E program, as well as VR&E managers and staff in 8 of VA's 57 regional offices. We selected offices to achieve diversity in VR&E caseload, performance in job placement and case processing timeliness, state unemployment rate, and geographic location. We conducted phone interviews with a random but non-generalizable sample of 17 veterans who had participated in the VR&E program and exited with either a successful or unsuccessful outcome. Finally, we obtained selected data resulting from a pilot VA customer satisfaction survey that includes responses from VR&E participants, after reviewing the survey's methodology and finding it to be sufficiently reliable for our purposes

We conducted this performance audit from October 2012 to January 2014 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Additional information on our scope and methodology is provided in appendix I.

³ See *id.* at § 233(d), 125 Stat. 711, 720.

Background

VR&E Entitlement and Eligibility

To be entitled to VR&E services and related benefits, veterans generally must (1) have at least a 20 percent disability rating from the VA⁴ and (2) be in need of rehabilitation because of an employment handicap caused in substantial part by a service-connected disability.^{5,6} If needed to achieve employment, entitled veterans may receive a maximum of 48 months of vocational rehabilitation services and an additional 18 months of employment services, which include counseling, placement, and postplacement services.⁷ Veterans are typically eligible to receive these services within a 12-year period beginning on either: (1) the date of separation from military service, or (2) the date the veteran received a

⁴ VA rates veterans' disabilities that are incurred or aggravated as a result of their military service, which are referred to by VA as service-connected disabilities, from 0 percent to 100 percent in increments of 10 percentage points. A veteran must also have a military discharge that is not dishonorable to be eligible for the VR&E program.

⁵ 38 U.S.C. § 3102(a)(1). The law defines an employment handicap as an impairment of a veteran's ability to prepare for, obtain, or retain employment consistent with the veteran's abilities, aptitudes, and interests. 38 U.S.C. § 3101(1). Veterans with a 10 percent service-connected disability may also be eligible to receive VR&E services if they have a serious employment handicap. 38 U.S.C. § 3102(a)(2). A serious employment handicap is defined as a significant impairment of a veteran's ability to prepare for, obtain, or retain employment consistent with his or her abilities, aptitudes and interests. 38 U.S.C. § 3101(7). The definitions of employment handicap and serious employment handicap provide that the handicap must result in substantial part from a service-connected disability.

⁶ Active duty servicemembers may also be eligible for VR&E services under certain circumstances. For example, servicemembers may qualify if, while awaiting discharge from the military, they are hospitalized or receiving outpatient treatment at a VA facility or a facility that is under contract with the VA, have a disability that VA will likely find to be service-connected with a 20 percent or higher rating, and are determined to be in need of rehabilitation because of an employment handicap. 38 U.S.C. § 3102(a)(1)(A)(ii) and (B). Until December 31, 2014, servicemembers are entitled to certain VR&E services if they are seriously ill or injured. Pub. L. No. 110-181, §1631(b)(2), 122 Stat. 3, 458 (2008) (10 U.S.C 1071 note) as amended by Pub. L. No. 112-56, § 231, 125 Stat. 711, 719 (2011).

⁷ 38 U.S.C. § 3105(b)(1). Eligible veterans for whom a vocational goal is not currently considered reasonably feasible may receive assistance intended to help them achieve independent living. 38 U.S.C. § 3109.

disability rating from VA, whichever is later. In certain circumstances, the 48-month limit and the 12-year period of eligibility may be extended.⁸

Availability of Additional Benefits pre- and post-VOW Act

Under certain circumstances, veterans who have successfully completed a VR&E program and achieved rehabilitation may qualify for additional VR&E benefits and services. Prior to the VOW Act, veterans who successfully completed a VR&E program could receive additional services if (1) their service-connected condition worsened to the extent that they could no longer perform the duties of the occupation for which they were previously rehabilitated, or (2) their occupation was no longer suitable because of their current capabilities and employment handicap.⁹ The VOW Act created another pathway for previously rehabilitated veterans to receive additional services. Under section 233 of the VOW Act, veterans who have exhausted their right to regular unemployment compensation under state law may receive up to 12 additional months of VR&E services and benefits following a successful rehabilitation, as long as they are otherwise eligible and they begin the additional program within 6 months after they exhausted unemployment compensation.¹⁰ This provision took effect on June 1, 2012, and veterans must apply no later than March 31, 2014 to qualify.

Administrative Structure

Within VA's Veterans Benefits Administration's (VBA) Office of Economic Opportunity in Washington D.C., the central VR&E Office is responsible for overseeing the VR&E program. VR&E services are provided by managers and staff at 57 regional offices and 179 satellite offices, under

⁸ The 48-month limit on training services can be extended if, for example, the veteran has a serious employment handicap and the extension is necessary to accomplish the veteran's vocational or independent living goal. 38 U.S.C. § 3105(c)(2) and 38 C.F.R. § 21.78(c). The 12-year limit on the eligibility period can also be extended for veterans who have a serious employment handicap and have not previously been rehabilitated to the point of employability. 38 U.S.C. § 3103(c)(1) and 38 C.F.R. § 21.44(a)(1).

⁹ 38 C.F.R. § 21.284. Veterans who meet these conditions may receive such additional services even if they have previously exhausted their 48-month entitlement to VR&E services. 38 U.S.C. § 3105(c)(1). Veterans who meet these conditions and have a serious employment handicap may receive such additional services even if they are no longer within their 12-year period of eligibility. 38 U.S.C. § 3103(c)(2).

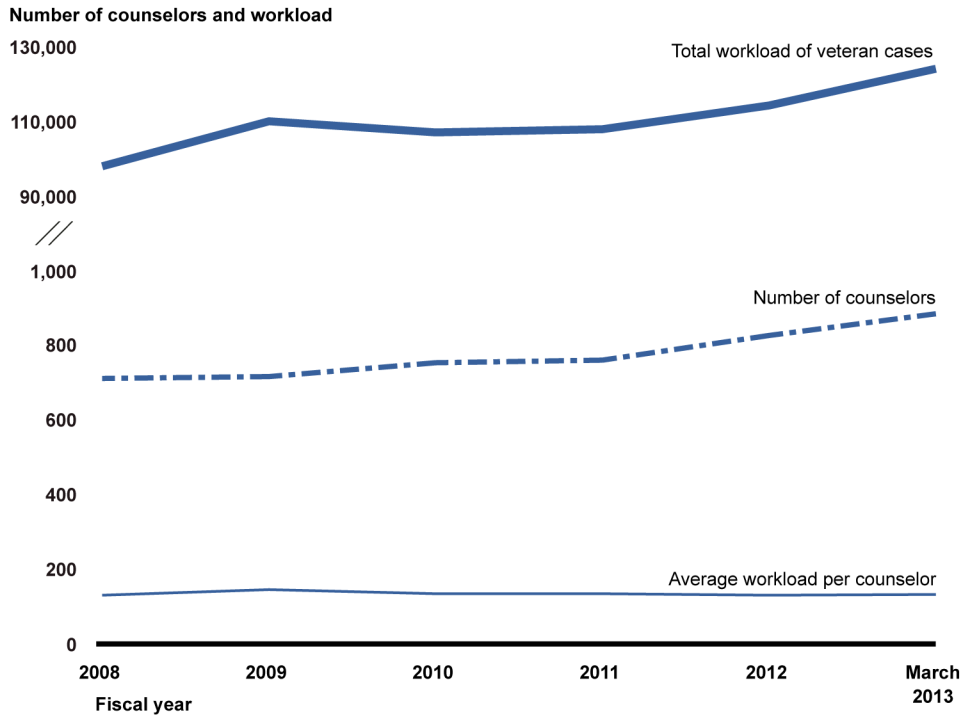
¹⁰ Codified at 38 U.S.C. § 3102(b). Such veterans may receive these additional services even if they have previously exhausted their 48 months of services or are no longer within their 12-year eligibility period. 38 U.S.C. §§ 3105(b)(2) and 3103(e).

the management of VBA's central Office of Field Operations, which manages workload and performance to achieve targets set in coordination with the central VR&E Office. VR&E positions typically include (1) a VR&E officer who oversees the VR&E field office and its staff; (2) vocational rehabilitation counselors (VRC) who work directly with veterans to assess their entitlement, develop their rehabilitation plans, and manage their progress; (3) employment coordinators (EC) who focus on assisting veterans with job search and placement, which also includes employer outreach to facilitate contact between veterans and employers; and (4) other staff to support the administration of the program. VR&E field staff are also located at select college campuses to help veterans successfully complete their training and become employed, and at military sites to help servicemembers with disabilities as they begin their transition to veteran status and the civilian workforce.

As of March 2013, 1,281 field staff were administering the VR&E program, of which about 70 percent (890) were VRCs. VR&E's total caseload has generally increased every year from 98,015 at the end of fiscal year 2008 to 124,100 on March 31, 2013.¹¹ Over the same period, the number of VRCs has also generally been growing. As shown in figure 1, the increase in staffing has helped to bring down the average caseload per VRC, which grew from 137 cases to 152 cases between fiscal years 2008 and 2009, then steadily decreased to 139 cases as of March 31, 2013.

¹¹ These caseload totals include veterans who are pursuing a rehabilitation plan to achieve either employment or independent living.

Figure 1: Total Vocational Rehabilitation and Employment Caseload and Counselors, and Average Caseload, Fiscal Years 2008 through 2012, and as of March 2013



Source: GAO analysis of VR&E data.

VR&E Process

The provision of services under the VR&E program begins with the veteran's application for services, a determination of entitlement and eligibility,¹² and a visit to a regional or satellite office for further assessment.¹³ If a veteran is entitled and eligible to receive VR&E

¹² For purposes of veterans' benefits, including VR&E benefits and services, a veteran is defined as a person who was an active member of the U.S. military and was discharged or released from service under conditions other than dishonorable. 38 U.S.C. § 101(2).

¹³ For veterans found not entitled to VR&E program services, VRCs will inform them of their appeal rights and use the information collected during the application process to direct the veteran to other services, such as those offered by state workforce systems.

The four employment tracks include:

- 1. Self-employment:** For veterans with the skills to start their own business and for whom it provides the best path to employment. The rehabilitation plan may include, for example, development of business concept, management training, and guidance on obtaining funding.
- 2. Re-employment:** For veterans who want to return to their prior non-military employer. The rehabilitation plan may include workplace accommodation and disability rights counseling.
- 3. Rapid access to employment:** For veterans with work skills who want immediate employment. The rehabilitation plan may include, for example, job readiness, placement, and accommodation assistance.
- 4. Employment through long-term services:** For veterans who need specialized services to obtain and maintain employment. The rehabilitation plan may include training, such as apprenticeship, college, or on-the-job training; financial assistance, such as tuition assistance and 2-month subsidy during a job search; and workplace accommodation.

Sources: VA document and prior GAO and Congressional Research Service reports.

services and found to be employable,¹⁴ the case manager, VRC and veteran will work together to select one of the four VR&E employment tracks best suited for the veteran, to identify a suitable employment goal, and to incorporate that goal and the needed services and benefits to achieve it into a rehabilitation plan.¹⁵

Once a plan is finalized, the veteran begins receiving training or employment services in accordance with the chosen employment track. At any point in this process, the veteran in consultation with the VRC may agree on a redirection, an additional assessment, or transition to another employment track or job goal. A change in medical or personal situation could lead the veteran to interrupt or discontinue the program, as well. According to VA, VR&E uses the interrupted status as a tool to allow veterans time to resolve unexpected issues without using up time-limited employment services.¹⁶ At the end of the process, one of two program closure outcomes are possible for veterans with a plan for employment: (1) the veteran is rehabilitated (i.e., successfully achieves suitable employment for 60 days or 1 year of self-employment) or (2) is discontinued from the program. The discontinuance can be with either (1) a maximum rehabilitation gain (MRG) (e.g., the veteran is (a) employed in a job that is not suitable, or (b) has chosen to not pursue any job or a suitable job, but planned services resulted in meaningful skills or increased independence which aided the veteran) or (2) without an MRG (e.g., the veteran has not maximized employment potential and no longer

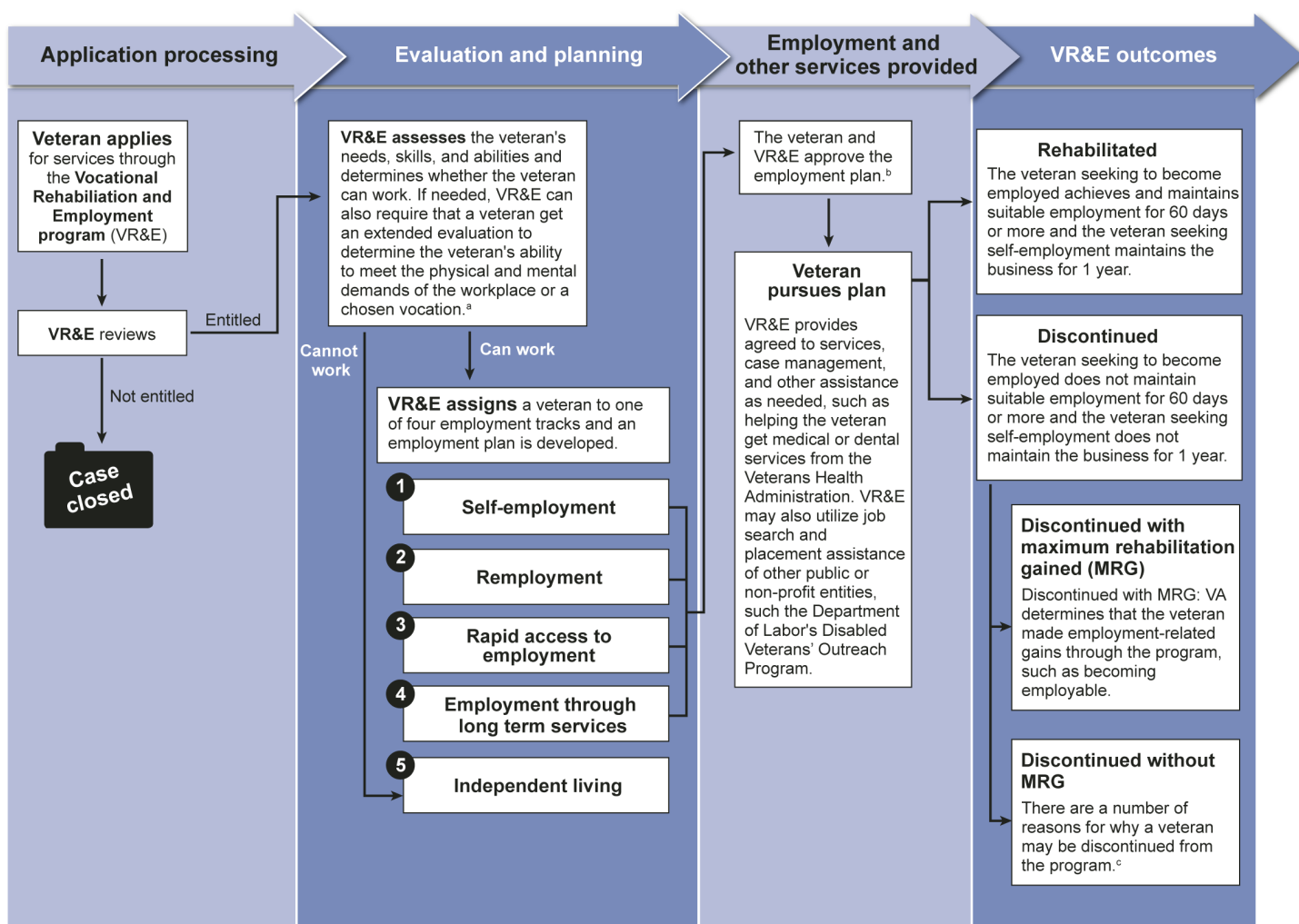
¹⁴ If a veteran is entitled to VR&E services, but his or her handicap is such that employment is deemed not currently feasible, and the veteran has a serious employment handicap resulting in substantial part from a service-connected disability rated at 20 percent or more, the veteran is entitled to independent living services and assistance and will receive assistance to build and pursue a plan to achieve the maximum independence in daily living possible. 38 U.S.C. § 3109. Independent living services may include counseling, diagnostic, medical, social, psychological, and educational services. With these services and benefits, some veteran may initially achieve the outcome of maximum independence in daily living, and, if appropriate, may work with VR&E to develop an employment plan and pursue suitable employment. For information on the independent living track, see GAO, *VA Vocational Rehabilitation and Employment Program: Improved Oversight of Independent Living Services and Supports Is Needed*, [GAO-13-474](#) (Washington, D.C.: June 7, 2013).

¹⁵ VA considers suitable employment to be work consistent with the veteran's abilities, aptitudes, and interests. 38 C.F.R. § 21.283(b).

¹⁶ VA's regulations state that the purpose of assignment to interrupted status is to assure that all appropriate actions have been taken to help a veteran continue in his or her program before discontinuing benefits and services. 38 C.F.R. § 21.197(c)(4).

wants to participate in the program). Veterans who have discontinued the program can re-enter after VR&E has determined that they are still entitled to services.¹⁷ (See fig. 2 for a summary of the VR&E process from application to case closure.)

Figure 2: The Vocational Rehabilitation and Employment Process from Application to Outcome



Source: GAO analysis of VR&E documents.

¹⁷ Before the veteran's reentry to the program, VR&E must also determine that the reason for the discontinuance has been removed. 38 C.F.R. 21.198(c).

^aIf a veteran does not pursue a comprehensive evaluation or complete the development of a rehabilitation plan, VR&E can discontinue the veteran from the program without negatively affecting the program's performance outcomes.

^bIf the veteran decides not to pursue the plan, VR&E may discontinue the veteran from the program's current rolls and will include the veteran's discontinuance in its performance outcomes.

^cPossible reasons for discontinuing the plan of a veteran who has not achieved an MRG from the VR&E program include the veteran: (1) has decided to not pursue the plan; (2) has serious medical problems that interfere with pursuing rehabilitation and are expected to last for an extended, but uncertain, period; or (3) has decided to pursue training through another VA education program, such as the Post- 9/11 GI Bill.

VR&E Performance Management

VA measures the performance of its VR&E program across several dimensions, and uses performance goals and data to help manage the program. VA provides transparency on its performance through (1) its annual performance and accountability report; (2) its annual budget submission to the Congress; and (3) a database on VA's website.¹⁸ VA's VR&E measures cover the dimensions of program outcomes, timeliness, and accuracy (see table 1).

Table 1: VA's Vocational Rehabilitation and Employment Performance Measures, with Fiscal Year 2013 Goals

Measure	Description	FY 2013 goal
Outcomes: Rehabilitation rates: Percentage of veterans who were rehabilitated, out of veterans rehabilitated and discontinued without rehabilitation.^a		
General (VA key measure)	Includes veterans in all five VR&E tracks, including the Independent Living track.	77%
Employment	Includes veterans in the four employment-related tracks; excludes the Independent Living track.	77%
Serious employment handicap	Includes veterans found by VA to have serious employment handicaps, in all five VR&E tracks, including the Independent Living track.	77%
Independent Living	Includes only veterans in the Independent Living track.	n/a ^b
Timeliness: Average days required to complete specific parts of the VR&E process.		
Entitlement determination	Days from VR&E application to VA's notification to the veteran of entitlement decision.	45 days
Evaluation and planning phase	Days from VR&E application to (1) completion of the veteran's rehabilitation plan or (2) determination that the veteran is not entitled to VR&E services.	105 days

¹⁸ Included in the Veterans Benefits Administration's on-line ASPIRE Dashboard, <http://www.vba.va.gov/reports/aspiremap.asp>.

Measure	Description	FY 2013 goal
Accuracy: Percentage of actions found to be accurate by VR&E quality reviewers.		
Entitlement determination	Accuracy of decisions on veterans' entitlement to VR&E services.	96%
Services	Accuracy of VR&E evaluation, planning, and rehabilitative services provided.	85%
Program completion	Accuracy of determinations that participants were rehabilitated by, or discontinued from, the VR&E program.	97%
Fiscal	Accuracy of financial transactions, such as payments for VR&E services; for example, to educational institutions and vendors of goods and services for participating veterans.	92%

Source: VA.

Note: Includes measures VA reported in its fiscal year 2012 Performance and Accountability Report; fiscal year 2014 Budget Submission; or its web-based ASPIRE Dashboard.

^aDoes not include veterans who were not rehabilitated but obtained maximum rehabilitation gain from the VR&E program, or veterans who left the VR&E program to use Post-9/11 GI Bill benefits.

^bVA did not provide a fiscal year 2013 goal for this measure. Its fiscal year 2012 goal was 94 percent.

VA also holds the regional offices that administer the VR&E program accountable through performance goals, both for regional VR&E management and for individual VRC and EC staff members. To accomplish this, VA uses the above goals, as well as additional measures and goals. For example, individual VRCs are evaluated on case production and participants' outcomes based on the general and serious employment handicap rehabilitation rates; the number of successful rehabilitations they complete; and the percentage of their caseloads in interrupted status.

About Half of Veterans Seeking Employment Are Successful, Although Program Participants Face Many Challenges

About Half of Veterans Find Suitable Jobs, but Time Frames Can Be Lengthy

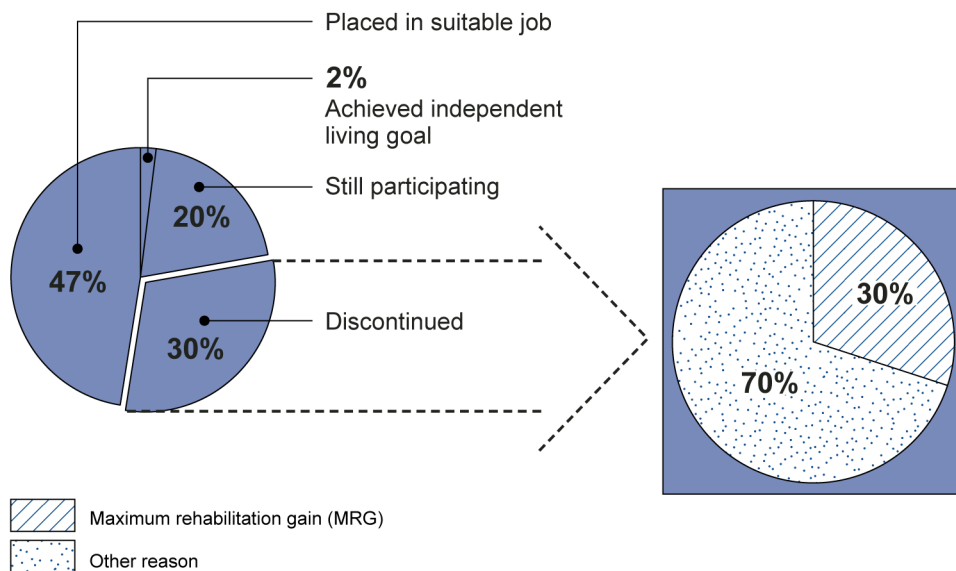
About half of the veterans who entered the VR&E program in fiscal year 2003 and received employment-related services have obtained suitable jobs.¹⁹ Of the 45,520 veterans who applied in fiscal year 2003, 16,726 received some type of employment-related services.²⁰ Among veterans in this group, 7,686 had achieved the program goal of suitable employment by the end of fiscal year 2012. Many others—4,841—had discontinued (stopped participating) and not yet re-applied. Although these veterans have not achieved suitable employment, a substantial number are considered by VA to have attained MRG and therefore some benefits from participating. In fact, according to VA data, some of these veterans were ultimately placed in a job, but the job was not seen as suitable given their disability. Most of the remaining veterans who started in fiscal year 2003 and received employment-related services were still participating in

¹⁹ We focus on veterans who applied in fiscal year 2003 because that is the earliest year for which reliable data are available. It is possible that tracking veterans' outcomes over a longer period of time would show a higher percentage of veterans placed in suitable jobs. Some veterans who are still participating in services 10 years after application may ultimately achieve success, and even some who have discontinued may re-apply and achieve success.

²⁰ In our analysis of VA data, we found that many fiscal year 2003 applicants did not receive employment-related services because, for example, they entered the independent living track instead or received an evaluation but never started a specific service track.

VR&E services, while a few had transferred to the independent living program within VR&E and achieved rehabilitation.²¹ (See fig. 3.)

Figure 3: Outcomes to Date for Fiscal Year 2003 Applicants Who Received Employment-Related Services



Source: GAO analysis of VA data.

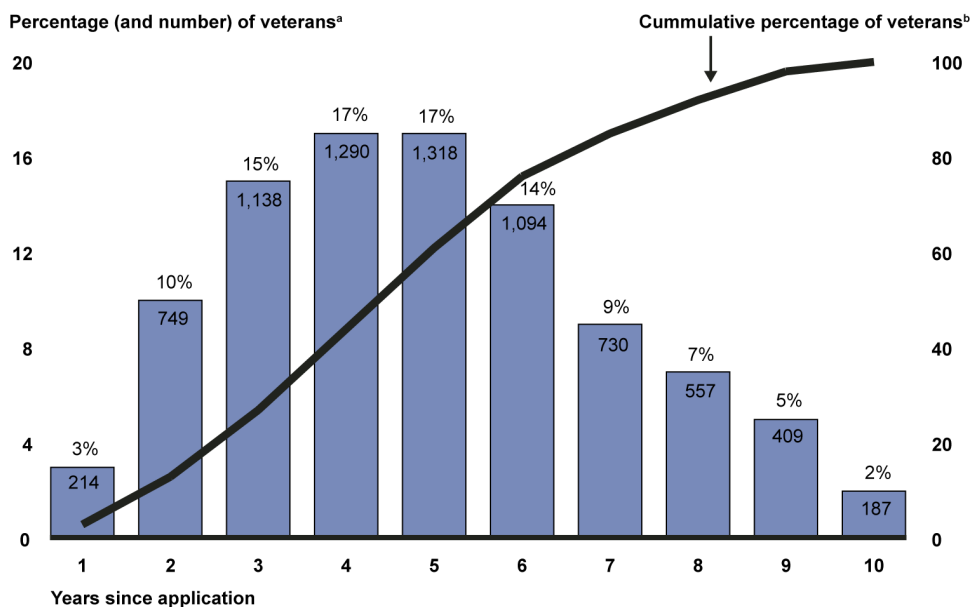
Note: The percentages in the four outcome categories do not add up to 100 percent due to rounding. It is possible that some veterans who discontinued in fiscal year 2010 or later are included as MRG cases in this figure even though they actually discontinued for a different reason. This is because of a change in fiscal year 2010 in the meaning assigned to certain discontinuation reason codes in VA data.

While the amount of time veterans spend in the VR&E program varies substantially among participants, it can be lengthy for many veterans.

²¹ While a success rate of about 50 percent appears considerably lower than the 74 percent employment rehabilitation rate VA reported for fiscal year 2012, this discrepancy is due at least in part to how VA calculates its rate. VA divides the number of veterans placed in suitable jobs during a year by the total number placed in suitable jobs plus those discontinued from an employment-related rehabilitation plan. However, VA excludes from this calculation those still participating in services and those who discontinued but achieved certain types of MRG. If we used the same formula to calculate the success rate for veterans who entered the program in fiscal year 2003, then our rate would be 67 percent—less than but much closer to what VA reports.

Among those who started in fiscal year 2003, the average time from application to successful placement in a suitable job was 4 years 7 months. While about half of these veterans completed the program within 3 to 6 years, many took considerably longer (see fig. 4). Furthermore, it appears that time frames for completing the program have not changed substantially for more recent applicants. For example, looking at VR&E participants who successfully attained suitable employment during fiscal year 2012, we found their average time from application to completion was also 4 years 7 months, with a range similar to that for fiscal year 2003 applicants. Meanwhile, among veterans who entered in fiscal year 2003 and have discontinued without yet returning, the average time from application to the final discontinuation was very similar—5 years.

Figure 4: Time to Achieve Suitable Employment for Fiscal Year 2003 Applicants



Source: GAO analysis of VA data.

Note: Percentages of veterans placed in each year do not add up to 100 due to rounding.

^aIndicates the percentage of successfully rehabilitated fiscal year 2003 applicants placed in suitable employment in each year following application.

^bIndicates the cumulative percentage of successfully rehabilitated fiscal year 2003 applicants placed in suitable employment by each year following application.

Factors contributing to varied but generally lengthy time frames include the services veterans receive, as well as the fact that many extend their overall time in the program by interrupting or discontinuing along the way. Of those veterans who started since fiscal year 2003 and received some

employment services, most (about 70 percent) pursued a 4-year college degree, and these veterans typically took longer to complete the program than those who pursued other types of training such as community college degrees or vocational training. In addition, we estimate that among veterans who started since fiscal year 2003 and achieved suitable employment, about one-quarter interrupted their programs at least once.²² Almost the same proportion discontinued and returned to the program at least once before ultimately achieving success, and some did so two or three times. The small proportion (4 percent) who received job placement assistance only, meanwhile, attained suitable employment more quickly than those who received other types of services.

Once veterans attain suitable employment, they rarely come back for additional services, even though they may be entitled to such services if, for example, their disability worsens or they qualify under new expanded criteria established by the VOW Act. Of veterans who entered the program in fiscal year 2003 and were placed in suitable jobs, 4 percent have applied for and 2 percent have actually received additional employment-related VR&E services, with 3 years on average between completing the program and re-applying. The data on applying again following rehabilitation are similar for veterans who entered in fiscal years 2004 and 2005. Moreover, the expanded eligibility criteria authorized by the VOW Act have not so far had a substantial impact on the number of veterans returning for additional services. According to data provided by VA, between May 2012 and April 2013 only 10 veterans nationwide received additional VR&E services under these new VOW Act criteria. Managers or staff in a number of regional offices told us the new criteria would not significantly expand the population of veterans eligible for additional VR&E services: several noted that almost all the veterans who would qualify under the new criteria are already eligible under the old criteria. Some also said it is preferable to obtain additional services under the old criteria, which provide more months of additional services.²³

²² Based on our assessment of the reliability of VA administrative data, we determined there may be some inaccuracies in data on the number of times veterans interrupted their programs. Therefore, we provide estimates rather than exact numbers when presenting these data. For more information on our data reliability assessment see appendix I.

²³ Under the VOW Act provision, veterans may receive only up to 12 additional months of benefits. By contrast, there is no specific limit on the number of additional months of benefits available to veterans who qualify under the pre-existing criteria.

A Variety of Challenges May Result in Many Veterans Not Completing the Program

Mental Health and Other Disabilities

While veterans may discontinue for a variety of reasons, analysis of administrative data, results from a VA customer satisfaction survey, and our interviews with VR&E staff and participants point to several key challenges that may affect veterans at any stage of the rehabilitation process.²⁴

Veterans' disabilities—especially those related to mental health—present challenges throughout the rehabilitation process. Among respondents to VA's Voice of the Veteran benchmark survey who had withdrawn from or interrupted their rehabilitation programs, "medical difficulties" was the most frequently cited reason for doing so (about one-third cited this as a reason).²⁵ Further, our analysis of VA administrative data found that veterans with mental health conditions were 12 percentage points less likely to be successful within 8 years of program entry than those without such conditions, the largest difference for any specific type of disability (see fig. 5).²⁶ VR&E managers, staff, and program participants we interviewed provided examples of how medical conditions can be an obstacle. For example, a VRC in one office explained that veterans who

²⁴ Administrative data indicate that VR&E participants who received some employment services most commonly discontinued after failing to complete a training program, but also did so after receiving additional evaluation and planning services or during the job placement phase. In conducting this analysis we looked at either the veteran's case status immediately preceding their final discontinuation or, in cases where veterans interrupted services before finally discontinuing, the case status immediately preceding this interruption.

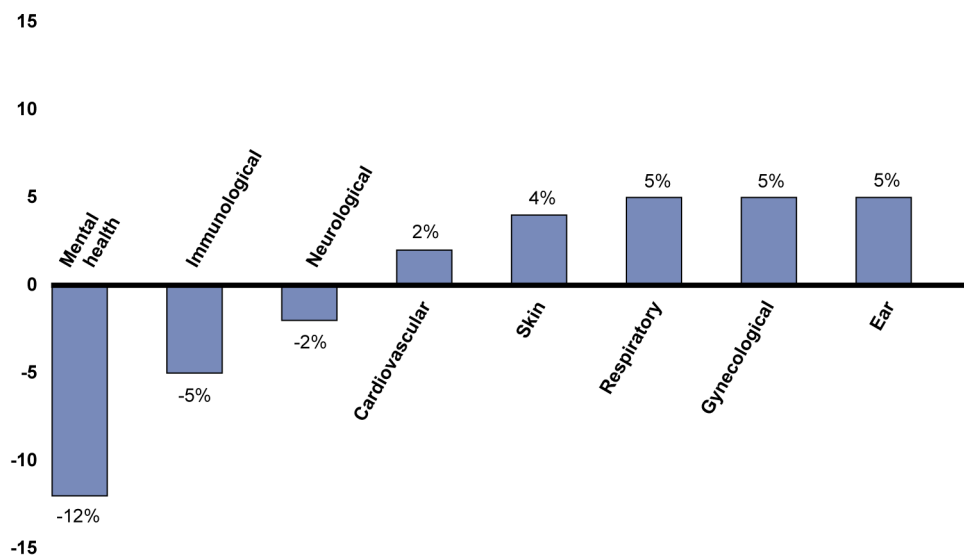
²⁵ VA's Voice of the Veteran survey measures veterans' satisfaction with benefits and services received, including through the VR&E program. The results reported here are from the pilot survey fielded in October 2012 to January 2013; VA plans to field the survey on a regular, ongoing basis in the future. More specifically, the results on reasons for withdrawing or interrupting from the program are based on the responses of almost 200 veterans who had withdrawn or interrupted after spending at least 60 days in the program. We assessed the methodology of the pilot survey and concluded that the results we are reporting are sufficiently reliable for our purposes. However, these results reflect the opinions of survey respondents and cannot be generalized to the broader population of VR&E participants. For more information see appendix I.

²⁶ We chose a period of 8 years for this analysis because, as shown in figure 4, many veterans take that long to achieve a successful outcome. This period of analysis provided enough time to observe successful outcomes and included results for veterans who applied in both fiscal years 2003 and 2004. We also analyzed the associations between specific disabilities and the likelihood and rate of achieving program success at various points in time after application, while controlling for other factors that may affect outcomes. Even after controlling for these factors, we still found that having a mental health condition was associated with a smaller chance of success. For more details on our analysis and results, see appendix II.

stop participating in a training program when they undergo surgery for their service-connected disability may lack motivation to resume training afterwards. A VRC in another office said veterans with post traumatic stress disorder (PTSD) face special challenges with maintaining employment because of difficulties interacting with co-workers. One veteran we interviewed said he completed a certificate program to become a heavy equipment operator, but was unable to obtain the required class D driver's license because his PTSD made it difficult for him to deal with the noise and crowds at the testing site. Another veteran told us he trained for and was placed in a job in information technology. However, he said his job involves tasks for which he had not been trained, and his mental health conditions—including traumatic brain injury (TBI)—have made it hard for him to learn these tasks and may force him to leave his job.

Figure 5: Likelihood of Achieving Suitable Employment for Veterans with Selected Disabilities Compared to Those with Other Disabilities

Percentage difference compared to veterans without selected disability



Source: GAO analysis of VA data.

Note: This figure presents estimates of the difference in the likelihood of success within 8 years for veterans with each disability compared to those without the disability. The figure does not include results for 6 other disabilities for which we did not find a statistically significant association with the likelihood of success, after controlling for other factors.

who started since fiscal year 2003 and received some employment-related services have stopped their programs and returned for additional evaluation and planning at least once, and some have done so multiple times.²⁷ Managers or staff in all eight offices we contacted said some veterans enter the program with unrealistic employment goals, which makes vocational planning more challenging. For example, VR&E staff in one office said veterans may want to train for jobs in law enforcement, even though they have PTSD or another psychological condition that makes this goal unrealistic. Some veterans we interviewed cited challenges coming to agreement with their counselors on an employment plan. For example, one said he wanted to study theology, but his counselor felt that studying to become a teacher would be more appropriate, and he ultimately left the program because of this disagreement. In addition, managers or staff in all eight offices we contacted said veterans may come to the VR&E program with the goal of furthering their education rather than obtaining a job, or may have a misperception about the purpose of the VR&E program. For example, a VRC in one office said she must explain to veterans that VR&E only provides training when it is necessary to achieve employment. She feels veterans' chance of success would be enhanced if they entered the program with specific employment goals in mind, rather than training goals. Input from veterans is consistent with this viewpoint. While most recently-enrolled respondents to the Voice of the Veteran survey said they were motivated to apply to the VR&E program by employment-related goals, a substantial number (about a quarter) said they applied primarily to further their education.

Multiple VR&E Counselors

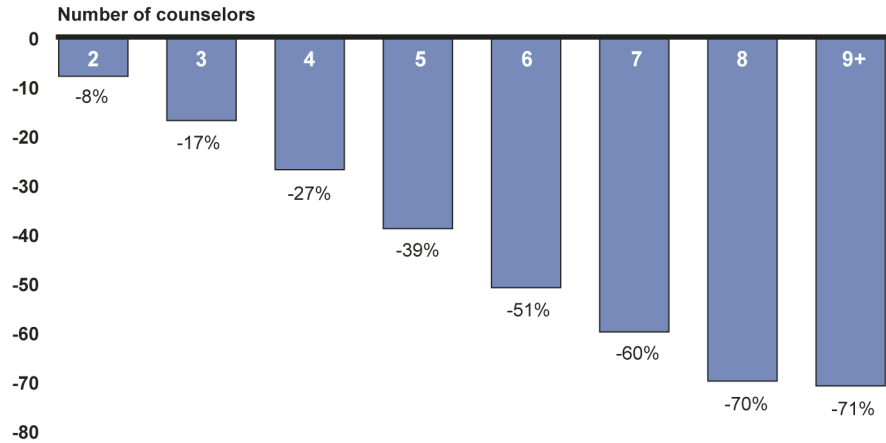
Analysis of administrative data indicates that the more VR&E counselors a veteran works with during his or her participation in the program, the less likely he or she is to achieve success. As noted above, veterans typically spend several years participating in the program, and most work with multiple counselors. The vast majority of those who entered the program since fiscal year 2003 and received some employment services have worked with at least two counselors, and a substantial proportion (about one-third) worked with four or more. We found that the chance of

²⁷ Based on our assessment of the reliability of VA administrative data, we determined that there may be some inaccurate data regarding the number of times VR&E participants received evaluation and planning services. Therefore, we present estimates rather than exact numbers for these data. For more information on our assessment of VA data, see appendix I.

success declines steadily as veterans work with more counselors (see fig. 6).²⁸ For example, veterans who had worked with two counselors were 8 percentage points less likely to have attained suitable employment within 8 years of entering the program, as compared to those who had worked with one counselor. Veterans who had worked with four counselors were 27 percentage points less likely to have attained suitable employment.

Figure 6: Likelihood of Achieving Suitable Employment for Veterans Working with Multiple Counselors

Percentage difference compared to veterans with one counselor



Source: GAO analysis of VA data.

Note: This figure presents estimates of the percentage difference in the likelihood of success within 8 years for veterans who worked with more than 1 counselor compared to those who worked with only 1 counselor.

Family and Financial Obligations

According to the Voice of the Veteran survey, many veterans who withdrew from or interrupted their employment services cited “family obligations” (27 percent) and “financial difficulties” (18 percent) as a reason. Managers or staff in seven of the eight regional offices we contacted also said one or both of these are common issues for veterans.

²⁸ We analyzed the association between multiple counselors and the likelihood and rate of achieving program success at various points in time following application, while controlling for other factors that may affect outcomes. Among other things we controlled for the number of times veterans discontinued from and re-entered the VR&E program, which could be associated with the number of counselors they worked with. Even after controlling for these factors, we still found that working with multiple counselors was associated with a smaller chance of success. For more details on our analysis and results, see appendix II.

Transition from Military to Civilian Employment

For example, according to managers in one office, veterans may have an immediate need to earn more money to support their families, so they quit training and take a job that may not be suitable given their disability. VRCs in another office told us a change in life circumstances—such as marriage, the birth of a child, or a death in the family—may make it more difficult to complete training. Veterans we interviewed also mentioned family obligations as a challenge. For example, one said she failed to complete her certification program in school administration because of the birth of her child.

Managers, staff, and veterans we interviewed cited challenges associated with the transition from military service to civilian employment. For example, managers or staff in five of the eight regional offices we contacted told us veterans may have difficulty translating military experience into terms that civilian employers can understand, or that they may need civilian credentials to get a job even with the expertise they gained in the military. A VRC in one office explained that, in the state served by his office, veterans who received technical training in the medical field while in the military may still need additional training to pass a state certification exam to work in a comparable civilian job. Along similar lines, one veteran said he had responsibilities for benefits counseling, training, and recruitment while in the military that are comparable to the skills needed in a civilian human resources job. However, when he sought employment with the federal government, his VR&E counselor could not help him translate his military experience into federal civilian employment. In addition, staff in three of the offices we contacted said civilian employers may not understand veterans' disabilities and how to accommodate them. One veteran we interviewed told us he was struggling to perform his job duties because of his physical disabilities, but had not received needed accommodations from his employer. He also felt his VR&E counselor did not sufficiently explain the physical demands of the job in advance. Finally, staff in two offices said veterans may lack experience with civilian work culture, which can present difficulties with succeeding in a new job. For example, an EC in one office said veterans are accustomed to having standard operating procedures in the military, and may struggle in a civilian job that lacks such clear guidelines.

Regional Office Variation Due to Economic or Other Factors

We found that veterans served by some regional offices were significantly less likely to succeed than those served by others, after controlling for a variety of other factors.²⁹ However, we were unable to control for local economic conditions in our analyses,³⁰ and managers or staff in 4 of 8 offices we contacted said the local labor market can be a key challenge to placing veterans in suitable jobs. VA central office officials also said variations in local economic conditions, including variation in the unemployment rate and the availability of good-paying jobs, contribute to regional variation. For example, they cited the loss of manufacturing jobs in the area served by one office as part of the explanation for its lower than average success rate. VA officials also cited other potential factors in regional variation, such as offices' ability to retain experienced staff and fluctuations in staffing levels due to retirements. For example, they said the VR&E workforce in one office with below average performance may be more transient than in other offices.

²⁹ We estimated the percentage suitably employed at several time points across the 56 offices. For this estimate we used the last office a veteran was active in since it may be most closely connected to the last veteran status. This estimate takes into account the several different possible outcomes (placed in suitable employment, discontinued, still participating, and achieved independent living goal) in estimating the probability of achieving suitable employment.

³⁰ Because we analyzed outcomes for veterans who entered and exited the program at different points in time over a 10 -year period, and local economic conditions varied over this time, it was not practical to include factors such as state or local unemployment rates in our analysis. In addition, measuring demand for labor across veterans' diverse skills and local economies would require tailored measures that we were unable to obtain.

VA Has Made Limited Progress in Improving VR&E Performance Management, Workload Management, and Training

VA Faces Challenges with Measuring Employment Outcomes and Veteran Satisfaction

VR&E Outcome Measurement Presents a Challenge for VA

VA has identified limitations with its primary measure of VR&E success—the rehabilitation rate—and is considering replacing it with a numeric target for positive outcomes. VA central and regional office officials noted that the rehabilitation rate goal can incentivize a VRC to hold onto an inactive case, even if the veteran has clearly left the program, because holding onto inactive cases instead of closing them can help regional offices and individual VRCs increase their rehabilitation rates and more easily reach their goals for a particular fiscal year.³¹ When staff delay closing cases like this, an office's or individual's rehabilitation rate may appear higher than it really is in one year and lower in another year, leading to an inaccurate picture of VA's success in rehabilitating veterans. Furthermore, while cases remain in interrupted status, VRCs are still required to attempt contact with veterans every 60 days, which can limit the time spent working with veterans who are actively participating. In addition to the incentive to hold onto inactive cases, VA officials noted

³¹ The rehabilitation rate is the percentage of successful rehabilitations, out of the total of successful rehabilitations plus cases discontinued as unsuccessful. It excludes cases where veterans were not successfully rehabilitated but had maximum rehabilitation gain, and where veterans transferred to Post-9/11 GI Bill benefits. VA calculates an overall rehabilitation rate for all VR&E participants and separate rates for different sub-groups. For the purpose of this section of the report, we focused on the rate for participants who received employment-related services.

that the rehabilitation rate does not capture all of the benefits VR&E provides to veterans. In particular, the current calculation excludes MRG cases, where the veteran obtained some value from VR&E services but did not obtain and maintain suitable employment.³² Because it does not explicitly include MRG cases in the assessment of VR&E performance, VA's current measure does not fully reflect the value it provides to veterans. Another concern raised by some regional officials was that having a uniform rehabilitation rate goal for every office does not account for regional differences in factors affecting employment, such as local job market conditions.³³

To address these and other issues, VA established four workgroups to review and make recommendations for improving VR&E's individual employee performance standards.³⁴ The resulting draft recommendations included eliminating VR&E's rehabilitation rate measure and replacing it with a measure of the number of positive outcomes—specifically, the number of successful employment and independent living rehabilitations and MRG cases.³⁵ Four regional offices were recommended to pilot the revised measure. According to a VA official, VA is expected to approve these draft recommendations by the end of fiscal year 2014. Also, in comments provided after reviewing a draft of this report, VA stated that it is developing VA-wide and regional office measures of program success, and expects to implement the VA-wide measures in fiscal year 2015.

While the current rehabilitation rate has limitations, the measure VA is considering as an alternative may not necessarily be a better way to monitor and demonstrate VR&E's success. Specifically, VA is considering replacing its current outcome measure—which tracks those who obtained suitable jobs relative to those who did not—with a measure that tracks only the number of any positive outcomes. According to VA officials,

³² VA can determine that the veteran (1) is employed with VR&E assistance, but not in a suitable job; (2) is employable, with VR&E assistance, but not employed; or (3) is not employable, but received assistance in making gains in self-management, self-advocacy, and independence in daily living.

³³ However, VA officials said they may take local economic conditions into account in setting each office's target number of veterans rehabilitated.

³⁴ VA created VR&E manager, VRCs, ECs and support staff workgroups.

³⁵ VA already uses a similar measure in individual VRC performance standards: the number of veterans successfully rehabilitated, not including MRG cases.

positive outcomes would include not just veterans who obtained suitable employment, but also veterans who obtained other benefits (such as MRG) from the VR&E program. Good practices for performance measurement suggest that measures should allow agencies to transparently report their success to the Congress and public, and identify and address performance variances across their programs.³⁶ The proposed measure of specific numbers of positive outcomes lacks this transparency because it does not account for veterans who left the program without obtaining suitable employment or other discernable benefits. It also obscures VA's success in achieving its core mission because it does not separate veterans who obtained suitable employment from those who received other, lesser benefits. Finally, measuring only numbers of positive outcomes is less effective for monitoring and managing performance across regional offices—that is, comparing each office's relative rate of success to identify those that may serve as models or require further oversight.

Aside from considering changes to its outcome measures, VA has taken other steps to help regional offices better manage their interrupted cases, but it is unclear how successful these efforts have been. For example, VA uses performance goals to hold regional offices and VRCs accountable for monitoring interrupted cases and keeping their proportions below certain thresholds. The current goal is 11 percent for regional offices and 12 percent for individual VRCs. Also, VR&E's central office has provided tools and training to help VR&E managers monitor the number and average time of cases in interrupted status, and percent in interrupted status over 180 days. VR&E managers at two regional offices we contacted noted that they had VRCs close old, inactive cases, regardless of the short-term impact on the office's rehabilitation rate. VA reported that the overall percentage of interrupted cases declined from 10.4 percent in fiscal year 2010 to 9.6 percent in fiscal year 2012. However, managing interrupted cases remains a challenge. According to VA data, in July 2013, 39 percent of more than 15,000 interrupted cases had been in that status for more than 180 days. In addition, 8 of 57 regional offices had at least 50 percent of their interrupted cases in that status for more than 180 days, ranging up to 70 percent at one office.

³⁶ For example, see GAO, *Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington, D.C.: November 1999) and GAO, *Managing for Results: Analytic Challenges in Measuring Performance*, [GAO/HEHS/GGD-97-138](#) (Washington, D.C.: May 30, 1997).

VA Lacks Performance Measures of Veterans' Long-term Employment Success

The mission of the VR&E program includes helping veterans maintain suitable employment, and VA holds itself accountable for achieving this part of the mission by counting job placements as rehabilitations if they are maintained for at least 60 days. According to several regional office managers and staff we interviewed, cases are typically closed when veterans have maintained employment for this 60-day minimum, as problems with a veteran maintaining employment were most likely to occur in the first 60 days of employment if they occurred at all. However, if a veteran appears to be at high risk of losing a job, for example, the VRC can keep the case open for a longer period to provide additional supports. Some VRCs noted that this can occur when a veteran has a serious mental health condition, for example.³⁷ According to VA data on about 38,000 veterans who applied for VR&E between fiscal years 2003 and 2012 and have been rehabilitated to employment, over one-third were tracked in employment for 6 months or longer before having their cases closed as rehabilitated, and some were tracked for 1 year or more.³⁸ A VA official noted that some of this time is spent completing documentation and approval of case closures. In addition, one regional VR&E manager noted that closure may be delayed when the veteran does not inform the regional office that he or she obtained a job.

Research and practices at other federal employment programs suggest that tracking employment for 60 days may not be sufficient to gauge whether a veteran will be able to maintain employment. For example, a 2013 National Organization on Disability study suggested that wounded warriors transitioning to civilian employment need support for an extended time after obtaining jobs. Meanwhile, the Department of Labor (Labor) measures individuals' employment retention over a longer term, 180 days.³⁹ This measure applies to many of Labor's employment programs, including its veterans employment programs.

³⁷ Some cases are required to be tracked longer. Veterans in the self-employment track must be followed up on for at least a year.

³⁸ Timeframes of fewer than 60 days were reported in 10 percent of the cases. Also, in about 8 percent of the approximately 38,000 cases, veterans may have obtained employment before completing training, which may lead to longer periods between job placement and case closure.

³⁹ For an employment program participant, Labor defines employment retention as having a job in both the second and third calendar quarters after exiting the program. The measure is the proportion of such participants, out of all participants who were employed in the first quarter after exiting the program.

VA Generally Followed Recognized Practices in Designing Its Customer Satisfaction Survey, but the Quality of Benchmark Results is Uncertain

VA officials stated that they plan to collect information on veterans' long-term employment, but did not indicate whether they plan to develop performance measures to show the program's impact on veterans' long-term employment. Specifically, VA is considering contacting rehabilitated and discontinued VR&E participants at 6 and 12 months after they finish the program. This effort could yield information on employment over the longer term. VA plans to use this information to identify veterans who are having difficulties in maintaining employment, and possibly provide them additional supports. However, without developing performance measures, VA may be missing an opportunity to track the long-term effectiveness of the VR&E program.

VA has made progress toward holding itself accountable for VR&E participants' satisfaction by implementing its new Voice of the Veteran survey, but the agency has not incorporated practices necessary to ensure the quality of benchmark results. VA intends to use survey data to inform program improvements and training developments, and potentially to report on veterans' satisfaction with VR&E.⁴⁰ In developing and piloting the survey,⁴¹ VA followed generally recognized survey practices, including detailed survey planning, comprehensive questionnaire development and testing, and extensive data collection activities, such as follow-up with veterans who did not respond to VR&E's initial survey request.⁴² However, VA did not perform a nonresponse analysis to determine the

⁴⁰ VA included a placeholder measure of veterans' satisfaction with the VR&E program in its fiscal year 2012 Performance and Accountability Report, and noted that it would establish baseline performance or goals based on a veterans' survey. At the time of our review, VR&E had not decided whether to use Voice of the Veteran survey data for this purpose.

⁴¹ VA contracted the services of J.D. Power and Associates to develop and pilot the Voice of the Veteran survey. The total cost of VA's pilot survey effort was about \$977,192. VA plans to administer the Voice of the Veteran survey on an on-going basis, and officials anticipate the total contract cost to be about \$1,462,500.

⁴² For generally recognized survey research practices, see Office of Management and Budget, *Standards and Guidelines for Statistical Surveys*, September 2006; The American Association for Public Opinion Research, 2011 *Standard Definitions: Final Dispositions of Case Codes and Outcome Rates for Surveys 7th edition*, AAPOR; and the American Statistical Association, *What is a Survey*, 2nd edition, 2004, <https://www.whatisasurvey.info/>. For more information on our assessment of the methodology and pilot results of the Voice of the Veteran surveys administered, see appendix I.

effects of any nonresponse bias on the quality of its pilot survey data.⁴³ Guidance from the Office of Management and Budget (OMB) states that agencies should perform nonresponse analysis when a survey's unit response rate is below 80 percent, to identify the possibility of bias in a survey's results, and measure, adjust for, report, and analyze nonresponse to assess its effects on data quality.⁴⁴ VA's plan for the pilot survey, as approved by the OMB, anticipated the need for this analysis, but its contract with the survey administrator made it optional.⁴⁵ Although the response rates for the three pilot surveys of VR&E participants each fell below the 30 percent level specified in VA's sample design, VA officials said they elected not to conduct a nonresponse analysis due to budget constraints.⁴⁶ Moving forward, VA officials stated there is no expectation that a nonresponse analysis be performed for VA's ongoing survey effort unless deemed necessary. Currently, VA's approved contract for its ongoing survey effort does not include an option for a nonresponse analysis if response rates are low.

⁴³ Nonresponse occurs when members of the sample do not participate in the survey at all (unit nonresponse), or do not answer particular questions (item nonresponse). Nonresponse may result in nonresponse bias—systematic errors that result in under- or overestimation of a true value in survey results—because nonrespondents may have provided substantially different answers than those who did respond. A nonresponse analysis is an established survey research practice used to determine whether nonresponse bias has occurred. It can be performed using a variety of methods—for example, by randomly selecting a sample of survey nonrespondents, interviewing them to obtain missing answers to key survey questions, or imputing those answers from administrative records or other known.

⁴⁴ Research in survey methods suggests that—while response rates may not be highly correlated with the presence of nonresponse bias and are not considered, by themselves, to be sufficient indicators of the quality of survey results—response rates are a useful indicator of the risk of nonresponse bias. According to OMB guidelines, a survey's response rate is a valuable data quality and performance indicator, and is associated with the generalizability of a survey's results. See Office of Management and Budget, *Guidance on Agency Survey and Statistical Information Collections*, (Washington, D.C.: January 20, 2006).

⁴⁵ Specifically, VA's contract stated that the survey administrator would monitor the response rates of the surveys and provide reports that would "include recommendations (where necessary) as to whether or not a nonresponse bias analysis should be conducted to ascertain reasons or cause for low response rates."

⁴⁶ Three pilot surveys were administered to different sub-groups of VR&E participants. For more information on the surveys and their response rates, see appendix I.

VA Workload Management Efforts May Not Fully Address Challenges Facing Some Regional Offices

VA has acted to strengthen VR&E workload management by commissioning a study of workload management issues, among other things. The study team collected and analyzed data on how VR&E staff at four regional offices spent their time on a variety of tasks, such as paperwork and client contacts. In its April 2011 report,⁴⁷ the study team recommended, among other things, that VA improve its approach for estimating its overall staffing needs. VA now has an ongoing initiative to assess the total number of VR&E staff needed across the regional offices. This initiative, intended for use in formulating future VR&E administrative budget requests, is expected to be completed by March 2014. Also, in response to an internal business process review, VA has made changes to VR&E procedures intended to ease VRCs' workloads by reducing paperwork.

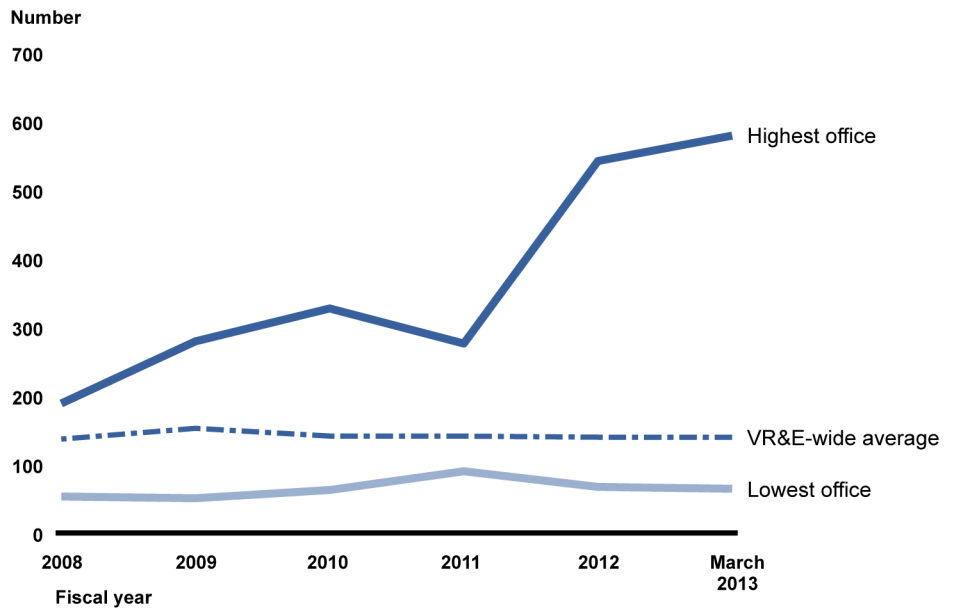
Despite these efforts, some regional offices struggle with high caseloads that may affect quality of services to veterans, while others do not, suggesting potential shortcomings in the way VA allocates resources. VR&E managers and staff in four of the offices we contacted said high workloads impede their ability to spend sufficient time working with individual veterans. Meanwhile, VRCs in other offices we contacted said their workloads were manageable. VA administrative data indicate that average ratios of VR&E cases to VRCs vary considerably, as shown in figure 7. For example, while VA reported a national average of 139 cases per VRC as of March 31, 2013, regional office average caseloads ranged from 64 in Fargo, North Dakota to 579 in White River Junction, Vermont.⁴⁸ As of March 31, 2013, seven offices averaged fewer than 100 cases per VRC,⁴⁹ while eight averaged more than 175 cases per VRC.⁵⁰

⁴⁷ U.S. Department of Veterans Affairs, Vocational Rehabilitation and Employment Service, *Work Measurement Study, Final Report* (Washington, D.C.: April 21, 2011). The study was conducted for VA by the Millennium Corp. and New Editions Consulting, Inc.

⁴⁸ According to VA, White River Junction had only one VRC, although another was added after March 31, 2013. In commenting on a draft of this report, VA stated that it expects another vacancy to be filled in January 2014, and White River Junction's average to drop to about 160 cases per VRC.

⁴⁹ In addition to Fargo, the offices in Wichita, Kansas; Togus, Maine; Lincoln, Nebraska; Pittsburgh, Pennsylvania; Huntington, West Virginia; and Manila, the Philippines averaged fewer than 100 cases per VRC.

Figure 7: Regional Office Caseloads for Vocational Rehabilitation Counselors—Lowest, Highest and Overall Average—Fiscal Years 2008 through 2012 and March 2013



Source: GAO analysis of VR&E workload reports.

VA officials cited factors that can contribute to the wide variations in caseload ratios across regional offices, such as different case management approaches or VRC attrition that can result in temporarily high caseloads. Further, some offices place VRCs at military treatment facilities and college campuses. VA officials noted that these VRCs—because of the different service needs of servicemembers and veterans at these locations⁵¹—may have different caseload levels.

⁵⁰ In addition to White River Junction, the offices in Los Angeles, California; Hartford, Connecticut; Honolulu, Hawaii; Indianapolis, Indiana; Newark, New Jersey; Albuquerque, New Mexico; and Cleveland, Ohio averaged more than 175 cases per VRC. The Cleveland office had the next-highest ratio, with 206 cases per VRC.

⁵¹ VRCs at military treatment facilities provide VR&E services to wounded, ill and injured servicemembers who are in the Integrated Disability Evaluation System. Through the VetSuccess on Campus program, VRCs at college campuses provide support to student veterans using VA education benefits, such as career and academic counseling and medical and mental health referrals.

According to VA, the resource allocation model VA uses to set the full-time equivalent (FTE) employee level in each office and assign any new FTE positions each year accounts for three factors that may affect staffing needs.⁵² For fiscal year 2013, the model was based on workload (50 percent), outcome performance (25 percent), and accuracy performance (25 percent).⁵³ However, VR&E managers in five of the eight regional offices we contacted identified gaps and issues with VA's criteria for allocating VR&E staff across offices that could limit the model's effectiveness in assigning resources where they are most needed. Issues cited by these officials included:

- The model does not consider workloads associated with educational and vocational counseling cases,⁵⁴ which may be disproportionately high in certain offices, particularly where there is a large military presence. For example, according to VA data, the San Diego office had over one-third of all educational and vocational counseling cases in fiscal year 2012. Regional offices expend staff resources on these cases, but do not receive credit for them in the resource allocation model.
- The model's use of performance measures may have the effect of taking staff away from poorer-performing offices, while increasing staffing at better-performing offices. This could make it harder for poorer-performing offices to improve their performance.⁵⁵

⁵² Before applying the model, VA allocates FTE positions to support the Integrated Disability Evaluation System (at military installations) and the VetSuccess on Campus program (at college campuses).

⁵³ Workload factors include numbers of applications and cases in job ready status. Outcome performance factors include numbers of entitlement determinations and rehabilitations. Accuracy performance factors include the accuracy of entitlement determinations and program outcomes (rehabilitation or unsuccessful discontinuance).

⁵⁴ In addition to VR&E services, VR&E can provide free educational and vocational counseling to certain veterans and their dependents, and servicemembers. These include veterans eligible for VA education and VR&E benefits, and servicemembers within 180 days of expected discharge. Services include interest and aptitude testing; assistance in setting occupational goals; and assistance in identifying education and training institutions that can be used to achieve occupational goals.

⁵⁵ In previous work, we presented research that identified drawbacks of basing program funding on performance measures. GAO, *Vocational Rehabilitation Funding Formula: Options for Improving Equity in State Grants and Considerations for Performance Incentives*, [GAO-09-798](#) (Washington, D.C.: September 30, 2009).

According to leading practices for developing resource allocation models, agencies should ensure the credibility of the data used in such models. For example, the data should reflect correct assumptions about how staff time is actually spent. Also, agencies should consider ideas and information from people who work at the affected offices and other stakeholders when designing the model.⁵⁶ For VR&E, this could include VR&E staff at regional offices. VA officials stated that they have not made significant revisions to the resource allocation model since fiscal year 2003, but have made adjustments, such as adding the accuracy factor. However, VA officials noted that they plan to re-assess the VR&E resource allocation model after they have developed their new model for estimating overall VR&E staffing needs.

In addition to issues with its resource allocation model, VA lacks information about regional offices' varied approaches to managing their caseloads. VA's administration of the VR&E program is decentralized; according to VA central office officials, each regional office's management is free to decide how best to manage its office's workloads. Thus, regional offices have adopted a variety of approaches to managing their VR&E workloads. Some offices generally assign a veteran to work with one VRC throughout the rehabilitation process, until the point at which the veteran is determined to be job ready. Meanwhile, other regional offices have VRCs specialize in one phase of the rehabilitation process, so a veteran works with multiple VRCs as he or she progresses through the program. For example, some VRCs may deal with just the front end of the process—determining veterans' entitlement to services and preparing rehabilitation plans—while others focus on managing cases of veterans who are pursuing their rehabilitation plans.⁵⁷ Also, some regional offices have VRCs who specialize in certain types of cases, such as veterans in the independent living track. Another variation at some offices is to assign a VRC to veterans attending a specific college or other education and training institution.

⁵⁶ GAO, *DOJ Workforce Planning: Grant-Making Components Should Enhance the Utility of Their Staffing Models*, [GAO-13-92](#) (Washington, D.C.: December 14, 2012).

⁵⁷ In some cases veterans may work with multiple VRCs even if an office does not take a specialization approach. For example, if a VRC retires, that VRC's cases would be redistributed among other VRCs.

Officials at the regional offices we contacted had different opinions about the efficacy of VRCs specializing by phase of the VR&E process. Some VR&E managers and staff cited advantages to allowing a single VRC to handle a case: for example, a VRC can (1) develop a stronger rapport with the veteran; and (2) avoid possible confusion, including among the veterans, related to handoffs between VRCs. Other regional officials cited advantages of specialization. For example, the VRC can: (1) manage caseloads without being distracted by a larger range of tasks (for example, assessing entitlement, preparing rehabilitation plans and monitoring veterans' progress on their plans); and (2) develop expertise in one phase of the VR&E process. VR&E managers at one of the regional offices we contacted stated that they plan to move away from a more specialized caseload management approach, citing improved efficiency from having one VRC handle a case. Meanwhile, managers in another office said they had recently moved towards a specialization approach because they feel it better enables them to handle their large caseload.

Federal internal control standards require that managers obtain operational data to ensure their programs are run effectively and efficiently.⁵⁸ For VA, this could include data on how staff resources are being utilized across regional offices, and how such usage affects offices' efficiency and effectiveness. It is especially important that VA understand regional offices' approaches and their effects, given our finding that veterans who work with a number of different VRCs over time are less likely to be successful. Moreover, the April 2011 consultants' report to VA on VR&E workload management—which also found wide variations in how VRCs at different offices allocated their time among different tasks—recommended that VA assess regional office approaches to assigning tasks among VRCs in order to identify best practices for helping to rehabilitate veterans, while balancing standardization across offices with flexibility to serve each office's service area. However, VA central office does not collect information on how regional offices manage their caseloads and assign tasks among VRCs, and has not assessed the effect of varied regional office approaches on case processing efficiency and veterans' rehabilitation success. VR&E central office officials stated that they prefer to leave workload management to regional office managers because they are in the best position to determine which

⁵⁸ See [GAO/AIMD-00-21.3.1](#)

workload management approach will enable the office to meet its program goals.

VA Is Addressing Redundancy and Most Gaps in VR&E Staff Training

In the course of our work, we found evidence that staff had experienced redundancy and critical gaps in their training; however, VA had taken recent steps to address the redundancy and most, but not all of the training gaps. Principles of effective strategic training and workforce development call for avoiding duplication, identifying workforce competency gaps, and addressing these gaps.⁵⁹ Nonetheless, some of the VR&E regional managers or staff at six of the eight offices we contacted told us that the annual curriculum offered to VRCs and ECs required them to repeat courses. Their experience notwithstanding, we found that VA has recently been adding new courses and, by fiscal year 2013, none of the courses on the curricula for experienced VRCs and ECs were redundant with those offered in the prior year. Further, with the addition of these new courses, VA is actively closing the nine critical training gaps identified in a June 2010 skill gap analysis report.⁶⁰ The report noted that five gaps affect both new and experienced VRCs and four additional gaps affect only new staff. VBA contracted for this analysis in response to a report we issued in 2009, in which we found that VR&E had not collected data on the critical skills and competencies needed by VRCs to ensure they could meet the current and future needs of veterans in the program.⁶¹ In September 2013, VA informed us that it had begun providing training to staff to address these gaps and will have provided training to address all the gaps by the end of 2013, and in 2014 will provide two new courses for staff on mental health to improve their ability to assist veterans with PTSD and other mental illnesses. See appendix III for the gaps identified and training developed to address them.

Although VR&E closed many training gaps, our review of VR&E's fiscal year 2013 curriculum identified other gaps related to job placement and

⁵⁹ GAO, *Human Capital: A Guide for Assessing Strategic Training and Development Efforts in the Federal Government*, [GAO-04-546G](#) (Washington, D.C.: March 2004).

⁶⁰ For the VBA-sponsored study, see General Dynamics, *Skills Survey Results Report for Vocational Rehabilitation and Employment (VR&E) Services* (Orlando, FL: June 7, 2010).

⁶¹ GAO, *VA Vocational Rehabilitation and Employment: Better Incentives, Workforce Planning, and Performance Reporting Could Improve Program*, [GAO-09-34](#) (Washington, D.C.: January 26, 2009).

accommodation for experienced VRCs. Staff or managers in five of the eight regional VR&E offices contacted also identified either job placement or workplace accommodation as areas in which additional training was needed. For example:

- Some regional managers and staff told us VRCs need more training in job placement strategies, employment laws, and tax incentives for employers.⁶² Job placement skills are critical to achieving VR&E's main mission to ensure that veterans with disabilities who can be employed obtain and maintain suitable employment. While ECs are generally responsible for assisting veterans with job placement, VRCs may take on this task in offices that lack ECs, or when ECs simply are not able to provide these services to veterans needing them.
- Some regional managers and staff told us VRCs needed training in current workplace accommodations to better assist veterans. Workplace accommodations help ensure veterans with disabilities can successfully perform on the job and maintain their employment. A June 2012 VR&E-sponsored study confirmed the importance of workplace accommodations to help veterans attain and maintain long-term employment and recommended that VR&E either train or retrain its staff in workplace accommodation.⁶³

Although VA does not currently have specific plans to address either of these gaps in fiscal year 2014, VA officials informed us that the agency intends in the future to individually identify and address skill gaps for each VRC and EC. In the meantime, regarding job placement training, VA officials told us that VRCs may opt to take online training developed for its ECs, but that VA does not plan to require VRCs to take job placement training because VRCs receive it as part of their college or master's degree programs. However, VRCs may not opt to take optional VA training as several VRCs and managers told us that VRCs lack time to take all the required training. As of July 2013, VA officials had not yet developed the curriculum for fiscal year 2014 and did not know if training on workplace accommodation for VRCs would be included.

⁶²Tax incentives, such as the Work Opportunity Tax Credit and the disabled access credit, are available to employers to encourage the hiring, retention, and accommodation of workers with disabilities.

⁶³ For the VR&E-sponsored study, see ICF International, *VR&E Service Employment of Individuals with Severe Injuries Study: Final Report* (Fairfax, VA: June 13, 2012).

As for VA's plans to identify and address each VRC's and EC's skill gaps, this effort is part of its strategic initiative to provide competency-based training for 16 critical positions throughout the agency. VA officials informed us that under this initiative, which began in 2010, the agency plans to design and provide tailored training and other performance support that will be based on an assessment of each critical employee's current proficiency level. VR&E officials expect the outcomes of this effort to include: (1) individual performance standards, (2) tailored performance support, (3) an assessment baseline and developmental roadmap (i.e., training plan), and (4) a tailored National Training Curriculum and remediation plan for each VRC and EC. Furthermore, through the collection and management of competency data, VR&E officials hope to track the knowledge, skills, abilities, education, and experience required for specific positions and recruit, train, distribute, and professionally develop personnel based on this competency framework. VA officials reported that as of fiscal year 2012, 47 percent of employees in critical and key occupations had participated in a competency-based training program within the last 12 months, and that in June 2013 the agency took an initial step to provide individualized training for VRCs. The program and plans VA described are consistent with best practices in human capital management.

Conclusions

VA has taken steps to improve its management of the VR&E program—ultimately with the goal of helping more veterans with disabilities attain suitable employment—but its ongoing efforts may not sufficiently address certain key management issues. With respect to performance measures, VA's efforts to address problems with its existing rehabilitation rate measure may actually result in the adoption of a less transparent and meaningful outcome measure, as it is not clear how measuring the number of positive outcomes will provide the context necessary to understand program success. Furthermore, while VA plans to collect more information about longer-term outcomes, absent a performance measure VA may miss an opportunity to hold staff accountable and make adjustments to the program to promote success in maintaining employment—consistent with VR&E's central mission. In addition, while VA's ongoing customer satisfaction survey has the potential to provide valuable information, without performing additional analyses to determine whether responses actually reflect the experiences of VR&E participants overall, the agency cannot be sure that its survey will ultimately produce sound results for informing program management and training investments.

VA has also made strides related to workload management and training, but remaining shortcomings can negatively affect services provided to veterans. Because VA's formula for allocating staff among regional offices rewards higher-performing offices, which can make it harder for lower-performing offices to improve, but does not consider educational and vocational counseling cases, which are concentrated in certain regions, some offices' ability to serve veterans may be negatively affected. Lacking information on the varied approaches that regional offices are using to manage workloads also undermines VA's ability to help offices optimize their use of staff to serve veterans in the most effective manner. Finally, training of VR&E staff is an area in which VA has made substantial improvements, but absent additional training on job placement and accommodations, counselors may be hindered in their ability to help veterans find and maintain employment.

Recommendations for Executive Action

The Secretary of Veterans Affairs should direct the Under Secretary for Benefits to take the following actions:

1. In any revised set of national and regional performance measures for the VR&E program, include measures of (a) the proportion of program participants successfully rehabilitated into employment, and (b) the proportion of participants who obtain other benefits from VR&E services.
2. Develop new measures of long-term employment that go beyond the minimum 60 days of post-placement monitoring that is currently required. In developing measures, consider the feasibility of using results from planned post-closure surveys of veterans as a data source.
3. Consistent with generally accepted survey practices and as warranted by survey response rates, conduct nonresponse analysis of the results of VA's ongoing Voice of the Veteran customer satisfaction surveys.
4. In revisiting VA's formula for allocating VR&E staff among the regional offices, (a) assess the inclusion of factors related to regional office performance and if warranted remove them from the formula, and (b) assess the exclusion of any factor related to the number of educational counseling cases in each regional office and if warranted add such a factor.
5. Collect information on the regional offices' approaches for managing their VR&E workloads, assess the advantages and disadvantages of

these approaches, and use the results of this assessment to provide guidance to the offices on potential best practices or options to consider.

6. Provide additional training to all individual VRCs on job placement strategies and workplace accommodations, potentially as part of the effort to develop a competency-based training approach.

Agency Comments and Our Evaluation

We provided a draft of this report to VA for review and comment. In its written comments, produced as appendix IV in this report, VA agreed with our conclusions and generally concurred with our recommendations. Specifically, VA concurred with 5 of our 6 recommendations, and noted steps it plans to take to address them, as follows.

- Regarding our recommendation to measure the proportions of VR&E participants achieving employment and other benefits, VA said that while ratio-based metrics will not be included in its revised employee-level performance measures, they will be included in the revised national-level measures.
- Regarding our recommendation to conduct nonresponse bias analysis of its Voice of the Veteran survey results, VA said that—if funding permits—it will modify its survey administration contract to include such an analysis.
- With regard to our recommendation to assess certain aspects of its formula for allocating staffing levels across regional offices, VA said it plans to revisit the formula and make any changes necessary.
- With regard to our recommendation to assess regional offices' workload management approaches, VA said it plans to collect and analyze data on the various approaches and inform the regions about best practices.
- With regard to our recommendation to close certain gaps in staff training, VA said it plans to develop and make available to staff new training on employment and accommodations.

VA agreed in principle with our recommendation to develop performance measures related to VR&E participants' longer-term employment success. Specifically, VA agreed there is value in looking at long-term outcomes, and noted its ongoing longitudinal study of a sample of participants and its plans to collect data on veterans' post-closure service needs. However, VA also pointed out that VR&E counselors already work with veterans for many years, including up to 18 months following training completion. As such, VA indicated it does not see the value in directing limited resources to implementing and executing additional post-placement measures or services that will extend program participation

and may create program dependencies. We acknowledge that VA in some cases monitors veterans for 6 months or more after they are placed in a job (as we note on page 24 of the report, this occurred in over one-third of the cases we examined). We also recognize the potential challenges of additional post-employment monitoring. At the same time, we believe that unless VA holds itself accountable for the longer-term outcomes of all participants who get hired into a suitable job, it may miss opportunities to make adjustments that better promote job maintenance. We encourage VA to explore cost-effective means of checking on veterans' employment status at some point more than 60 days after job placement. We did not intend and do not believe this measure would necessarily entail extending program services or participation beyond current program practices. VA also provided technical comments, which we incorporated in our report as appropriate.

We are sending copies of this report to appropriate congressional committees, the Secretary of Veterans Affairs, and other interested parties. In addition, this report will also be available at no charge on GAO's website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-7215 or bertonid@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff members who made key contributions to this report are listed in appendix V.



Daniel Bertoni
Director, Education, Workforce and Income Security Issues

Appendix I: Objectives, Scope, and Methodology

The objectives of this report were to examine (1) the outcomes for veterans seeking employment through the Vocational Rehabilitation and Employment (VR&E) program, and (2) the progress the Department of Veterans Affairs (VA) has made in addressing critical management issues. To address these objectives, we reviewed relevant federal laws, regulations, and guidance, as well as VA documentation related to the VR&E program and recent management initiatives. We also reviewed several external studies and evaluations of the VR&E program, and determined that their methodologies were sufficient to allow us to report certain findings from these studies. We reviewed various criteria for effective program management, including in the areas of performance management and staff training. We analyzed VA administrative data on VR&E participants who applied to the program between fiscal years 2003 and 2012 (see below for more information on our efforts to analyze and ensure the reliability of these data), and interviewed VA central office staff responsible for the VR&E program, VR&E managers and staff in VA regional benefits offices (see below for details on office selection), and representatives of the Disabled American Veterans and the Paralyzed Veterans of America. Finally, to obtain input from veterans, we conducted phone interviews with veterans who had participated in the VR&E program (see below for details on how we developed our survey and selected veterans) and analyzed data from a VA customer satisfaction survey, after reviewing the methods VA used to develop and pilot the survey (see below for more detail on our assessment of the survey).

Analysis of VA Administrative Data

We analyzed data from VA's Corporate WINRS (CWINRS) ¹ system, which VA uses to track veteran cases through the VR&E process and manage program costs.² In our analysis, we included veterans who initially applied to the VR&E program between fiscal years 2003—the earliest year for which reliable data are available—and 2012. Unless otherwise noted, we included only veterans who received VR&E services designed to help veterans prepare for and obtain suitable jobs, and not those who received other services—such as educational and vocational

¹ The "WINRS" part of the acronym represents the first five regional offices that tested the original system. These offices include Waco, Texas; Indianapolis, Indiana; Newark, New Jersey; Roanoke, Virginia; and Seattle, Washington.

² In addition to CWINRS data, we also analyzed data on the specific type of training veterans received from VA's Benefits Delivery Network and data on regional office staffing from VA's ProClarity system.

counseling—which are also provided by VR&E staff. We analyzed data on the characteristics of VR&E participants (e.g., age, type of disability); the services they received from the VR&E program (e.g., evaluation, training); and their outcomes.

To assess outcomes, we placed VR&E participants who received employment-related services into one of four outcome categories: (1) rehabilitated to employment, including those who at least once had a case status of rehabilitated associated with achieving employment; (2) rehabilitated to independent living, including those who never had an employment-related rehabilitation but had least one rehabilitated status associated with achieving an independent living goal; (3) discontinued, including those who never had any rehabilitated status, and whose last status as of the end of fiscal year 2012 was discontinued;³ and (4) still participating, including those who never had a rehabilitated status and whose last status as of the end of fiscal year 2012 indicated some type of ongoing participation in the program. (See app. II for a description and detailed results of our analysis of the association between VR&E participants' outcomes and their characteristics and services received.)

We found the CWINRS data to be sufficiently reliable for the purposes of our report. To assess the reliability of the data, we reviewed documentation on the system, interviewed VA officials, and performed electronic testing. VA officials told us that CWINRS became a single, national database during 2002, and that prior data are from separate, not necessarily uniform, systems operated by individual regional offices and are therefore less reliable. Based on this information, we chose to analyze data only for fiscal years 2003 through 2012. Also, through electronic testing we identified potential errors with outcome data for 1 percent of cases that received some employment-related services—for example, cases closed as rehabilitations for reasons which could not logically be associated with a rehabilitation. Because this made it impossible for us to assign these cases to one of our four outcome categories, we excluded them from our analysis of veterans' outcomes. Finally, VA officials told us there may be some inaccuracies in data related to the status of cases—in particular for data prior to fiscal year 2008—because of a programming design flaw that allowed correct case

³ The discontinued category also includes veterans who started employment-related services but were later found not eligible.

status data in CWINRS to be inadvertently overridden with obsolete data from another VA system. Therefore, we use approximations rather than exact numbers when reporting the number of separate occasions on which veterans received certain services through the VR&E program, such as evaluation and planning assistance, job ready services, and rehabilitation to employment.

Regional Office Interviews

To obtain perspectives on the challenges VR&E staff face in helping to rehabilitate veterans, we interviewed VR&E managers and staffs at 8 of VA's 57 regional offices.⁴ We selected offices to achieve diversity among offices in the following characteristics:

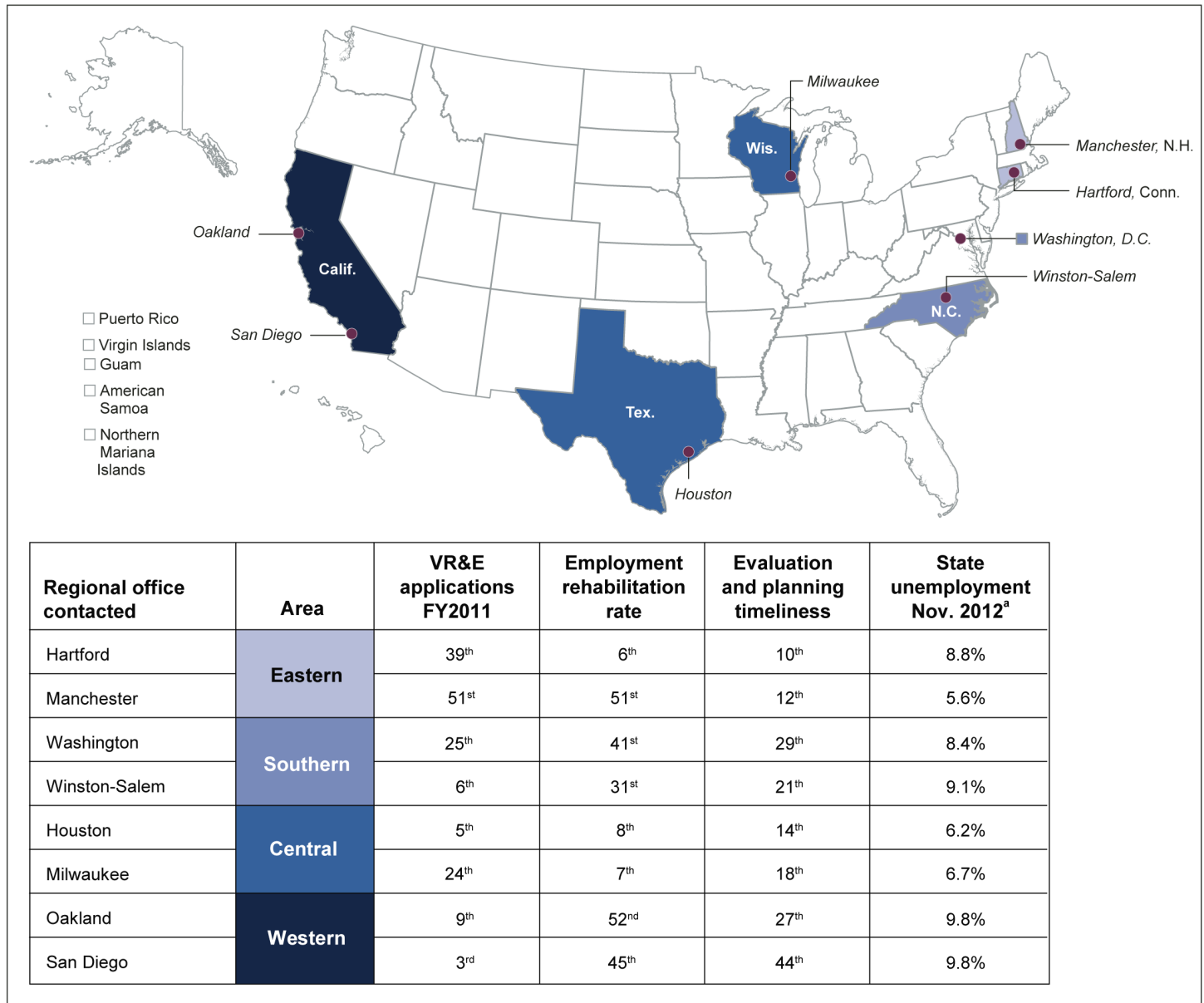
- Geography: We selected at least one office in each of the four Veterans Benefits Administration areas.
- Workload: Based on VR&E administrative data, we ranked offices by the number of initial fiscal year 2011 VR&E applications filed from largest to smallest numbers of applications.
- Outcomes: Based on VA's ASPIRE VR&E performance dashboard, we ranked offices by their Employment Rehabilitation Rate⁵ in September 2012 from highest to lowest percentage rate.
- Timeliness: Based on VA's ASPIRE VR&E performance dashboard, we ranked offices according to the average days required to complete the evaluation and planning phase during September 2012 from lowest to highest.
- Unemployment: We considered the November 2012 unemployment rate for each office's state, as reported by the Bureau of Labor Statistics.

See figure 8 for details about the characteristics of each regional office we contacted.

⁴ VA renamed the Washington, D.C., regional office as the National Capital Region Benefits Office in November 2012. For purposes of our review, we refer to the National Capital Region Benefits Office as a regional office.

⁵ The Employment Rehabilitation Rate differs from VR&E's general Rehabilitation Rate in that it does not include veterans placed in the Independent Living Program.

Figure 8: Regional Offices Contacted and Their Characteristics



Source: VA and Bureau of Labor Statistics data; National Atlas of the United States (map).

Note: Rankings are out of 58 offices for which VA reported data. VA reported data separately for the Cheyenne, Wyoming, office, which is considered part of the Denver regional office.

^aWe used state unemployment rates as a proxy for unemployment in a regional office's jurisdiction. Some regional offices have jurisdictions covering part of a state; for example, 4 states have more than one office each. The national unemployment rate for November 2012 was 7.7 percent, according to the Bureau of Labor Statistics.

We visited the regional offices in Washington, D.C., and Oakland, California, and conducted telephone interviews with VR&E managers and staff at the other six offices. At each of the eight offices, we interviewed the VR&E Officer (and one or more Assistant VR&E Officers at four offices); at least three VRCs; and at least one EC.⁶ At our in-person visits to Washington and Oakland, we also interviewed representatives of the Disabled American Veterans and California Department of Veterans Affairs. Our interview results cannot be generalized to all regional offices' VR&E operations.

Interviews with Veterans

We conducted phone interviews with 17 veterans who had participated in the VR&E program, including 9 who had discontinued from the program and 8 who had achieved rehabilitation to employment. We pretested our interview questions twice with each group, and used the results of the pretests in our final analysis. We asked questions about the veterans' employment, their interactions with their VR&E counselors, and their satisfaction with various VR&E services received. We randomly selected veterans for interviews, but cannot generalize the results of the interviews to the overall population of VR&E participants. To select our sample of veterans, we used CWINRS data to identify VR&E participants who had received some employment-related services and had either discontinued or achieved an employment-related rehabilitation between April 1, 2012 and September 30, 2012. We attempted to contact 49 discontinued veterans and 32 rehabilitated veterans after sending an advance informational email. These contact attempts resulted in complete interviews with 17 veterans.

Analysis of Voice of the Veteran Survey

We obtained aggregate results from the pilot of VA's Voice of the Veteran customer satisfaction survey directly through VA's dashboard—a central database that contains the agency's performance metrics and customer satisfaction reports. This survey was administered to random samples of veterans from different customer populations. Each sample received a questionnaire reflecting the VA benefits and services they received. We obtained data from the three questionnaires targeted to VR&E participants: the Enrollment survey, the Servicing survey, and the

⁶ We interviewed the VR&E Officer at the Boston, Massachusetts regional office, who manages VR&E operations at the Manchester, New Hampshire regional office. Also, Manchester did not have an EC at the time of our review.

Escaped Beneficiary survey. All three VR&E pilot surveys were fielded from October 2012 to January 2013. Table 2 provides background information on each of these surveys, including a description of the survey's purpose and target sample population.

Table 2: Description of Vocational Rehabilitation and Employment's Voice of the Veteran Pilot Surveys

VR&E pilot survey	Survey purpose	Target population
Enrollment survey	Obtained veterans' views on benefit eligibility and application process, benefit entitlement, benefit information, and VA personnel.	Veterans who had an initial meeting with their VR&E counselor and were granted a decision regarding their entitlement in the 60 days before the survey field period. This includes those who (1) apply and attend the initial appointment to the program and pursue (entitled), (2) apply and attend the initial appointment to the program and do not pursue (entitled), and (3) apply and attend the initial appointment to the program (not entitled).
Servicing survey	Obtained veterans' views on benefit entitlement, benefit information, and VA personnel.	Veterans who have entered and been enrolled in one of the five tracks for at least 60 days before the survey field period. This may include veterans who (1) are currently participating, (2) been rehabilitated, (3) did not fully complete the program, and (4) have reached maximum rehabilitation gain and could not proceed in the program.
Escaped Beneficiary survey	Obtained veterans' views on benefit entitlement, benefit information, VA personnel, and the reasons for deciding not to complete the benefit application process and continue to pursue the benefit.	Veterans who dropped out of the program prior to completing a rehabilitation plan. This may include applicants who (1) never attended the initial meeting with a counselor, (2) were determined to be entitled and did not complete a rehabilitation plan, and (3) started but did not complete rehabilitation.

Source: VA survey documentation.

Based on interviews with agency officials and contract representatives for the Voice of the Veteran surveys, and our review of documentation of the surveys' methodology, we concluded that these three VR&E surveys were generally developed and piloted in accordance with generally recognized survey research practices, and that the results we cite in this report are sufficiently reliable for our analysis. We used standards and guidelines issued by the Office of Management and Budget (OMB) to assess the methods VA used to design and administer the surveys.⁷ In addition, we reviewed survey guidelines of generally recognized

⁷ See Office of Management and Budget, *Standards and Guidelines for Statistical Surveys* (September 2006).

professional organizations such as the American Association for Public Opinion Research and the American Statistical Association.⁸

However, we concluded that the pilot survey results cited should be interpreted as representative of only those veterans responding to the survey. Response rates for the VR&E surveys were low—between 16 percent and 25 percent—and fell below the expected 30 percent rates specified in VA’s sample design. Table 3 provides more information on sample outcomes. While response rates may not be highly correlated with the presence of nonresponse bias and are not considered, by themselves, to be sufficient indicators of the quality of survey results, response rates are a useful indicator of the risk of nonresponse bias. According to OMB’s guidelines, a survey’s response rate is a valuable data quality and performance indicator, and is associated with the generalizability of a survey’s results. In addition, OMB’s guidelines state that a nonresponse analysis should be performed when a survey’s unit response rate is below 80 percent, to identify the possibility of bias in a survey’s results, and that agencies should appropriately measure, adjust for, report, and analyze nonresponse to assess its effect on data quality. Because VA did not perform a nonresponse analysis to determine if systematic differences exist between respondents and nonrespondents, it is not possible to generalize the results to the broader population of VR&E participants. Also, because the effects of any nonresponse bias on data quality were not assessed, it is not known if any systematic differences exist between nonrespondents and respondents.

Table 3: Sample Outcomes for Vocational Rehabilitation and Employment’s Voice of the Veteran Pilot Surveys

	Veteran population (annual)	Veterans sampled	Target number of survey completions ^a	Usable surveys completed	Proportion of target completed ^b	Response rate ^c
Enrollment survey	77,998	4,599	3,000	939	31%	20%
Servicing survey	121,722	8,781	3,000	2,161	72%	25%
Escaped beneficiary survey	11,700	5,000	1,500	817	54%	16%

Source: VA Voice of the Veteran Survey documentation.

⁸ See the American Association for Public Opinion Research, *2011 Standard Definitions: Final Dispositions of Case Codes and Outcome Rates for Surveys 7th edition*; and the American Statistical Association, *What is a Survey*, 2nd edition (2004), <https://www.whatisasurvey.info/>.

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^aThe “target number of survey completions” was identified in VA’s initial sample design, and was based on VA’s expected response rates.

^bThe “proportion of target completed” was calculated by dividing the number of “usable surveys completed” by the “target number of survey completions.”

^cThe “response rate” was calculated by dividing the number of “usable surveys completed” by the number of “veterans sampled.”

Appendix II: Statistical Analysis of Administrative Data on Vocational Rehabilitation and Employment Outcomes

We used a statistical method known as survival analysis to estimate Vocational Rehabilitation and Employment (VR&E) participants' likelihood of achieving success, their program completion times, and the factors that were associated with rehabilitation. Survival modeling methods provide a simple and efficient way to estimate the rate of event occurrence when the duration times of the events are "censored," meaning that they are unobserved over some portion of the time period of interest. For example, a rehabilitation time would be censored if a veteran had been in a program for 2 years but had neither dropped out nor finished the program at the time of analysis. Although the veteran's rehabilitation time is at least 2 years, the ultimate time to rehabilitation or discontinuation is not yet known (censored). We used a specific type of survival method, Cox regression models, to identify predictors of program completion—or what the Department of Veterans Affairs (VA) defines as "rehabilitation"—and estimate the rate at which rehabilitation occurred at various times after application among various groups of veterans.

Cox models allowed us to analyze the data without needing to make strong assumptions about the rehabilitation process. We did not need to assume that the likelihood or rate of rehabilitation changed over time in specific ways, as we would with other survival methods. The flexibility of Cox models comes at some cost of interpretation, however. The mathematics of Cox models make it more difficult to estimate the probability of rehabilitation by certain follow-up times (known as "failure probabilities"). To avoid the complex computation required for these estimates, we generally report simpler "Kaplan-Meier" estimates of rehabilitation probabilities in the body of the report—a form of survival analyses that allows us to report on likelihood of program completion, but without controlling for other covariates. To corroborate these results, we use Cox models to estimate the "hazard rate" of rehabilitation in this appendix, which is loosely equal to the rate of rehabilitation at a certain time after starting a VR&E program, while controlling for other factors. The results of this analysis are presented in this appendix and essentially support the same substantive findings about factors associated with the chance of rehabilitation discussed in the body of this report.

Source Data and Measurement of Key Variables

For the survival analysis using Cox models and Kaplan-Meier methods, we used data from the VR&E program's Corporate WINRS system, which includes archived data on program participants' demographic characteristics, services received, and outcomes achieved. We selected data on veterans who began their first VR&E programs in fiscal year 2003 through fiscal year 2012. We limited our analysis to this time period after

VA identified reliability problems with older data. Appendix I describes the source data and their reliability in more detail.

In initial exploratory analysis, we considered various factors that could be associated with successful program completion and duration. These factors (which we also may refer to as covariates, variables, or predictors) included age, sex, education, branch of service, number of counselors, number of discontinuations, severity of disability, type of disability, year of first application to the program, VR&E services provided (“service track”), and the regional offices that managed veterans’ cases.

A key strength of the VR&E administrative data is its volume. The total number of veterans available for analysis, using the population defined above, was 133,679. Table 4, below, shows how the data were distributed across years of program entry and program outcomes. The large sample size available for analysis allowed us to estimate valid and precise relationships between completion times and a large number of covariates. We confirmed the adequacy of the sample by examining the cell sample sizes in tabulations of potential covariates.

Table 4: Sample Size by Fiscal Year of Program Entry and Outcomes

	N	Percent of Sample
Fiscal Year of First Application		
2003	16,726	12.5
2004	14,587	10.9
2005	14,653	11.0
2006	13,636	10.2
2007	14,667	11.0
2008	16,078	12.0
2009	14,490	10.8
2010	11,264	8.4
2011	10,220	7.7
2012	7,358	5.5
Program Outcome		
Rehabilitated to employment	38,664	28.9
Censored		
Program in progress	68,462	51.2
Discontinued	23,271	17.4

**Appendix II: Statistical Analysis of
Administrative Data on Vocational
Rehabilitation and Employment Outcomes**

	N	Percent of Sample
Transferred to Independent Living track and achieved rehabilitation	1,351	1.0
Outcome not recorded	1,931	1.4
Total	133,679	100.0

Source: GAO analysis of VR&E administrative data.

Note: All percentages do not add to 100 due to rounding.

We assessed the degree of correlation among the initial list of covariates, in order to identify those that would be redundant or introduce the possibility of spurious estimates. Most of the potential covariates were not strongly intercorrelated, except for the number of counselors and discontinuations, the number of counselors and regional offices, and age and era of service. The pair-wise correlations for these covariates ranged from 0.37 to 0.52. Including all of these covariates in our model would have inflated the estimated relationships between them and program completion times. Therefore, we included age and number of counselors in the final list of covariates, and excluded era of service, number of discontinuations, and number of offices from our model.

Measuring most of the covariates of interest was straightforward, and can be determined for a subset of meaningful predictors, as shown in Table 6 below. However, measuring certain covariates—such as regional offices, certain VR&E services, and disability type—required more complex measurement decisions.

Because veterans can be served by a number of regional offices over time, measuring the offices serving each veteran is challenging. In our data, veterans' cases were managed by more than 4,100 permutations of regional offices. The large number of permutations made it difficult to meaningfully analyze variation across offices, and, in any case, produced sample sizes that were too small for modeling purposes. To simplify the measurement, we focused on the last office where each veteran was enrolled, as a measure of regional office at program completion. Because veterans could have discontinued their programs multiple times and could have been served by as many as six offices, the last office was a logical proxy for the office that could have influenced the final outcome most strongly.

Because we selected only veterans from the VA administrative data who received employment-related services, this group received job training or

job placement assistance. We created a single measure of services received by creating categories for specific services related to employment, such as job placement services, and specific types of job training received, such as high school or college education. Table 5 below identifies the services we measured.

Finally, veterans could have been diagnosed with one or more disabilities, such as mental health conditions, ear disorders, and/or cardiovascular disorders. This allows for a potentially large number of unique combinations of disorders, which makes it difficult to create mutually exclusive and exhaustive groups. To avoid this problem, we compared veterans who had each type of disorder to veterans who did not have the disorder, using binary indicators for the presence or absence of each diagnosis. While the possibility of multiple disabilities makes these indicators mutually inclusive, our measurement scheme provided a concise way to collapse the many unique combinations of disorders.

Survival Model and Statistical Assumptions

The purpose of survival modeling is to estimate the probability of an event by various follow-up times or the average rate of event occurrence at any one follow-up time. Because these two quantities are mathematically equivalent, we used two different methods that produce similar results but vary in their ease of interpretation.

In the body of this report, we provide Kaplan-Meier estimates of the probability of rehabilitation by 8 years after the time of first application, known as a “failure” probability in survival analysis. Let t_j denote one of $j = 1, 2, \dots, k$ rehabilitation times observed in the data. Then the Kaplan-Meier failure estimate at t_j is given by

$$F(t) = 1 - \left(\prod_{j:t_j < t} \frac{n_j - d_j}{n_j} \right),$$

where n_j is the number of veterans who are “at risk” of rehabilitation and d_j is the number of rehabilitations observed at t_j . We estimated failure probabilities for various subgroups of veterans, in order to describe the association between these factors and the chance of rehabilitation by 5 and 8 years.

To corroborate these associations and control for alternative variables that could account for them, we used multivariate survival models—and the Cox Model for Proportional Hazards, in particular—to estimate the average rate of event occurrence at any one time in an observation

period, also known as the “hazard rate.”¹ In our analysis, the event of interest is rehabilitation, and the time period of observation is fiscal year 2003 through fiscal year 2012. In our analysis, we defined censored outcomes as a veteran’s remaining in the program at the end of fiscal year 2012 or having discontinued from a program without yet re-applying (see table 5 above).

The formula for our Cox regression model was

$$\lambda_i(t) = \lambda_0(t) \exp(x_i b)$$

where $\lambda_i(t, x_i)$ is the hazard rate for veteran i at time t , $x_i = x_{i1}, \dots, x_{ip}$ is a vector of p covariates, and $x_i b$ is a linear combination of covariates and coefficients, with no intercept term. As described above and in table 6, the covariates included: age, sex, job training services, the interaction of sex and job training services, education, branch of service, number of counselors, severity of disability, and disability type. The term $\lambda_0(t)$ is the “baseline hazard rate,” or the rate implied when all covariates equal zero. (Note that the equation simplifies to $\lambda_0(t)$ when this is true.)

The Cox Model assumes that the hazard rates are proportional across values of the covariates throughout the observation period. If the hazard in one group exceeds that of a reference group, the model assumes that the proportional difference in rates will remain constant, and that the difference in hazard rates across groups does not decline, increase, or reverse direction over time. For example, the model assumes that the rehabilitation rate for veterans with mental health conditions differs from the rate for veterans without this type of condition by a constant amount throughout the observation period.

However, because a particular data generation process may not satisfy the proportional hazards assumption, we plotted the estimated hazards for various values of each covariate over time and formally tested the assumption for each covariate using statistical tests based on the model’s Schoenfeld residuals. We found a non-zero slope in a generalized linear regression of the Schoenfeld residuals on functions of time for several variables. A non-zero slope indicates that the hazards are not

¹ For additional information on survival modeling methods, please see Paul D. Allison, *Survival Analysis Using SAS®: A Practical Guide*, 2d ed. (Cary, NC: SAS Institute, Inc., 2010).

proportional across values of the covariates over time.² A global test across all variables further suggested that the hazard function was not proportional.

To identify the most serious departures from the proportional hazard assumption, we plotted the cumulative hazard function over time for the covariates that failed the Schoenfeld test. These plots suggested that the last office and first year of application covariates had strongly disproportional hazards. The remaining variables only failed to meet the proportional hazard assumption in a category coded for “missing data,” and the other variables that appeared to be disproportional were not meaningfully associated with rehabilitation times.

To adjust for most seriously non-proportional hazards, we stratified the model by last office and first year of application. Stratification allowed us to control for these two factors while also allowing their hazard functions to vary over time across offices and years of application. After stratifying by last office and first year of application, the proportional hazard assumption for the model was more consistent with our data.

Results

Our analysis identified a number of factors that had strong and statistically significant associations with rehabilitation times, as shown in Table 5.

Veterans took more time to complete their programs if multiple counselors worked with them. Average completion times increased at a higher rate as the number of counselors increased from 1 to 5 than from 6 to 9 or more. For example, veterans with 2 counselors had average rehabilitation times that were 29 percent slower, on average, than veterans with 1 counselor. In contrast, veterans with 9 or more counselors had average rehabilitation times that were about 1 percent slower than veterans with 8 counselors. In exploratory analysis, we found that veterans who more often discontinued and re-entered the program and who were served by multiple regional offices were more likely to work with multiple counselors, and that discontinuing more frequently was associated with slower rates of rehabilitation. However, when we estimated Cox models that controlled for the number of times discontinued and the number of regional offices

² Allison, 175-176.

used, we found that the number of counselors still had a meaningful association with success. Nevertheless, a reciprocal relationship, in which longer program times are associated with more counselors, may also explain this pattern.

The presence of mental health conditions substantially decreased completion rates. Veterans with mental health conditions completed their programs at a rate that was about 27 percent slower on average than veterans who did not have mental health conditions.³

As expected, the type of services veterans received was among the strongest predictors of completion times. Veterans who received job placement services finished their programs about 4.5 times more quickly than veterans who were pursuing an undergraduate education. This is consistent with the nature of VR&E's job placement services, which focus on veterans who already have the skills to pursue employment. Veterans who received apprenticeships, non-vocational training, unpaid work at a federal agency, vocational or technical education, or non-degree college credit hours finished their programs about 1.6 to 2.4 times more quickly than veterans pursuing an undergraduate college degree. In contrast, the average completion rate for veterans pursuing a graduate degree was only 28 percent quicker than for veterans pursuing an undergraduate degree. As a whole, these results suggest that veterans pursuing undergraduate or graduate degrees require more time to complete their programs than veterans receiving other training.

The amount of prior education was associated with faster program completion rates. As compared to veterans with only a high school degree, veterans with some college, an undergraduate degree, or a graduate degree had completion rates that were 1.2 to 1.5 times faster, on average. Because these estimates control for the type of services received and the type and severity of disabilities, veterans with more prior education appear to have finished more quickly regardless of the training they received or the nature of their disabilities.

Finally, veterans with disability ratings of less than 100 percent finished their programs more quickly than veterans with disability ratings of 100 percent, with completion rates that were about 1.5 times more quickly on

³ The 95 percent confidence interval of this hazard ratio ranged from 0.72 to 0.75.

**Appendix II: Statistical Analysis of
Administrative Data on Vocational
Rehabilitation and Employment Outcomes**

average.⁴ This pattern may reflect the fact that veterans with more severe disabilities face greater challenges to timely program completion, even holding constant factors such as type of training, prior education, and age.

Table 5: Estimated Hazard Ratios of Time to Vocational Rehabilitation and Employment Program Completion

Variable	Hazard Ratio	95% Lower Bound	95% Upper Bound
Prior Education			
High School	1.000 (Referent)		
Less than High School	0.923 ^c	0.812	1.05
Some College	1.230 ^c	1.200	1.261
College	1.449 ^d	1.394	1.506
Graduate	1.461 ^c	1.330	1.606
Missing Data	2.585 ^c	2.503	2.669
Number of Case Managers			
1	1.000 (Referent)		
2	0.712 ^c	0.677	0.748
3	0.471 ^c	0.447	0.495
4	0.336 ^c	0.318	0.354
5	0.230 ^c	0.216	0.244
6	0.159 ^c	0.147	0.172
7	0.115 ^c	0.102	0.130
8	0.088 ^c	0.071	0.109
9+	0.073 ^c	0.054	0.010
Type of Services Received^a			
Undergraduate	1.000 (Referent)		
Job Placement Only	4.463 ^c	4.263	4.673
Missing	1.079 ^e	1.012	1.150
Graduate School	1.282 ^c	1.218	1.349
College, Non-Degree, Credit Hour	1.679 ^c	1.576	1.789

⁴ The 95 percent confidence interval of this hazard ratio ranges from 1.4 to 1.6.

**Appendix II: Statistical Analysis of
Administrative Data on Vocational
Rehabilitation and Employment Outcomes**

Variable	Hazard Ratio	95% Lower Bound	95% Upper Bound
Non-standard degree and/or voc/tech	2.376 ^c	2.291	2.463
Nonpaid work fed agency	1.738 ^c	1.564	1.930
Other: HS/Farm, Special Rehab	1.523 ^d	1.187	1.955
OJT	3.028 ^c	2.671	3.433
Apprenticeship	1.635 ^c	1.309	2.043
Non-Vocational	1.800 ^c	1.642	1.973
Unpaid OJT, fe, home, facility, shelter etc.	1.708 ^c	1.442	2.024
Type of Disability^b			
Auditory	1.104 ^c	1.081	1.129
Cardiovascular	1.048 ^c	1.023	1.073
Gynecological	1.089 ^c	1.043	1.137
Infectious/Immune Disease	0.941 ^e	0.893	0.990
Mental health / PTSD	0.731 ^c	0.716	0.747
Neurological	0.948 ^c	0.928	0.968
Respiratory	1.075 ^d	1.052	1.099
Skin	1.073 ^d	1.050	1.096
Severity of Disability			
Full Disability (100 percent)	1.000 (Referent)		
Partial Disability (0-90 percent)	1.492 ^c	1.419	1.570
PT/Missing	0.760 ^c	0.682	0.848

Source: GAO analysis of VR&E administrative data

Note: Entries are exponentiated coefficients and 95 percent confidence intervals from a Cox proportional hazard model of VR&E program completion, treating rehabilitation to employment as the outcome of interest and all other events as censored. The model included additional covariates not listed in this table, as described in the body of this appendix. The hazard function was stratified by regional office and year of first application. N = 132,042

^aEstimates are summarized for male veterans, due to an interaction term in the model for sex and type of services received. The results reported here for men are substantially similar to the results for both sexes when the interaction term is excluded.

^bEstimates apply to the presence or absence of each disorder. Because veterans can have one or more disorders, and many combinations of disorders are possible, we did not use mutually exclusive and exhaustive categories.

^c p<0.001

^d p<0.01

^e p<0.05

Appendix III: Vocational Rehabilitation Counselor Training Gaps Identified by VA in 2010 and the Agency's Efforts to Address

Training gaps	Courses	Fiscal year course provided
New VRCs		
How to provide services to veterans recently discharged from the military	40-hour training course	2013
How to provide services to veterans with severe disabilities		
How to determine when extended evaluation is necessary and conduct subsequent individualized extended evaluation plan development		
How to closeout cases for different veteran outcomes (e.g., for veterans who achieved suitable employment or maximum rehabilitation gain)		
For new and experienced VRCs		
How to provide services to veterans with traumatic brain injuries (TBI)	1-hour course on mild TBI	2012
	2-hour course on moderate to severe TBI	2013
	2-hour course on vocational implications of TBI	2013
How to provide services to veterans with post-traumatic stress disorder (PTSD)	1.5 hour course on PTSD: The VR&E Counselor's Role	2012
	2-hour course on mental health awareness ^a	2014
	3-hour course on mental health techniques ^a	2014
How to develop an independent living (IL) plan	1-hour course on IL (plan) construction	2012
	1-hour course on IL program guidance ^b	2013
How to conduct a preliminary and/or comprehensive IL assessment	15-hour course on IL	2014 ^c
How to input benefit awards into the computer system (e.g., inputting the decision to provide a veteran a subsistence allowance)	2-hour course on VR&E fiscal accuracy and integrity ^d	2012
	Two 1-hour courses on VR&E processing of subsistence allowance awards ^d	
	1-hour course on employment adjustment allowances ^d	

Source: GAO review of VA-sponsored June 2010 skill gap analysis and additional information provided by VA.

^aThe new courses on mental health will address PTSD and other mental illnesses and are intended to help increase successful VR&E outcomes for veterans with these conditions.

^bVA added this course to the fiscal year 2013 curriculum to address changes to its guidance for independent living and delivered the training in September, 2013.

^cVA has developed the course and will assign it as part of the fiscal year 2014 curriculum to be completed by the end of the first fiscal quarter (i.e., by December 31, 2013).

^dVA used existing courses to train VR&E staff on inputting benefit awards into its computer system.

Appendix IV: Comments from the Department of Veterans Affairs



DEPARTMENT OF VETERANS AFFAIRS
Washington, DC 20420

December 3, 2013

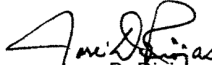
Mr. Daniel Bertoni
Director, Education Workforce and
Income Security Issues
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Mr. Bertoni:

The Department of Veterans Affairs (VA) has reviewed the Government Accountability Office's (GAO) draft report, "**VA Vocational Rehabilitation And Employment: Further Performance and Workload Management Improvements Are Needed**" (GAO-14-61). VA generally agrees with GAO's conclusions and concurs with GAO's recommendations and concurs in principle with recommendation 2, to the Department.

The enclosure specifically addresses GAO's recommendations and provides technical comments to the draft report. VA appreciates the opportunity to comment on your draft report.

Sincerely,


Jose D. Rojas
Chief of Staff

Enclosure

Enclosure

Department of Veterans Affairs (VA) Response to
Government Accountability Office (GAO) Draft Report
***“VA Vocational Rehabilitation And Employment: Further Performance and
Workload Management Improvements Are Needed”***
(GAO-14-61)

Recommendation 1: In any revised set of VR&E performance measures, include measures of (a) the proportion of program participants successfully rehabilitated into employment and (b) the proportion of participants who obtain other benefits from VR&E services.

VA Response: Concur. VA agrees that a comprehensive measure of the Vocational Rehabilitation and Employment (VR&E) program success would include an evaluation of successful outcomes for both employment and other benefits or tracks. VA does not plan to continue to measure ratio-based performance elements for employee performance, since this penalizes employees for closing cases when Veterans make personal choices to discontinue participating in their programs. Broader spectrum performance data which provides the context necessary to evaluate program success is more appropriately gathered nationally, as opposed to at the employee level. These national key measures are being finalized, and VA expects to have them approved for implementation in fiscal year (FY) 2015. Target completion date: October 31, 2014.

Recommendation 2: Develop new measures of long-term employment that go beyond the minimum 60 days of post-placement monitoring that is currently required. In developing measures, consider the feasibility of using results from planned post-closure surveys of veterans as a data source.

VA Response: Concur in principle. VA agrees with the importance of collecting data on Veterans after case closure. VA is currently collecting information on Veterans' long-term outcomes through VR&E's Longitudinal Study. The Longitudinal Study will, over a 20-year period, track a statistically valid sample of three cohorts that participated in the VR&E program during FYs 2010, 2012, and 2014. The 2013 Annual Report was the first in the Longitudinal Study to present self-reported survey data on the employment and standard of living outcomes of Veterans who establish a plan of services. VR&E is also designing a post-outcome tool that will enable VR&E counselors to solicit information from Veterans to determine if there is a need for any further services after their cases are closed into either rehabilitated or discontinued status. This data and information will be valuable for strategic planning and program management.

VR&E offers extensive individualized services to assist Veterans in obtaining and maintaining suitable employment. Unlike many other Federal programs, VR&E provides one-on-one vocational counseling, training, and job-readiness services typically over multiple years, with additional employment services of up to 18 months to ensure that Veterans are well prepared to get and keep suitable employment positions.

Enclosure

Department of Veterans Affairs (VA) Response to
Government Accountability Office (GAO) Draft Report
***“VA Vocational Rehabilitation And Employment: Further Performance and
Workload Management Improvements Are Needed”***
(GAO-14-61)

In fact, GAO commented on the lengthy time period that program participants spend in the VR&E program. VA therefore, does not see the value in directing limited resources to implementing and executing additional post-placement measures. Requiring lengthy post-placement follow-up services will only further extend the program participation period and may create problematic program dependencies among some participants.

Recommendation 3: Consistent with generally accepted survey practices, and as warranted by survey response rates, conduct nonresponse bias analysis of the results of VA’s ongoing Voice of the Veteran customer satisfaction surveys.

VA Response: Concur. While VA’s Voice of the Veteran Continuous Measurement Satisfaction Research program contract does not include a task for nonresponse bias analysis, the findings are statistically valid. If the program is fully funded in 2014, its option year contract will be initiated and VA will include a modification requiring the contractor to conduct nonresponse bias analysis of the results when needed or required. If funded, the modification is expected to be completed by the end of September 2014. Target completion date: September 30, 2014.

Recommendation 4: In revisiting VA’s formula for allocating VR&E staff among the regional offices, (a) assess the inclusion of factors related to regional office performance and if warranted remove them from the formula, and (b) assess the exclusion of any factor related to the number of educational counseling cases in each regional office and if warranted add such a factor.

VA Response: Concur. At the beginning of each FY, the Veterans Benefits Administration’s (VBA) Office of Field Operations works closely with the four area directors to address concerns regarding caseloads. With the evolution and completion of the new VR&E staffing model, VBA will revisit the metrics used in the resource allocation model (RAM) to ensure continued validity and data integrity. Full implementation of an updated RAM will occur with the distribution of the FY 2015 budget allocation for VBA. Target completion date: October 31, 2014.

Recommendation 5: Collect information on the regional offices’ approaches for managing their VR&E workloads, assess the advantages and disadvantages of these approaches, and use the results of this assessment to provide guidance to the offices on potential best practices or options to consider.

VA Response: Concur. VA will work on developing an appropriate methodology to collect data from all field offices, engage in data collection efforts, analyze the data, and inform field staff of the findings with regard to best practices.

Enclosure

Department of Veterans Affairs (VA) Response to
Government Accountability Office (GAO) Draft Report
***“VA Vocational Rehabilitation And Employment: Further Performance and
Workload Management Improvements Are Needed”***
(GAO-14-61)

VA anticipates this activity will be completed in the first quarter of FY 2015. Target completion date: December 31, 2014.

Recommendation 6: Provide training to all VRC's and EC's on job placement strategies and workplace accommodations, potentially as part of the effort to develop a competency-based training approach.

VA Response: Concur. VR&E has provided several training activities focused on job placement and job accommodations, including VR&E Training Performance Support System (TPSS), the 2012 Employment Coordinators Classroom Training, and the Vocational Rehabilitation Counselor (VRC) Gateway Electronic Performance Support System (EPSS), and will continue provide training in this area. Training on special employer incentives (SEI) will be available to all staff in the second quarter of FY 2014. Additional training focused on employment and accommodations will be developed and available to all staff by the last quarter of FY 2014. Target completion date: September 30, 2014.

Appendix V: GAO Contact and Staff Acknowledgments

GAO Contact

Daniel Bertoni, (202) 512-7215 or bertonid@gao.gov

Staff Acknowledgments

In addition to the contact listed above, individuals making key contributions to this report were Michele Grgich (Assistant Director), Jessica Botsford, Frederick Caison, Elizabeth Curda, Kevin Daly, Holly Dye, Julie DeVault, Brenda Farrell, Alex Galuten, Shannon Grabich, Mitch Karpman, Kirsten B. Lauber, Lorin Obler, Carl Ramirez, Almeta Spencer, Jeff Tessin, Greg Whitney, and Ashanta Williams.

Related GAO Products

VA Vocational Rehabilitation and Employment Program: Improved Oversight of Independent Living Services and Supports Is Needed. [GAO-13-474](#). Washington, D.C.: June 7, 2013.

Veterans' Employment and Training: Better Targeting, Coordinating, and Reporting Needed to Enhance Program Effectiveness. [GAO-13-29](#). Washington, D.C.: December 13, 2012.

Federal Information System Controls Audit Manual (FISCAM). [GAO-09-232G](#). Washington, D.C.: February 2009.

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Multiple Agencies Provide Assistance to Service-disabled Veterans or Entrepreneurs, but Specific Needs Are Difficult to Identify and Coordination Is Weak. [GAO-09-11R](#). Washington, D.C.: October 15, 2008.

Disabled Veterans' Employment: Additional Planning, Monitoring, and Data Collection Efforts Would Improve Assistance. [GAO-07-1020](#). Washington, D.C.: September 12, 2007.

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VA Vocational Rehabilitation and Employment: Service Contract Management Is Improving, but Challenges Remain. [GAO-07-568R](#). Washington, D.C.: April 23, 2007.

Federal Disability Assistance: Wide Array of Programs Needs to Be Examined in Light of 21st Century Challenges. [GAO-05-626](#). Washington, D.C.: June 2, 2005.

Vocational Rehabilitation: VA Has Opportunities to Improve Services, but Faces Significant Challenges. [GAO-05-572T](#). Washington, D.C.: April 20, 2005.

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Internal Controls Management and Evaluation Tool. [GAO-01-1008G](#).
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