



Veterans' Benefits: The Vocational Rehabilitation and Employment Program

Christine Scott

Specialist in Social Policy

Carol D. Davis

Information Research Specialist

March 12, 2009

Congressional Research Service

7-5700

www.crs.gov

RL34627

CRS Report for Congress

Prepared for Members and Committees of Congress

Report Documentation Page

Form Approved
OMB No. 0704-0188

Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.

1. REPORT DATE 12 MAR 2009	2. REPORT TYPE	3. DATES COVERED 00-00-2009 to 00-00-2009			
4. TITLE AND SUBTITLE Veteran's Benefits: The Vocational Rehabilitation and Employment Program		5a. CONTRACT NUMBER			
		5b. GRANT NUMBER			
		5c. PROGRAM ELEMENT NUMBER			
6. AUTHOR(S)		5d. PROJECT NUMBER			
		5e. TASK NUMBER			
		5f. WORK UNIT NUMBER			
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Congressional Research Service ,Library of Congress,101 Independence Ave SE, Washington,DC,20540		8. PERFORMING ORGANIZATION REPORT NUMBER			
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)		10. SPONSOR/MONITOR'S ACRONYM(S)			
		11. SPONSOR/MONITOR'S REPORT NUMBER(S)			
12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT Same as Report (SAR)	18. NUMBER OF PAGES 24	19a. NAME OF RESPONSIBLE PERSON
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified			

Summary

The number of servicemembers, National Guard, and Reservists who separate from active duty with service-connected disabilities is expected to rise as a result of the engagement of the U.S. Armed Forces in Operation Iraqi Freedom and Operation Enduring Freedom. There is concern in Congress that these individuals receive the care and services that will enable them to transition successfully back to civilian life. These veterans must be able to rejoin their families and communities, become employed, and continue to enjoy the highest quality of life possible, given their disabilities.

Congress authorized the Department of Veterans Affairs (VA), through the Vocational Rehabilitation & Employment Service (VR&E), to provide the support disabled veterans' need to successfully complete rehabilitation plans tailored to their individual needs. The VR&E has recently restructured its program in an effort to better accomplish the goal of enabling disabled veterans to gain appropriate employment or live independently. More specialists and counselors have been hired in regional VA offices, and the VR&E has instituted outreach efforts to encourage more veterans who might be eligible for these services to apply to participate in the program. The VR&E has also entered into cooperative agreements with other federal agencies, such as the Department of Labor and the Department of Education, and with private organizations, providing an integrated approach to addressing the employment needs of disabled servicemembers and veterans.

The VR&E administers four programs: (1) training and rehabilitation for veterans with service-connected disabilities; (2) vocational and educational counseling; (3) vocational training for Vietnam veterans' children with Spina Bifida; and (4) special restorative training. In addition, the Coming Home to Work Program of the VR&E Service is designed to facilitate the veterans' return to the work force with maximum speed. This report describes VR&E program services available to veterans with service-connected disabilities and to their families. It provides information about eligibility and entitlement, the application process, and resources available through other agencies. A brief history of the program is also provided.

This report will be updated as relevant legislative activity warrants.

Contents

History.....	1
The VR&E Program.....	2
Case Management.....	2
The Five-Track Service Delivery System	4
Re-Employment Track	4
Rapid Access to Employment Track	4
Self-Employment Track	4
Employment through Long-Term Services Track.....	4
Independent Living Services Track.....	4
Vocational-Educational Counseling	6
Children with Spina Bifida and Other Birth Defects	7
Special Restorative Training.....	7
The Coming Home to Work Program	7
Eligibility and Entitlement	8
Eligibility.....	8
Entitlement	9
What is an Employment Handicap?.....	9
What is a Serious Employment Handicap?	10
Period of Eligibility.....	10
The Application Process.....	11
Utilization of VR&E Services	11
Current Issues	12
Other Employment Assistance Programs for Disabled Veterans	13
Federal Government Programs	14
Computer/Electronics Accommodations Program (CAP).....	14
The Department of Education: Office of Special Education and Rehabilitation Services Administration (RSA)	14
The Department of Labor (DOL).....	14
Disabled Transition Assistance Program (DTAP).....	15
The Compensated Work Therapy Program	15
The National Veterans Employment Program (NVEP).....	15
The Office of Personnel Management (OPM).....	15
The Small Business Administration (SBA)	15
Military Programs	16
Air Force Palace HART-Helping Airmen Recover Together Program	16
Army Career and Alumni Program (ACAP) and ACAP-Entrepreneurship Bootcamp for Veterans with Disabilities (EBV)	16
Army Material Command: Always a Soldier	16
Marine for Life-Injured Support Program (M4L-IS)	17
Navy Safe Harbor Program	17
U.S. Army Wounded Warrior Program (AW2).....	17

Tables

Table 1. Vocational Rehabilitation & Employment Program Statistics, FY2006	12
Table A-1. Monthly Allowance, Category I.....	18
Table A-2. Monthly Allowance, Category II	18
Table A-3. Monthly Allowance, Category III.....	18
Table A-4. Monthly Allowance, Category IV.....	19
Table A-5. Monthly Allowance, Category V	19
Table A-6. Monthly Allowance, Category VI.....	19
Table A-7. Monthly Allowance, Category VII.....	19

Appendixes

Appendix. 2009 VR&E Training Programs Subsistence Allowance Rates	18
-------------------------------------------------------------------------	----

Contacts

Author Contact Information	20
Acknowledgments	20

Congress is concerned that servicemembers, National Guard, and Reservists involved in Operation Enduring Freedom and Operation Iraqi Freedom who are being discharged from military service with service-connected disabilities receive timely and effective vocational rehabilitation services. The Vocational Rehabilitation and Employment Program (VR&E), one of five major programs administered by the Veterans Benefits Administration (VBA) of the Department of Veterans Affairs (VA), addresses this concern.¹ The program's purpose is to counsel and rehabilitate veterans, with an emphasis on employment and independent living. The program provides comprehensive services and assistance to enable veterans with service-connected disabilities and employment handicaps² to achieve maximum independence in daily living, to become employable, and to obtain and maintain suitable employment. For severely disabled veterans, the goal is to help them achieve the highest quality of life possible with a future chance of employment, given medical and technological advances. The VR&E service delivery strategies differ from those of many other VBA programs as they require personal interaction with the veteran to deliver services and have the largest network of service delivery points of any VBA program.³

History

In 1918, Congress passed P.L. 65-178, the Vocational Rehabilitation Act, to provide for the retraining and placing in productive occupations of disabled persons who had served in the U.S. military and naval forces. The rehabilitation program was administered by the Federal Board for Vocational Education. On August 24, 1921, control of veterans' rehabilitation was transferred to the newly created Veterans' Bureau. In 1930, Congress created the Veterans Administration by combining three bureaus, the Veterans' Bureau, the Bureau of Pensions, and the National Homes for Disabled Volunteer Veterans.

In 1943, Congress passed P.L. 78-16, which provided that any eligible veteran may receive up to four years of training specifically directed to the restoration of employability. To be eligible for this training, the veteran must

- have been in the active military or naval service at any time after September 16, 1940, and during World War II;
- have been discharged under circumstances other than dishonorable;
- have a disability incurred in or aggravated by such service for which a pension is payable under the laws administered by the VA or would be but for the receipt of retirement pay; and
- be in need of vocational rehabilitation to overcome the handicap caused by such service-connected disability.

Under this program, the VA provided services to 621,000 World War II disabled veterans.

¹ The other four are compensation and pension, life insurance, education, and loan guaranty.

² The term employment handicap is defined by law in 38 U.S.C. §3101.

³ The VR&E program is authorized under 38 U.S.C. Chapter 31.

Over the years, the scope of the VR&E program has been modified and expanded through legislation to better fulfill its mission. The program has undergone many name changes and has often been aligned with the education services of the VBA. In 1999, the program acquired its current name with the intention of placing more emphasis on employment services. Today, the VA handles the rehabilitation of disabled veterans through the VR&E program.

The VR&E Program

In 2004, the Secretary of Veterans Affairs responded to continuing criticisms of the VR&E's operations from committees of Congress,⁴ the Government Accountability Office (GAO), and others, by forming a task force to evaluate the program. The task force report⁵ found little evidence that the program's efforts to obtain jobs for rehabilitated veterans had been as successful as intended by Congress. The task force felt that the VR&E staff was doing a good job for veterans; however, it also recognized the need for a more effective rehabilitation program to enable veterans to resume independent living and lead productive lives as soon as possible. According to the report, the foundation of the 21st century VR&E program should shift its focus to an individual's ability and away from an individual's disability. The task force report made 110 recommendations for the program's improvement. By the end of FY2007, over 89 of the 110 recommendations had been implemented.⁶

Before 1980, successful rehabilitation was defined as completion of a training program for suitable employment and not actual job placement. The task force identified this as an area that needed improvement. Under the current program, VR&E staff must make sure that a veteran understands that the primary goal of the VR&E program is employment and encourage and motivate him or her toward obtaining a job while in the rehabilitation program. The VR&E has stationed 83 Employment Coordinators (ECs) at regional VA offices across the country with the primary task of providing disabled veterans with any necessary job-readiness skills as well as job referral or placement services. Efforts have been made by the VA to increase employment opportunities for disabled veterans through partnerships with the Department of Labor, other federal agencies and organizations, and with employers across the nation.

Case Management

A case manager is assigned to each recipient of VR&E services. The case manager works with a Vocational Rehabilitation Counselor (VRC) who must determine if, and why, the disabled veteran has experienced employability restrictions (or employment handicaps). A written rehabilitation plan must be developed by the VA and the veteran, describing the goal of the VR&E program and

⁴ Congressional Commission on Servicemembers and Veterans Transition Assistance, *Congressional Commission on Servicemembers and Veterans Transition Assistance*, January 1999, pp. 84-85, available at <http://www.va.gov/vetbiz/library/Transition%20Commission%20Report.pdf>.

⁵ U.S. Department of Veterans Affairs, VA Vocational Rehabilitation and Employment Task Force, *Report to the Secretary of Veterans Affairs: The Vocational Rehabilitation and Employment Program for the 21st Century Veteran, 2004*, hereinafter referred to as the VR&E Task Force Report, available at http://www1.va.gov/op3/docs/VRE_Report.pdf.

⁶ U.S. Department of Veterans Affairs, *FY2007 Performance and Accountability Report*, November 15, 2007, Part I, p.55, available at <http://www.va.gov/budget/report/2007/index.htm>.

the means through which the goal will be achieved. The VRC will work with the veteran to assess his or her status and help to develop the written rehabilitation plan. The VRC and the case manager help the veteran to achieve the goals of the agreed upon written plan for employment or independent living. The VRC or case manager may provide referrals for medical and dental services, coordination of training allowances, tutorial assistance, or other services to achieve rehabilitation.

The rehabilitation phase of the VR&E program includes the following key components:

- evaluation and planning,
- extended evaluation,
- rehabilitation and employability (training or education),
- independent living,
- job ready status, and
- interrupted status.

Under the current VR&E program, a veteran whose eligibility and entitlement have been established must not only complete the rehabilitation plan, but he or she will also be tracked to attainment of suitable employment based on the plan's goals.

By law,⁷ the services provided include the following:

- educational, personal, and psychological counseling and evaluation;
- vocational training benefits;
- loans;
- monthly subsistence allowance and work study allowance;
- medical benefits, including treatment, care, prosthetic appliances, and eyeglasses;
- any family support that is necessary to aid rehabilitation;
- case management services;
- travel and incidentals' allowance to defray costs of expenses incurred during rehabilitation, job seeking, and initial employment;
- special services related to blindness and deafness;
- assistance with independent living services;
- placement and employment services; and
- post placement services to ensure satisfactory adjustment in employment.

One of the task force's major recommendations led to the development of a new Five-Track Service Delivery System designed to make the VR&E's services more employment-driven. Veterans must choose one of the five tracks to reach their employment goals: Re-employment;

⁷ 38 U.S.C. § 3100, § 3104, § 3109, and § 3120.

Rapid Access to Employment; Self-Employment; Employment through Long-Term Services; or Independent Living Services. The five tracks are described briefly below.

The Five-Track Service Delivery System

Re-Employment Track

The Re-employment Track helps veterans and members of the National Guard and the Reserves return to jobs held prior to active duty. Veterans, National Guard, and Reserve members may be provided with job accommodations, job modification, case management, coordination, and linkages to services with VA healthcare, re-employment rights advice, work adjustment services, and consultations with employers.

Rapid Access to Employment Track

The Rapid Access to Employment Track emphasizes the goal of immediate employment and is available to those who already have the skills to compete in the job market in appropriate occupations. Among other things, veterans may be provided job readiness preparation, resume development, job search assistance, and accommodations. ECs provide post-employment follow-up.

Self-Employment Track

This track is for veterans who have limited access to traditional employment and need flexible work schedules and a more accommodating work environment because of their disabling conditions or other special circumstances. Veterans may be provided an analysis of the viability of a business concept, development of a business plan, training in the operation of small businesses, marketing and financial assistance, and guidance on obtaining adequate resources to implement the business plan.

Employment through Long-Term Services Track

Under this track, the VR&E assists veterans who need specialized training or education to obtain and maintain suitable employment. Training or education (or both) may be provided, including on-the-job training, apprenticeships, internships, job shadowing, work monitoring, work-study, public-private job partnering, or higher education sufficient to obtain suitable entry-level employment.

Independent Living Services Track

The Independent Living Services Track is for veterans who may not be able to work immediately and need additional rehabilitation to enable them to live more independently. Veterans may be provided with assistive technology, independent living skills training, and connections to community-based support services

The Independent Living (IL) Program is designed to help veterans whose service-connected disability or disabilities may be so severe that they are unable to immediately pursue an employment goal. It helps them to be able to live independently, participate in family and community life, and increase their potential to return to work. The IL program was established under P.L. 96-466, the Veterans Rehabilitation and Education Amendments of 1980, with an annual cap of 500 new cases per fiscal year. In succeeding years, the number of cases grew as the program's success in helping severely disabled veterans gain greater independence in daily living was recognized. The cap was increased by P.L. 107-103, the Veterans Education and Benefits Expansion Act of 2001, to 2,500 new cases per fiscal year.

Program expenditures are generally capped at \$25,000 per veteran per calendar year. For expenditures over this amount, the counselor must get approval from the local VR&E office. The Director of the VA Regional Office must approve costs exceeding \$75,000 per veteran per calendar year. For program costs above \$100,000 per veteran per calendar year and IL-related construction costs exceeding \$25,000 per calendar year, approval must be sought from the Director of the VR&E Service.⁸ IL programs for veterans are usually 24 months in duration, but they may be extended for an additional six months in exceptional circumstances.

Assessment for participation in the program is done by counselors with specialized experience and training and is usually done in the veteran's home. The counselor works with the veteran to develop an IL plan that outlines the goals, services, and assistance to be provided and benchmarks to be used to determine progress in achieving greater independence in daily living. Services are tailored to the veteran's individual needs.

To meet the needs of veterans with severe disabilities and mobility impairments, VR&E's IL program works with the VA's Loan Guaranty Service and the Specially Adapted Housing (SAH) grant program,⁹ the Home Improvements and Structural Alterations (HISA) program, the Automobile Adaptive Equipment program, and the Visually Impaired Services Team (VIST). The VR&E also works with the Committee on Care of Veterans with Severe Mental Illness (SMI)¹⁰ and the Traumatic Brain Injury Caregivers Panel.¹¹

IL program services may include the following:

- training in activities of daily living;
- attendant care during period of transition;
- transportation when special arrangements are required;
- assistive technology;

⁸ Testimony of Ruth Fanning, Director, VA's VR&E Service, before the House Committee on Veterans' Affairs, Subcommittee on Economic Opportunity, *Independent Living Program*, 110th Cong., 2nd Sess., July 10, 2008.

⁹ For information on housing and automobile grants, see CRS Report RL34626, *Veterans' Benefits: Benefits Available for Disabled Veterans*, by Christine Scott and Carol D. Davis.

¹⁰ The 2004 VR&E Task Force Report noted "that the single largest group of veterans for whom an employment plan is not considered feasible was for veterans with psychiatric disabilities," p. A-64.

¹¹ P.L. 110-181, signed by President George W. Bush on January 28, 2008, mandated the creation of the Traumatic Brain Injury Caregivers Panel to develop coordinated, uniform, and consistent training curricula to be used in training family members in the provision of care and assistance to current and former members of the Armed Forces with traumatic brain injury. For details see CRS Report RL34371, "*Wounded Warrior*" and *Veterans Provisions in the FY2008 National Defense Authorization Act*, by Sarah A. Lister, Sidath Viranga Panangala, and Christine Scott.

- specialized medical, health, and rehabilitation services;
- services to address any personal and/or family adjustment issues;
- peer counseling;
- housing integral to participation in a program of special rehabilitation services;
- training in independent living skills;
- connection with community-based support services;
- training to improve awareness of rights and needs;
- assistance in identifying and maintaining volunteer or supported employment;
- services to decrease social isolation; and
- adaptive equipment that increases functional independence.

A veteran eligible for the IL program must submit a completed application Form VA 28-1900 for VR&E services. He or she must also undergo a comprehensive evaluation by a counselor who will determine if the veteran is entitled to program services and if the IL program is appropriate for the veteran.

Vocational-Educational Counseling

The VR&E also provides a wide range of vocational-educational counseling to active duty servicemembers as well as to veterans and their dependents who are eligible for education benefits.¹² The VR&E program is distinct from the Montgomery GI Bill.¹³ Servicemembers are eligible for these services six months prior to discharge from active duty or within one year after discharge. The services are designed to help these individuals choose a vocational direction and the course necessary to achieve their goals. Assistance may include testing for aptitude, exploring occupations, setting occupational goals, locating the right type of training program, and exploring educational or training facilities to achieve a vocational goal.

If a disabled veteran is enrolled in a vocational rehabilitation program, the VR&E pays the cost of tuition, fees, required books, supplies, and equipment. The VR&E may also pay for supportive services such as medical and dental care, prosthetic devices, lip-reading training, and signing for the deaf.

The goal of the education component of the VR&E program is to “address the continuum of ‘life cycle’ needs that a veteran with disabilities experiences, of which education may—or may not—be a necessary part. The focus will be the rehabilitation and employment needs of the 21st century service-connected disabled veteran.”¹⁴

¹² Dependents are eligible for benefits under 38 U.S.C. Chapters 18, 32, 30, and 35.

¹³ See CRS Report RL34549, *A Brief History of Veterans' Education Benefits and Their Value*, by David P. Smole and Shannon S. Loane, and CRS Report RS22929, *A Brief Overview of the Post-9/11 Veterans Educational Assistance Act of 2008*, by Shannon S. Loane.

¹⁴ The VR&E Task Force Report, p. 165.

Veterans who need additional education or training to become employable are paid a subsistence allowance while they participate in vocational rehabilitation training. This subsistence allowance is larger than the stipend under the GI Bill program. It is based on whether training is part-time or full-time, the number of dependents, and the type of training. See **Appendix** for current 2009 allowances.

Children with Spina Bifida and Other Birth Defects

The VR&E provides services to children of Vietnam veterans who were born with Spina Bifida¹⁵ or may have other covered birth defects. These children are entitled to receive vocational training, education, and employment services as well as other career-directed support services. These services generally last 24 months, but they may continue if the child has been unsuccessful in attaining suitable employment.

Services provided differ from those provided to veterans in the following ways. There is

- no subsistence allowance;
- no adaptation of automotive equipment;
- no extension of evaluation of employability beyond 30 days; and
- no independent living program.

Special Restorative Training

The VR&E may also provide special restorative training and counseling to eligible spouses and children¹⁶ to help them to overcome or lessen mental or physical disabilities. Once eligible, the spouse or children will receive a comprehensive evaluation to identify the best program or services for their needs. A case manager assists the family member throughout the entire program. The family member is also entitled to an accelerated educational assistance allowance for high tuition programs.¹⁷ Normal assistance may continue until the spouse or child has achieved the goals of the special restorative training program.

The Coming Home to Work Program

The VR&E has established job resource labs in its regional offices, as well as an online employment resource known as VetSuccess.gov.¹⁸ The Coming Home to Work (CHTW) program is VR&E's primary early intervention and outreach program. The goal of CHTW is to provide rehabilitation services to VR&E eligible servicemembers pending medical separation and to

¹⁵ 38 U.S.C. Chapter 18.

¹⁶ 38 U.S.C. Chapter 35.

¹⁷ The monthly rate of \$788 is for special restorative training that occurs after June 30, 2004 in accordance with 38 U.S.C. 3542 38 C.F.R. 21.3333 (a)(1).

¹⁸ Available at <http://www.vetsuccess.gov>.

veterans receiving treatment at community-based health care organizations and VA medical treatment facilities.¹⁹ CHTW provides a seamless transition to VR&E services.²⁰

VR&E eligible servicemembers with at least a 20% disability rating are entitled to an evaluation for VR&E benefits regardless of their expected discharge date.

Eligibility and Entitlement

Eligibility and entitlement must be established for participation in the VR&E program. A veteran who has an employment handicap and is eligible for the VR&E program is entitled to all applicable services. The program originally provided benefits to veterans with a 30% or more service-connected disability rating.²¹ However, it has been modified to include veterans with a 10% or 20% disability rating.

Eligibility

To be considered eligible for VA benefits, a claimant must be a veteran or the survivor or dependent of a veteran. The services of the VR&E program are also available to active military personnel who are in medical-hold or pre-discharge status.²² These individuals may be pre-qualified for the program.

To be eligible for VR&E services, a veteran must

- have received, or will receive, a discharge under conditions other than dishonorable;²³
- have served on or after September 16, 1940;
- have a service-connected disability employment handicap rating of at least 20% or a serious employment handicap rating of 10%;
- need vocational rehabilitation to overcome an employment handicap; and
- submit a completed application for VR&E services on VA Form 28-1900.

¹⁹ The Community Based Health Care Organization (CBHCO) Program was created to assist Guard and Reserve servicemembers injured in the line of duty to return to their homes where they will continue to receive medical care locally while they are evaluated for return to duty, medical release, or medical board. To be eligible, the servicemember must have a referral into the program from their respective branch of service. National Guard and Reserve servicemembers must agree to remain on active duty status to be enrolled in the CBHCO program.

²⁰ To apply for Coming Home To Work services, servicemembers without a VA disability rating must complete VA Form 28-0588, *Vocational Rehabilitation and Employment - Getting Ahead After You Get Out*, and submit it with medical records and a completed application for VR&E services (VA Form 28-1900) to the nearest VA regional office.

²¹ For more information about the VA rating system, see CRS Report RL33323, *Veterans Affairs: Benefits for Service-Connected Disabilities*, by Douglas Reid Weimer.

²² For a description of medical hold discharge status, see CRS Report RL33991, *Disability Evaluation of Military Servicemembers*, by Christine Scott et al..

²³ For more information on discharge criteria, see CRS Report RL33113, *Veterans Affairs: Basic Eligibility for Disability Benefit Programs*, by Douglas Reid Weimer.

Servicemembers pending medical separation from active duty may apply for VR&E services if their disabilities are reasonably expected to be rated at a minimum of at least 20% following their discharge. Each veteran must work with a case manager who will advise him or her on the series of steps to be taken to receive VR&E program services. The steps are described below:

Step 1. Application (described later in this report) for benefits and assessment of program eligibility.

Step 2. Evaluation to assess needs and determine services to which a veteran may be entitled, and formulation of a plan of rehabilitation.

Step 3. Provision of rehabilitation services for either employment (services and assistance that lead to the veteran becoming job-ready) or achievement of a measure of increased ability to live more independently in the community.

Step 4. Completion of the rehabilitation process. Veterans who have obtained and maintained suitable employment or achieved maximum independence in daily living are considered to be rehabilitated. *Suitable employment* is work within a veteran's physical and emotional capabilities and consistent with his or her patterns of abilities, aptitudes, and interests.

Entitlement

The VRC makes the entitlement determination on the basis of whether the veteran's employment problems have been caused by

- the veteran's service-connected disabilities;
- the veteran's non service-connected disabilities;
- deficiencies in education and training;
- negative attitudes about people with disabilities;
- the impact of alcoholism or drug abuse;
- consistency with abilities, aptitudes, and interests; or
- other pertinent factors.

To be entitled to vocational rehabilitation program services a veteran must be within the eligibility period (12 years) and have a disability rating of at least 20% with an employment handicap. Veterans with a disability rating of at least 10% with a serious employment handicap are entitled to program services regardless of whether the veteran is within the eligibility period.

What is an Employment Handicap?

An *employment handicap* as defined by law²⁴ is an impairment of a veteran's ability to prepare for, obtain, or retain employment consistent with his or her abilities, aptitudes, and interests. The impairment results in substantial part from a service-connected disability. Veterans with a

²⁴ 38U.S.C. §3101, (1).

disability rating of at least 20% and an employment handicap are entitled to VR&E program services.

What is a Serious Employment Handicap?

A *serious employment handicap* as defined by law²⁵ is a significant impairment of a veteran's ability to prepare for, obtain, or retain employment consistent with his or her abilities, aptitudes, and interests. The impairment results in substantial part from a service-connected disability. A disability rating of at least 10% and a serious employment handicap entitles a veteran to VR&E program services. If employment is not feasible, the veteran is evaluated for the Independent Living Program.

The primary difference between an employment handicap and a serious employment handicap is the degree of vocational impairment. The veteran's service-connected disability must contribute to the employment handicap. That is, the VR&E must be able to identify, observe, and measure it.

Certain totally disabled veterans are also eligible for VR&E program services. A veteran with a single disability rating of 60% or more, or a combined rating from more than one disability of at least 70%, where one disability is rated at 40% or higher, will be rated totally disabled for VR&E program purposes and be eligible for services.²⁶

A veteran who is ineligible for VR&E services will be informed in person and will be sent a letter with information about appeal rights and the appeals process. The counselor will also use the information gathered in the application process to recommend other options, programs, or services that should contribute to the achievement of vocational adjustment. Other programs and services recommended may include State Vocational Rehabilitation programs and the Department of Labor's Disabled Veterans Outreach Program (DVOP).

Period of Eligibility

The period of eligibility for VR&E benefits is 12 years from (1) the date of separation from active military service or (2) the date the veteran was first notified by the VA of a service-connected disability rating.

The period of eligibility may be extended if the VRC determines that a veteran has a serious employment handicap, or has not yet been rehabilitated to the point of employability, or has been rehabilitated but still cannot perform the duties required, or needs more services because the occupational requirements have changed. An objective evaluation is required for these circumstances to be determined.

For independent living services, if the medical condition is so severe that achievement of the vocational goal is not feasible and that goal is necessary to ensure that the veteran will achieve maximum independence, the period of eligibility may be extended.

²⁵ 38 U.S.C. §3101, (2).

²⁶ These veterans are awarded total disability benefits (compensation) based on individual unemployability, and are afforded VR&E benefits.

The Application Process

A veteran, his or her authorized representative, or a Member of Congress may communicate the veteran's intent to seek benefits under the VR&E program. The veteran must follow up by completing an application for the program. If the application is completed within one year of the communication of intent to file a claim, the date of the communication will be considered the date of formal application for benefits. The completion of applications is subject to time limits. Applications with missing information are returned for completion. The completed application must be returned within a year from the date of notification, or the veteran may be considered ineligible for benefits.²⁷

The period from application to notification of entitlement averaged 54 days in FY2007, while the evaluation and planning phase of the process (See Step 2 under the section on "Eligibility and Entitlement") averaged 93 days.²⁸

Utilization of VR&E Services

For FY2006, the Office of Management and Budget (OMB) program performance measures noted that the VR&E program was making notable progress toward achieving long-term performance measures.²⁹ Recent data from the Department of Defense (DOD) indicate that each year, approximately 25,000 active duty servicemembers are found "'not fit for duty' due to medical conditions that may qualify them for a VA disability rating and VR&E services."³⁰ Since 2003, the Army Reserve and the Army National Guard indicate that 29,000 of their members have been placed on medical hold or extension status.³¹ These servicemembers may qualify for VR&E services.

In FY2007, the VR&E spent \$341.9 million on books, tuition, supplies, fees, and other costs for 67,225 program participants (of which 52,477 received a subsistence allowance) for an average cost per participant of \$5,085. In FY2007, VR&E spending on subsistence allowance benefits was \$226.4 million for services to 52,477 recipients, for an average cost per recipient of \$4,314. In FY2007, VR&E provided rehabilitation, evaluation, planning, and services to 23,446 veterans or their dependents. No monetary benefit is associated with the latter services.³²

²⁷ Applications may be submitted online or by mail. Online applications are available on the VA website at <http://vabenefits.vba.va.gov/vonapp/main.asp>. Applications filed online go directly to the appropriate VA office. Applications that will be mailed in must be submitted on VA Form 28-1900, *Disabled Veterans Application for Vocational Rehabilitation*. The form can be downloaded from the VA website at <http://www.va.gov/vaforms>, or veterans may call 1-800-827-1000 and request that the form be sent to them by mail. The completed form should be mailed to the nearest VA Regional Office. There are 57 regional VA offices that carry out the functions of the Veterans Benefits Administration. To identify the nearest office, veterans should go to <http://www1.va.gov/directory/guide/home.asp>.

²⁸ Available at <http://www.whitehouse.gov/omb/expectmore/detail/10003220.2006.html>.

²⁹ Ibid.

³⁰ Ibid.

³¹ Ibid.

³² U.S. Department of Veterans Affairs: *FY2009 Budget Submission: Benefits and Burial Programs and Departmental Administration*, Vol. 3 of 4, February 2008, pp.2A2-2A3, available at http://www.va.gov/budget/summary/2009/Volume_3-Benefits_and_Burial_and_Dept_Admin.pdf.

For FY2007, OMB reported a rehabilitation rate of 73% for all disabled veterans in the VR&E program; the rehabilitation rate for serious employment handicaps was also reported to be 73%. Only 75% of those who are entitled to VR&E benefits actually sign up for the program. The average actual amount spent on a program participant in FY2007 was \$8,856, more than the projected average cost of \$8,000.³³

As shown in **Table 1**, in FY2006, from a pool of 57, 856 applicants, 63.1% or 36,513 disabled veterans were found to be entitled to VR&E services, and there were 52,982 participants in the VR&E program.³⁴ The number of disabled veterans who were successfully rehabilitated by the end of the FY2006 program year was 12,062. Of this number, the total number of male and female veterans with serious employment handicaps that were rehabilitated in FY2006 was 6,552.³⁵

Table 1. Vocational Rehabilitation & Employment Program Statistics, FY2006

VR&E Category	Male	Female	Total
Applicants	47,961	9,895	57,856
Denied Eligibility	2,780	635	3,425
Denied Entitlement	732	1,152	1,884
Entitled to Services	29,670	6,843	36,513
Participants	40,355	12,627	52,982
Rehabilitated	9,744	2,318	12,062

Source: Table prepared by the Congressional Research Service (CRS) using data from the Department of Veterans Affairs, *Veterans Benefits Administration Annual Benefits Report, Fiscal Year 2006*. Available at http://www.vba.va.gov/reports/2006_abr_v2.pdf.

The life cycle of one VR&E case may be four or more years from application to eligibility, entitlement, rehabilitation planning, achievement of rehabilitation goals, and finally, rehabilitation.

Current Issues

In the 110th Congress, the House Veterans Affairs Committee, Subcommittee on Economic Opportunity held a hearing on July 10, 2008, on the Independent Living Program. The main concern expressed by witnesses about the program concerned the annual fiscal year cap (2,500) on new participants in the program. Witnesses stated that the program was needed and that the cap hindered the ability of the VA to provide services to disabled veterans. In addition to the hearing witnesses, the Office of the Inspector General (OIG) of the VA noted in an audit of the VR&E program operations, although the number of veterans entering the IL program in FY2006

³³ Available at <http://www.whitehouse.gov/omb/expectmore/detail/1003220.2006.html>.

³⁴ Participants are veterans who are receiving a subsistence allowance in one of the following case statuses: extended evaluation, independent living, job ready, or rehabilitation to employment.

³⁵ “Rehabilitated” means veterans who have successfully found and maintained suitable employment or have successfully completed an independent living program.

did not exceed the cap, this may have occurred because anticipating exceeding the cap delayed entry of entitled veterans into the program.³⁶

The Veterans' Benefits Improvements Act of 2008 (P.L. 110-389) made changes to the IL program. P.L. 110-389 increased the annual cap on participants to 2,600 and provided that a veteran with a severe disability incurred or aggravated in post-9/11 service may be granted a waiver of the 24-month limitation on program services. The legislation also required the Secretary of the VA to conduct a study on measures to encourage veterans to complete their vocational rehabilitation plans and, subject to fund availability, perform a longitudinal study (of at least 20 years) for three groups of veterans (those beginning to participate in a vocational rehabilitation program in 2010, 2012, and 2014).

The Supplemental Appropriations Act, 2008 (P.L. 110-252) included the Post-9/11 Veterans Educational Assistance Act of 2008. This new education benefits for veterans will take effect August 1, 2009. Veterans participating in the vocation rehabilitation program could, if still eligible for benefits under the previous education benefit for veterans, the All-Volunteer Force Educational Assistance, have the education benefits paid through that program rather than through the vocational rehabilitation program. A similar option does not exist for veterans in the vocational rehabilitation program who are eligible for benefits under the new education benefit program.³⁷

Other Employment Assistance Programs for Disabled Veterans

Apart from the VR&E program, other federal agencies administer programs that provide services to help veterans to achieve an employment outcome, that is, to obtain competitive employment. VR&E has signed Memorandums of Understandings (MOUs) and formed partnerships with other organizations whose services frequently overlap, representing joint efforts to increase opportunities for rehabilitated veterans to become employed. In addition, each branch of the military has a program to support its disabled veterans, and many veterans services organizations (VSOs) provide services to disabled veterans as well.

Listed below are some programs that provide rehabilitation or other services to veterans with brief descriptions and contact information. Links to many of these programs are provided from the VR&E program section of the VA website.

³⁶ Department of Veterans Affairs, Office of the Inspector General, *Audit of Vocational Rehabilitation and Employment Program Operations*, Report No. 06-00493-42, December 17, 2007, p. 11. Available at <http://www.va.gov/oig/52/reports/2008/VAOIG-06-00493-42.pdf>.

³⁷ For more information on the VR&E program, see CRS Report RL34627, *Veterans' Benefits: The Vocational Rehabilitation and Employment Program*, by Christine Scott and Carol D. Davis.

Federal Government Programs

Computer/Electronics Accommodations Program (CAP)

The CAP program provides assistive technology and services to people with disabilities, federal managers, supervisors, Internet technology (IT) professionals, and wounded servicemembers. Accommodations are made for servicemembers with vision or hearing loss, dexterity impairments (including upper-extremity amputees), and communication and cognitive difficulties, including Traumatic Brain Injuries (TBI). These services are available as a part of the DOD Military Health System's Tricare program.³⁸

The Department of Education: Office of Special Education and Rehabilitation Services Administration (RSA)

The Rehabilitative Services Administration (RSA) oversees grant programs that help individuals with mental or physical disabilities obtain employment and live more independently through the provision of such support as counseling, medical and psychological services, job training and other individualized services. RSA's major Title I formula grant program provides funds to state vocational rehabilitation (SVR) agencies to provide employment-related services to individuals with disabilities, giving priority to persons who are significantly disabled. In FY2004, RSA provided services to 29,135 veterans.³⁹

The Department of Labor (DOL)

The DOL's Veterans Employment and Training Services (VETS) falls under the President's National Hire Veterans Committee.⁴⁰ The mission of VETS is to provide veterans and transitioning servicemembers with the resources and services to succeed in the workforce by maximizing their employment opportunities, protecting their employment rights, and meeting labor market demands with qualified veterans. VETS administers the HireVetsFirst program to (1) furnish employers with information about the training and skills of veterans and disabled veterans and the advantages afforded employers by hiring veterans with such training and skills and (2) facilitate employment of veterans and disabled veterans through participation in America's national labor exchange and other means.⁴¹

The DOL also has a link from its website to a recruiting firm, RecruitMilitary, which focuses on matching military veterans and their spouses with employers around the world. RecruitMilitary lists more than 6,000 employers on its website.⁴²

³⁸ Available at <http://tricare.mil/cap/wsm/>.

³⁹ Available at <http://www.ed.gov/about/offices/list/osers/ras>.

⁴⁰ Jobs for Veterans Act (P.L. 107-288); currently codified at 38 U.S.C. § 4100.

⁴¹ Available at <http://www.dol.gov/vets/> and <http://www.hirevetsfirst.gov>.

⁴² Available at <http://recruitmilitary.com>.

Disabled Transition Assistance Program (DTAP)

The VR&E partners with the DOD and the DOL through DTAP to allow disabled servicemembers to gain information and assistance with the transition from military to civilian life prior to their separation from military service.

The Compensated Work Therapy Program

Through the VR&E, the Compensated Work Therapy Program administered by the DOL brings transitional and permanent jobs to veterans who are returning to the workforce after medical rehabilitation. The program combines work and training for new job skills.⁴³

The National Veterans Employment Program (NVEP)

The VA administers the NVEP to help veterans understand and use veterans' preference and other hiring flexibilities to get jobs in the federal government, including the VA. The program promotes the hiring of veterans by federal managers and supervisors. It also educates selecting officials on veterans' preferences and federal hiring authorities developed to help veterans gain federal employment.⁴⁴

The Office of Personnel Management (OPM)

Most federal departments and agencies are required to have an affirmative action program for the recruitment, employment, and advancement of disabled veterans. Agencies develop Disabled Veterans Affirmative Action Programs (DVAAPs) and must submit accomplishment reports to the OPM reporting their efforts to promote the maximum employment and job advancement opportunities for disabled veterans. OPM provides guidance and assistance to agencies on the preparation of their DVAAPs and presents an annual report to Congress on the employment of veterans in the federal government.⁴⁵

The Small Business Administration (SBA)

In partnership with the Association of Small Business Development Centers (ASBDC), the SBA provides entrepreneurial training to qualified service-connected disabled veterans who are VR&E participants. The mission of SBA's Office of Veterans Business Development is to maximize the availability, applicability, and usability of all Small Business Administration programs for veterans, service-disabled veterans, Reserve component members, and their dependents and survivors. The SBA provides grants to Veterans Business Outreach Center (VBOC) programs that assist disabled veterans with funding, counseling, mentoring, training, procurement, service delivery, business development, and government certification.⁴⁶

⁴³ Available at <http://www1.va.gov/Vetind/>.

⁴⁴ Available at <http://www.va.gov/nvep/>.

⁴⁵ Available at <http://www.opm.gov/veterans/dvaap.asp>.

⁴⁶ Available at <http://www.sba.gov/aboutsbs/sbaprograms/ovbd/index.html>.

Military Programs

Air Force Palace HART-Helping Airmen Recover Together Program

The Air Force, through its Palace HART program, helps Air Force personnel who have been medically separated from active duty receive transition services by ensuring that they have complete information about entitlements that are due to them. When an airman enters the disability evaluation process, the Air Force Personnel Center Field Activities Division (AFPC/DPFF) begins tracking him or her for Palace HART eligibility. Once the airman is medically separated as a result of service-related injuries, Palace HART Family Support Centers provide transition services, including individual pre-separation counseling and assistance in obtaining all authorized service from the Air Force, the DOD, the VA, and the Department of Labor (DOL). The program assists with the initial filing of VA disability claims, extended five-year case management follow-up, and employment placement assistance and counseling. The goal is to help wounded Air Force veterans transfer back to civilian life.⁴⁷

Army Career and Alumni Program (ACAP) and ACAP-Entrepreneurship Bootcamp for Veterans with Disabilities (EBV)

Veterans disabled in support of Operations Iraqi Freedom and Enduring Freedom who are accepted into the EBV program of the Army Career and Alumni Program can receive free training in entrepreneurship and small business management, as well as support in growing a successful business from the business school faculties of four U.S. universities: Whitman School of Management at Syracuse University; the College of Business at Florida State University; UCLA Anderson School of Management; and Mays Business School at Texas A&M University. Eligible veterans may go online to apply for ACAP services.⁴⁸

Army Material Command: Always a Soldier

The Always a Soldier program provides service-connected disabled veterans with opportunities to seek employment, career advancement, job mobility, family economic well-being, and greater financial security. Specific employment tracks include the following:

- federal wage grade positions involving trades and labor;
- internship programs providing monitored or supervised work or training experience with learning goals; and
- various federal general schedule (GS) series full performance positions.

The Always a Soldier program partners with existing Army programs (such as Disabled Soldier Services and Army Community Service), the VA, and the Disabled American Veterans (DAV) organization.⁴⁹

⁴⁷ Available at <http://www.af.mil>.

⁴⁸ Available at <http://acap.army.mil> and <http://www.acapexpress.army.mil>.

⁴⁹ Available at <http://www.amc.army.mil/alwaysasoldier>.

Marine for Life-Injured Support Program (M4L-IS)

The goal of the M4L-IS Program is to provide needs-based individual support to combat-wounded Marines and sailors from the time of injury through the post-discharge transition period (up to one year after release from active duty) until they are fully integrated into the VA system. The program's features include pre-and post-service separation case assistance; coordination with physical evaluation boards; coordination with veterans, public, and private organizations providing support to the seriously injured; and provision of referral services for disability specific information and mental health services.⁵⁰

Navy Safe Harbor Program

The Navy Personnel Command website has links to a number of employment services for veterans and disabled veterans, including those of the DOL and others such as the DOL's Office of Disability Employment Program (ODEP) and State Vocational Rehabilitation Services.⁵¹

U.S. Army Wounded Warrior Program (AW2)

The AW2 program tracks soldiers and their families for five years after medical retirement. Army Wounded Warriors must suffer from injuries or illnesses incurred after September 11, 2001, in support of the Global War on Terror and receive a 30% disability rating⁵² for one or more injuries.⁵³

In response to the recommendations of the 2004 Task Force report, the VR&E has endeavored to develop an integrated working relationship with a wide range of organizations, such as the Centers for Independent Living; the National Council on Disability, the National Council on Independent Living, the Commission on Accreditation of Rehabilitation Facilities, and the National Organization of Disability Examining Physicians. The VR&E has also increased interaction with the vocational rehabilitation activities of academic organizations and private sector disability, rehabilitation, and employment firms and associations.

The VR&E maintains strategic partnerships with private sector companies such as the Home Depot, the Mortgage Bankers Association, and faith-based organizations such as the YMCA, Goodwill Industries International, and Disabled Sports to achieve the goal of integrated and seamless delivery of services to disabled veterans.

⁵⁰ Available at <http://www.mfl.usmc.mil>.

⁵¹ See http://www.npc.navy.mil/CommandSupport/SafeHarbor/SH_JobPlacement.htm.

⁵² Conditions are based on the VA Schedule for Disability Ratings (VASDR) 2003 C.F.R. 38 Chapter 1, Part 4 as used by the U.S. Army Physical Disability Agency (USPDA).

⁵³ Available at <http://www.aw2.army.mil>.

Appendix. 2009 VR&E Training Programs Subsistence Allowance Rates

Category I. Below is the monthly allowance paid for training in an institution of higher learning.

Table A-1. Monthly Allowance, Category I

Training Time	No Dependents (\$)	One Dependent (\$)	Two Dependents (\$)	Each Additional Dependent (\$)
Full-time	541.05	671.13	790.87	57.65
¾-time	406.53	504.07	591.28	44.33
½-time	272.02	337.03	396.17	29.58

Category II. The monthly allowance paid while receiving full-time training in non-pay, or nominal pay on-the-job training in a federal, state, local, or federally recognized Indian tribe agency; training in the home; and vocational training in a rehabilitation facility or sheltered workshop is shown in the table below.

Table A-2. Monthly Allowance, Category II

Training Time	No Dependents (\$)	One Dependent (\$)	Two Dependents (\$)	Each Additional Dependent (\$)
Full-time	541.05	671.13	790.87	57.65

Category III. A monthly subsistence allowance is paid for non-pay or nominal pay work experience in a federal, state, local, or federally recognized Indian tribe agency. The rates are shown below.

Table A-3. Monthly Allowance, Category III

Training Time	No Dependents (\$)	One Dependent (\$)	Two Dependents (\$)	Each Additional Dependent (\$)
Full-time	541.05	671.13	790.87	57.65
¾-time	406.53	504.07	591.28	44.33
½-time	272.02	337.03	396.17	29.58

Category IV. For full-time training only in farm cooperative, apprenticeship, and other on-the-job training, a monthly subsistence allowance is paid. These payments are variable based on wages received. The maximum rates are given below.

Table A-4. Monthly Allowance, Category IV

Training Time	No Dependents (\$)	One Dependent (\$)	Two Dependents (\$)	Each Additional Dependent (\$)
Full-time	473.05	572.06	659.30	42.89

Category V. Veterans who receive greater than half-time training in a combined institutional and on-the-job training program receive the following monthly subsistence allowance.

Table A-5. Monthly Allowance, Category V

Training Time	No Dependents (\$)	One Dependent (\$)	Two Dependents (\$)	Each Additional Dependent (\$)
Institutional	541.05	671.13	790.87	57.85
On-the-job	473.05	572.06	659.30	42.89

Category VI. Veterans enrolled in a rehabilitation facility and pursuing an approved independent living program are paid a monthly subsistence allowance. Rates are given below.

Table A-6. Monthly Allowance, Category VI

Training Time	No Dependents (\$)	One Dependent (\$)	Two Dependents (\$)	Each Additional Dependent (\$)
Full-time	541.05	671.13	790.87	57.65
¾-time	406.53	504.07	591.28	44.33
½-time	272.02	337.03	396.17	29.58

Category VII. When veterans are enrolled in a rehabilitation facility and require extended evaluation, a monthly subsistence allowance is paid at the following rates.

Table A-7. Monthly Allowance, Category VII

Training Time	No Dependents (\$)	One Dependent (\$)	Two Dependents (\$)	Each Additional Dependent (\$)
Full-time	541.05	671.13	790.87	57.65
¾-time	406.53	504.07	591.28	44.33
½-time	272.02	337.03	396.17	29.58
¼-time	135.99	168.53	198.07	14.75

Source: Tables prepared by the Congressional Research Service (CRS) using data from the Department of Veterans Affairs, Veterans Benefit Administration, Vocational Rehabilitation & Employment Service, *VA Training Programs Subsistence Allowance Rate Increase as of October 1, 2008*, available at http://www.vba.va.gov/bln/vre/sal08/safy09_rates.doc.

Author Contact Information

Christine Scott
Specialist in Social Policy
cscott@crs.loc.gov, 7-7366

Carol D. Davis
Information Research Specialist
cdavis@crs.loc.gov, 7-8994

Acknowledgments

The report was originally written by Beverley A. Crane, an intern with the Congressional Research Service, Domestic Social Policy Division. All questions should be directed to the current authors.