



# Veterans' Benefits: The Vocational Rehabilitation and Employment Program

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## Summary

Vocational Rehabilitation and Employment for veterans (VR&E) is an entitlement program that provides job training and related services to veterans with service-connected disabilities. In cases where a disabled veteran is not able to work, the VR&E program provides independent living (IL) services to help the veteran achieve the highest possible quality of life. The VR&E program is administered by the Veterans Benefit Administration (VBA), part of the Department of Veterans Affairs (VA).

To be entitled to VR&E services, a veteran must have received a discharge other than dishonorable and be found to have either (1) a 20% service-connected disability and an employment handicap, or (2) a 10% service-connected disability and a serious employment handicap. After a veteran is found to be entitled to VR&E, a counselor helps the veteran identify a suitable employment goal and determine what services will be necessary to achieve that goal. The veteran is then assigned to one of five reemployment tracks:

- *Reemployment* for veterans who wish to return to work they held prior to their military service;
- *Rapid Access to Employment* for veterans who already have the skills necessary to compete in the job market and only need short-term services such as job search assistance;
- *Employment through Long-Term Services* for veterans who require postsecondary or vocational training to reach their employment goals;
- *Self-employment* for veterans who have the skills to start businesses; or
- *Independent Living* for veterans for whom employment is not a viable goal.

The most common track is Employment through Long-Term Services, and the most common form of training is undergraduate education.

In most cases, veterans are entitled to a subsistence allowance while they are enrolled in training. In instances where a veteran is entitled to both VR&E benefits and the Post-9/11 GI Bill, the veteran may couple VR&E training benefits with the higher subsistence allowance available under the Post-9/11 GI Bill.

In FY2011, approximately 28,000 veterans developed a new plan of service with VR&E and almost 10,000 veterans completed rehabilitation. In FY2012, the VA estimates that VR&E benefits will cost \$516 million, subsistence allowances for eligible veterans will be an additional \$433 million, and administrative costs will total \$204 million.

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Vocational Rehabilitation and Employment for veterans (VR&E) is an entitlement program that provides job training and related services “to enable veterans with service-connected disabilities to achieve maximum independence in daily living and, to the maximum extent feasible, to become employable and to obtain and maintain suitable employment.”<sup>1</sup> The program is administered by the Veterans Benefit Administration (VBA) of the Department of Veterans Affairs (VA). The VR&E program provides comprehensive services to enable veterans with service-connected disabilities and employment handicaps to become employable and maintain suitable employment.<sup>2</sup> For severely disabled veterans, the program strives to help them achieve the highest quality of independent living possible with a future chance of employment, given medical and technological advances.

The primary functions of the VR&E program are authorized under 38 U.S.C., Chapter 31. VR&E staff also have several other VBA-related responsibilities that are assigned in other chapters of Title 38. These functions are outlined in **Appendix**. The body of this report will focus on the primary functions described in Chapter 31.

## Background

### History

In 1918, Congress passed P.L. 65-178, the Vocational Rehabilitation Act, to provide for the retraining of disabled persons who 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 broadened eligibility and provided that any eligible veteran may receive up to four years of training specifically directed to restoring employability. Under this program, the VA provided services to 621,000 disabled World War II veterans.

Since then, the scope of the veterans rehabilitation program has been modified and expanded to better fulfill its mission. The program has undergone several name changes and has usually been aligned with the education services of the VBA. In 1999, the VR&E program acquired its current name with the intention of emphasizing employment services and job placement.

In 2004, the Secretary of Veterans Affairs responded to continuing criticisms of VR&E's operations from Congressional committees, the Government Accountability Office (GAO), and others by forming a task force to evaluate the program. The task force report found little evidence that the program's efforts to obtain jobs for rehabilitated veterans had been effective.<sup>3</sup> Among its

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<sup>1</sup> 38 U.S.C. 3100.

<sup>2</sup> The VBA website defines suitable employment as “Work that is within a veteran's physical and emotional capabilities and is consistent with his or her pattern of abilities, aptitudes, and interests.” See <http://www.vba.va.gov/bln/vre/def.htm#se>.

<sup>3</sup> 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 21<sup>st</sup> Century Veteran, 2004* (hereinafter referred to as the VR&E Task Force Report).

110 recommendations, the task force emphasized that VR&E should focus on employment and place more emphasis on its clients' skills rather than their disabilities. In response to these recommendations, VR&E developed the five-track employment process discussed later in this report.<sup>4</sup>

## **Recent Activity**

Recent legislative activity concerning VR&E has dealt with modifying the program to better align it with other VA programs and temporarily expanding benefits. P.L. 111-377, signed on January 4, 2011, modified the program so that veterans eligible for both VR&E training and the Post 9/11 GI Bill (also known as Chapter 33 benefits) could utilize VR&E training benefits while collecting the larger housing allowance associated with Chapter 33 benefits. Prior to this change, there was concern that disabled veterans were forgoing the more comprehensive VR&E services to obtain the higher immediate cash allowance that accompanied Chapter 33 benefits.

P.L. 112-56, signed on November 21, 2011, temporarily increased the maximum benefit duration for veterans who had completed a VR&E program and exhausted their eligibility for unemployment insurance. The provisions in the law grant eligible veterans one year of additional VR&E-sponsored training. The expanded benefits are only available to veterans who apply to the VR&E program before March 31, 2014.

Recent agency-level initiatives have focused on streamlining the transition between military service and employment. The Coming Home to Work (CHTW) program provides outreach to exiting servicemembers and recent veterans to aid the transition to civilian employment. CHTW can also provide expedited access to VR&E services for eligible veterans. The Disability Transition Assistance Program (DTAP) provides customized briefings for servicemembers and veterans who may be eligible for VR&E services.

Obligations for mandatory VR&E benefits are estimated to be \$949 million in FY2012. This covers tuition and related expenses (\$516 million) and subsistence allowances for individuals who were enrolled in an eligible training program (\$433 million). Estimated FY2012 obligations are about 25% higher than FY2011 obligations.<sup>5</sup> Most of this increase was due to higher spending on subsistence allowances and largely related to the changes made by P.L. 111-377.

The program's discretionary costs, which cover VR&E staff and other expenses, are estimated at \$204.3 million for FY2012.<sup>6</sup> Approximately 74% of these expenditures were related to personnel. In FY2012, the VR&E program estimates that it will employ 1,446 full-time equivalents. In the program's FY2013 budget request, it projects that increased demand for services and the replacement of purchased services with full-time counselors would increase the number of required full-time equivalents to 1,594 and financial obligations to \$234 million.<sup>7</sup>

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<sup>4</sup> Testimony of Ruth Fanning, Director, VA's VR&E Service, before the Senate Committee on Veterans' Affairs, February 5, 2008, available at <http://www.va.gov/OCA/testimony/svac/080205RF.asp>.

<sup>5</sup> U.S. Department of Veterans Affairs, FY2013 Budget Submission, Volume III: Benefits and Burial Programs and Departmental Administration, p. 2B-2, available online at <http://www.va.gov/budget/products.asp>.

<sup>6</sup> P.L. 112-74 appropriated \$2,018,764,000 in discretionary funds for "necessary operating expenses" related to the VBA. The agency has discretion to allocate these funds for administrative costs across programs, so the actual allocation to VR&E may vary somewhat.

<sup>7</sup> Ibid. p. 4E-2 and 4E-3.

## VR&E Application Process

A veteran, a veteran's 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.<sup>8</sup>

There are two subsequent determinations between a veteran's application for VR&E and his or her receipt of services: *eligibility* and *entitlement*.

### Eligibility

The first step in obtaining VR&E services is establishing eligibility. To be eligible for VR&E services, a veteran must<sup>9</sup>

- have served on or after September 16, 1940;
- have received, or will receive, a discharge under conditions other than dishonorable;<sup>10</sup> and
- have a service-connected disability rating of 10% or greater.<sup>11</sup>

Current servicemembers pending 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.

### Duration of Eligibility

Veterans are eligible for VR&E services for 12 years after separation from active military duty. In cases where a veteran was notified of a service-connected disability rating after separation, eligibility extends 12 years from the date of notification.

The period of eligibility may be extended if the VA determines that the veteran has a serious employment handicap, has not yet been rehabilitated to the point of employability, 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.<sup>12</sup>

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<sup>8</sup> 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. Forms may also be downloaded from the VA website at <http://www.va.gov/vaforms> and then submitted to a local VR&E office or requested by phone and then returned.

<sup>9</sup> See 38 U.S.C. 3102-3103.

<sup>10</sup> For more information on discharge criteria, see CRS Report R42324, *"Who is a Veteran?"—Basic Eligibility for Veterans' Benefits*, by Christine Scott.

<sup>11</sup> For an in-depth discussion of the VA's disability evaluation process and policies, see CRS Report RL33991, *Disability Evaluation of Military Servicemembers*, by Christine Scott and Don J. Jansen.

<sup>12</sup> See 38 U.S.C. 3013(c).

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.<sup>13</sup>

## **Entitlement**

Once eligibility is established, an applicant completes a comprehensive evaluation with a Vocational Rehabilitation Counselor (VRC). The evaluation includes

- an assessment of the veteran's interests, aptitudes, and abilities;
- an assessment of whether service-connected disabilities impair the veteran's ability to secure and maintain suitable employment; and
- identification of services necessary to maintain a career or achieve maximum independence.

An applicant is entitled to VR&E services if he or she is found to have

- a 20% service-connected disability and an employment handicap; or
- a 10% service-connected disability and a serious employment handicap.

An *employment handicap* is an impairment of a veteran's ability to prepare for, obtain, or retain employment consistent with his or her abilities, aptitudes, and interests.<sup>14</sup>

A *serious employment handicap* 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.<sup>15</sup>

To be entitled to VR&E services, the veteran's service-connected disability must contribute to the employment handicap and 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.<sup>16</sup>

## **Non-entitlement**

A veteran who applies for VR&E services but is not found to be entitled to services will be informed about appeal rights and the appeals process. The counselor will also use the information gathered in the application process to recommend other services. Veterans who utilize the public

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<sup>13</sup> See 38 U.S.C. 3103(d).

<sup>14</sup> See 38 U.S.C. 3101(1).

<sup>15</sup> See 38 U.S.C. 3101(2).

<sup>16</sup> These veterans are awarded total disability benefits (compensation) based on individual unemployability and are afforded VR&E benefits.

workforce system in their respective states may seek additional assistance through the Department of Labor's Disabled Veterans Outreach Program (DVOP).<sup>17</sup>

## Case Management and Rehabilitation Planning

After a veteran is found to be entitled to VR&E services, a case manager is assigned to work with the veteran. The case manager works in conjunction with a VRC and the veteran to determine an employment goal and assess obstacles to employment. A written rehabilitation plan is then developed, describing the goal of the VR&E program and the services required to achieve the goal.<sup>18</sup> The required services may be provided by the VRC or the case manager may provide referrals for other services. The plan is reviewed with the participation of the client at least once a year.<sup>19</sup>

The VR&E program must track each entitled veteran and his or her progress toward the employment goal. The rehabilitation phase of the VR&E program includes the following stages:

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

## Services Provided by VR&E

The most common services provided by VR&E agencies are funding for higher education and short-term employment services like job search assistance. The full range of services that VR&E agencies are required to make available to entitled clients, however, is much broader and includes a variety of specialized services for workers with disabilities.<sup>20</sup>

## Service Delivery Tracks

One of the 2004 task force's major recommendations led to the development of a new five-track service delivery system designed to make VR&E's services more employment-focused. The combination of services that VR&E provides or coordinates depends largely upon the veteran's VR&E track.

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<sup>17</sup> For information on the public workforce system, see CRS Report R41135, *The Workforce Investment Act and the One-Stop Delivery System*, by David H. Bradley.

<sup>18</sup> See 38 U.S.C. 3106.

<sup>19</sup> See 38 U.S.C. 3106(b).

<sup>20</sup> Additional required services may include corrective assistive devices, travel expenses, and independent living services. See 38 U.S.C. 3104, 3109, and 3120.



## **Reemployment Track**

The Reemployment Track is for veterans who wish to return to work with their previous employers. In addition to the case management and counseling that all VR&E beneficiaries receive, veterans on the reemployment track may receive assistance from the VA to make their workplace more accessible. They may also receive counseling on workplace rights for veterans.<sup>21</sup>

A veteran on this track is considered rehabilitated when he or she has completed the employment program and maintained suitable employment for 60 days.<sup>22</sup>

## **Rapid Access to Employment Track**

The Rapid Access to Employment Track emphasizes the goal of immediate employment and is available to separating veterans who already have the skills necessary to compete in the job market in appropriate occupations. On this track, VR&E services may include job readiness preparation, resume development, or job search assistance. The VRC may also counsel veterans on this track in disability rights and assist an employer in providing accommodations to a disability.

A veteran on this track is considered rehabilitated when he or she has completed the employment program and maintained suitable employment for 60 days.

## **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.

A self-employment plan with an estimated or actual cost of less than \$25,000 may be approved by the VR&E Officer. A self-employment plan with an estimated cost of \$25,000 or more must be approved by the Director of VR&E Services.<sup>23</sup>

A veteran on this track is considered rehabilitated when he or she has completed the self-employment program and maintained a viable business for one year.

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<sup>21</sup> In addition to the rights afforded by the Americans with Disabilities Act of 1990 (ADA; 42 U.S.C. 12101-12213), disabled veterans are also entitled to additional rights under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA, 38 U.S.C. 4301-4335).

<sup>22</sup> Rehabilitation criteria are from the Government Accountability Office (GAO) report *VA Vocational Rehabilitation and Employment: Better Incentives, Workforce Planning, and Performance Reporting Could Improve Program*. January 2009.

<sup>23</sup> See 38 CFR 21.258.

## **Employment through Long-Term Services Track**

This track targets veterans who need long-term employment training to prepare them for suitable employment. Formal classroom courses are the most common long-term service, though training may also include on-the-job training, apprenticeships, internships, job shadowing, work monitoring, work-study, or public-private job partnering.

Services last as long as is necessary for the beneficiary to attain the objectives set out in his or her employment plan, but may not exceed 48 months (or the equivalent when pursued on a part-time basis).<sup>24</sup> In limited circumstances (such as a veteran's disability worsening during the rehabilitation process and the original employment objective becoming unviable), a rehabilitation program can be extended beyond 48 months. Extensions must be approved by a counseling psychologist and a VR&E officer.<sup>25</sup>

Veterans on this track may also receive a subsistence allowance while enrolled in a training program. The subsistence component of the program is described in detail in the "Subsistence Allowance" subsection later in this report.

As described previously, P.L. 112-56 temporarily provides an additional year of training under the VR&E program for veterans who have (1) successfully completed a VR&E program and (2) exhausted their rights to unemployment benefits. The veteran must apply for the additional year of training before March 31, 2014.

A veteran on the employment through long-term services track is considered rehabilitated when he or she has completed a training program and maintained employment for 60 days.

## **Independent Living Services Track**

The Independent Living (IL) Services Track is for veterans who may not be able to work immediately and need additional rehabilitation to enable them to live more independently. The short-term focus of the program is on allowing veterans to participate in family and community life, but it also aims to increase their ability to possibly return to work in the longer term.<sup>26</sup> Veterans on this VR&E track may be provided with assistive technology, independent living skills training, and connections to community-based support services.

To meet the needs of veterans with severe disabilities and mobility impairments, VR&E's IL program may work with the VA's Loan Guaranty Service and the Specially Adapted Housing (SAH) grant program, the Home Improvements and Structural Alterations (HISA) program, the Automobile Adaptive Equipment program, and the Visually Impaired Services Team (VIST).<sup>27</sup> The VR&E also works with the Committee on Care of Veterans with Severe Mental Illness (SMI)<sup>28</sup> and the Traumatic Brain Injury Caregivers Panel.<sup>29</sup>

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<sup>24</sup> See 38 C.F.R. 21.70(b)(1).

<sup>25</sup> See 38 C.F.R. 21.78.

<sup>26</sup> See 38 U.S.C. 3109.

<sup>27</sup> For information on housing and automobile grants, see CRS Report RL34626, *Veterans' Benefits: Benefits Available for Disabled Veterans*, by Christine Scott, Carol D. Davis, and Libby Perl.

<sup>28</sup> 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.

When it was first established in 1980, the IL program had an annual cap of 500 new cases.<sup>30</sup> This cap was subsequently increased, and in FY2012 a maximum of 2,700 veterans will be permitted to begin an IL program.<sup>31</sup>

IL programs for veterans usually last 24 months, but they may be extended for an additional six months in exceptional circumstances. P.L. 110-389 provided a waiver from the 24-month limitation if the VA Secretary determines that additional time is needed for a veteran with post-9/11 service who has a severe disability.

IL 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.<sup>32</sup>

## Utilization of Each Track

VR&E does not report the number of individuals who choose each track. A 2009 GAO report analyzed program data and reported the most recent track selection for almost 24,000 veterans who developed a new plan of service. GAO's findings are listed in **Table 1** and show that the vast majority chose employment through long-term services and that less than 10% pursued self-employment or one of the short-term programs. GAO cautioned that these data may be imprecise because not all program participants were associated with a track and some beneficiaries may change tracks during the reemployment process.<sup>33</sup>

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(...continued)

<sup>29</sup> 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, Christine Scott, and Sidath Viranga Panangala.

<sup>30</sup> See P.L. 96-466, the Veterans Rehabilitation and Education Amendments of 1980.

<sup>31</sup> This limit of 2,700 was established by the Veterans Benefits Act of 2010 (P.L. 111-275). The cap was previously increased to 2,500 by the Veterans Education and Benefits Expansion Act of 2001 (P.L. 107-103) and to 2,600 by the Veterans' Benefits Improvement Act of 2008 (P.L. 110-389).

<sup>32</sup> See 38 C.F.R. 21.430(c).

<sup>33</sup> Government Accountability Office. *VA Vocational Rehabilitation and Employment: Better Incentives, Workforce Planning, and Performance Reporting Could Improve Program*. GAO-09-34. January 2009, p. 10.

**Table 1. Share of Veterans in Each VR&E Track**  
Beginning a plan of service between January 2007 to May 2008

VR&E Track	Share of Recipients
Reemployment	1.4%
Rapid Access to Employment	7.2%
Self-Employment	0.4%
Employment Through Long-Term Services	79.6%
Independent Living	11.4%

**Source:** Government Accountability Office, *VA Vocational Rehabilitation and Employment: Better Incentives, Workforce Planning, and Performance Reporting Could Improve Program*, GAO-09-34, January 2009.

## Monetary Benefits for VR&E Participants

In addition to training benefits and other employment services, veterans who are entitled to VR&E services are also eligible for certain financial benefits.

### Subsistence Allowance

Most veterans who are receiving benefits under the VR&E program are also eligible for a monthly subsistence allowance. Veterans who are only receiving (1) initial evaluation, (2) placement or post-placement services, and (3) counseling from the VR&E program are not eligible for a subsistence allowance, nor are veterans who are enrolled in a training program less than half-time.<sup>34</sup>

The subsistence allowance varies by the type of program the veteran is enrolled in and whether or not the veteran has dependents. In FY2012, the monthly allowance for a veteran enrolled full-time at an institute of higher learning with two dependents is \$829.<sup>35</sup> The subsistence allowance continues as long as the veteran is enrolled in an eligible program and continues for two months after the program of training has been completed. The subsistence allowance is increased each year proportionate to the rate of inflation.<sup>36</sup>

As noted previously, P.L. 111-377 modified the subsistence component of VR&E so that veterans who are eligible for both VR&E services and the Post-9/11 GI Bill (also known as Chapter 33 benefits) may opt for the subsistence allowance offered under Chapter 33 while receiving training and other benefits under Chapter 31. Chapter 33 allowances are determined by a veteran's locality. In FY2012, the Chapter 33 allowance ranges from \$720 to \$2,742 per month.<sup>37</sup>

<sup>34</sup> See 38 U.S.C. 3108 and 38 C.F.R. 21.260(d).

<sup>35</sup> Subsistence rates for VR&E participants are available on the VBA website at [http://www.vba.va.gov/bln/vre/doc/sa\\_rates.pdf](http://www.vba.va.gov/bln/vre/doc/sa_rates.pdf).

<sup>36</sup> 38 U.S.C. 3108.

<sup>37</sup> The allowance under Chapter 33 is equal to the basic housing allowance for a servicemember with dependents in pay grade E-5. Allowances are determined by zip code and FY2012 allowances at <http://www.defensetravel.dod.mil/Docs/perdiem/browse/Allowances/BAH/PDF/2012/2012-With-Dependents-BAH-Rates.pdf>.

In FY2011, subsistence costs for VR&E beneficiaries were \$287 million. In FY2012, benefits are expected to rise to \$432 million. The VA estimates that \$111 million of this increase is due to the changes made by P.L. 111-377.

### **VR&E Loans**

Veterans entitled to VR&E benefits may also be eligible for interest-free loans. These loans are only available to veterans who have a plan of service with VR&E and “would otherwise be unable to begin, continue or reenter his or her rehabilitation program.”<sup>38</sup> The maximum loan amount is equal to twice the weekly subsistence allowance for a veteran with no dependents (\$1,134 in FY2011).<sup>39</sup>

Repayment of the loan is made in monthly installments from future wages, pensions, subsistence allowances, educational assistance allowance, or retirement pay. The VA reported that 2,160 loans were made in FY2011 and that the default rate was less than 0.5%.<sup>40</sup>

In FY2012, \$362,000 was appropriated for this program, of which \$343,000 went to administrative costs. The remaining \$19,000 represents the subsidy of the loan program. All actual loans and repayments are off-budget.

## **VR&E Participation and Outcome Data**

**Table 2** shows program data from FY2008 through FY2011. The categories for “eligible,” “completed evaluation,” “entitled to services,” and “new plans of service” trace the number of individuals who continued through each stage of the application process. The “rehabilitated” category refers to veterans who secured and maintained suitable employment or completed an independent living program. “Participants” is the broadest measure of program use and includes veterans in any stage of the VR&E process, including pending applicants and those in interrupted rehabilitation status.

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<sup>38</sup> See 38 C.F.R. 21.274(c).

<sup>39</sup> See 38 U.S.C. 3112.

<sup>40</sup> U.S. Department of Veterans Affairs, FY2013 Budget Submission, Volume III: Benefits and Burial Programs and Departmental Administration, p. 2C-2, available online at <http://www.va.gov/budget/products.asp>.

**Table 2. Vocational Rehabilitation & Employment Program Statistics, FY2008-FY2011**

VR&E Category	2008	2009	2010	2011
Applicants	68,949	77,998	69,390	65,239
Eligible	65,784	74,617	66,717	62,726
Completed evaluation	39,910	44,089	46,523	n/a
Entitled to Services	35,166	38,802	41,102	41,229
New Plans of Service	26,703	28,997	27,904	27,821
Rehabilitated	11,039	11,022	10,038	9,862
Participants	103,126	110,750	117,130	116,295

**Source:** Table prepared by CRS using data from the Department of Veterans Affairs, Veterans Benefits Administration, *Annual Benefits Report* for FY2008-FY2011. Reports are available at <http://www.vba.va.gov/REPORTS/abr/index.asp>.

**Table 3** shows the types of programs that beneficiaries participated in during FY2011. The table only includes individuals who were concurrently receiving a subsistence allowance while they completed an educational program. It does not include individuals who were receiving training without an accompanying subsistence allowance nor does it include individuals who received nonmonetary benefits from VR&E such as counseling or job search assistance.

**Table 3. Training Programs of VR&E Beneficiaries, FY2011**

Program	Individuals	Share of Beneficiaries
Undergraduate School	49,440	82.7%
Graduate School	3,581	6.0%
Vocational/Technical School	3,317	5.5%
College, Non-degree	1,463	2.5%
Other <sup>a</sup>	1,983	3.3%
<b>Total</b>	<b>59,784</b>	<b>100.0%</b>

**Source:** Department of Veterans Affairs, Veterans Benefits Administration *Annual Benefits Report* for FY2011, p.77. Report is available at <http://www.vba.va.gov/REPORTS/abr/index.asp>.

**Note:** Data only include individuals who received a subsistence allowance.

- a. Includes veterans enrolled in paid on-the job training, non-pay work experience in government, non-pay on the job training, apprenticeships, improvement of rehabilitation potential, extended evaluation or independent living, high school, or a farm co-op.

**Table 4** presents outcome data on VR&E participants who completed the rehabilitation process in FY2011. Among rehabilitated veterans, the average annual wage after rehabilitation was \$35,719, compared to \$7,499 before receiving services. This calculation only considers participants who obtained employment after rehabilitation; it does not include veterans who completed an independent living program.

**Table 4. Outcomes for Veterans Rehabilitated Through the VR&E Program, FY2011**

	Number	Share
<b>Rehabilitated</b>	<b>9,862</b>	<b>100.0%</b>
Completed Independent Living Program	2,442	24.8%
Placed in employment	7,420	75.2%
Employed in Professional Technical, or Managerial occupations	5,603	56.8%
Employed in other occupations	1,817	18.4%

**Source:** Department of Veterans Affairs, Veterans Benefits Administration *Annual Benefits Report* for FY2011, p. 79. Report is available at <http://www.vba.va.gov/REPORTS/abr/index.asp>.

In addition to usage and outcome data, VR&E also publishes an annual rehabilitation rate to track the overall effectiveness of the program. VR&E defines its rehabilitation rate as the proportion of clients who were rehabilitated as a share of all clients that exited the program, minus individuals that exited for reasons beyond VR&E's control.<sup>41</sup> In FY2011, VR&E's rehabilitation rate was 77%. Between FY2008 and FY2011, the rate varied from 74% to 77%.<sup>42</sup>

<sup>41</sup> VR&E excludes veterans from the calculation who accept positions incompatible with their disability; those they consider employable, but who are no longer seeking employment; and those they consider unemployable due to medical or psychological reasons. See p. 21-23 of GAO-09-34 for a full discussion of the VR&E rehabilitation rate.

<sup>42</sup> U.S. Department of Veterans Affairs, FY2013 Budget Submission, Volume III: Benefits and Burial Programs and Departmental Administration, p. 4E-10. Available online at <http://www.va.gov/budget/products.asp>.

## **Appendix. Other Responsibilities of the VR&E Program**

In addition to activities authorized under Chapter 31 of Title 38 of the U.S. Code, VR&E also provides several other services to veterans and family members who are eligible for other VA programs.

### **Vocational and Educational Counseling**

VR&E counselors are available to provide vocational and educational counseling to active duty servicemembers, veterans, military spouses, and dependents who are eligible for certain education benefits. Much like the counseling provided to Chapter 31 beneficiaries, these services are designed to help individuals choose a suitable vocational goal and the education necessary to achieve that goal. Assistance may include testing for aptitude, exploring occupations, setting occupational goals, locating the right type of training program, and exploring educational or training facilities. Beneficiaries of the following programs are eligible for counseling:<sup>43</sup>

- Benefits for Children of Vietnam Veterans with Spina Bifida and Other Birth Defects (38 U.S.C., Chapter 18; also eligible for VR&E training, details below);
- All-Volunteer Force Educational Assistance Program (Montgomery GI Bill-Active Duty; 38 U.S.C., Chapter 30);
- Post-Vietnam Era Veterans' Educational Assistance Program (38 U.S.C., Chapter 32);
- Post-9/11 Veterans Educational Assistance Program (Post 9/11 GI Bill; 38 U.S.C., Chapter 33);
- Survivors' and Dependents Educational Assistance (38 U.S.C., Chapter 35);
- Educational Assistance for Members of the Selective Reserve (Montgomery GI Bill-Selected Reserves; 10 U.S.C., Chapter 1606); and
- Reserve Educational Assistance Program (10 U.S.C., Chapter 1607).

Regardless of the individual's eligibility for any of the above programs, educational counseling is also available to all transitioning servicemembers for up to six months prior to and one year after discharge. In all cases, educational counseling services may be provided by VR&E staff or contract counselors.

### **Vocational Training for Children of Vietnam Veterans with Spina Bifida and Other Birth Defects**

Children of Vietnam and Korean War veterans who were born with spina bifida and children of female Vietnam veterans who were born with certain birth defects are eligible for vocational

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<sup>43</sup> For more information on these programs, see CRS Report R40723, *Educational Assistance Programs Administered by the U.S. Department of Veterans Affairs*, by Cassandra Dortch.



training benefits, implemented through the VR&E infrastructure.<sup>44</sup> This program offers a shorter duration of training benefits (24 months maximum) than the regular VR&E program and no subsistence allowance. Current usage of this program is limited. An inquiry to the VA in 2012 found that 20 individuals were presently enrolled and five individuals were successfully rehabilitated under this program in FY2011.<sup>45</sup>

## **Special Restorative Training**

VR&E may also provide special restorative training and counseling to eligible spouses and children to help them to overcome or lessen mental or physical disabilities that would handicap them in pursuit of a qualified educational program under Chapter 35 benefits. Once eligible, the spouse or children would receive a comprehensive evaluation to identify the best program or services for their needs. A case manager is to assist the family member throughout the entire program. Normal assistance may continue until the spouse or child has achieved the goals of the special restorative training program.

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<sup>44</sup> 38 U.S.C. 1804 and 1812.

<sup>45</sup> Response from the VA to a CRS inquiry, received February 29, 2012.