

September 2007

DISABLED VETERANS' EMPLOYMENT

Additional Planning, Monitoring, and Data Collection Efforts Would Improve Assistance





Highlights of GAO-07-1020, a report to congressional committees

Why GAO Did This Study

To better assist veterans with service-connected disabilities seeking employment, in 2005, the Departments of Labor (Labor) and Veterans Affairs (VA) signed an agreement to coordinate employment services for disabled veterans. Around the same time, VA rolled out a redesigned employment program for these veterans, known as the Five-Track program, which also established an employment coordinator position and job resource labs. To help Congress understand the status of these initiatives, GAO was asked to provide information on (1) the progress in implementing the 2005 agreement and challenges to implementation, (2) the status of implementation of VA's Five-Track program and challenges posed by recently returning veterans, and (3) the role of employment coordinators and job resource labs in serving veterans. To obtain this information, GAO interviewed Labor and VA officials and national veterans' service organizations, and conducted site visits in five states.

What GAO Recommends

To ensure the implementation of their agreement and the efficient and effective use of resources, GAO recommends that Labor and VA develop a comprehensive plan to implement their agreement and undertake additional guidance and monitoring efforts, and that VA review the role of the employment coordinator, and assess the use of the job resource labs. The agencies agreed with our recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-07-1020.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Cynthia M. Fagnoni at (202) 512-7215 or fagnonic@gao.gov.

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Additional Planning, Monitoring, and Data Collection Efforts Would Improve Assistance

What GAO Found

Labor and VA have implemented some elements of their agreement to coordinate efforts, but face challenges executing the agreement on the state level and lack a complete plan for implementing and assessing the progress of the agreement. Labor and VA have implemented one element of the agreement—establishing three joint work groups—but have only partially implemented or taken no action on the others. In addition, all five states we visited had implemented at least some elements of the agreement that need to be carried out on the state level, but faced challenges implementing others. Labor and VA have not developed an implementation plan that includes long-range time frames and benchmarks to measure progress. Further, Labor and VA have not fully assessed state actions to implement the agreement and may not have provided states with sufficient guidance.

While VA has mostly implemented its Five-Track employment program for disabled veterans, the employment needs of newly returning veterans may pose challenges. VA officials have completed a pilot study, trained staff, distributed orientation materials, and deployed employment coordinators, but other components remain in process. Some officials expressed concerns that employment programs for disabled veterans—including the Five-Track program—may not be prepared to meet the needs of participants returning from recent conflicts, who VA predicts will be more likely than previous returning veterans to have certain disabilities, such as those associated with traumatic brain injuries. VA has begun efforts to address these needs.

VA employment coordinators and job resource labs in the five states we visited provided employment assistance to a limited number of veterans and some of their functions were available elsewhere. Employment coordinators provided direct employment services for veterans and also performed job development and outreach activities. However, employment coordinators we met with provided limited services to veterans outside their local areas, and similar services were available elsewhere. Job resource labs provided some additional resources for veterans, but according to some staff, not many veterans are using the labs. Job resource labs also appeared to duplicate other available services.

VA Job Resource Labs: Detroit, Michigan, and Sioux Falls, South Dakota



Source: GAO

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Abbreviations

DVOP DVET	Disabled Veterans' Outreach Program state VETS program director
LVER	Local Veterans' Employment Representative
UI	unemployment insurance
VETS	Veterans' Employment and Training Service
VA	Department of Veterans Affairs
VRE	Vocational Rehabilitation and Employment

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United States Government Accountability Office Washington, DC 20548

September 12, 2007

The Honorable Daniel K. Akaka Chairman Committee on Veterans' Affairs United States Senate

The Honorable Bob Filner Chairman Committee on Veterans' Affairs House of Representatives

In 2005, an estimated 55,000 of the 2.5 million veterans with serviceconnected disabilities were actively seeking employment, and current military operations in the Middle East may raise that number in the coming years. The Department of Veterans Affairs (VA) helps disabled veterans find employment through the Vocational Rehabilitation and Employment services (VRE), and the Department of Labor (Labor) does so through the Veterans' Employment and Training Service programs (VETS). The two agencies serve many of the same veterans, and as we have previously reported, an effective relationship between them is important in giving disabled veterans the best chance for successful outcomes.

In October 2005, Labor and VA signed a national memorandum of agreement to coordinate efforts in advancing the employment opportunities for disabled veterans. Although the agencies have historically had an agreement, this most recent one was aimed at further improving collaboration and coordination. While the national offices of Labor and VA have overall responsibility for implementing the agreement, many of the activities set out in the agreement take place on the regional, state, and local levels. Although the missions of Labor's and VA's employment programs to serve disabled veterans are similar, the organizational structure of each is somewhat different: VA administers its programs through 57 regional offices staffed by federal employees, while Labor administers its programs through grants to state workforce agencies.

Around the same time the agreement was signed, VA rolled out a redesigned employment program aimed at standardizing rehabilitation services for veterans with service-connected disabilities, known as the Five-Track program. The program is intended to serve any disabled veteran who meets the eligibility requirements. Both Labor and VA provide services to Five-Track program participants, and these services are covered by the agreement. As part of the Five-Track program, VA established the employment coordinator position to provide veterans with assistance preparing for and finding employment. The program also included provisions for each VA location to install a job resource lab with computers, Internet access, and other materials for veterans to use in their career exploration and job search.

You have asked us to study the progress Labor and VA are making toward implementing these initiatives. To address this request, we examined the following questions: (1) What progress has been made in implementing the agreement signed by Labor and VA in 2005 to coordinate efforts to serve disabled veterans, and what challenges are the agencies facing in implementing the agreement? (2) What is the status of the implementation of VA's redesigned employment program for veterans with serviceconnected disabilities, known as the Five-Track program, and what challenges are posed by recently returning veterans? (3) What role do employment coordinators and job resource labs have in the employment and training of disabled veterans, and how have they affected the job search experiences of these veterans, given other available resources?

To answer these questions, we conducted interviews with Labor and VA officials and representatives of national and local veterans' service organizations. We also conducted site visits to five states—Alabama, California (San Diego Region), Illinois, Michigan, and South Dakota where we met with VA and Labor staff, state workforce agency officials, and program participants, and toured job resource labs and one-stop career centers. We selected a mix of states based on the following criteria: (1) dispersion across the four VRE geographic areas (Eastern, Central, Southern, and Western), (2) both pilot and nonpilot sites for the Five-Track program, (3) states with large and small veteran populations, and (4) states with a history of greater and lesser coordination between VA and Labor at the state and local levels, which we determined based on input from Labor and VA officials, veterans' service organizations, and other sources. We conducted our work from November 2006 through September 2007 in accordance with generally accepted government auditing standards.

Results in Brief

Labor and VA have carried out some aspects of their agreement signed in October 2005 to coordinate services, but difficulties in sharing information, staffing limitations, and the lack of a comprehensive plan for guiding and measuring the progress of the agreement pose challenges to full implementation. Of the elements that need to be implemented by the national offices, Labor and VA have fulfilled one, partially implemented four, and have not taken action on the others. National officials have established three joint work groups, and these groups have begun efforts on their designated tasks, including proposing a set of shared performance measures. In addition, each of the five states we visited had taken actions that would further the implementation of the national agreement. All five states had a mechanism for referring VA clients to Labor's VETS program, located within the state workforce agency, for employment services. All of these states had also entered into an agreement with Labor and VA concerning the provision of services to disabled veterans. However, some of these states faced challenges implementing certain elements of the agreement. For instance, the agreement calls for both parties to share unemployment insurance wage data, but we were told in one state that state law forbids the state workforce agency from sharing an individual's wage data with VA. In addition, the agreement provides for a state workforce agency staff member to be colocated at VA or provide itinerant coverage to VA clients, to the extent it is appropriate and feasible. However, we were told that not all state workforce agencies feel they have a sufficient number of veterans' representatives to implement this provision. To date, Labor and VA have not developed a complete plan for implementing the agreement that outlines long-term time frames and benchmarks by which progress at both the national and state levels could be gauged, nor have they made plans for taking action if states do not take steps to implement the elements of the agreement. As of July 2007, the agencies had not fully assessed the extent to which states have carried out activities in which they have a role, and it was unclear whether the agencies have provided states with sufficient direction on implementation.

VA has implemented most of its Five-Track employment program for disabled veterans, but the particular employment needs of newly returning veterans may pose challenges. In implementing the program, VA officials have completed a pilot study, trained regional staff on the Five-Track model, distributed orientation materials, and deployed 74 employment coordinators nationally. However, some components of the program are still in process. Specifically, not every location has established a job resource lab, the official program manual has not been distributed, and some features of the related Web site are still in development. In addition, some staff expressed concerns about whether employment programs for disabled veterans—including both VA's Five-Track program and Labor's VETS programs—are prepared to meet the needs of participants returning from recent conflicts in Iraq and Afghanistan, who are surviving with serious injuries that may have been fatal in past conflicts, such as those associated with traumatic brain injuries. VA has made initial efforts to address these needs. For example, VA told us it has made training materials related to the needs of recently returning veterans available to VA staff and has appointed a liaison in each regional office to coordinate services for veterans in medical treatment facilities. Labor has made similar efforts.

While employment coordinators and job resource labs in the five states we visited provided veterans with employment assistance, they did not reach all eligible veterans and some of the functions they performed were duplicated elsewhere. Employment coordinators provided direct services to individual veterans, including assisting with job search activities and helping with employment plans, and also performed outreach to businesses and community organizations to market VA programs and disabled veterans. However, while the employment coordinator position description provides for an array of employment services for veterans across each VA region, employment coordinators we met with offered only limited services to veterans outside their local areas. Additionally, some of the responsibilities of the employment coordinators were similar to those of other workforce agencies' staff. For example, in some places both employment coordinators and workforce agency staff were available to provide labor market information and résumé writing assistance to veterans. Job resource labs provided some additional resources for veterans, such as increased opportunities for one-on-one job search assistance from VA staff, but according to staff in some of the states we visited, not many veterans were using the labs. As with employment coordinators, job resource labs appeared to duplicate other available services. For example, we were told that the computers and other materials in the job resource labs were readily available to many veterans elsewhere, such as one-stop career centers or public libraries.

To ensure the implementation of their agreement and the efficient and effective use of resources, GAO recommends that Labor and VA develop a comprehensive plan to implement their agreement and undertake additional guidance and monitoring efforts, and that VA review the role of the employment coordinator, and assess the use of the job resource labs. In their comments on GAO's draft report, Labor and VA agreed with our recommendations.

helping veterans with service-connected disabilities transition to the civilian workforce. Their past efforts to coordinate and collaborate hav faced difficulties, however. In 2005, at the recommendation of a VA tas force and encouragement of congressional staff, the two agencies forg new memorandum of agreement. In this agreement, the agencies agree share information, including wage data, and establish and maintain management information systems to enable accurate yearly reporting. agreement also called for three joint work groups to develop performa measures to assess partnership program results, design a training curriculum, and establish joint data collection, analysis, and reports. In addition, the agreement outlined means to promote cooperation and eliminate duplication of efforts between the agencies. These include developing an approach to serving veterans that involves both VA and state workforce agency staff from the early stages, advising all VA clier about the employment services offered by the state workforce agency, establishing an effective process for referring VA clients who are seeki employment to the state workforce agency. While many of the specific elements of the agreement need to be implemented at a national level within Labor and VA, other activities, by their nature, would take place the state or local level. ¹ The agreement provides for separate memorandums of agreement, containing common goals and measures, be executed among Labor, VA, and the states. Table 1 summarizes the elements of the national agreement, the specific actions to which Labo and VA agreed, and the level at which implementation generally would occur.

¹VA refers to its main VRE offices in the states as regional offices. For the purposes of this report, we discuss actions taken by VRE officials located in regional offices as taking place on the state level, unless otherwise noted.

Key elements of		Level of im	plementation
agreement	Specific actions	National	State/local
Joint work groups	Establish three joint work groups to address: • shared performance measures	•	
	training curriculum designjoint data collection, analysis, and reports	-	
Performance measures	Both parties agree to establish performance measures.	٠	
Management information systems	Both parties agree to establish and maintain management information systems.	٠	
Yearly reporting	Both parties agree to accurate yearly reporting. Yearly reports will include number of VA program participants; number of VA participants referred to state workforce agency; and, of those referred, number registered for employment services, number entered suitable employment, and number maintained suitable employment for 180 days or more.	•	•
Staff evaluations include partnership activities	In evaluating performance of their respective staff members, managers from both organizations will consider documented effectiveness of partnership activities between VA staff and state workforce agency staff.	•	•
State-level memorandums of agreements	Both parties will establish and monitor common goals and measures within each memorandum of agreement executed with state partners. Corrective action will be taken when goals are not met.	•	•
Information sharing	All information from interviews, counseling, testing, and assessment will be used by each agency with consent of participants and in accordance with applicable privacy laws.	•	٠
Unemployment insurance (UI) wage data	Both parties will share information and data accessed from UI wage records and other administrative wage records, as may be available to each agency, in accordance with applicable privacy laws.		•
Team approach beginning early in the rehabilitation process	Labor and VA agree to enable local representatives from both parties to take a team approach to job development and placement activities beginning as early as possible in the rehabilitation process.		•
Advise of state workforce agency benefits	All VA participants will be advised of the benefits of registering for employment assistance and will be encouraged to register with their state workforce agency.		•
Referral process	Participants and local representatives from both organizations are required to establish and maintain an effective mechanism for referral and service delivery.		•
Point of contact	Labor will appoint a point of contact for the provision of employment services who will work closely with the VA staff located in each VA regional office's service area.		•
State workforce agency staff colocated at least part-time in VA office	To the extent feasible and appropriate, a state workforce agency staff member or other designated individual will be colocated or otherwise provide itinerant coverage to VA participants.		•

Table 1: Key Elements of National Memorandum of Agreement between Labor and VA

Source: GAO analysis.

Note: The state/local column includes actions taken by state or local VA or Labor offices and actions taken by state workforce agencies.

Around the same time the national agreement was signed, VA rolled out the Five-Track employment program aimed at standardizing rehabilitation services for veterans with service-connected disabilities and providing a greater focus on employment options early in the rehabilitation process. The five employment tracks from which veterans can select are reemployment with their previous employer, rapid access to employment through job readiness preparation and training opportunities, selfemployment, employment through long-term services that include education programs and formal training leading to employment, and independent living services for those who are currently unable to work due to their disabilities. These tracks were available prior to the rollout, but the program changed the way they were presented to veterans. The Five-Track program was piloted in four regional offices starting in October 2004, and a national rollout began in November 2005.² Figure 1 describes the Five-Track model.

²The four pilot sites were Detroit, Michigan; Montgomery, Alabama; Seattle, Washington; and St. Louis, Missouri.





Source: GAO analysis and Art Explosion.

As part of the Five-Track program, VA established the employment coordinator position and drew up plans to install job resource labs. The position description for the employment coordinator contains duties aimed at providing veterans with assistance preparing for and finding employment. These duties include helping veterans make informed choices about their employment track, assessing veterans' readiness to seek employment, and assisting veterans with job networking, development, and placement. The position description also includes responsibilities for marketing the VA program to employers and developing partnerships with other agencies to assist veterans with employment services. Also as part of the Five-Track program, VA allocated funds for each location to install a job resource lab with computers, Internet access, and other materials for veterans to use in their career exploration and job search. VA made plans to have employment coordinators in most of its 57 regions, and a job resource lab in each regional office and in every satellite location.

Although the missions of Labor's VETS and VA's VRE programs to provide employment assistance to disabled veterans are similar, the organizational structure of each is somewhat different. VA administers its VRE programs through regional offices-roughly one in each state, with multiple offices in larger states—and its staff are federal employees. The regional offices have some autonomy in deciding the operations of the office, including their working relationships with the Labor programs and the state workforce agency. Labor administers its programs through the Disabled Veterans' Outreach Program (DVOP) and the Local Veterans' Employment Representative (LVER) program, which are funded by a grant from Labor to the state workforce agencies. DVOP specialists and LVER staff are employees of the state and are typically housed in state employment service offices. Although there is evidence LVER staff and DVOP specialists often perform similar duties,³ the DVOP specialist's role was designed to provide intensive services to veterans with employment barriers, including those with disabilities, while the LVER staff role was designed to market veterans to employers. Labor provides oversight and monitoring of the state grants through a state VETS program director (DVET) in each state.

The Labor and VA programs serve similar clientele, but there are differences in eligibility requirements and the measure of successful completion. To participate in VA's VRE program, the veteran must have disabilities that affect a minimum percentage of daily activities, as determined by VA, and must have an employment handicap related to the disability. In addition, there is a time limit for receiving services, generally 12 years following the date the veteran was discharged or separated from the military or received a disability percentage rating from VA. The primary outcome measured by VA's VRE program is whether the veteran obtained and maintained suitable employment, that is, work that is within

³GAO, Veterans' Employment and Training Service. Labor Could Improve Information on Reemployment Services, Outcomes, and Program Impact, GAO-07-594 (Washington, D.C.: May 24, 2007).

a veteran's emotional and physical capabilities and consistent with the veteran's abilities, aptitudes, and interests. By contrast, any veteran who was discharged because of a service-connected disability or who served more than 180 days and was not dishonorably discharged can receive services through Labor's programs. The primary outcome measured by Labor is whether or not the veteran entered employment, without requiring determination of suitability.

VA and the state workforce agencies-including DVOP specialists and LVER staff—work together on the local level. In many states, DVOP specialists work with veterans who have completed their VA training to help them find employment. The process by which these referrals are made is not determined nationally; it is left up to VA regional officials to develop local policies and procedures. In addition, some state workforce agencies provide VA staff with state unemployment insurance wage data to verify the employment status of their clients. Additionally, many VA regional offices have a DVOP specialist colocated in the office at least part of the time. However, cooperation between Labor and VA has historically been better in some states than in others, reportedly in part because of variation in the number and quality of services provided by DVOP specialists. As a result, VA's VRE Task Force concluded in its 2004 report that VRE should consider using DVOP specialist services as one of many options to help its clients, and not view the DVOP specialist as the sole provider of employment services.⁴

⁴VA Vocational Rehabilitation and Employment Task Force, *Report to the Secretary of Veterans Affairs: The Vocational Rehabilitation and Employment Program for the 21st Century Veteran* (Washington, D.C.: 2004).

Labor and VA Have Implemented Some Elements of Their Agreement, but Data- Sharing Restrictions, Staffing Limitations, and Lack of a Comprehensive Plan Pose Challenges	Labor and VA have fulfilled some elements of their agreement to coordinate efforts, but the agencies face a variety of challenges to fully executing the agreement, including the lack of a comprehensive plan for implementing the agreement and measuring progress. The national offices of Labor and VA have implemented one of the elements of the agreement for which they are responsible, have begun to address four elements, and have not taken action on the others. All of the states we visited had taken action to implement some of the elements of the national agreement, but faced challenges implementing others due to state privacy laws, staffing limitations, and other obstacles. In addition, Labor and VA lack a long- term plan for implementing the agreement that includes timelines and benchmarks against which progress can be judged, as well as procedures for dealing with states that are not carrying out activities in which they have a role. Further, the agencies have provided states with limited guidance on implementation. As of July 2007, the extent of nationwide implementation was uncertain because the agencies had not thoroughly reviewed the implementation of the agreement at the state level.
Labor and VA Have Established Joint Work Groups and Taken Some Steps toward Implementing Other Elements of Their Agreement	Labor and VA have fully implemented the element of their agreement that calls for the establishment of joint work groups composed of staff from both agencies. The agencies have formed three joint work groups to address issues related to shared performance measures, staff training, and joint data collection, with the goal of improving the quality of employment services and suitable job placements for veterans with disabilities. According to a Labor official, the implementation of the agencies' agreement revolves around the efforts of these work groups. The work groups met for the first time in April 2006, 6 months after the agreement was signed. In January 2007, they conducted a survey of Labor and VA field staff in 24 states to gather preliminary information about the working relationship between the agencies at the local level and identify areas needing improvement. On the basis of the survey results, the work groups plan to launch a pilot project in eight regional offices in August or September of 2007 to explore new strategies to improve the partnership between Labor and VA. Labor and VA officials expect to complete the pilot project in January 2008, and plan to make recommendations thereafter regarding the implementation of these strategies nationwide, but the work groups have not yet made definitive recommendations for program changes.

but not yet completed. The agreement between Labor and VA calls for agency managers to consider the effectiveness of partnership activities between VA and the state workforce agency when evaluating staff. Although Labor has implemented such standards for state VETS program directors, these provisions are not specifically outlined in the performance standards for other VETS program staff or for VA staff. The agreement also calls for the agencies to have yearly reports that include measures of the number of VA program participants referred to the VETS program who registered for state workforce agency services, the number of participants who entered suitable employment, and the number of participants who maintained suitable employment for 180 days or more. While the agencies are collecting data on most of these measures, they are not currently collecting data on the last measure.⁵ With regard to performance measures, one of the joint work groups has started to develop new shared measures to better assess partnership activities between the two agencies. For example, one proposed measure is the percentage of veterans referred from VA to VETS program DVOP specialists who receive an employment services assessment within 30 days. In addition, the agreement calls for the agencies to monitor common goals and measures within memorandums of agreement executed at the state level and stipulates that corrective action will be taken when such goals are not met. According to information provided by VA, the agency obtained copies of state-level agreements from all but one of its 57 regional offices in June 2007, but officials have not yet reviewed the agreements for common goals and measures.

Labor and VA have not yet acted on the other elements of their agreement related to information sharing and management information systems. The agreement calls for the agencies to share information about veterans, including all information from interviews, counseling, testing, and assessment. In addition, the agreement stipulates that the agencies will develop and maintain management information systems that enable accurate yearly reporting. Although Labor and VA officials told us they are considering the possibility of establishing national data-sharing practices and a joint management information system through which information could be shared, no action has been taken on the national level.

⁵According to a 2006 VA report, the agency is developing targets for outcome measures on the percentage of program participants who are employed one quarter and three quarters after program exit.

The Five States We Visited Had Implemented Some Elements of the Agreement, but Faced Challenges to Full Implementation, Including Data Sharing and Staffing Issues

The 5 states we visited had all implemented a number of the elements of the agreement between Labor and VA, including advising veterans of the benefits of registering for state workforce agency services, establishing a referral process, establishing state-level memorandums of agreement, and appointing VETS points of contact for VA staff. All 5 states had processes in place whereby VA advised program participants of the benefits of registering for employment services with the state workforce agency. All of the states we visited had also established a process for referring veterans from VA to the state workforce agency for employment services, although the process was not the same in every state. In addition, all 5 states we visited had a memorandum of agreement between the regional VA office serving the state, the state VETS program director, and the state workforce agency to coordinate their services for disabled veterans. All of the states had recently revised their state agreement or were in the process of doing so.⁶ All 5 states we visited had also appointed a VETS program contact person for VA staff, and a national Labor official told us that all 50 states have appointed such points of contact. Figure 2 summarizes the implementation of the elements of the agreement in the 5 states we visited.

⁶According to information provided by VA, all but one of the agency's regional offices have established formalized memorandums of agreement with VETS partners within their states, but only 40 of these agreements have been updated since Labor and VA signed the national memorandum of agreement in October 2005.



Figure 2: Implementation of Elements of Agreement between Labor and VA in the Five States We Visited

Source: GAO analysis.

Note: A Michigan state workforce agency official told us the agency plans to have a staff member colocated on a part-time basis at the VA regional office beginning in summer 2007.

All five states included key VA and state workforce agency staff in the rehabilitation process, but not all states fully coordinated the Labor and VA programs by involving DVOP specialists early in the process as outlined in the agreement between Labor and VA. Typically, VA clients seeking employment would meet with a VA counselor, VA employment services staff, and a DVOP specialist from the state workforce agency. However, the states varied in terms of the point at which the DVOP specialist became involved. In three of the states we visited, DVOP specialists provided assistance to veterans soon after they entered the VA program, typically by presenting labor market information to veterans to incorporate into their vocational rehabilitation plans. In the two other states we visited, DVOP specialists did not typically meet with veterans until they had neared the end of their VA training programs or were otherwise prepared to seek employment. In one of these states, we were told that this was due to negative past experiences in providing veterans services from both VA and DVOP specialist staff at the same time.

The five states we visited were collecting data on all but one of the yearly reporting measures outlined in the agreement between Labor and VA, and staff identified challenges to implementing this remaining reporting measure. In all five states, agency staff told us that they were gathering data on the number of VA program participants referred to the VETS program, and of those referred, the number who registered for state workforce agency services and the number who entered suitable employment. In these states, VA staff said that they tracked program participants for 60 days after they obtained suitable employment, and we learned that state workforce agencies tracked veterans for varying lengths of time. However, none of the states were tracking the number of VA program participants who maintained suitable employment for 180 days or more. In four states, some agency staff told us that they would face challenges implementing this additional reporting measure, and staff in three states said that this was because following up with veterans for 180 days would likely require additional staff time and resources.

In four states, workforce agencies were able to share UI wage data with VA, but in one state, they faced challenges sharing such data because of state laws. UI wage data are managed by the states.⁷ According to VA

⁷Each state maintains UI wage records to support the process of providing unemployment compensation to unemployed workers. The records are compiled from records submitted to the state each quarter by employers and primarily include information on the total amount of income earned during that quarter by each of their employees.

officials, if agency staff want to use this information—for example, to verify that a client is employed—they need to obtain the data from the state workforce agency. In Illinois, VA and the state workforce agency had signed a shared data agreement that allowed the workforce agency to provide VA with UI wage data. In Alabama, state workforce agency staff told us that they had given VA staff direct access to their database, which contained UI wage information. In California's San Diego region, VA and the state workforce agency had developed a centralized process in which VA sent UI wage data requests to the state workforce agency headquarters. And in South Dakota, workforce agency staff told us that they were able to share UI wage data with VA, but said that they rarely received requests for such data. However, in Michigan, we were told that they were unable to share UI wage information because state law prevents the workforce agency from sharing an individual's wage data with VA.

Staffing limitations prevented some states from having a full-time colocated DVOP specialist at the VA office, although most had at least part-time coverage from an itinerant DVOP specialist. The agreement states that to the extent feasible and appropriate, a DVOP specialist or other designated individual will be colocated at the VA office or will otherwise provide itinerant coverage to VA participants. Only one of the five states we visited had a full-time colocated DVOP specialist at the VA office. Three of the other states we visited had part-time colocated DVOP specialists, but one state had no coverage at the VA office at the time of our visit. VA staff in the states with a DVOP specialist on site part-time told us that such an arrangement was useful, and staff in two states said that they would like to increase the amount of colocation time per week. However, officials in three states told us that funding constraints limited the number of workforce agency staff and thus the workforce agency's ability to share a DVOP specialist with the VA office. National VA officials also told us that fluctuating state budgets made it challenging for states to commit to providing a colocated DVOP specialist from year to year.

None of the five states had fully implemented the information-sharing element of the national agreement between Labor and VA, and staff in all five states told us that some of this information sharing was unnecessary. The agreement states that both agencies will share all information about veterans gathered from interviews, counseling, testing, and assessment. VA staff in the five states we visited told us that they did not regularly share all of the information outlined in the agreement with the state workforce agency, and staff in all states said that it is not necessary to share all information about veterans in order to help them find employment. In all five states, VA staff shared a standardized, but limited, set of information with the state workforce agency when referring a veteran for employment services. For example, in one state, VA staff told us that this standardized set of information included the veteran's contact information, employment goal, and level of education, as well as general information related to the veteran's barriers to employment. However, VA staff in all five states told us that they did not regularly share specific information about veterans' disabilities with state workforce agency staff, and staff in two states said that this was a result of privacy concerns.

None of the five states we visited were using partnership activities specifically to evaluate staff, as outlined in the agreement between Labor and VA, and some officials said it would be impractical. In the three states that had a centralized referral process and thus had minimal contact between state workforce agency and VA staff, some local agency staff stated that it did not make sense to evaluate staff on the effectiveness of their partnership activities. In all five states, we were told that staff evaluations contained a general category related to teamwork or cooperation, but did not include specific performance measures to evaluate DVOP specialists and VA staff on the effectiveness of their partnership activities. In one state, workforce agency managers told us that they were considering implementing specific performance measures related to the effectiveness of partnership activities.

Labor and VA Have Not Developed a Comprehensive Plan to Guide Implementation, and Have Not Fully Assessed Data on Implementation Labor and VA lack a comprehensive plan for implementing their agreement, and have not set benchmarks or long-term time frames for implementation. While Labor and VA have designed a pilot project, agency officials have not developed a plan to guide the full implementation of the agreement. Although the joint work groups have set short-term time frames for the pilot project, and plan to make recommendations regarding pilot project expansion in May 2008, the pilot project plan does not include long-term time frames for the implementation of the agreement, and Labor and VA officials told us that they considered implementation to be a work in progress. In addition, the pilot project plan does not outline steps for taking action when states do not implement the agreement.

It is unclear whether national VA and Labor officials have provided sufficient direction to states on the implementation of the agreement. In one state, workforce agency staff told us that guidance from national officials on implementing the agreement was lacking. Both agencies sent letters to regional and state officials notifying them of the agreement, but have done very little to assist with implementation. A national VA official told us he has discussed implementation in conference calls with VA program managers and employment services staff, but a national Labor official told us his agency has not done any follow-up. In addition, the agreement calls for the agencies to take corrective action when common goals outlined in state-level memorandums of agreement are not met. However, both VA and Labor officials told us that they have not yet defined steps for corrective action. Labor also told us that it does not have much leverage to induce state workforce agencies to implement the agreement given its limited authority over such agencies.

Further, as of July 2007, Labor and VA had not yet fully assessed state actions to implement the agreement, so the extent to which the national agreement has been implemented across all states was unclear. The agencies collected some data on states' activities in the January 2007 survey of agency field staff conducted by the joint work groups. VA officials told us that the survey identified several areas for improved collaboration between the agencies, including clarifying definitions of terms, increasing staff training, and facilitating communication among staff. However, the results cannot be used to understand the extent of nationwide implementation because the survey only included about half of the states and did not cover all aspects of the national agreement. In June 2007, VA conducted a second survey asking all of its 57 regional offices to submit copies of their state-level memorandums of agreements to national VA officials, and received these agreements from all but one regional office. A VA official told us that the agency plans to review these agreements to assess their alignment with the national agreement and offer assistance to states that are having difficulties, but it had not done so as of July 2007.

VA Has Mostly Implemented Its Five-Track Employment Program for Disabled Veterans, but the Types and Severity of Recent Veterans' Disabilities May Pose Challenges

Although VA has almost fully implemented the Five-Track employment program, the agency may face challenges serving the employment needs of recently returning veterans because of the types and severity of their disabilities. VA officials told us that they have fully implemented four of the seven components of the Five-Track employment program and the other three components are mostly complete. VA officials have noted that many recently returning veterans have serious injuries and they anticipate higher caseloads as increasing numbers of veterans apply for program benefits. In response to these challenges, VA has taken some initial steps to address the specific employment and training needs of these veterans, and Labor has made similar efforts. VA Has Implemented Most of Its Five-Track Employment Program for Disabled Veterans, but Some Components Are Still in Process

According to VA, officials have completed most of the seven components needed to implement the Five-Track program. While four components have been completed, three other components remain in process. Figure 3 shows the seven components of the Five-Track program and their respective completion status.



Figure 3: Five-Track Program Implementation Components and Completion Status

Source: GAO analysis.

VA officials told us that three of the initial components of the new Five-Track employment program—the national distribution of orientation materials, the pilot study, and introductory staff training-have been fully implemented. According to VA, officials have also completed the distribution of Five-Track orientation materials nationally, including a new video and a booklet that describes program eligibility requirements. VA officials have also distributed information nationally on each of the five tracks to employment—reemployment, rapid access to employment, selfemployment, employment through long-term services, and independent living services. In October 2004, VA officials began a pilot study in four regional offices to test several proposed components of the Five-Track program. At the pilot study's completion in September 2005, VA issued a status report based on the study results and made some changes to the program before beginning the full launch a few months later. VA also completed introductory training for VRE staff members nationwide on the Five-Track program, between February and April of 2006. The VA staff who received this national training were expected to return to their local offices and train other staff on the program. According to VA, the training included simulated case management exercises and a review of the logistics and application of the new job resource labs.

VA has also hired and trained employment coordinators. This position was developed to revamp the existing employment specialist position and provide more direct assistance to veterans with job readiness and job-seeking skills, as well as helping them with job placement. Training for employment coordinators began in November 2005, and a few months later, 52 employment specialists were reclassified as employment coordinators. Since then, VA national officials have hired additional employment coordinators, and as of April 2007 there were 74 employment coordinator position include knowledge of marketing concepts, thorough knowledge of the VRE program and its objectives, and diverse presentation skills. Of the 6 employment assistance to veterans, either as a DVOP specialist or an employment specialist.

⁸As of April 2007, 48 VA regional offices were staffed with at least one employment coordinator. The nine regional offices without employment coordinators were Wilmington, Delaware; Boise, Idaho; Wichita, Kansas; Togus, Maine; Jackson, Mississippi; Reno, Nevada; Manchester, New Hampshire; Manila; and White River Junction, Vermont. These offices had other staff providing employment services in addition to their assigned duties.

Information provided by VA shows that the agency has mostly completed the implementation of 160 job resource labs. The job resource labs were intended to be a supportive tool to help VA staff provide veterans with employment resources and job readiness assistance. As of April 2007, 144 labs (90 percent) labs were operational, although some were utilizing borrowed computers.⁹ Sixteen of the labs (10 percent) were further postponed due to construction issues, lack of appropriate space, difficulty securing Internet access, or complications obtaining computers. Before providing funding, VA conducted a survey of its field offices to assess existing resources. Then, between June and September 2006, VA provided field offices funding to purchase noncomputer items such as furniture and books. VA transferred \$1.5 million to the VA Office of Information and Technology for procurement of 359 computers, but there were delays in obtaining them. VA officials told us the computers should be available in summer 2007.

According to VA, officials have begun to implement a new employment resource Web site and a program manual, but they are not yet completed. VA launched the employment resource Web site, known as vetsuccess.gov, in 2005 to be a new supportive tool for veterans and VA staff. Currently, veterans may access the Web site via the Internet and can utilize the site to view program videos, employment resources, employment search links, and information about VA partner organizations. VA is planning to install additional interactive features on the Web site, including a log-in option that would allow veterans to post résumés and employers to search and view them. However, a VA official told us the installation has been delayed indefinitely until security concerns can be resolved. Additionally, as part of the Five-Track program implementation, VA officials plan to distribute a program manual to staff. However, a VA official told us the agency is postponing the release of the manual until the employment Web site features have been completed and can be included as part of the manual.

⁹Information provided by VA included one lab that was located in a state workforce agency one-stop center. VA data characterized the lab completion status as not applicable; therefore we did not include the lab as part of our analysis.

Agencies Have Taken Initial Steps to Address Challenges Posed by Employment Needs of Recent Veterans because of the Types and Severity of Their Disabilities

Officials in some states we visited raised concerns about the ability of employment programs—including the Five-Track program—to address the needs of severely disabled program participants returning from recent conflicts in Afghanistan and Iraq. According to VA officials, many recently returning veterans have multiple and severe disabilities, such as speech, hearing, and visual impairments as well as loss of limbs and brain injuries, and behavioral issues due to the stress of combat. Additionally, veterans from recent conflicts are surviving with more of these serious injuries that would have been fatal in past conflicts, a fact that can present major challenges to providing training and securing appropriate job placements. For example, VA officials in one state told us that from their experiences assisting veterans with traumatic brain injuries, they have found that these veterans may find it difficult to filter their thoughts and actions and may act and speak inappropriately, making employment placement more difficult. In addition, VA officials anticipate increased caseloads because of expanded outreach efforts to veterans and service members separating from the military, and increasing disability claims from veterans of recent conflicts.

To address these challenges, VA told us that officials have developed programs to provide additional resources for recently returning veterans to receive employment services. VA officials have an early outreach program, Coming Home to Work, to provide civilian work experience to eligible service members pending medical separation from active duty at military treatment facilities. VA has also designated a particular individual in each VA regional office to coordinate vocational rehabilitation and employment case services for recently returning service members located in military treatment facilities.

According to VA, officials have also made training available to staff on the specific disabilities that may be more prevalent among recently returning veterans. The agency has developed training materials on traumatic brain injuries, amputations, and transferable work skills, which an official told us have been made available to VA counselors and employment coordinators through VA internal satellite broadcasts and other means. Additionally, VA plans to develop an online training curriculum that would include training specific to the needs of recently returning veterans that will be available to VA staff. In addition to training, a VA official told us the agency used internal staff meetings and conference calls to address the immediate concerns of VA staff related to recently returning veterans.

Labor has also taken some initial steps to address the challenges of serving severely disabled Five-Track program participants returning from recent

conflicts, and we were told staff who work with these veterans have access to VA training. Labor has a program, called Recovery and Employment Assistance Lifelines (REALifelines), to provide individualized job preparation, counseling, and reemployment services to veterans seriously injured in recent conflicts. VETS program staff, including DVOP specialists and LVER staff, can also access the National Veterans' Training Institute VETS NET online newsletter, which often includes links to information on serving recently returning veterans. In addition, VA told us that state VETS program directors have access to training materials related to the needs of recently returning veterans such as traumatic brain injuries and amputations. Similarly, VA told us that state workforce agency staff will also have access to its planned online training curriculum, including courses specific to the employment needs of recently returning veterans. A list of selected VA and Labor initiatives related to addressing the employment needs of recently returning veterans is in table 2.

Table 2: Selected Labor and VA Initiatives Designed to Enhance Services for Program Participants Returning from Recent Conflicts

Initiative	Description
Programs	 Recovery and Employment Assistance Lifelines—Labor program providing individualized job training, counseling, and reemployment services to veterans seriously injured in recent conflicts
	Coming Home to Work—VA outreach program providing civilian work experience to VRE-eligible service members pending medical separation
	 Vocational Rehabilitation and Employment Case Coordinators— coordinate VRE services for recently returning service members located in military treatment facilities
Staff training	 Recent VA staff training on amputation, traumatic brain injuries, and blast injuries
	 Distribution of training materials to VRE regional offices and state VETS program directors
	VA planned development of online curriculum that will be available to VA and Labor staff
Staff	 National Veterans' Training Institute VETS NET online newsletter
resources	Regular internal VA staff meetings and conference calls

Source: GAO analysis.

While Employment Coordinators and Job Resource Labs in the Five States We Visited Provided Employment Assistance to Some Veterans, Similar Services Were Available Elsewhere	Employment coordinators and job resource labs in the five states we visited provided employment services to veterans, but some of these services were available elsewhere. Employment coordinators generally provided direct employment services to veterans and performed job development activities and outreach to employers and the community. Despite the fact that the employment coordinator position description outlines a variety of services to be provided to veterans across each VA region, these activities were largely limited to their local areas. In addition, employment coordinators performed some services that duplicated other available resources. Although job resource labs afforded some additional opportunities for VA staff to assist veterans with employment activities, they generally were not used by many veterans. Job resource labs also provided some resources that veterans were able to access elsewhere.
Employment Coordinators Performed Direct Services, Job Development, and Outreach in Their Local Areas and Duplicated Some Other Available Resources	The employment coordinators in the five states we visited provided some direct assistance to veterans. The services to veterans included helping with veteran employment plans, résumé preparation, interview preparation, and job search activities. In addition, employment coordinators with whom we spoke typically provided veterans and VA counselors with labor market information, which generally included average salary, to assist veterans in selecting potential career fields. Other duties varied by state and included managing the referral process to DVOP specialists, conducting follow-up with veterans after they have been placed in employment, arranging for the distribution of a stipend given to veterans during their employment search, and focusing on providing services to veterans who were having difficulty finding employment. One employment coordinator reported that she assisted employers with making workplace accommodations for disabled veteran employees who were participants in the VA program, while two others reported that they had not had the opportunity to provide such accommodations. In one case, the employment coordinator had carved out the specific role of assisting veterans with federal job applications. Most of the employment coordinators we met with also performed some job development and outreach activities. These activities included promotion of VA programs, developing partnerships with businesses and other agencies, and marketing and providing VA employer incentives. For example, an employment coordinator in one state we visited told us she partners with other agencies to obtain employment leads for veterans and another employment coordinator told us that he markets an incentive

for the first 6 months of employment. Some employment coordinators also told us they conduct presentations about VA at community events.

Employment coordinators in the five states we visited primarily provided services to veterans in their local areas, even though VA originally intended that they provide a variety of employment services across each VA region. In the five states we visited, the employment coordinators seldom traveled to offices outside their local area, and when some did, they met with a much smaller number of veterans. VA staff in several locations told us the lack of face-to-face contact with an employment coordinator disadvantaged some veterans. For example, VA staff in one office without an employment coordinator on-site found communication via phone and e-mail to be less effective in providing employment services to veterans than in-person interactions. Similarly, an employment coordinator in another state told us that veterans outside her local area do not receive the same level of services from her as those located in her immediate area. VA acknowledged it was not aware of the extent to which employment coordinators were able to work with veterans outside their local areas. In addition, VA national officials acknowledged that the current number of employment coordinators is not enough to provide a full array of employment services to all program participants, as they had originally intended when they wrote the position description. They told us they tried to compensate for this deficiency by assigning employment coordinators to offices in the most populous areas and expected that state workforce agency staff would serve veterans in other locales. In one state, the employment coordinator was stationed over 200 miles away from the office we visited and was only able to provide services for 15 of the approximately 300 veterans served in that office at the time of our interview. The employment coordinator, VA counselors, and some veterans in this state told us they considered local DVOP specialists to be the primary employment services providers for program participants.

According to veterans and VA staff in the five states we visited, employment coordinators provided some unique services to veterans in their local areas, but other services were also available from alternative sources. Employment coordinators provided some services that were not available elsewhere, such as marketing VA employer incentives, promoting the VA program through networking and ongoing contacts with employers, distributing veterans' employment search stipend, and assisting with employer accommodations. However, according to veterans and VA staff in the five states we visited, some of the direct services provided by employment coordinators were similar to those offered by others. For example, according to some VA staff and veterans, college career centers, DVOP specialists, and VA contractors all provide veterans assistance with résumé writing and interviewing techniques. Additionally, some veterans and VA staff told us that both employment coordinators and state workforce agency staff can assist veterans and VA counselors with labor market information. Similarly, in two states we visited employment coordinators were available to provide more services to veterans who were having difficulty finding employment, while DVOP specialists were also responsible for facilitating services for veterans with special employment needs. One veteran told us he met with the employment coordinator daily for assistance with résumé and interview preparation and obtaining employment leads while also working with a DVOP specialist weekly.

The outreach activities employment coordinators conducted were also sometimes performed by others. In some states we visited, both employment coordinators and DVOP specialists marketed to employers on behalf of disabled veterans in the VA program by identifying employer hiring contacts and obtaining information on job vacancies and hiring prerequisites. Similarly, in some states employment coordinators and DVOP specialists performed job development activities, such as fostering partnerships through participation in job fairs and networking with local businesses. VA staff in two states told us that state workforce agency staff often performed job development and outreach activities. Although Labor and VA national officials acknowledged some similarities between the employment services performed by employment coordinators and those available to program participants elsewhere, VA officials have not collected information on the full extent of the duplication nationally. A summary comparing the services provided by employment coordinators and employment services available elsewhere in the states we visited is in table 3.

Table 3: Examples of Services Provided by Employment Coordinators and Others in the Five States We Visited

		Selected providers	
Employment coordinator duties	Employment coordinators	DVOP specialists	Contractors and school career centers
Direct services provided to VA clients			
Conduct follow-up with veterans after they have been placed in employment	\checkmark	\checkmark	
Assist with résumé and interview preparation	\checkmark	\checkmark	\checkmark
Provide general assistance with job search activities	\checkmark	\checkmark	\checkmark
Provide labor market information	\checkmark	\checkmark	
Provide employment assistance specifically to hard-to-place veterans	\checkmark	\checkmark	
Coordinate distribution of employment search stipend	\checkmark		
Assist veterans with employment plans	\checkmark	\checkmark	
Assist employers with providing accommodations for VA clients	\checkmark		
Job development and outreach			
Promote VA program through networking and ongoing contacts with employers	\checkmark		
Develop partnerships with businesses and state and federal agencies	\checkmark	\checkmark	
Market VA incentives to employers, such as subsidized internships and wage subsidies	\checkmark		
Establish contact with specific employers to be aware of job opportunities and job qualifications	\checkmark	\checkmark	

Source: GAO analysis.

Note: A checkmark indicates that services were provided in at least one of the states we visited. Employment coordinator activities were typically limited to those veterans in their local areas. The employment coordinators we interviewed in California were responsible only for the San Diego region, and the employment coordinator for Sioux Falls, South Dakota was stationed in Fargo, North Dakota. Job Resource Labs Provided Additional Opportunities to Assist Veterans, but They Appeared to Play a Minor Role and Duplicated Resources Available Elsewhere

Job resource labs provided equipment and materials that VA staff used to assist veterans with employment-related activities, but the labs were not typically staffed throughout the day. All of the labs in the five states we visited were equipped with computers that had Internet access, desks, printers, and employment resource libraries. The number of computers available for veterans' use in the labs ranged from one to four. All of the labs also had at least three additional resources such as copiers, fax machines, informational pamphlets, job postings, and televisions and DVD players located directly in the lab or available for use elsewhere in the office. According to the veterans and VA staff in the five states we visited, the job resource labs were used primarily to conduct Five-Track program orientation and to allow for veterans to engage individually in career exploration activities. In three of the states we visited, the labs were also used as a meeting space, for example, to host workshops and veteran employment networking groups. The labs sometimes also served as an office for the part-time colocated DVOP specialist or as an extra space to conduct activities such as mock interviews. We were told VA staff were available to assist veterans as needed, but only one of the labs we visited was staffed throughout the day. Although some veterans were able to use the labs with minimal guidance, others told us they needed the assistance provided by VA staff when they were first introduced to the labs. Figure 4 shows photographs of a sample of the job resource labs we visited.

Figure 4: Photographs of VA Job Resource Labs





Anaheim, California

Montgomery, Alabama



Huntsville, Alabama



Chicago, Illinois

Veterans in the five states we visited did not typically use the labs for any activities other than those that were part of the program orientation. VA staff in the five states we visited told us the labs were not used by many veterans. Four of the labs we visited tracked usage informally, and a month of data from these labs showed as many as 34 veterans using one

Source: GAO.

lab and as few as 3 using another. Additionally, none of the veterans we spoke with used the labs regularly or more than a few times during the program. For example, 1 veteran said he only used the lab to occasionally look at his grades online and another veteran used printed resources in the lab once to prepare for an interview. Some of the low levels of usage may be explained by factors associated with the lab. In two of the states we visited, the labs had only been operational for 2 months or less. In three other sites, VA staff lamented that the labs were housed in buildings that were not conveniently located or required security searches to enter. While VA officials told us they plan to assess the usage and effectiveness of the job resource labs nationally, they have not done so yet because they are waiting for all labs to have permanent computers.

Veterans and VA officials told us that program participants have access to equipment and materials similar to those in the job resource labs at other locations. In the five states we visited, job resource labs provided veterans with some additional VA services, for example, one-on-one computer assistance from VA staff and the opportunity to network with other VA participants. However, according to veterans and VA counselors with whom we spoke, veterans typically had computer and Internet access available at home, school, the public library, or the local one-stop career center. Similarly, one veteran told us he used printed materials found in the job resource labs, such as résumé and interviewing technique books, at his local one-stop career center. While some veterans and veteran service organization representatives we spoke with found that having access to resources at multiple locations allows veterans more flexibility, some also told us the labs were duplicative of most of the basic resources available at local one-stops, such as computers, printers, faxes, printed materials, job postings, and brochures.

Conclusions

VA staff and their counterparts in Labor are charged with the responsibility of helping veterans achieve the best possible employment outcomes—each in their own capacity but also in cooperation with each other. Given their similar missions and clientele, and to ensure the seamless delivery of services and efficient use of resources, it is critical that these agencies work together effectively. The October 2005 agreement between Labor and VA stated that both parties commit themselves to active cooperation and coordination in meeting the goals of the agreement. However, without additional efforts—developing a comprehensive plan that outlines long-range time frames and benchmarks for its implementation, thoroughly reviewing implementation at the state level, providing guidance to states, and outlining plans for taking action if

	states do not implement the agreement—it is difficult to determine the extent to which the agreement has been implemented or what, if any, progress has been made toward its goals. In addition, VA officials were not fully aware of how the employment coordinator position was serving veterans outside of the employment coordinator's local area. As a result, VA may not be providing all veterans in a regional office's jurisdiction with equal access to the full array of services from an employment coordinator. Furthermore, Labor and VA have not collected systematic information on employment coordinators and job resource labs to help eliminate all duplication in the delivery of needed employment services and provide a seamless employment transition. Without this information, there may be unnecessary duplication of services, which is not in keeping with the agreement. Finally, VA has not examined the usage or effectiveness of the job resource labs nationwide, and as a result, VA may end up spending money to sustain a resource that few veterans are using.
Recommendations for Executive Action	To ensure the complete and timely implementation of the agreement, we recommend that the Secretary of Labor and the Secretary of Veterans Affairs direct VETS and VRE to take the following actions:
	 develop a written plan for the full implementation of the agreement that includes long-term time frames, benchmarks by which to track implementation at the state level, and plans for taking action in instances when states are not fully implementing the agreement; provide additional direction to the states on implementing the agreement, including examples of promising practices from states, such as strategies for sharing information; provide technical assistance to states that are facing difficulties implementing the agreement; and collect and assess complete information on the progress of the states in implementing the agreement using well-designed and appropriate methodology, such as a systematic review of state-level memorandums of agreements or a comprehensive survey of all locations.
	To ensure the employment coordinator role is being used in the most effective and efficient way possible without duplication of other available services, we recommend that the Secretary of Veterans Affairs, in consultation with the Secretary of Labor, direct VRE to take the following actions:
	• determine how best to use the employment coordinator in serving veterans located outside the employment coordinator's local area;
	 undertake additional efforts to review how the employment coordinator role has been carried out at the regional level, especially vis-à-vis staff of other workforce agencies; determine how this position could best be used in light of other services available to VA program participants; and modify the national employment coordinator position description accordingly.
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	To ensure that resources spent on job resource labs are used efficiently and effectively, we recommend that the Secretary of Veterans Affairs direct VRE to undertake additional efforts to:
	 review the number of veterans using the job resource labs and ways in which veterans are using them; assess and offer regional offices direction on how the labs could be better used; and determine whether there are additional opportunities to coordinate with other agencies and organizations, such as local one-stop career centers.
Agency Comments and Our Evaluation	We provided a draft of this report to Labor and VA for their review and comments. In their comments, the agencies agreed with our recommendations. The agencies said they would work together to develop a plan to fully implement the agreement that focuses on time frames and benchmarks and would implement a systematic review of state-level agreements. Both agencies also said they will continue to develop joint training for improving the coordination and delivery of employment services for veterans with disabilities. In an effort to provide technical assistance to states that are facing difficulties implementing the agreement, Labor said it would review possible ways of providing VA confirmation that a client is employed without actually providing personal wage data. In addition, VA said it will continue to evaluate the effectiveness of the employment coordinator position and develop methodology to assess how the job resource labs are used. The Department of Labor's comments are in appendix II and VA's comments are in appendix III.

We will send copies of this report to the Secretary of Labor, the Secretary of Veterans Affairs, other relevant congressional committees, and other interested parties and will make copies available to others upon request. In addition, the report will be available at no charge on GAO's Web site at http://www.gao.gov.

A list of related GAO products is included at the end of this report. If you or your staff have any questions about this report, please contact me at (202) 512-7215. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Staff acknowledgments are listed in appendix IV.

within M. Fagran

Cynthia M. Fagnoni, Managing Director Education, Workforce, and Income Security Issues

Appendix I: Objectives, Scope, and Methodology

	Our overall research objectives were to describe the status of the implementation of the October 2005 memorandum of agreement between the Department of Labor (Labor) and the Department of Veterans Affairs (VA) aimed at coordinating efforts to advance the employment opportunities for veterans with service-connected disabilities, and to describe the status of the implementation of VA's Five-Track employment program, with a particular emphasis on the role of employment coordinators and job resource labs. To address these objectives, we conducted interviews with national Labor and VA officials and national representatives of veterans' service organizations. We also visited five states, where we met with Labor, VA, and the state workforce agency officials and staff, and toured job resource labs and one-stop career centers. During our site visits, we spoke with veterans who were past or current participants in VA's Vocational Rehabilitation and Employment services (VRE) and local representatives of veterans' service organizations. In addition, VA provided us with information on the number of job resource labs that were completed, the number still in process, and the reasons for the delays. Finally, we reviewed prior GAO reports and other relevant documentation. We conducted our work from November 2006 to September 2007 in accordance with generally accepted government auditing standards.
Interviews with National Labor and VA Officials	We interviewed national Labor and VA officials to determine the status of implementation of the agreement, in particular, time frames for completion and any challenges to implementation. With VA officials, we also discussed the status of the implementation of the Five-Track program, including any implementation challenges that remain, and the roles of employment coordinators and job resource labs in the employment and training of disabled veterans.
Site Visits	We conducted site visits in five states—Michigan, Alabama, Illinois, South Dakota, and California. California is divided into three VA regions; we visited only the San Diego region. We selected a mix of states based on the following criteria: (1) dispersion across the four VRE geographic areas (Eastern, Southern, Central, and Western), (2) both pilot and nonpilot sites for the Five-Track program, and (3) states with large and small veteran populations. Table 4 lists our selected site visit locations and summarizes these selection criteria for each state. In making our selections, we also factored in the states' reputation for coordination between Labor and VA at the state and local levels, which we determined based on input from national Labor and VA officials and other sources.

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				Has large veteran
State	Locations visited	VRE geographic area	Was a Five-Track pilot site	population (500,000 or more veterans in state)
Michigan	Detroit	Eastern	yes	yes
Alabama	Montgomery Huntsville	Southern	yes	no
Illinois	Chicago	Central	no	yes
South Dakota	Sioux Falls	Central	no	no
California (San Diego region)	San Diego El Cajon Anaheim	Western	no	yes

Table 4: Site Visit Locations and Key Selection Criteria

Source: GAO.

Note: Veteran population of states is based on 2000 Census data.

In each state, we met with VA regional office staff and officials from Labor and the state workforce agency. At VA regional offices, we spoke with VA counselors, employment coordinators, and regional office management. We also toured the job resource labs. In each state, we also spoke with either the state VETS program director or assistant director assigned to the region. In addition, we met with staff and officials from the state workforce agency, including Disabled Veterans' Outreach Program specialists. We visited one-stop career centers in four states and met with local office managers in three of these. In some cases, we followed up on our interviews by phone, e-mail, or in person to collect additional information.

In two of the states, we visited locations that have satellite offices of the VA regional office. In California, we visited Anaheim, which is a satellite location of the San Diego VA regional office. There, we met with the VA vocational rehabilitation counselor and state workforce agency local office management and staff. We also observed the job resource lab. We chose Anaheim based on its proximity to San Diego, which was one of our site visit locations. In Alabama, we interviewed VA and state workforce agency staff in Huntsville, a satellite location of the Montgomery VA regional office, and also visited the job resource lab. We selected Huntsville based on the recommendation of a Montgomery VA official and its proximity to a GAO field office.

Interviews with Veterans and Veterans' Service Organizations	To gain additional perspectives on the implementation of the agreement and the Five-Track program, on each of our site visits, we met with veterans who were currently participating in the Five-Track program or who had recently completed training through VA's Vocational Rehabilitation and Employment program. We also spoke with local representatives of veterans' service organizations. In addition, we conducted phone interviews with representatives of a number of veterans' service organizations who are based in the Washington, D.C. area.
Status of Job Resource Lab Implementation	VA provided us with a list of the job resource labs and the status of their implementation. From this list, we calculated the total number of labs, the number of labs that were completed, and those that were still in process. We also categorized and sorted the reasons for delays in implementing the labs that were not yet complete. We assessed the reliability of the VA data and determined it was suitable for the purposes of this report. The information provided by VA was current as of May 2007.

Appendix II: Comments from the Department of Labor





Appendix III: Comments from the Department of Veterans Affairs

THE SECRETARY OF VETERANS AFFAIRS WASHINGTON August 3, 2007 Mr. Sigurd R. Nilsen Director Education, Workforce, and Income Security Issues U. S. Government Accountability Office 441 G Street, NW Washington, DC 20548 Dear Mr. Nilsen: The Department of Veterans Affairs (VA) has reviewed the Government Accountability Office's draft report, DISABLED VETERANS' EMPLOYMENT: Additional Planning, Monitoring, and Data Collection Efforts Would Improve Assistance (GAO-07-1020). We agree with your findings and concur with your recommendations. The report provides specific recommendations in areas where VA is continuing to develop new strategies and effectiveness measures that will assist us in improving employment services to veterans with disabilities. The key provisions of the Memorandum of Agreement between the Departments of Labor and Veterans Affairs require ongoing coordination between the two agencies, and VA is actively pursuing them. The enclosure provides detailed responses to your recommendations. VA appreciates the opportunity to comment on your draft report. Sincerely yours, R. James Nicholso Enclosure





Enclosure Department of Veterans Affairs (VA) Comments to Government Accountability Office (GAO) Draft Report, DISABLED VETERANS' EMPLOYMENT: Additional Planning, Monitoring, and Data Collection Efforts Would Improve Assistance (GAO-07-1020) (Continued) 2007 an updated "Introduction to the Job Resource Lab," training video. VR&E will also develop a new data collection and effectiveness methodology for all Job Resource Lab locations in fiscal 2008 to assess how the labs are used and to avoid duplication of resources or joint agency efforts. 3

Appendix IV: GAO Contact and Staff Acknowledgments

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Acknowledgments	Heather Hahn and Kathryn Larin, Assistant Directors	
	Anne Welch, Analyst-in-Charge	
	Caitlin Croake and Amber Yancey-Carroll also made significant contributions to this report in all facets of the work. In addition, Walter Vance assisted in the review of external data and in developing site visit selection criteria; Elizabeth Curda and Gregory Whitney lent subject matter expertise; Doreen Feldman and Jessica Botsford provided legal support; Letisha Jenkins and John Ortiz assisted with data collection; and Charles Willson provided writing assistance.	

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