



DEPARTMENT OF VETERANS AFFAIRS

38 CFR Part 21

RIN 2900-AS92

Veteran Readiness and Employment Program: Improving Development and Delivery of Individualized Rehabilitation Plans

AGENCY: Department of Veterans Affairs.

ACTION: Proposed rule.

SUMMARY: The Department of Veterans Affairs (VA) proposes to amend the regulations pertaining to the Veteran Readiness and Employment (VR&E) Chapter 31 program to ensure the planning of rehabilitation programs for eligible veterans and dependents is based on information from current treatment providers and not individuals on a panel who never treated the veteran or dependent. Current regulations require consultation with a panel of individuals who are not involved in the direct care or treatment of the veteran or dependent. As such consultation is not statutorily required, VA proposes to eliminate this unnecessary process, which often adds avoidable delays to veterans' access to benefits, and streamline decision-making based on providers who actually know the veteran's needs.

DATES: Comments must be received by [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: You may submit comments through www.regulations.gov under RIN 2900-AS92. That website includes a plain language summary of this rulemaking. Instructions for accessing agency documents, submitting comments, and viewing the rulemaking docket are available on www.regulations.gov under "FAQ."

FOR FURTHER INFORMATION CONTACT: Loraine Spangler, Policy Analyst, Veteran Readiness and Employment Services, Veterans Benefits Administration, (202) 461-9600 or loraine.spangler@va.gov.

SUPPLEMENTARY INFORMATION: The Vocational Rehabilitation Panel (VRP) is entirely a creation of regulation and is not mandated by or mentioned in statute. See 38 CFR 21.60 and 21.62. The purpose of the VRP is to consult with Vocational Rehabilitation Counselors (VRC) to make professional recommendations for the services that will be included in a veteran's or dependent's rehabilitation plan. VA's regulations currently require consultation with a VRP in specific types of cases, such as: veterans with a serious employment handicap who may benefit from a program of Independent Living (IL) when achievement of a vocational goal is not currently reasonably feasible; dependents who require determination of the need for and types of assistance to be provided as part of special restorative training (SRT) or specialized vocational training (SVT) under VA's Chapter 35 Survivors' and Dependents' Educational Assistance program; and veterans and dependents who need determinations of the feasibility of a vocational goal and of the services to be provided under VA's Chapter 18 Spina Bifida and Birth Defects Benefit program. The members of a VRP must include a VRC from VR&E, a VR&E vocational rehabilitation specialist, a Veterans Health Administration (VHA) medical consultant, and a VHA social worker and may also include other VA specialists. The VRP's recommendations and suggestions are not legally binding.

In some circumstances, it is impossible to include on the VRP, VHA providers who have treated the individual. For example, SRT and SVT services can be requested for Chapter 35 dependents as early as age 14. VHA, however, only treats veterans; therefore, VHA providers serving on a VRP will not have treated the individual in such cases. Getting VHA providers on a VRP to render opinions about dependents they have

never treated is difficult. Instead, the VRC may and does seek information from non-VA sources when evaluating such cases. These decisions can be more accurately made by VRCs gathering all necessary information, which may include documentation from current treating professionals, review of available records, consultations with current medical and/or service providers, consultations with school personnel, and review of Individualized Education Programs or other relevant documentation, rather than using a VRP that includes professionals who have not treated the dependents in such cases.

Even for veterans, given the sheer number of individuals served by VHA, it is unlikely that members of a VRP will have treated the individual in any given case. In contrast, professionals currently involved in the treatment of veterans and dependents provide information that is relevant and accurate. The individual's treating professionals are more aware of unique circumstances that must be considered when determining the feasibility and ability of the individual to participate in services needed for successful rehabilitation. Additionally, VA Regional Offices have difficulty assembling a VRP, since providers are hesitant to give input about individuals they may have never treated. The frequent inability or prolonged period needed to assemble a VRP results in delays of timely services to veterans and dependents. Again, VRCs currently contact providers the veterans and dependents are using to obtain the information needed to make decisions in vocational planning, reducing any need for the VRP.

By removing the VRP, VR&E would improve program administration, improve the quality of services provided, and provide more timely decisions. Rehabilitation services and outcomes would be improved since the information regarding individuals would be obtained from the most relevant sources and providers.

Because VR&E staff rely on current treatment and/or service providers to assist with recommendations for services provided in an individual's rehabilitation plan, VR&E proposes to remove 38 CFR 21.60 and 21.62. VR&E also proposes amendments in

numerous other regulatory provisions to remove references to the VRP for the previously stated reasons. VR&E also proposes to remove § 21.198(b)(7), which lists the VRP as a potential resource the VR&E Officer may utilize when reviewing cases for which discontinuance is being considered for a veteran with a service-connected disability rated 50 percent or higher. This provision is unnecessary as all files are reviewed prior to discontinuance to ensure accuracy.

Pursuant to 38 U.S.C. 3104, VR&E has the authority to provide an evaluation to determine the need for services, the feasibility of achieving a vocational goal, and the assistance needed to successfully complete a rehabilitation program. Services and assistance are periodically reevaluated by the VRC to determine the most effective services to ensure successful completion of the rehabilitation program. Services and assistance can be more effectively and timely provided using current providers with relevant and current information, without the time-consuming process of assembling a VRP whose members have most likely not treated the individual.

To ensure other sections of part 21 conform to this change, VA proposes to amend §§ 21.3104(a), 21.3300(c), 21.3301, 21.3303(a), 21.3304(b)(2), 21.3306(b), 21.4232(a), 21.6052, 21.6310, 21.8032, and 21.8310 to remove references to the VRP. VA also proposes to amend §§ 21.3020(b), 21.3040(d), 21.3044, 21.3300(d), 21.3303(a), and 21.4232, to reflect a change made by the Harry W. Colmery Veterans Educational Assistance Act of 2017, Public Law 115-48, sec. 202, 131 Stat. 973, 989 (2017), in which Congress decreased the aggregate months of entitlement for Chapter 35 benefits from 45 months to 36 months. These proposed changes ensure VA regulations align with the statutory requirements at 38 U.S.C. 3511(a)(1). VA also proposes to make a housekeeping edit to remove § 21.4232(c) because there is no longer a § 21.4276.

Executive Orders 12866, 13563, and 14192

VA examined the impact of this rulemaking as required by Executive Orders 12866 (Sept. 30, 1993) and 13563 (Jan. 18, 2011), which direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits. The Office of Information and Regulatory Affairs has determined that this rulemaking is not a significant regulatory action under Executive Order 12866, as supplemented by Executive Order 13563. This proposed rule is expected to be an Executive Order 14192 deregulatory action.

Economic Impact: The proposed elimination of the VRP is cost neutral because it does not introduce new benefits, alter existing entitlements, or require additional administrative resources. Instead, it streamlines the decision-making process by allowing VRCs to rely on current treatment providers, who are more familiar with the individual's needs, rather than assembling a panel of professionals who may have never treated the veteran or dependent. This change would remove an outdated and inefficient procedural requirement and would reduce administrative delays. This rulemaking would also result in qualitative enhancements in service delivery without imposing new obligations or costs, thereby qualifying as a deregulatory action.

Regulatory Flexibility Act

The Secretary hereby certifies that this proposed rule would not have a significant economic impact on a substantial number of small entities as they are defined in the Regulatory Flexibility Act (5 U.S.C. 601-612). This certification is based on the fact that the changes made by this rulemaking would primarily impact VA employees, such as current treatment providers, as well as specialists and consultants from VR&E and VHA who may have otherwise been asked to serve on VRPs. VA anticipates that any impact to VR&E participants would be beneficial and non-economic. Additionally, benefits recipients are not considered small entities for the purposes of the

Regulatory Flexibility Act. Therefore, under 5 U.S.C. 605(b), the initial and final regulatory flexibility analysis requirements of 5 U.S.C. 603 and 604 do not apply.

Unfunded Mandates

This proposed rule would not result in the expenditure by State, local, and Tribal governments, in the aggregate, or by the private sector, of \$100 million or more (adjusted annually for inflation) in any one year.

Paperwork Reduction Act

This proposed rule contains no provisions constituting a collection of information under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3521).

List of Subjects in 38 CFR Part 21

Administrative practice and procedure, Armed forces, Claims, Colleges and universities, Conflict of interests, Education, Employment, Grant programs-education, Grant programs-veterans, Health care, Loan programs-education, Loan programs-veterans, Manpower training programs, Reporting and recordkeeping requirements, Schools, Travel and transportation expenses, Veterans, Vocational education, Vocational rehabilitation.

Signing Authority

Douglas A. Collins, Secretary of Veterans Affairs, approved this document on April 20, 2026, and authorized the undersigned to sign and submit the document to the Office of the Federal Register for publication electronically as an official document of the Department of Veterans Affairs.

Gabriela DeCuir,

Alternate Federal Register Liaison Officer, Department of Veterans Affairs.

For the reasons stated in the preamble, the Department of Veterans Affairs proposes to amend 38 CFR part 21 as set forth below:

PART 21—VETERAN READINESS AND EMPLOYMENT AND EDUCATION

Subpart A—Veteran Readiness and Employment

1. The authority citation for part 21, subpart A continues to read as follows:

Authority: 38 U.S.C. 501(a), chs. 18, 31, and as noted in specific sections.

§ 21.60 [Removed and Reserved]

2. Remove and reserve § 21.60.

§ 21.62 [Removed and Reserved]

3. Remove and reserve § 21.62.

§ 21.198 [Amended]

4. In § 21.198, remove paragraph (b)(7).

Subpart C—Survivors' and Dependents' Educational Assistance Under 38 U.S.C.

Chapter 35

5. The authority citation for part 21, subpart C continues to read as follows:

Authority: 38 U.S.C. 501(a), 512, 3500-3566, and as noted in specific sections.

§ 21.3020 [Amended]

6. In § 21.3020, remove in paragraph (b), in both the section heading and paragraph text, the text “45” in both places it appears and add in both places the text “36”.

§ 21.3040 [Amended]

7. In § 21.3040, remove in paragraph (d) the text “45” and add in its place the text “36”.

§ 21.3044 [Amended]

8. In § 21.3044:

a. Remove in paragraph (a) the text “45” and add in its place the text “36”.

b. Remove in paragraph (b) the text “45” in both places it appears and add in both places the text “36”.

c. Remove in paragraph (c), in the section heading, the introductory text, and paragraph (2), the text “45” in each place it appears and add in each place the text “36”.

9. In § 21.3104, revise paragraph (a) to read as follows:

§ 21.3104 Special training.

(a) *Initial counseling.* A counseling psychologist or vocational rehabilitation counselor in the Veteran Readiness and Employment (VR&E) Division will counsel an eligible person with a disability who is a child, spouse, or surviving spouse for consideration as to the child’s, spouse’s, or surviving spouse’s need for a course of specialized vocational training or special restorative training. The counseling psychologist or vocational rehabilitation counselor will gather all necessary information, which may include documentation from current treating professionals, review of available records, consultations with current medical and/or service providers, consultations with school personnel, and review of Individualized Education Programs (IEP) or other relevant documentation. If it is determined that the child, spouse, or surviving spouse requires specialized vocational training or special restorative training, the counseling psychologist or vocational rehabilitation counselor will prescribe an appropriate course in line with the goals of 38 U.S.C. chapter 35.

* * * * *

§ 21.3300 [Amended]

10. In § 21.3300:

a. Remove in paragraph (c) introductory text the words “, after consulting with the Vocational Rehabilitation Panel,”.

b. Remove in paragraph (d) introductory text the text “45” in both places it appears and add in both places the text “36”.

11. In § 21.3301:

a. Revise paragraph (a) introductory text.

b. Remove paragraph (b) and redesignate paragraphs (c) through (e) as paragraphs (b) through (d), respectively.

c. Remove in newly redesignated paragraph (b) the words “Following consultation with the panel and receipt of the panel’s report, the” and add in their place the word “The”.

d. Revise newly redesignated paragraph (d).

The revisions read as follows:

§ 21.3301 Need.

(a) *Determination of need.* When special restorative training has been requested or is being considered for an eligible person with a disability who is a child, spouse, or surviving spouse, a counseling psychologist or vocational rehabilitation counselor will gather all necessary information, which may include documentation from current treating professionals, review of available records, consultations with current medical and/or service providers, consultations with school personnel, and review of Individualized Education Programs or other relevant documentation, to determine the need for and feasibility of special restorative training. After the counseling psychologist or vocational rehabilitation counselor completes this task, he or she will consider whether—

* * * * *

(d) *Reentrance after interruption.* The counseling psychologist or vocational rehabilitation counselor will determine if the eligible person may be permitted reentrance into special restorative training following interruption. The counseling psychologist or vocational rehabilitation counselor, in consultation with other treatment providers, will

determine if there is a reasonable expectation that the purpose of special restorative training will be accomplished. See § 21.3306.

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12. In § 21.3303, revise paragraph (a) to read as follows:

§ 21.3303 Extent of training.

(a) *Length of special restorative training.* Ordinarily, special restorative training may not exceed 12 months. When the counseling psychologist or vocational rehabilitation counselor determines that more than 12 months of training is necessary, he or she will refer the program to the Executive Director, Veteran Readiness and Employment (VR&E) Service for prior approval. Where the plan for a program of special restorative training itself (not in combination with the program of education) will require more than 36 months (or its equivalent in accelerated payments), the plan will be included in the recommendation to the Executive Director, VR&E Service for approval.

(Authority: 38 U.S.C. 3542, 3543(b)).

§ 21.3304 [Amended]

13. In § 21.3304, remove in paragraph (b)(2) the words “Vocational Rehabilitation Panel” and add in their place the words “current treatment and/or service providers”.

§ 21.3306 [Amended]

14. In § 21.3306:

a. Remove in the heading of paragraph (b) “*Consultation with Vocational Rehabilitation Panel.*” and add in its place “*Other reentrance considerations.*”.

b. Remove in the introductory text of paragraph (b)(1) the words “the Vocational Rehabilitation Panel” and add in their place the words “current treatment and/or service providers to determine if reentrance is appropriate”.

Subpart D—Administration of Educational Assistance Programs

15. The authority citation for part 21, subpart D continues to read as follows:

Authority: 10 U.S.C. 2141 note, ch. 1606; 38 U.S.C. 501(a), chs. 30, 32, 33, 34, 35, 36, and as noted in specific sections.

16. In § 21.4232:

a. Remove in paragraph (a)(2)(i) the words “After consulting with the Vocational Rehabilitation Panel, determine” and add in their place the word “Determine”.

b. Revise paragraph (a)(3).

c. Remove paragraph (c) and redesignate paragraph (d) as paragraph (c).

d. Remove in newly designated paragraph (c) the text “45” and add in its place the text “36”.

The revision reads as follows:

§ 21.4232 Specialized vocational training—38 U.S.C. Chapter 35.

(a) * * *

(3) The CP or VRC will assist in developing the program, if it was previously determined that the course is in the eligible person’s best interest.

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Subpart I—Temporary Program of Vocational Training for Certain New Pension Recipients

17. The authority citation for part 21, subpart I continues to read as follows:

Authority: Pub. L. 98-543, 38 U.S.C. 501 and chapter 15, sections specifically cited, unless otherwise noted.

§ 21.6052 [Amended]

18. In § 21.6052, remove in paragraph (b)(2) the words “by the Vocational Rehabilitation Panel”.

§ 21.6310 [Amended]

19. In § 21.6310, remove in paragraph (c) the words “the medical consultant and the Vocational Rehabilitation Panel” and add in their place the words “current medical and/or service providers”.

Subpart M—Vocational Training and Rehabilitation for Certain Children of Vietnam Veterans and Veterans with Covered Service in Korea—Spina Bifida and Covered Birth Defects

20. The authority citation for part 21, subpart M continues to read as follows:

Authority: 38 U.S.C. 101, 501, 512, 1151 note, ch. 18, 5112, and as noted in specific sections.

§ 21.8032 [Amended]

21. In § 21.8032, remove in paragraph (b)(2) the words “by the Vocational Rehabilitation Panel”.

§ 21.8310 [Amended]

22. In § 21.8310 remove in paragraph (c) the words “also confer with the medical consultant and the Vocational Rehabilitation Panel described in §§ 21.60 and 21.62” and add in their place the words “consult with current medical and/or service providers”.

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