

**VETERANS' EMPLOYMENT AND TRAINING
SERVICE'S BUDGET AND STATE GRANT PROGRAM**

HEARING

BEFORE THE

SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
OF THE

COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

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**VETERANS' EMPLOYMENT AND TRAINING
SERVICE'S BUDGET AND STATE
GRANT PROGRAM**

THURSDAY, MARCH 3, 2011

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY,
Washington, DC.

The Subcommittee met, pursuant to notice, at 10:02 a.m., in Room 334, Cannon House Office Building, Hon. Marlin A. Stutzman [Chairman of the Subcommittee] presiding.

Present: Representatives Stutzman, Bilirakis, Johnson, Huelskamp, Denham, Braley, and Walz.

OPENING STATEMENT OF CHAIRMAN STUTZMAN

Mr. STUTZMAN. Good morning. Thanks to everybody for being here this morning and I am looking forward to our first hearing of the Subcommittee on Economic Opportunity of the Veterans' Affairs Committee.

I am Marlin Stutzman. It is a privilege to be chairing this Committee this morning and I am also looking forward to working with Mr. Braley as well as other Committee Members.

I think we will just go ahead and get started and so we can get right into the testimony.

So we are here today to examine the fiscal year 2012 budget for the U.S. Department of Labor's (DoL's) Veterans' Employment and Training Service, better known in the veteran's community as VETS.

It is no secret that veterans are facing difficult times finding and retaining good-paying jobs. Unemployment rates for veterans in some age groups significantly exceed the rates for nonveterans of the same age. I just do not believe that is right.

I am confident that the distinguished Ranking Member shares that view and I intend to work with Mr. Braley in a bipartisan manner to improve employment opportunities for veterans.

Interestingly, job vacancies posted online rose by 438,000 in January to nearly 4.3 million according to the Conference Board, so there are literally millions of jobs looking for qualified workers. So that begs me to ask whether veterans have the right skills for today's job market and the answer to that may be the key to reducing veteran unemployment rates.

The media focuses on the 15.2 percent unemployment rate among veterans returning home from Iraq and Afghanistan, but in

terms of sheer numbers, older veterans are facing rates of unemployment that often exceeds their nonveteran peers.

For example, the Bureau of Labor Statistics' (BLS) latest data shows that 725,000 or 63 percent of the 1,135,000 unemployed vets are 35 to 64 years old. Unfortunately, those veterans have little or no access to veterans' education, training, or retraining programs. They are also the group that tends to have the highest financial obligations like mortgages and paying for their children's education.

We are all aware of the financial crisis facing this Nation, which means we must redouble our efforts to make best use of the funds available to us. That means that what is the best use of the \$261 million the President has requested for the Veterans' Employment and Training Service in fiscal year 2012.

How do we increase the skills unemployed veterans can offer to the job market and then what is the best way to match veteran qualified job seekers with the right job?

The VETS' budget submission is refreshingly frank in addressing the State Grant Program. I quote, "The program clearly was not fulfilling its mandated role," end quote. And I am eager to hear how VETS proposes to fix their largest program whereas a veteran in Indiana should be able to receive the same level of services that a veteran in New York and it is clear that this is not currently happening.

I would also recognize President Obama's initiative to increase the number of veterans employed by the Federal Government. Today veterans are approximately 25 percent of the Federal workforce, but, unfortunately, outside of the VA and the U.S. Department of Defense (DoD), most agencies fall far short of employing a significant number of veterans.

I wish the President every success in this program and I am sure each of the Members here will call upon the entire Federal Government to place greater emphasis on hiring veterans.

But I would also note that the private sector offers far more employment opportunities as evidenced by the Conference Board's data.

Finally, I welcome today's witnesses, and I yield to the distinguished Ranking Member, Mr. Braley, after which we will hear from the first panel.

[The prepared statement of Chairman Stutzman appears on p. 49.]

OPENING STATEMENT OF BRUCE L. BRALEY

Mr. BRALEY. Mr. Chairman, I want to first begin by congratulating you on your Chairmanship and holding your first hearing on a topic that should be near and dear to the heart of every American. And I look forward to working with you because we all know that when it comes to taking care of our veterans, there is no such thing as partisanship. And I think this is going to be a wonderful opportunity for us to talk about the important economic issues that face our veterans.

I was reminded of that a week ago, which was the 61st anniversary of when my father landed on Iwo Jima as a young 18-year-old Marine from Iowa. And if we could address the challenges of that massive demobilization and all of the economic issues we faced

after World War II, I am confident that if we work together in a nonpartisan way, we can do a lot with this Committee to expand economic opportunities for veterans.

As you all know, we are working hard in Congress to try to balance our budget and reduce the deficit, at the same time providing much needed services and employment opportunities for veterans. And this hearing is going to provide us with an opportunity to review the U.S. Department of Labor VETS' budget request for fiscal year 2012 and funding for the Disabled Veterans' Outreach Program (DVOP) and Local Veterans' Employment Representatives (LVER) Program through State Grant programs.

VETS oversees six major employment related initiatives for veterans including Jobs for Veterans State Grants, Transition Assistance Program, Homeless Veterans' Reintegration Program (HVRP), Veterans' Workforce Investment Program (VWIP), National Veterans' Employment and Training Services Institute, and the Federal Management.

And I look forward to learning more about how these programs will remain fully operational and effective with the new budget request. I am also interested in learning more about the Transition Assistance Program (TAP) and the Homeless Veterans' Reintegration Program initiatives as these two had a budget request increase for fiscal year 2012.

I know that our distinguished panelists will highlight some of the deficiencies of the Disabled Veterans' Outreach Program Specialists and the Local Veterans' Employment Representatives Program. And I also look forward to hearing their recommendations on how we can improve these services while still keeping a good budget.

The main purpose of DVOPs and LVERs is to provide employment services to veterans to help relieve the high unemployment rate among veterans. We should do everything we can to ease the transition of veterans from the military to the civilian world and this hearing is not just about those problems, but about assessing the effectiveness of these programs.

And I thank you for your time and your willingness to come share your thoughts and ideas with us.

And I yield back.

[The prepared statement of Congressman Braley appears on p. 50.]

Mr. STUTZMAN. Thank you, Mr. Braley.

And I should say this. If you do come to see either one, Mr. Braley or myself, in our offices, you will not have to walk very far since we are next door to each other. And so I am delighted to work with him.

First of all, I would like to welcome our Assistant Secretary of Labor for the Veterans' Employment and Training (ASVET), the Honorable Ray Jefferson. Secretary Jefferson's biography is one of service to the Nation and its veterans. And in his current capacity as the ASVET, I believe he brings with him new thinking and a forward-looking approach to solving the problems facing our unemployed veterans.

Mr. Secretary, it was good to visit with you yesterday, and the floor is yours for 5 minutes.

STATEMENT OF HON. RAYMOND M. JEFFERSON, ASSISTANT SECRETARY, VETERANS' EMPLOYMENT AND TRAINING SERVICE, U.S. DEPARTMENT OF LABOR

Mr. JEFFERSON. All right, sir. Thank you very much, sir.

Chairman Stutzman, Ranking Member Braley, Members of the Committee, thank you very much for giving us this opportunity to testify about what we are doing at VETS and specifically with the Jobs for Veterans' State Grant Program and the President's fiscal year 2012 budget request.

I do ask that my full written testimony be included as part of the record.

VETS proudly serves veterans and transitioning servicemembers. We do three primary responsibilities. One, preparing them for meaningful and successful careers; two, providing access to those careers; and, three, protecting their employment rights.

As an agency, we have five overarching goals.

The first is to serve as a national focal point for veterans' employment.

The second is to increase engagement with employers and particularly the private sector.

The third is to help servicemembers transition seamlessly.

The fourth is to boost the impact of Uniformed Services Employment and Reemployment Rights Act (USERRA).

And the fifth is to invest in our team members so that they can maximize their performance into a potential.

Let me now turn to the Jobs for Veterans State Grants (JVSG) Program or the State Grants Program. You asked me a series of questions. All of those are in my written testimony, but let me give you a succinct overview of what I see as five primary ways to improve the State Grants Program.

Number one, we want to rapidly obtain pertinent feedback from the people delivering services. This program was created in its current form in 2002 and there has not been a single internal assessment since then.

So all of my State directors are meeting with all of the State veterans' coordinators to get feedback on eight specific areas.

One, what is working well.

Two, how would you rate the program's current level of success.

Three, how would you rate the support you receive from the one-stops.

Four, what are the areas for the improvement.

Five, what policy changes would you recommend.

Six, how can VETS assist the State in achieving better outcomes.

Seven, how would you rate the LVERs' overall effectiveness in doing outreach.

And, eight, how helpful would it be for VETS to assist LVERs in increasing the employment opportunities that they have to provide to veterans.

The second major opportunity for improvement is a community of practice. This is a best practice to get practitioners to maximize their performance and their impact. A great example is the U.S. Army's <http://companycommand.com> that was created out of Iraq and Afghanistan. This will allow DVOPs and LVERs to post ques-

tions and topics they need help with and also to share best practices.

Today there is no way for a DVOP in Iowa to share best practices with a DVOP in Indiana or Illinois nor a DVOP in Florida with a DVOP in Hawaii. So we need to fix that.

Number three, getting DVOPs and LVERs trained within prescribed time periods. Now, under the old time frame of 3 years, 99 percent of the individuals have been trained on time. I am looking forward to the new time frame of 18 months to get people trained up as quickly as possible.

We presently have 1 percent of all DVOPs and LVERs who have not been trained on time. That is 24 individuals, and we are going to deep dive into what are the specific circumstances in those 24 cases.

Opportunity number four, analyzing the root causes of the administrative overhead. Over 50 States have admin overhead in excess of 30 percent. We want to determine the root causes and work with them with the goal of reducing that admin overhead.

And, finally, integrating the LVERs into our new employer outreach initiatives with the Society for Human Resource Management and the U.S. Chamber of Commerce.

Turning now to the President's fiscal year 2012 budget request, we have requested approximately \$261 million, an increase of \$5 million over fiscal year 2010. This supports increased participation tapped by the Guard and Reserve as well as additional employment service grants for homeless veterans and Homeless Veterans' Reintegration Program.

We have six specific budget activities. I will take them one at a time.

In terms of JVSG, we have the same level of effort. We expect this to support 1,146 DVOPs, 971 LVERs, and to serve 624,000 veterans. Last year, the JVSG Program bottom line helped 200,000 veterans find jobs.

TAP, we have an increase of \$2 million. This reflects the increase in demand in services by the Guard and Reserve, especially the retiring active Guard and Reserve members, as well as participation in the Yellow Ribbon programs.

In HVRP, we have an increase of \$3 million. This is for 11 grants that will serve an additional 1,700 veterans.

At VWIP, our Green Jobs Training Program, we are going to maintain the same level of effort. We will also maintain the same level of effort for the National Veterans' Training Institute (NVTI), which does the training for Federal staff, DVOPs, LVERs, and also for Federal management and maintain the same level of effort.

As I move to conclusion, I will say a priority for us this year is to refocus the DVOP and LVER Programs. Veterans have priority of service in all Labor Department employment training and programs. Of course, the one-stops are included in that.

However, over time, DVOPs and LVERs have merged their duties. We want DVOPs to focus exclusively on providing intensive case management and intensive services to disabled veterans and LVERs to do the same in terms of focusing on employer outreach. And we want to engage them with our State directors to increase the employment opportunities they have.

We are working with urgency and innovation. We look forward to working with all Members of the Committee and I stand ready for your questions.

[The prepared statement of Mr. Jefferson appears on p. 50.]

Mr. STUTZMAN. Thank you, Mr. Secretary.

I will begin the questioning and then we will recognize the Ranking Member and our other Members alternating in order of arrival.

First of all, in your budget submission, you state that you believe that the Jobs for Veterans State Grant Program is clearly not fulfilling its mandated role.

What steps are you going to undertake in fiscal year 2012 to address this issue and do you intend legislation from Congress to rectify the situation?

Mr. JEFFERSON. Yes. So I believe that for the programs, we are approaching them with a lens towards how can they be improved, what are the best practices, and how we benchmark.

So the first thing we are doing right now is to get timely, accurate feedback. There has not been an internal assessment done. So I want to make some information database decisions as to how to improve the program. So that is the outline structured conversations, which are happening right now.

We have also proposed a new rule, which it is a performance threshold and that performance threshold will be the average of the previous year's entered employment rate. And so any State that does not meet 90 percent of that performance metric, we will engage with them in a conversation leading potentially to a corrective action plan to get that performance improved.

So we are developing new metrics. We are getting data and then we are also going to implement a community of practices I spoke about, work to reduce the administrative overhead, and engage the LVERs in our effective employer outreach initiatives. We used to just serve one employer at a time. Now I am meeting with hundreds of employers at a time through our new partnerships.

Mr. STUTZMAN. Do you foresee then that sharing best practices between States, is that part of the objective here for you and what plan do you have to meet that goal?

Mr. JEFFERSON. Yes, sir. Sir, that is absolutely a key part of our strategy going forward. The U.S. Army has prototyped a best practice, something called the community of practice. It was a Harvard business review, a breakthrough idea of 2006, the U.S. Army's <http://companycommand.com>. We are going to model our online community of practice on that.

Bottom line, if there is best practices happening in Florida or Indiana or Iowa or California, all DVOPs and LVERs should know those and be implementing them. And that is not happening now. And so we need to get that fixed.

Mr. STUTZMAN. Okay. What are the new metrics? You had mentioned new metrics. What are those?

Mr. JEFFERSON. Yes, sir. So we have a regulation that we are proposing and that regulation is going to look at all the performance of all of the States, territories as well, for the last year. It takes the average. And then that will be the metric by which all States are required to meet or exceed that average. So it is a beginning.

If the State does not meet 90 percent of that, we then begin working with them to determine the root causes and then what are the actions that we should take, whether it is training, whether it is sharing best practices, whether it is a corrective action plan, to get them to exceed.

And that is something that we have just, I believe, communicated that to Congress. So that was a late-breaking development that we have out of VETS, that new metric.

Mr. STUTZMAN. And do you foresee Congress needing to craft legislation anywhere for giving you—

Mr. JEFFERSON. Right now, sir, we have tremendous support. I think you will hear from the veterans service organizations (VSOs) that they also are in favor of increased metrics and standards. So I believe that this is one where this is strong alignment. We are just trying to move as urgently as possible.

Mr. STUTZMAN. Okay. Then finally, what are your thoughts on taking the \$165 million requested for the State Grant Program and using this funding for a program to fund direct training services for unemployment veterans?

Mr. JEFFERSON. Sir, I believe that the way that we are going to best serve veterans, the way that we are going to make sure that over 200,000 veterans continue to find jobs every year is by taking the program, which right now is, you know, over 8-years old and bringing innovation into it.

You know, working with disabled veterans one on one is something that we know they find incredibly valuable, but we want to bring more best practices to how we do that, more employment opportunities that we can offer them. And I believe innovating within the current program is how we are going to best serve veterans, not taking all of that money and applying it in an entirely new context.

Mr. STUTZMAN. Okay. All right. Thank you.

Mr. Braley.

Mr. BRALEY. Thank you, Mr. Chairman.

Mr. Secretary, I have a question for you about the best practices.

Mr. JEFFERSON. Yes, sir.

Mr. BRALEY. My experience is that human nature being what it is, most people believe their practice—

Mr. JEFFERSON. Yes.

Mr. BRALEY [continuing]. Is the best practice.

Mr. JEFFERSON. Yes.

Mr. BRALEY. So who makes the determination of what constitutes a best practice for the purpose of being shared through this system that other people can model their behavior on?

Mr. JEFFERSON. Yes. Sir, great question. And we are aware that people often feel the way that they are approaching things is oftentimes the best, but that is not the reality.

So we are going to look at the performance of every State, current performance, historical performance, and look at where we are getting the absolute best results and then root cause and deep dive into that. And then those will be what we pool. It is best practices proven by results in veterans' lives.

Mr. BRALEY. And then will there be built into that process a follow-up mechanism to make sure that that remains the best practice going forward?

Mr. JEFFERSON. Yes, sir. We want to be a continually learning organization. And when we had the privilege of meeting, I spoke about that as our new culture. So assessing, innovating, implementing, and then continuing that continual learning and improvement loop.

Mr. BRALEY. Great. I want to talk about one of the items you mentioned in the budget request that was part of the justification for the increase.

Mr. JEFFERSON. Yes, sir.

Mr. BRALEY. And that was support of the DoD's goal of increased participation in the National Guard and Reserve component.

Mr. JEFFERSON. Yes.

Mr. BRALEY. And we talked about that yesterday and the fact that there are currently 3,500 members of the Iowa National Guard on active duty in Afghanistan.

Mr. JEFFERSON. Yes, sir.

Mr. BRALEY. And one of the things we know is that in an era of high unemployment, the pressure on those employers to even stay in existence let alone keep—

Mr. JEFFERSON. Yes.

Mr. BRALEY [continuing]. Positions open for Guard and Reserve members is intensive. So can you tell us a little bit more about why that additional budget request is so important at this time?

Mr. JEFFERSON. Sure. Sir, I believe the answer relates to what was within your question, which is that the Guard and Reserve members and their commanders are realizing that in this economic condition, you know, now more than in recent years—or I would say we are at a reflection point where preparation is vitally important.

So we are doing three things right now to better serve Guard and Reserve members. One, we have taken the TAP Program. We have broken it down to modules. And we have told Guard and Reserve commanders that we are committed to providing at any time and anywhere that you want us to to meet demobilization schedules.

And there is going to be always three core components, labor market information, USERRA information, and one-stop career information.

Number two, we are working closely with the Yellow Ribbon Program. We have also made the commitment to provide this at 30-, 60-, and 90-day Yellow Ribbon programs any time, anywhere Guard and Reserve commanders request it.

Third, our DVOPs are always participating in demobilization planning with the rear echelon units, the stay behind units or demobilizing units.

And I will also say that we have a tremendous relationship with the Executive Director of the Guard and Reserve, Ron Young, and we are looking at how we can take his 4,700 volunteers and connect them to a greater extent to our State directors and the DVOPs and LVERs.

Mr. BRALEY. One of the concerns that we frequently have to deal with is the practice of erecting silos in Federal agencies.

Mr. JEFFERSON. Yes, sir.

Mr. BRALEY. And there is a lot of common interest between your department and the Small Business Administration (SBA)——

Mr. JEFFERSON. Yes.

Mr. BRALEY [continuing]. Which has veterans' assistance in establishing small businesses, which is also part of economic development.

Mr. JEFFERSON. Yes.

Mr. BRALEY. Can you tell us what your agency is doing to try to break down some of those barriers, eliminate duplication of services, and use the combined resources of those two agencies——

Mr. JEFFERSON. Yes.

Mr. BRALEY [continuing]. To help veterans who want to look at self-employment——

Mr. JEFFERSON. Yes.

Mr. BRALEY [continuing]. As an opportunity?

Mr. JEFFERSON. Yes. Sir, what you are talking about is one of our five aspirations serving as a national focal point for veterans' employment.

We literally go around to DoD, VA, SBA, Commerce and figure out what is everyone doing and how could we do it better together more synergistically and eliminate redundancy.

Specifically, we are working with Marie Johns, the Deputy for SBA, as part of the Small Business Task Force. I have a personal appreciation for the importance of entrepreneurship. We are creating a new module for entrepreneurship in TAP. There will be a primary point of access to entrepreneurship of services, resources, support, and I will also use the word inspiration.

So we are bringing that into TAP. And then the new online TAP platform that we spoke about, component five, is something that entrepreneurs can use to retool, retrain, and up-skill their team members at no charge if they are a veteran.

Mr. BRALEY. And before my time runs out, Mr. Secretary, does your department have available resources so that when there are veterans' conferences in individual districts, you have people who can come out into the field and be part of explaining the services that are provided and serve as a gateway to getting more people aware of what can be accomplished through the use of your agency?

Mr. JEFFERSON. Sir, absolutely. We have State directors in every State. We have roughly 200 and, you know, 30 teams members. And one of the things which we are very passionate about doing is getting into the community, being at events, and communicating what we do, the value of hiring veterans and how to find and hire veterans and access our programs.

Mr. BRALEY. Thank you.

All right. Thank you, sir.

Mr. STUTZMAN. Thank you, Mr. Braley.

Mr. Huelskamp.

Mr. HUELSKAMP. Thank you, Mr. Chairman. It is a pleasure to be here this morning.

And thank you, Mr. Secretary, for joining us. I had a couple areas of questions I would be interested in.

Mr. JEFFERSON. Yes, sir.

Mr. HUELSKAMP. First of all, are there any particular job sectors where veterans are having a tougher time than others in finding employment?

Mr. JEFFERSON. Sure. Sir, we are creating a body of work that will be part of our new Transition Assistance Program called Where the Jobs are Now. And as a part of that, we will be providing current information, not just on where the jobs are now, but where the trends have increased and where the trends have decreased.

So there is not a specific industry that I would quote right now, but we are creating a body of work that all veterans and transitioning service will have access to that will give them that information.

Mr. HUELSKAMP. Is that not available elsewhere in the Department of Labor?

Mr. JEFFERSON. There is information, but there is not a venue right now to bring that information easily to veterans. We do have labor market information in the current TAP Program, but we believe that the manner in which that information is communicated and the content can be increased which is why as we have our new statement of objectives, one of them is a much more detailed, much more comprehensive look at what the future trends are because, as you know, many of the veterans, they develop a career plan, they are executing the plan, they get to the end of it, and those jobs are no longer there which is one of the reasons we are emphasizing green economy jobs.

Mr. HUELSKAMP. A followup on that. So the information is available to nonveterans or to nobody at all as far as—

Mr. JEFFERSON. No, sir. There is labor market information that is part of the TAP Program right now, but we want to improve that information as we re-engineer the TAP Program.

Mr. HUELSKAMP. My question is, in the Department of Labor—

Mr. JEFFERSON. Yes.

Mr. HUELSKAMP [continuing]. Is the information more available to nonveterans?

Mr. JEFFERSON. Yes, sir. Yes, sir. Yes, there is labor market information available at the Department of Labor.

Mr. HUELSKAMP. Okay. Again, particularly for veterans versus nonveterans—

Mr. JEFFERSON. Yes.

Mr. HUELSKAMP [continuing]. Are we providing as good as information to nonveterans and veterans equally or do we—

Mr. JEFFERSON. Yes, sir.

Mr. HUELSKAMP [continuing]. Still have a problem with veterans?

Mr. JEFFERSON. Yes, sir. We are providing information to veterans and nonveterans equally. Veterans also have priority of service into one-stops. So all the information that we have is provided equally. I apologize for misunderstanding the question.

Mr. HUELSKAMP. No. Probably the questioner was—

Mr. JEFFERSON. No.

Mr. HUELSKAMP [continuing]. The problem here. Second question would be rural veterans—

Mr. JEFFERSON. Yes, sir.

Mr. HUELSKAMP [continuing]. In particular. You do mention it in your testimony.

Mr. JEFFERSON. Yes.

Mr. HUELSKAMP. In a couple words, tell me what is happening there and what your initiatives are.

Mr. JEFFERSON. Yes, sir. Well, sir, 17 percent of all Americans live in rural America. When we start looking at rural veterans, that number goes up to 37 percent. So we realize that veterans in rural America are under-served.

We have launched a pilot program in Washington State where we are able to contact all rural veterans, ask them if they need employment services or information on health services or education. We have a 98 percent participation rate. This is a real success we are very excited about. And so it is a pilot where we are doing best practices and doing proof of concept on that pilot.

Mr. HUELSKAMP. And how are you providing the services?

Mr. JEFFERSON. Very innovatively. We have a small group that has trained a large group of veteran volunteers. Then we access the veteran contact information data that the State government has. We call or e-mail veterans. If we have wrong contact information, we get the correct information, ask them if they would like one-on-one service and we can literally get boots on the ground at their door for the first time. But we leverage volunteers in an innovative model of a train-the-trainer approach.

Mr. HUELSKAMP. And how far do folks go to provide the services?

Mr. JEFFERSON. We actually go right to their door, sir. This is a success. We are getting tremendous feedback. It has exceeded the expectations that we have for it.

Mr. HUELSKAMP. Okay. I appreciate that. I come from rural western Kansas and trying to find trainers is—

Mr. JEFFERSON. Yes, sir.

Mr. HUELSKAMP [continuing]. A little bit of a difficulty. How far are trainers going then or the folks that are meeting at the door?

Mr. JEFFERSON. Wherever the veterans in rural America are, sir. We are leveraging veteran volunteers in rural America. So they are either in or around the communities.

Mr. HUELSKAMP. Are you using any technology then or you actually go to the door?

Mr. JEFFERSON. Well, I would have to re-look if we are leveraging technology to the greatest extent. But the simple model is we are contacting them by phone or e-mail. If we do not have contact information, we look at that local area to see how we can get information.

Ninety-eight percent are saying, yes, I want a meeting and then we have our volunteers actually there working with them one on one. Here is how you access employment services. Here is what you are eligible for. Oh, you need health, not employment, here is how you access the health services, working with the VA on that and the other State government resources.

Mr. HUELSKAMP. Thank you, Mr. Secretary. My office would appreciate some more information on the pilot program—

Mr. JEFFERSON. Yes, sir.

Mr. HUELSKAMP [continuing]. In Washington State.

Mr. JEFFERSON. And it was a severe shock that nothing like that existed when we came in. So we had realized a gap and we stepped into it with a solution.

Mr. HUELSKAMP. Okay. Thank you, Mr. Chairman.

[The DoL subsequently had a conference call with Congressman Huelskamp's staff on March 7, 2011, and provided staff everything they had on the pilot program in Washington State.]

Mr. STUTZMAN. Thank you.

I have a quick question.

Mr. JEFFERSON. Yes, sir.

Mr. STUTZMAN. If a veteran goes in to file unemployment, is there any way that we can identify or notify that veteran of your programs or what is available to them or do they just kind of fall into the—

Mr. JEFFERSON. We are trying to do that, sir. The idea that we had was a veteran files unemployment. When he or she gets the unemployment check, can we have information right there, you know, when they receive that hard copy check talking about like our Job Corps pilot for the youngest veterans.

I do not have an answer yet. It is a question that we are trying to work and see if we can get an answer to. You know, is it possible, we are looking into that.

Mr. STUTZMAN. Okay. All right. Very good. I think that would be an excellent way—

Mr. JEFFERSON. Yes, sir. It is a great delivery mechanism.

Mr. STUTZMAN. Absolutely. All right. Thank you.

Mr. WALZ.

Mr. WALZ. Well, thank you, Mr. Chairman, and I do want to congratulate on assuming the Chairmanship. Of all the Committees you could have chosen to serve on, you picked here for a reason. It says a lot about you.

And, Mr. Ranking Member, I know your commitment to veterans and your family's history of sacrifice to this country. I am very proud to have you there.

So thank you both for that.

And, Assistant Secretary Jefferson, there is no one else I would rather have in this job than you. Your service to this country and your selfless service to your own colleagues at a time of danger is well-known. And I am glad to have you there.

I think you are working incredibly hard to make sure that these programs are there. I think the question I want to get at and I am sure my friends across the aisle here agree with me, government is not the solution to all this. It is the employers—

Mr. JEFFERSON. Yes.

Mr. WALZ [continuing]. To a certain degree.

Mr. JEFFERSON. Yes.

Mr. WALZ. And we are talking about all the things that we can do—

Mr. JEFFERSON. Yes.

Mr. WALZ [continuing]. Which I think are good at preparing them. But several weeks ago, we saw you can have the best laid plans and intentions, but the Servicemember Civil Relief Act (SCRA) fell through because the private-sector employers were not honoring it.

Mr. JEFFERSON. Yes.

Mr. WALZ. So my question to you is, and I say this because I think our employers are doing a heroic job—

Mr. JEFFERSON. Yes.

Mr. WALZ [continuing]. Of hiring veterans, making the sacrifice necessary, small employers especially. There are cases where they may lose two or three Guardsmen to a deployment or local police department is the same thing.

So my question to you is, are we doing a good enough job educating on that side? Does USERRA work? Are we getting the information out? Are we bringing those folks in to work with us and say—

Mr. JEFFERSON. Yes.

Mr. WALZ [continuing]. And say here is how you crosswalk—

Mr. JEFFERSON. Yes.

Mr. WALZ [continuing]. Military experience into the private sector, here is what you can do for us so the minute they walk out the door, we are going to hire them at IBM, we are going to hire them wherever? Could you speak to that?

Mr. JEFFERSON. Sir, I would love to because you are talking about a topic that I am very passionate about. And when I came on board, there was a huge opportunity for improvement.

Let me break this down to three things. Let me first talk about engagement with employers. Let me talk about communicating the value of hiring, the message, and changing the cultural conversation, and then I will finish with USERRA.

First of all, we were meeting with employers one at a time. One point one million veterans unemployed in January and we are meeting with them one at a time. That had to stop. We have two pilots which are going on right now, the first one with the U.S. Chamber of Commerce.

We realized that there is tremendous alignment on serving veterans.

Mr. WALZ. Yes.

Mr. JEFFERSON. It is a nonpartisan, bipartisan commitment. So we launched a pilot in July in 14 States. In just about 45 days, my State directors who normally met one employer at a time, 10 State directors met about 1,500 employers, got the message, 300 follow-up meetings. So that is like a one to 30 ratio whereas before it may be, you know, one to a negative ratio.

We are now going to phase two with the top 100 chambers. We are going to do mega hiring fairs. We are prototyping that next month in March. We are also bringing the Society for Human Resource Management and a second pilot.

So we are going to strengthen our engagement with employers. I want my State directors with DVOP and LVER on each side on the panel talking to hundreds of employers at a time.

Number two, changing the cultural conversation in America. A veteran on the cover of *Fortune* for the first time in the magazine's history, I believe, last year. We are working with *Fortune*, *Forbes*, and *Business Week*. We have commitments for two sections in *Business Week* this year, one in *Forbes*, one in *Fortune*. Thirty million unique visitors will get the message when *Business Week* does

something. We want the message to be hire a veteran and where to find a veteran.

Finally, USERRA. I am bringing in best practices there. We have done a lean six sigma quality improvement process. It is very paper-centric right now. We are going to go to e-case management, automate that process, and bring best practices into that.

So it is the marketing and it is also getting the employers engaged. They want to hire veterans. They do not know how to find them.

Mr. WALZ. Very good. Do things like the work opportunity tax credit help?

Mr. JEFFERSON. Sir, they do. You know, a lot of employers say is there a tax credit. They are not aware that there is a work opportunity tax credit. So part of this is us getting out in front of them and giving them information. There has been a gap in that connectivity.

Mr. WALZ. We are trying to strengthen that to expand it into the National Guard. So one of the problems we have, and I think the Chairman was getting at this, one of the problems we have with our Guard members that you do not qualify to be able to take that to your employer. Educate our folks so when they go out and say, hey, if you hire me, not only are you going to get one of the best workers, most dedicated—

Mr. JEFFERSON. Yes.

Mr. WALZ [continuing]. People of this country, I am also coming with a \$4,000 tax credit.

Mr. JEFFERSON. Yes.

Mr. WALZ. But one of the problems is to qualify for that, you have to be unemployed first. And some of these guys have not applied for unemployment. Why should we force them to apply for unemployment if they can first go out and get there, the way I understand it with National Guard; is that correct?

Mr. JEFFERSON. Sir, I have to deep dive into that. That was not my understanding. So I do not want to guess.

Mr. WALZ. We have been having some trouble with the Guard, but I bring that up and—

Mr. JEFFERSON. Let's take that as task for my team. We will go back and see if that is—that would certainly—

Mr. WALZ. And I say that because I do not think these employers—it is not bribing them to hire veterans at all.

Mr. JEFFERSON. Yes.

Mr. WALZ. But this is an issue of the entire country should sacrifice for this if these folks are going to go out on the line, hire folks, train them with the understanding, especially Guardsmen, they may deploy again. I think we need to get that right. the

And the Iraq and Afghanistan Veterans of America (IAVA) has called for recently a Pew type study of how do we do a better job of cross-walking certification—

Mr. JEFFERSON. Yes.

Mr. WALZ [continuing]. Over into the private sector. Are you hearing that from employers that that would be helpful?

Mr. JEFFERSON. Sir, I believe that making employers aware of how to translate the skill sets, the knowledge, the abilities that

veterans gain into a value proposition is helpful. We are going to bring that into TAP.

We are also meeting with IAVA either this afternoon or next week. We have a meeting with them to talk about how we align our efforts as well. We are working with all the veteran service organizations who are behind us right now. So this is a strong partnership. We are going to keep bringing it and just making it better and better.

Mr. WALZ. Well, I appreciate it. And I would also say this is a chronic issue. We hear it often. But I would echo again there is nobody else I would want in the job except you right there right now. So thank you.

Mr. JEFFERSON. Sir, I appreciate your support. My team appreciates it. Thank you, sir.

Mr. STUTZMAN. Thank you.

I have a quick question on the work opportunity tax credit. That is a \$12,000 tax credit?

Mr. JEFFERSON. No, sir. I believe it is \$2,400 for a veteran and \$4,800 for a disabled veteran. Let me quickly turn to my career deputy who is my numbers expert. I got the numbers right? Is that the general ballpark?

Okay. So that is the general ballpark. We actually have a memo on it that I can share with your office as well and the Committee members.

Mr. STUTZMAN. Okay. Yeah, I would appreciate it.

[Responding to the request of Mr. Walz and Chairman Stutzman, the DoL subsequently provided the following pamphlet entitled, "The Work Opportunity Tax Credit Solution, Puts Tax Savings in the Palm of Your Hands," dated August 2009, U.S. Department of Labor, Employment and Training Administration.]



WHY IS WOTC A GREAT OPPORTUNITY FOR EMPLOYERS OF VETERANS?

- **Veterans are . . .**
 - A highly skilled workforce
 - Tech savvy
 - Leaders
 - Motivated
- **Employers . . .**
 - Veterans help meet your workforce needs
 - There is no limit to the number of new hires
 - There is minimal paperwork needed to claim the tax credit

WOTC: AN EMPLOYER BENEFIT FOR HIRING VETERANS MOST IN NEED OF EMPLOYMENT

For Agency Use:

The Work Opportunity Tax Credit SOLUTION

Puts Tax Savings in the Palm of Your Hands



U.S. Department of Labor
Employment and Training Administration
August 2009

For more information on where to apply or get the application forms, visit our Web site at:
<http://www.dolleta.gov/business/incentives/opptax>
or IRS's Web site at:
<http://www.irs.gov>

THE BOTTOM LINE

The Work Opportunity Tax Credit (WOTC) is a federal tax credit that offers an incentive for private sector businesses to hire individuals from 12 targeted groups that have consistently faced significant barriers to employment, including Veterans.

Depending on the employment scenario, private sector businesses may be eligible to reduce their federal income tax liability by as much as:

Target Groups ¹	% Credit & Retention Period	Maximum Credit
All Adult Groups/Vets	25% if work at least 120 hrs.	\$1,500
All Adult Groups/Vets	40% if work 400 hrs/ more	\$2,400
Disabled Vets ²	25% if work at least 120 hrs.	\$3,000
Disabled Vets	40% if work 400 hrs/ more	\$4,800
Long-Term TANF ³ Rec.	2-yr combined period	\$9,000

1. Qualified 1st-year wages are capped at \$6,000 for all adult target groups, including veterans.
 2. The cap on qualified first-year wages for disabled veterans was increased from \$6,000 to \$12,000 resulting in a bigger tax credit.
 3. Employers hiring from this group receive a two-year credit for each new hire. It has different wages and credit percentages.

HIRE FROM AMONG THESE GROUPS

The WOTC applies only to new employees who begin to work after December 31, 2005, and before September 1, 2011. The new employee must belong to one of the following targeted groups:

- **Disabled Veterans** entitled to compensation for a service-connected disability and hired within one year of discharge or release from active duty or unemployed for at least 6 months of the year ending on the hiring date; or
- **Veterans** who are members of a family that received food stamps for at least a 3-month period during the 12-month period ending on the date of hire; or
- **Unemployed Veterans** entitled to compensation for a service-connected disability and who during the past year, were: discharged or released from active duty at any time during the 5-year period ending on the hiring date; and who are unemployed and receiving unemployment compensation for a period or periods totaling at least 4 weeks during the one year ending on the hiring date; or
- **Vocational Rehabilitation Referrals** - Disabled persons who completed or are completing rehabilitative services approved by a state-certified agency, the Ticket-to-Work program, or the U.S. Department of Veterans Affairs; or

- **Long-Term TANF Recipients** - Any veteran who is a member of a family that received or is receiving Temporary Assistance for Needy Families benefits may also be eligible under this target group.

3 SIMPLE STEPS TO APPLY:

Employers apply for and receive certification from their State Workforce Agency (SWA) that the new hire is a member of a target group before they can claim the Work Opportunity Tax Credit. To apply:

1. Complete IRS Form 8850, *Pre-Screening Notice and Certification Request for the Work Opportunity Credit*, by the date of the job offer; AND
 - Complete IRS Form 8850, *Pre-Screening Notice and Certification Request for the Work Opportunity Credit*, by the date of the job offer; AND
2. Complete one of the following U.S. Department of Labor forms:
 - ETA Form 9061, *Individual Characteristics Form*, if the new hire has not been given an ETA Form 9062; OR
 - ETA Form 9062, *Conditional Certification Form*, if provided to the job seeker by a SWA, Vocational Rehabilitation or Participating Agency; AND
3. Mail the signed and dated IRS and ETA forms to the respective state workforce agency not later than 28 calendar days after the new hire begins work.

Mr. JEFFERSON. It is almost double. There is an increase if it is a disabled veteran.

Mr. WALZ. Mr. Chairman, if I could, we just introduced the extension of this that we did last year. We had great cooperation. Mr. Boozman was interested in this. It is over in the Senate side. There is a companion over there. Mr. Roe and myself put that out in the last few days, so it might be—

Mr. STUTZMAN. Okay.

Mr. WALZ [continuing]. Of interest to try and update that and give them that tool.

Mr. JEFFERSON. Thank you, sir.

Mr. STUTZMAN. Absolutely. You said it was \$2,400 for the—

Mr. WALZ. Yes, for a veteran and \$4,800 for a disabled veteran. One of the things we strengthen on is expanding it to the Guard and Reserves.

Mr. JEFFERSON. Thank you, sir.

Mr. STUTZMAN. All right. Very good information. Thank you.

Mr. Denham.

Mr. DENHAM. Thank you.

Mr. Jefferson, under the general operating expenses account, you have requested an additional \$1.5 million, which is for other services. That is an increase over the 2010 budget.

What do you define as other services and what is the rationale for the increase?

Mr. JEFFERSON. Sir, I believe that is relating to the TAP Program. Let me look at the actual budget item there. Budget object class 25.2, an increase of \$1.6 million roughly.

Two things. One, redesigning the Transition Assistance Program the first time in 19 years, so that is for procurement second year costs. And also we are going to improve the delivery system by going to an all contract facilitator force and that is the second reasoning for that increase.

Mr. DENHAM. Thirteen point two overall in other services?

Mr. JEFFERSON. I am sorry, sir?

Mr. DENHAM. So you are expanding it to \$1.5 million?

Mr. JEFFERSON. Yes, sir. Yes, sir, \$1.6 million.

Mr. DENHAM. Okay. And you are currently doing a review of the Jobs for Veterans State Grants Program?

Mr. JEFFERSON. Yes, sir.

Mr. DENHAM. Where are you at on that right now?

Mr. JEFFERSON. Our State directors are all having what I call a structured dialogue, meaning they have eight questions to get feedback on. Some of this is qualitative feedback. Others I am asking them to provide ratings.

And so we are going to get that for every State to include the territories and then we are going to make information-based decisions on how to improve the program. But I first wanted to get a database and there has not been one done internally since the problem started in 2002.

Mr. DENHAM. Why has it taken so long?

Mr. JEFFERSON. Sir, I cannot comment on what has happened prior to me getting here. I can just tell you that if you look at our track record for the last 18 months, we have taken a transformation of almost every single program and doing it with the re-

sources we have, TAP, employer outreach, engagement with the younger veterans, rural veterans, marketing.

We are doing a whole host. I think we have about 22 initiatives we have never done before. So I am trying to drive things as quickly as possible without redlining the engine and us burning out very candidly.

Mr. DENHAM. Thank you.

A couple months ago, we met with Secretary Gates and the question I had for him is will he have enough funding in this year's budget to address all of the needs for the returning veterans, including the job assessment and actually—

Mr. JEFFERSON. Uh-huh.

Mr. DENHAM [continuing]. Making sure that we are doing re-training for all of those veterans. And he had said at the time that he did have adequate funding. My concern is how do we not only address the needs but identify the individuals that have the need.

Right now it is my understanding, well, especially without the review, that it is a request program. But if the veteran returns home and never understands that there is assistance out there or is not being connected, then we do not know that we are meeting that need in the first place. I know that you are working with some States.

Mr. JEFFERSON. Yes.

Mr. DENHAM. Like California, we have Operation Vet Connect. There is, I would say, an improved communication.

Mr. JEFFERSON. Yes.

Mr. DENHAM. But there is no reason we should not be communicating with every veteran that returns.

Mr. JEFFERSON. Yes, sir, absolutely. So right now we have about 160,000 servicemembers who exit the military every year and 110,000 demobilizations. We serve 80 percent of them, so we are capturing 80 percent in the Transition Assistance Program. That week-long program provides them an overview of their benefits and services from VA, from DoD, and then also from the Labor Department.

Mr. DENHAM. Why only 80 percent?

Mr. JEFFERSON. Sir, no one knows the answer. Let me give you my belief. Eighty percent of the people are choosing to go with the program. This is just Assistant Secretary Jefferson talking. Because they see there is value in the program. Twenty percent do not perceive that there is value.

Now, we are re-engineering this to national and global best practices. We are also working to engage with employers as advocates of the program. We are going to be having some meetings with the entertainment industry to see if we can raise awareness of the program among the younger veterans.

My objective is for them to realize, one, there is a brand new program; two, it is better; and, three, you will have better employment outcomes by attending it and by doing that to increase the participation.

I will also tell you for the first time, we are going to measure the performance of the program. One point seven million people have gone through it. There is not one performance metric in existence.

I am creating performance metrics at three moments of assessment going forward.

Mr. DENHAM. Thank you.

And just to wrap up, 80 percent on Transition Assistance I would say is a good start. As a young airman myself when I left, I was probably in that 20 percent because I did not feel like I needed anything at the time.

Mr. JEFFERSON. So was I, sir.

Mr. DENHAM. But as you get down the road—

Mr. JEFFERSON. Yes.

Mr. DENHAM [continuing]. Whether it is Reserve duty or National Guard, you know, or you have just completely gone non-active, at some point, you may decide that you need something.

Mr. JEFFERSON. Yes.

Mr. DENHAM. Maybe later in life, you know, we are seeing some of the Vietnam veterans that probably were in that 20 percent. I am sure it was a much higher percentage back then. Then now find out that they have disabilities that result back from their time of service.

My concern is that not just are we missing the 20 percent that have transitioned—

Mr. JEFFERSON. Yes.

Mr. DENHAM [continuing]. But it truly is a transition which I do not think anybody knows what the percentage is after that because we do not have the good communication with all of our States.

Mr. JEFFERSON. Yes. So there are three things that we are doing that will specifically address what you are talking about which is we will call it older veterans or veterans who need employment services or training post the transitional phase.

Number one, there are six components to the new TAP. One of those components is an online virtual TAP Program that every veteran, Guard, Reservist will have access to for the duration of his or her life. So if they need to retrain, refresh, or deep dive into resume, interview, networking, story telling, mental resiliency training, stress reduction techniques, career planning, transitioning to a new work environment, that will all be there for them, number one.

Number two, they do have DVOPs and LVERs who can also assist them one on one with doing resume reviews, interview training, et cetera.

And number three, I want to raise awareness of the first two through marketing, media, increased outreach.

Mr. DENHAM. Thank you.

And just to wrap up, my concern is not with marketing.

Mr. JEFFERSON. Yes.

Mr. DENHAM. I think that we are doing an improved job of marketing.

Mr. JEFFERSON. All right, sir.

Mr. DENHAM. My issue is every veteran should have the opportunity and we ought to be able to, I mean, through various government entities be able to outreach to them. My concern is, is after they get out of this transition phase, you get released from active duty in Texas, but you are a California resident, we are not having

that interaction between California and the active-duty personnel to be able to say we are going to track them from here on out.

So if somebody ends up homeless or they end up out of work or they need job training, but do not know that those assistance are out there, just like Mr. Walz had said with the unemployment issue, we should not wait until they go to unemployment.

Mr. JEFFERSON. Yes.

Mr. DENHAM. We ought to have a way to outreach to them because we know who they are and the States who are prepared to interact with them if they only had that information. So we have a real disconnect between States and Federal Government. And right now my concern is today we are going to have more veterans returning this year than we have had since Vietnam.

Mr. JEFFERSON. Uh-huh.

Mr. DENHAM. And I do not feel like we are prepared there to address not only the job aspect of this, but also we are going to have this huge opportunity to correct a big mistake and we are able to have that connection with them day in and day out year after year.

And if we miss this opportunity, it is going to be just like the similar situations in the past where once they are off active duty, once they have missed that transition, then 20 years down the road, they realize that they have an issue, but we have nobody that is doing that outreach.

So just to say that we are going to do a TV commercial or put it into a magazine still does not get there to have that direct contact because you know who that individual is, you know where they live, you have their e-mail address, and you are able to pass that on to the State.

Mr. JEFFERSON. Sir, we are solving that. I apologize for not communicating that effectively. As we go with our TAP transformation, we are working with DoD so that we can track the participants into other States, into their future core decisions, et cetera.

So we create a safety net that provides a continuum of support. So that is what we are doing right now, which did not exist before. That is new. That is an innovation. That is happening.

Now, for those servicemembers who do not attend TAP, that is where we want to, you know, engage them, make sure that they have information constantly coming to them so whenever in their life they want to access these resources, they know what they can get from Labor, what they can get from VA, what they can get from DoD.

So we are working to solve that right now, but it was not part of the program in the past, but it will be going forward.

Mr. DENHAM. All right. Thank you, sir.

Mr. STUTZMAN. All right. Thank you.

And just information for the Committee, we are also going to do a hearing in mid-April on TAP as well so we can be addressing some of those issues.

Mr. JEFFERSON. Yes, sir. We are very excited about that.

Mr. STUTZMAN. And then I guess out of respect, I want to make sure that we respect everybody's time, but this has been really good, helpful information, does anybody else have a follow-up question that they would like to ask? I would be willing to do that if the Committee is interested in doing that.

Mr. BRALEY. Mr. Chairman, I just wanted to clarify something that Mr. Walz brought up so that everybody here has the correct information.

In looking at the Department of Labor's Web site on the work opportunity tax credit, it appears that it will expire on September 1st of this year. The categories range from a maximum credit of \$1,500 for veterans all the way up to \$9,000 if the veteran is in a family that is currently receiving taxpayer assistance through the Temporary Assistance for Needy Families Program. So there is an incredible economic incentive. I think it has been very successful in achieving the objectives and giving employers greater incentives to hire unemployed workers.

And you raised the point about going on unemployment first. It looks like the only criteria is it has to be a new employee. So they could not have worked for that employer before.

Mr. JEFFERSON. Yes.

Mr. BRALEY. I do not think it is tied directly to filing for unemployment, but it has to be someone who has not worked for that business in the past.

Mr. STUTZMAN. Is that a one-time credit for 1 year? Is that correct?

Mr. BRALEY. Up to 2 years.

Mr. STUTZMAN. Up to 2 years?

Mr. BRALEY. Uh-huh.

Mr. STUTZMAN. Okay. Thank you.

Mr. BRALEY. You are welcome.

Mr. STUTZMAN. Mr. Huelskamp, any further questions?

Mr. HUELSKAMP. No.

Mr. STUTZMAN. Mr. Walz?

Mr. WALZ. I am good.

Mr. STUTZMAN. Okay. All right. Okay. Thank you very much. This has been very helpful information and I found a couple of new items that I am looking forward to working on in the future. So with that, on behalf of the Subcommittee, thank you for being here and thank you for your testimony. And we look forward to working with you in the future.

Mr. JEFFERSON. Thank you, sir. We are very excited about that. I appreciate your support.

Mr. Ranking Member, Members of the Committee, we are very excited and we are going to keep working with urgency and innovation to continue to make things better and better. Thank you.

Mr. STUTZMAN. Thank you.

I now welcome Ms. Bonnie Elsey to the witness table. Ms. Elsey is the President-Elect of the National Association of State Workforce Agencies (NASWA) and the Senior Administrative Officer of the Minnesota Department of Employment and Economic Development.

And I would note that the gentleman and sergeant major from Minnesota, Mr. Walz, continues to serve veterans in so many different ways and is a Member of our Subcommittee.

And we welcome you and recognize you for 5 minutes. Thank you for being here and thank you for the work that you do as well.

STATEMENT OF BONNIE ELSEY, PRESIDENT-ELECT, NATIONAL ASSOCIATION OF STATE WORKFORCE AGENCIES, AND SENIOR ADMINISTRATIVE OFFICER, MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

Ms. ELSEY. Thank you.

Chairman Stutzman and Ranking Member Braley and Members of the Subcommittee, my name is Bonnie Elsey and I really thank you for the opportunity to testify before this Committee today.

I am the Senior Administrative Officer for the Minnesota Department of Employment and Economic Development and President-Elect of the National Association of State Workforce Agencies, known as NASWA.

I appreciate the opportunity to comment on the Administration's fiscal year 2012 budget and on the performance of the Disabled Veterans' Outreach Program specialists and Local Veterans' Employment Representatives otherwise known as DVOPs and LVERs respectfully.

NASWA members are the State leaders of the publicly-funded employment system, which is vital to meeting the employment needs of veterans through DVOP, LVER, and Wager-Peyser programs.

I especially commend your leadership on this very critical issue. With the non-seasonally adjusted unemployment rate of close to 10 percent for all veterans as of January 2011, we must do everything possible to ensure there is no ambiguity in our existing programs and sufficient funding is available to meet our highest priority, serving all veterans, especially our recently separated veterans and disabled veterans.

While my written testimony addressed the specific questions in your invitation letter, I would like to discuss five issues of great importance.

Number one, the budget. In an effort to improve the quality of services to veterans, especially disabled veterans, and their employment outcomes, the Jobs for Veterans Act of 2002 clarified the roles and performance standards of DVOPs and LVERs, yet the Administration's fiscal year 2012 budget contends the DVOP and LVER programs are not fulfilling their mandated role of providing intensive services to all participants.

As a result, the Administration is planning to operate the Jobs for Veterans State Grant Program differently from prior years. Although NASWA recognizes the VETS' refocused goals, we are concerned about the ability to increase the number of veterans receiving intensive services from DVOP specialists without additional funding.

Intensive services are just that, intensive. They require more time and effort. Not all veterans need intensive services.

Number two, performance outcomes. NASWA is concerned that performance outcomes by States posted on the VETS' Web site may lead to incorrect assumptions about a State's performance. A State's unemployment rate can impact outcomes and State measures should be adjusted to reflect these differences.

Figure one in the appendix of my testimony illustrates this relationship. For example, the high unemployment States such as Michigan, Nevada, and North Carolina generally will have poorer

performance than States like North Dakota, South Dakota, and Nebraska, all of which have unemployment rates under 5 percent.

Number three, furloughs. NASWA recommends language to prohibit States from imposing furloughs and hiring freezes on staff funded by Jobs for Veterans State Grants. Since these are Federal funds, any dollars saved have no positive impact on a State's budget. Services to our Nation's veterans should not be negatively impacted because of State budget problems.

Number four, enhance awareness of veterans' programs. NASWA recommends enhanced efforts to raise awareness of the DVOP and LVER programs to veterans and employers, including human resource managers.

A June 2010 survey from the Society for Human Resource Management shows that human resources managers are largely unaware of U.S. DoL programs to help veterans find jobs. In addition, the survey shows that recently separated veterans have difficulty translating their military skills to civilian jobs.

NASWA recommends VETS' and Jobs for Veterans State Grant funds be used to implement tools to translate military skills and improve licensing certification and credentialing systems to assist the military members to transition to civilian employment.

Number five, labor exchange. NASWA urges the United States Department of Labor to use the National Labor Exchange, an online network connecting employers and State workforce agencies. The National Labor Exchange provides Federal contractor jobs for States to assist eligible veterans in finding employment through a service called Vet Central. The Vet Central service allows businesses to meet the compliance requirements of the Office of Federal Contractor Compliance and puts jobs in the hands of State and local staff that work for veterans on a daily basis.

I greatly appreciate all the work by this Subcommittee on the Federal contractor job listing process, but NASWA member States still are unable to identify all Federal contractors and subcontractors and hope we can continue working with you and the U.S. Department of Labor to resolve this matter.

I thank you for the opportunity to comment and we stand ready to work with the Subcommittee, United States Department of Labor, and all interested stakeholders.

[The prepared statement of Ms. Elsey appears on p. 57.]

Mr. STUTZMAN. Thank you, Ms. Elsey.

Again, I will begin questioning and then we will recognize the Ranking Member and our other Members alternating between the two sides.

First of all, what is your response to this quote on the Jobs for Veterans State Grant Program in the VETS' fiscal year 2012 budget submission? "The program clearly was not fulfilling its mandated role." How would you respond to that line?

Ms. ELSEY. Well, I know that they are responding to the fact that 17 percent of the veterans served received intensive services. And I just can speak for my own State of Minnesota. I think it is really important to have a screening process in a one-stop.

What we do in Minnesota is when a person comes in and they state they are a veteran, we immediately ask them additional questions. And the types of questions that we ask help us identify

whether or not they should be referred to a DVOP. And the kinds of questions have to do with do you have a chemical abuse problem, have you ever had a criminal record, what is your last residence.

We are looking for the fact of do they have a residence, are they homeless, and are you a recently separated vet because then we try to have all the recently separated people from the Afghanistan and Iraqi War see a DVOP for initial screening.

But that is what we do. And our DVOPs work mainly with people with chemical dependency issues, people that have criminal backgrounds, and then a lot of their work is really translating their military experience into skills that are needed by business.

And there are tools out there that really help. I mean, last fall, the Department of Labor introduced the My Skills, My Future which is a transferability skill mapping system. And first you have to help the—they still are translating occupations in the military labor force to occupations in the civilian labor force, so you have to first work with the veteran to make sure that they can explain to you what they did in the military and then the DVOP can help them identify what kind of skill that would be in the civilian labor force so that they can better utilize some of these tools that have been implemented.

Mr. STUTZMAN. The next question would be, do you have a position on having all TAP briefings currently conducted by DVOPs and LVERs transferred to contract instructors so that DVOP and LVERs can better focus on finding veteran job opportunities?

Ms. ELSEY. Well, I could just speak to what we have done in Minnesota again.

Mr. STUTZMAN. Yes.

Ms. ELSEY. We have a program called Beyond the Yellow Ribbon. That is something that was actually started in Minnesota and we are very proud of. And what that really is is we go to the bases where the returning veterans land so that we are there when they get there. And it is not just the DVOPs and LVERs that go. We bring people from our community college system. We bring people from the Veterans Administration.

And we want to make sure that they know that when they get back to Minnesota, we are there to help them. And we want to put a face to the people that they can work with. And so it is very important for us. We go to every single one and send these staff there. That way, we are having a lot better response for the veterans to come into our offices when they get back to Minnesota.

Within 30 days, we also contact all these people again to see how are they transitioning, what are they doing. And I know TAP is when they are still on the base and in the services. We are doing this when they are being discharged from the base. Usually we are going to Fort McCoy because a lot of our people are going to Fort McCoy. And then we see them again when they come back to Minnesota. So we think that it is really important that they know us before they even come home.

Mr. STUTZMAN. In your testimony, you reference a Society of Human Resource Management study that showed over 68 percent of employers were not aware of DVOP and LVER programs. That is a large number.

Ms. ELSEY. That is too large of a number.

Mr. STUTZMAN. How do you and how will other member organizations address that particular issue?

Ms. ELSEY. Well, I think like it was stated in the last testimony, I think it is extremely important to get to groups of employers—

Mr. STUTZMAN. Yes.

Ms. ELSEY [continuing]. Because there will never be enough LVERs to be able to contact all the businesses and make them understand what is available to them and the value of hiring veterans.

Mr. STUTZMAN. Yes.

Ms. ELSEY. And so the Chamber of Commerce, but there is a lot of business organizations and we also work with like the Societies for—they have manufacturing associations and, you know, the different sector associations are very important to get to those organizations so they understand, you know, the skills of the returning veterans.

Mr. STUTZMAN. Yes. Because I know as a small business owner, we are often looking for employees and information like this.

And I know from where I come from in northeast Indiana, the employers there would be—you know, they are very patriotic and they would be more than happy to serve those veterans and put them at the front of the line if they are capable, they are willing, and trained to do those particular jobs.

I think that is a wonderful opportunity not only for them, but we need to get that information to them because I would guess that most, it reflects in the numbers, that most folks do not even know about that.

Ms. ELSEY. That is correct. And we also have 35 staff that are paid for by Wagner-Peyser that are business services specialists. And they talk to employers about the veterans and, you know, the skills of the veterans. And once I think employers understand, they are very interested in seeing qualified vets.

Mr. STUTZMAN. Yes. Yes. All right. Thank you.

Mr. Braley.

Mr. BRALEY. Does Princess Kay of the Milky Way take part in these demobilization programs?

Ms. ELSEY. Not that I know of.

Mr. BRALEY. It is an inside joke in Minnesota.

Ms. ELSEY. Oh.

Mr. BRALEY. My serious question for you is, do you think that the Governors of the individual States in general see these grants as additional funds to supplement their staff instead of for their original purpose, which is to assist veterans?

Ms. ELSEY. Okay. I cannot speak for the Governor. I do not know what they know about a lot of our programs. But I am the head of all of the workforce programs and I definitely know that these positions are specialized to serve veterans. And the DVOPs are to serve disabled veterans and veterans with a lot of barriers to employment.

Mr. BRALEY. But in this era of constrained State budgets where there is heavy temptation to shift resources to address other economic problems, are you at all concerned about these funds being used within each State for their primary purpose to assist disabled veterans and veterans generally?

Ms. ELSEY. I am not concerned about that.

Mr. BRALEY. Okay. The budget request for fiscal year 2012, which we talked about in our first panel, is it your understanding that that provides sufficient funding for the VETS Program?

Ms. ELSEY. No. I believe because of the fact that we need to do more of the intensive services that we would need additional resources if our expectation is to do more with the veterans.

We are finding that the majority of the veterans that we are still working with are Vietnam era vets. And I truly believe that there was nothing there for them when they came back. And that is one of the issues that they are having all these years later.

Mr. BRALEY. What would you consider an appropriate funding level for VETS to meet the demand for services?

Ms. ELSEY. I would have to get back with you on that.

Mr. BRALEY. Will you do that—

Ms. ELSEY. Yes.

[Ms. Elsey subsequently provided the following information:]

In this time of severe budget shortages, NASWA appreciates that the JVSG has received fairly level-funding for a number of years. However, the increased need for intensive services and the ever-growing number of recently-separated veterans, especially disabled veterans, supports maintaining or increasing the funding level for the JVSG.

As indicated in our written testimony, the U.S. Military services discharge approximately 160,000 active duty servicemembers and 90,000 Reserve and National Guard members annually. We can expect a greater demand for transition and employment services for veterans over the next few years.

NASWA does not have a position regarding the adequate level of funding. Further analysis is recommended to determine an appropriate funding level.

Mr. BRALEY [continuing]. And provide that to the Committee? In your written testimony, you mentioned that NASWA is concerned about the number of veterans who would be able to receive intensive services from DVOP specialists.

Do you have an estimate of the number of veterans who need those services currently?

Ms. ELSEY. I would have to ask my State director. I do not know that.

Mr. BRALEY. And would you also provide that—

Ms. ELSEY. Yes.

Mr. BRALEY [continuing]. To the Subcommittee?

Ms. ELSEY. I will.

[Ms. Elsey subsequently provided the following information:]

Due to VETS refocus on the roles and responsibilities of DVOP specialists, especially to increase intensive services, NASWA is concerned with the ability of DVOP specialists to handle the increased volume. NASWA recommends VETS conduct a study to ascertain the number of veterans needing intensive services and the appropriate average caseload for a DVOP. NASWA is willing to work with VETS on such a study.

Mr. BRALEY. You also mentioned in your written testimony that there are several individuals who have not received training by the National Veterans' Training Institute.

Are individuals unable to complete that training because NVTI does not have appropriate funding to provide the training or is there some other obstacle to achieving that goal?

Ms. ELSEY. Well, I know that in some of those who have not had training, the DVOP themselves are unable to travel because of their own disabilities. And so that probably would need to be brought to them which would cost more.

I know in Minnesota, we just brought NVTI to us so that we could train more people at one time within our State. So I think you have to be flexible and look at different models. And any time you are going to do more things one on one, it is going to cost more money.

Mr. BRALEY. Okay. Well, in the VA health care system, there is an increased reliance upon telemedicine to provide veterans, especially in rural areas, access not just to general health services but also to psychological and psychiatric counseling.

Are you aware of any pilot programs or efforts to try to bridge this gap that you have just identified through the use of telecommunications so that we can eliminate those barriers?

Ms. ELSEY. No, I am not, but that is a very good idea.

Mr. BRALEY. One of the things we rarely talk about is the issue of incarcerated veterans.

Ms. ELSEY. Uh-huh.

Mr. BRALEY. And, yet, we know that there are a large number of incarcerated veterans who served their country honorably but have fallen on hard times.

What is your sense of how they are doing as a population and what more can be done to make them more successful, especially when they are released from incarceration and face all of the problems that the normal prison population does in trying to readjust to life outside the walls?

Ms. ELSEY. Yeah. We have a program in Minnesota. We have a contract with the Department of Corrections where we go in the prisons and teach job seeking skills. And so this is not just for veterans, but it is really important. And it is really important to stay connected when they get out because if they do not get a job, they could likely get re-incarcerated again.

And so we do have some pretty intensive services for those people. And if they are veterans, the DVOPs really make those people priorities. We have to make sure they have food and shelter and that they have some way to make a living. And it is really important to do special outreach to businesses to give these people a second chance. And it is difficult for vets. It is difficult for all incarcerated people.

Mr. BRALEY. Thank you for your time.

Ms. ELSEY. Uh-huh.

Mr. STUTZMAN. Thank you.

Mr. WALZ.

Mr. WALZ. Thank you, Mr. Chairman.

Thank you for being there today. It is not summer. It just looks that way.

Ms. ELSEY. It is a lot better than when I left Minnesota.

Mr. WALZ. Well, Mr. Braley is very familiar and good with his geography, so he knows that all our children are above average in Minnesota.

And the issue, though, at hand is there is something different. Not all States are necessarily created equal in this. And I say that

not in a pejorative way or whatever. I am very proud of this Yellow Ribbon Project. It was an initiative by Governor Pawlenty and it was very bipartisan. I deployed and redeployed under Yellow Ribbon and I think there is good evidence, good data to support you are in much better shape in terms of getting medical care, getting employment assistance and all of that.

We tried to take this on a national scale. We tried to get it upgraded, Representative Kline and myself and others who witnessed it.

In your opinion, would that collaboration—because what the Yellow Ribbon really does is I think it avoids duplication. It brings services from different agencies together.

Ms. ELSEY. Right.

Mr. WALZ. And it stretches the efficiencies that the public is asking for, at the same time getting outcomes. In your opinion, is that something that would work to try and expand this?

Ms. ELSEY. I do not see how this would not benefit every State. It is really a great program.

Mr. WALZ. And it works and it—

Ms. ELSEY. And it works.

Mr. WALZ [continuing]. Is a strong collaboration with the private sector. We have been trying to push this I think now more than ever that emphasis needs to be on there again to get that right.

Again, I would go back to as a broken record some of this is seamless transition from DoD that we have that problem. I wanted to ask and I know there are some folks out here, I keep coming back to this cross-walking skills and heard you talk about it to help employers understand this.

Guys like Rick and Ray who have been out there every time I come up with this good idea, they said that is a wonderful idea. Twenty-two years ago, that is exactly what we put in for. So there was one where the Veteran Certification and Licensure Act of 2006 was supposed to do exactly what we are talking about here.

Is that happening in your opinion?

Ms. ELSEY. The only thing that has been successful so far in Minnesota is truck driving. Anybody who has been in the military and had extensive experience in driving a truck does not have to take any behind-the-wheel training. They just have to take a written test.

Mr. WALZ. Okay. And that has been helpful, I assume. I hear this a lot. There is a frustration with people, you know, these red bulls. I drove 22 months in Iraq. I can surely drive to Fridley, you know, if that is what it takes and that is a frustration with them. That one is working.

I hear a lot of our young medics and we certainly do not want to, you know, step on State requirements, safety requirements, but I will tell you that. Some of these folks have massive amounts of experience and they are having a difficult time. And then they go back into an expensive program to use services to come out with a certificate that they already had the skills to.

Ms. ELSEY. That is correct.

Mr. WALZ. So is there a need for another, like IAVA is calling for, a Pew type study on cross-walking these things over or is there, we are just not implementing? That is what I am trying to

understand because I hate to get into this another study. There are folks out here behind you that have been involved in decades of studies and they get tired of them.

Ms. ELSEY. Well, I think there are a lot of tools that we can use. I really am not the expert to be able to answer whether we need another study or not.

Mr. WALZ. Okay. But if these are implemented, if there is the ability to get that certification, it is making a difference, it is getting people hired—

Ms. ELSEY. Yes.

Mr. WALZ [continuing]. And it is lowering the unemployment?

Ms. ELSEY. Yes. And community colleges are very important in this area. You know, they have to be flexible and willing to look at those skills also and be able to translate those military skills and assess those skills so that they do not have to go through a 1- or 2-year program to get what they already have.

Mr. WALZ. That is great. Well, I appreciate your service and your focus on this great resource for us. And I appreciate that.

I yield back, Mr. Chairman.

Mr. STUTZMAN. Thank you.

What do you think the emphasis should be on? Should it be on retraining or training relevant skills to unemployed vets or placement services and right now where are the priorities at?

Ms. ELSEY. Well, I think it is important to note that business is requiring more and more skills of all workers all the time. And this is such an individualized thing based on what the skills are of the person that comes in.

But the people that do need retraining, we make sure that they connect with our Workforce Investment Act (WIA) staff within our workforce centers. And we also connect them with our community college system because getting a job right away is important, but life-long learning is critical. And they are going to have to get some skill and continue to learn. And I think that is one of the things that our DVOPs really are good at. We have a lot of networking groups just for veterans.

When it comes to job seeking skills and, you know, some of the how to write a resume and a lot of those things, they use a regular Wagner-Peyser WIA adult services to learn those things. But we have special networking groups that the DVOPs facilitate just on how to translate skills, how to talk about your military experience, you know, and how to sell that to an employer because you obviously know how to follow directions and there are, you know, a lot of the kinds of skills that businesses want.

But when it comes to training, it really depends upon, you know, some of them went into the service with an education and it really depends upon the individual. But training is important for everybody and, yes, it is important for veterans. And it is not just when they first come out of the service. It is life long.

Mr. STUTZMAN. What role do you or are employers taking in communicating what their needs are as far as trained employees? I mean, obviously not every veteran is going to have every skill and knowledge of the job that they are being placed in or seeking. I mean, there is obviously going to be some on-the-job training.

I mean, what level are they looking for? I mean, there has to be just some basic priorities that every employer is saying this is what we are looking for and then we will kind of take it from there.

Ms. ELSEY. Well, every employer is looking for the soft skills, you know, will you show up on time.

Mr. STUTZMAN. Right.

Ms. ELSEY. Will you come to work every day, you know, can you follow direction. And these are the things that I think a veteran has an easy time—

Mr. STUTZMAN. Right.

Ms. ELSEY [continuing]. Talking about. And so we also do quite a bit of on-the-job training under our Workforce Investment Act programs. And, of course, veterans are a priority of service for that. So there are a lot of businesses that want those basic skills and will train themselves, you know, train their employees on the job.

Mr. STUTZMAN. So would you say that right now then most of the priorities are on placement services or on training services?

Ms. ELSEY. I would have to ask my DVOPs, but I think it is both.

Mr. STUTZMAN. Yes.

Ms. ELSEY. And it really depends also upon the individual if they have to have money and they have to have a job right away.

So, I mean, one of the things that we have been pushing very hard in our State is more flexibility in the community college system. They are set up to educate people coming out of K through 12 and they are not set up for evenings, weekends, you know, for people who have to work and go to school at the same time.

Mr. STUTZMAN. Yes.

Ms. ELSEY. And so we are pushing very hard that they do more and more of that kind of work because that will help everybody who has to work and learn at the same time.

Mr. STUTZMAN. Okay. Thank you.

Any followup?

Mr. BRALEY. Just briefly, Mr. Chairman.

One of the big problems that all businesses face, all agencies face is paperwork compliance.

Ms. ELSEY. Uh-huh.

Mr. BRALEY. And my question for you is, does VETS have too many reports to do right now and are any unnecessary in your opinion?

Ms. ELSEY. I cannot speak to that because I do not do the veterans' reports, so I really do not have any idea what they have to do.

Mr. BRALEY. All right. Thank you.

Ms. ELSEY. Uh-huh.

Mr. STUTZMAN. Okay. Thank you very much and I appreciate you being here. And, again, your testimony has been very, very helpful and I hope you have a good trip home.

Ms. ELSEY. Thank you.

Mr. STUTZMAN. All right. Thank you.

Okay. Now I ask the members of our third panel to come to the table. Today we have AMVETS Acting Legislative Director, Mr. John Wilson? I am sorry. Oh, I am sorry. That was actually Christina Roof who was not able to be here today.

So John Wilson, Assistant Legislative Director for the Disabled American Veteran (DAV). My apologies there. Mr. Ray Kelley, Director of the Veterans of Foreign Wars' (VFW's) National Legislative Service; Mr. Bob Madden, Assistant Director of the American Legion's National Economic Commission; and Mr. Rick Weidman, Executive Director for Policy and Government Affairs of the Vietnam Veterans of America (VVA).

And I want to welcome each of you. Thank you for your service and what you do with each of your respective organizations. One of the great joys for me is to visit your organizations back home and what they do and the services that are provided and just the patriotism, the camaraderie that is there and the joys of sitting together and talking shop.

So please feel free to make your statements according to how you would like to and then we will move forward with the questioning.

STATEMENTS OF JOHN L. WILSON, ASSISTANT NATIONAL LEGISLATIVE DIRECTOR, DISABLED AMERICAN VETERANS; RAYMOND C. KELLEY, DIRECTOR, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES; ROBERT W. MADDEN, ASSISTANT DIRECTOR, NATIONAL ECONOMIC COMMISSION, AMERICAN LEGION; AND RICHARD F. WEIDMAN, EXECUTIVE DIRECTOR FOR POLICY AND GOVERNMENT AFFAIRS, VIETNAM VETERANS OF AMERICA

STATEMENT OF JOHN L. WILSON

Mr. WILSON. Mr. Chairman and Members of the Subcommittee, I am glad to be here this morning on behalf of the DAV to present our views on the President's fiscal year 2012 budget as it relates to the U.S. Department of Labor's Veterans' Employment and Training Service or VETS.

In my oral remarks, I will address the Jobs for Veterans State Grants, then the National Veterans' Training Institute funding, and finally changes in various performance measures.

First, Jobs for Veterans State Grants. VETS provides critical employment services for our Nation's veterans. Today's continued high unemployment rates underscore the need for a properly funded program and an effective and well-trained staff.

Jobs are slowly returning, but population growth brings 100,000 plus new job seekers into the workforce each month. We will only see unemployment rates for veterans and others decrease when jobs are created at a much higher rate.

Veterans, especially those of the current conflicts, are well aware of the impact of the January 2011 unemployment rate of 15.2 percent.

The funding of VETS ensures employment and training services are available for eligible veterans through the Jobs for Veterans State Grants Program which is allocated to State workforce agencies in direct proportion to the number of veterans seeking employment, with DVOPs and LVERs providing employment services to transitioning servicemembers, veterans and their spouses, as well as potential employers.

In reviewing the fiscal year 2012 VETS State Grants' budget request of \$165.4 million, we look to DoL to advise on the sufficiency of this budget to ensure enough staff are available to provide assistance to a growing population of unemployed veterans.

Secondly, the National Veterans' Training Institute. NVTI provides specialized training and veterans' employment to new veterans' representatives from each State to further develop and enhance professional skills of State employment representatives which include DVOPs and LVERs.

VETS also sends their staff to NVTI for training in the details of the Uniformed Services Employment and Reemployment Rights Act and the Transition Assistance Program. Because of inadequate funding, NVTI has had a staff shortage of at least two to three full-time staff members in Denver over the past 2 years.

Public Law 111-275, the Veterans' Benefits Improvement Act of 2010, now requires all DVOPs and LVERs to be trained within 18 months of being hired as Assistant Secretary Jefferson indicated instead, of the prior 36 month standard.

NVTI will not be able to meet this shortened training requirement without additional staff. We urge DoL to ensure funding of NVTI will be sufficient to meet this new Congressional mandate.

Third, changes to performance measures. While we are interested in improvement of services through a refocused effort, we are concerned with the proposed reduction of performance standards for fiscal year 2012.

What data was used to support a reduction in the performance measures? What are the objective findings to support reducing DVOP and LVER targets for performance measures one and four in 2012 to 45.2 percent and 42.1 percent respectively? What is the refocusing strategy to provide more intensive services to veterans above the current and rather low 17 percent mark?

Given our Nation's investment in training these veterans when they were on active duty and seeking to employ them now through the VETS State Grant Program, it would seem more reasonable to focus on increasing performance measures standards, not decreasing them.

That concludes my statement, Mr. Chairman. I would be pleased to respond to any questions the Subcommittee may have.

[The prepared statement of Mr. Wilson appears on p. 68.]

Mr. STUTZMAN. Okay. All right. Thank you.

Mr. Kelley.

STATEMENT OF RAYMOND C. KELLEY

Mr. KELLEY. Thank you, Mr. Chairman.

On behalf of the 2.1 million members of the Veterans of Foreign Wars and its auxiliary, thank you for allowing me to testify today.

Veterans' employment is one of our top priorities at VFW and having an opportunity to talk today about the front-line help that veterans should be receiving within their community through the DVOPs and LVERs is a great opportunity and a great place to start the discussion because if we cannot reach them when they are at home, we are not going to reach them.

I would like to speak directly to the State Grants Program and then the Workforce Investment programs as well. We looked and

found what we believe to be five deficiencies in the effectiveness of the DVOP and LVER Program.

First is the funding mechanism that is used to determine how much money each one of the States gets. It looks like a reverse incentive to us that the States receive money based on a ratio of how many veterans are employed in the State. So if you do really, really good work in a State, it is a disincentive. You are going to receive less funding, therefore, be able to hire fewer DVOPs and LVERs.

Second, the services that are provided by the DVOPs and LVERs is duplicative in nature. Over the years, other State programs and Federal-funded programs are providing similar or the same services in a lot of cases and we can look at the Wagner-Peyser Program that is funded. It is a very large program. It provides nearly the same services as the LVERs and has the same placement rate for veterans as the DVOPs and LVERs do. So there is obviously a duplication. They also provide priority for veteran service. So veterans get front-of-the-line service through this program.

Also, ill-defined job descriptions of the DVOPs and LVERs is another issue. We have DVOPs doing LVER work and then LVERs doing work that is not necessarily in their scope. This can be seen in DVOPs 17 percent of the time providing what their core requirement is which is that intensive service.

Also, performance measures are lacking. We do not know how to rate how well States are doing. There are no performance measures on what types of services they are providing to each one of these individuals. We do not know if they are just coming in to use the computer to apply for a job online or if they are really getting much more service than that.

Also, outreach into the communities is very low. A 2007 study done by VA found that only 21 percent of veterans who are seeking jobs go to a State workforce agency to help for assistance.

I want to take about a minute to talk about the Workforce Investment programs. We contacted 17 of the grant recipients for this and the results were varied. And, again, I think it is based on having a lack of performance measures that we require back from them.

There are organizations that are receiving relatively small amounts of money and helping a lot of veterans. And there is one particular over a 2-year period that has received \$1.4 million and in 2010, they helped 70 veterans. We need to understand where this money is going, what it is being used for.

And I will turn it back. I will be happy to answer any questions regarding any of the rest of my written statement as well.

[The prepared statement of Mr. Kelley appears on p. 72.]

Mr. STUTZMAN. Okay. Thank you.

How much money did you mention right there at the end?

Mr. KELLEY. It was \$1.4 million. It was over a 2-year period and it encompasses not only the homeless grant but also the—I forget the name of the other grant off the top of my head, but the other grant program that is providing organizations money to help reintegrate veterans.

Mr. STUTZMAN. Okay. How many placements again?

Mr. KELLEY. Seventy.

Mr. STUTZMAN. Seventy?

Mr. KELLEY. Yes.
Mr. STUTZMAN. Thank you.
All right. Mr. Madden.

STATEMENT OF ROBERT W. MADDEN

Mr. MADDEN. Thank you, Mr. Chairman, Ranking Member, and Members of the Subcommittee. I would like to thank you for allowing the American Legion to speak on the DoL VETS' Jobs for Veterans State Grant Program.

Veterans of Iraq and Afghanistan wars face an unemployment rate of 15.2 percent, two-thirds higher than the national average, confirmed reports. These men and women are experiencing the worst recession in decades and are fighting against a competitive environment in the corporate workforce.

They have sacrificed 4, 6, 10, and sometimes 20 years of military service for their country and should receive high-quality services from individuals who are dedicated to disabled and other eligible veterans' prosperity.

The essential role of DoL VETS' Program is to provide the veterans with the training and demonstrate to the employer the skills of the veteran and assist the veterans in exhibiting his or her unique background to the prospective employer.

It is important to understand the role of DVOP and LVERs in the States that provide intense training and career guidance to disabled and other eligible veterans. The role that DoL VETS administers is one that cannot be taken lightly and should reflect constant success and job placement of veterans across the country.

In our submitted testimony, we have highlighted two specific areas, the Jobs for Veterans State Grant Program and our recommendations. We understand that the Jobs for Veterans State Grant Program is currently funded by a Continuing Resolution and the President has recommended funding at \$166 million for fiscal year 2012.

The American Legion supports the existing budget proposal, but questions if the existing implementation of the program adequately supports the ultimate goal of employing veterans as the unemployment situation for veterans grows more dire.

The Jobs for Veterans State Grant Program is designed to provide advanced or intensive services to veterans seeking employment. These services are supposed to go beyond what nonveterans would receive when seeking employment through State employment centers, yet analysis of 2009 performance data indicated only 22 percent of veterans received these critical services.

With the rising unemployment number for veterans, this calls into question the effectiveness of the State Grant Program. Are the American people really getting the return on investment?

Taking a look in Nevada, we noticed the State Grant Program funding increased in the years 2008 to 2011, but Nevada is still suffering and led the country in terms of numbers of unemployed. Nevada established a 65 percent goal for veterans securing employment, but fell short with only 47 percent of veterans securing employment.

In addition, the same 65 percent goal for nonveterans was met with 49 percent of nonveterans securing employment. Not only did

veterans fare worse, but were additional resources available for them through the State Grant Program?

So with a uniquely focused program aimed at helping veterans, veterans' employment was no greater than the usual employment program for nonveterans.

The American Legion supports the Jobs for Veterans State Program, but suggests the following the recommendations:

One, fully fund the Jobs for Veterans State Grant Program.

Two, transfer all DVOP and LVERs from the State agencies to DoL VETS for greater supervision and oversight.

Three, adjust staffing levels to meet the needs of the State veterans' community and not merely the fiscal needs of the State.

Four, initiate a U.S. Government Accountability Office (GAO) investigation on the Jobs for Veterans State Grant Program to ensure the program is properly serving eligible veterans.

Five, hire veterans for DVOP and LVERs' positions and require them to only serve disabled and other veterans.

Six, ensure DVOP and LVERs are being trained in time.

These six recommendations are based on the American Legion resolutions, which are passed during our National Executive Committee meetings and our National Convention.

The American Legion would like to thank the Chairman, Ranking Member for allowing the American Legion to speak on the DoL VETS State Grant Program.

This concludes my testimony and I would be happy to answer any of your questions.

[The prepared statement of Mr. Madden appears on p. 75.]

Mr. STUTZMAN. Okay. Thank you, Mr. Madden.

Mr. Weidman.

STATEMENT OF RICHARD F. WEIDMAN

Mr. WEIDMAN. Thank you, Mr. Chairman, for the opportunity to appear here today. This is a subject that is near and dear to my heart.

And I ran in the 1990s, late 1980s and the early 1990s what was then the second largest DVOP, LVER Program in the country in the State of New York at the Department of Labor.

And we labored mightily to give veterans priority of service in all of the services that we delivered. And for a time, we succeeded, but the problem is with the program nationwide is that there are no incentives for good performance. It is not necessarily disincentives, but it does not matter whether they do a good job or not.

Some States like South Carolina as an example do a fabulous job. Other States, primarily big States, do a terrible job and they get the same amount of money whether they do a terrible job or a great job.

Many of the State workforce development agencies, frankly, are using the VETS Program as a cash cow and that is why you have the admin overhead of over 30 percent. As the number of Wagner-Peyser staff goes down and the VETS' staff stay relatively stable, then a greater percentage of the light bill, the everything else gets charged off against the VETS' staff.

And, frankly, there is no necessity of having DVOPs and LVERs be in the job service office anymore. The job listings are not kept

on index cards anymore. They are on the computer. Most of the jobs that exist within a State are not even listed on the State Public Labor Exchange if, in fact, they have one. They are listed on job boards.

So there are number of things that Vietnam Veterans of America would suggest need to be done here to get the bang for the buck that this Committee and the whole Congress is looking for.

One, we are determined and our founding principle is never again shall one generation of American veterans abandon another. And make no mistake about it, when we came home, we were abandoned. We were on our own if, in fact, we did not meet with outright hostility including in the economic marketplace. So we need to do much better by this generation of young people.

Secondly is the Public Labor Exchange of making the grants to the States is based on a model that no longer exists. And that is why I say there is no reason for those people to be in a job service office. Frankly, you can have them report to the DVET, to the Director of Veterans' Employment and Training, for the State of Iowa, for the State of Indiana, for the State of Minnesota, et cetera, and you measure them on their outcomes, which means placements.

Currently, there is a totally dishonest system that takes—if four or five of you all file for unemployment, you automatically are registered for the employment services and if, in fact, the employment development agency does not do a darn thing for the four of you, but you get a job on your own and you show up in the unemployment insurance (UI) tax report for the next quarter, they run their database for those signed up for the job service against the database of the Social Security numbers of those who are paying into, as a percentage of their pay, into the unemployment insurance trust fund. And they take a positive placement. They call that obtained employment. I call that dishonest. So we need a system to measure outcomes that is real.

The last thing I want to say is that in the past, everybody has tried to kid themselves about this program, that it can do everything for all people. In fact, it cannot. The reason why they are not doing the intensive case management is the DVOP and LVERs see every vet who walks through the door. That is why. That is why they do not have time for what they should be concentrating on is the young vets returning within 4 years of discharge or demobilization, on disabled vets, particularly those who are 30 percent or more, and even more particularly on those who are profoundly disabled and those vets most at risk of being on the street.

And if they only do those three things for 1,800 to 2,000 staff members, that is a hell of a job. That is really a hell of a job because you are talking about what, a million and a half people now, Mr. Walz, who have rotated through Afghanistan and Iraq? You are talking about homeless up to a quarter million in a given year. You are talking about out of three million disabled vets service-connected of whom maybe a million are trying to look for work.

So it is a situation today where you have to make the tough choices. You hear that a lot around the halls of this August body, but the tough choice here is to concentrate, we would suggest, on those three groupings, one, and then, two, make Wagner-Peyser do

their doggone job. They are supposed to give priority to veterans' service, priority services to veterans whether or not there is a DVOP or LVER in the office or not. And they do not do it.

So it is time to get the bang for the buck by holding the State workforce development agencies accountable and to give Ray Jefferson control of his troops so he can accomplish the mission that is outlined in Title 38.

Thank you very much.

[The prepared statement of Mr. Weidman appears on p. 78.]

Mr. STUTZMAN. Thank you, Mr. Weidman.

First of all, Secretary Jefferson, a quick question, one thing that came up here by Mr. Kelley and also was mentioned by Ms. Elsey as well, the Workforce Investment Act.

Could you give us further data on veterans' participation in those particular programs? Is that possible to do that?

Mr. JEFFERSON. Yes, sir.

Mr. STUTZMAN. Okay. Thank you.

And I do not care which gentleman wants to answer the question. What is a better use of the \$165 million requested for the State Grant Program? Would it be better used to fund the roughly 2,000 DVOPs and LVERs to place veterans in jobs or to fund direct training services for unemployed veterans to give them the skills for better paying jobs?

Mr. WEIDMAN. I will start off. The groups that I outlined, those most in need, need intensive person-to-person services. And you do not have to be—I mean, one of the places where there should be a DVOP is in every single VET center team in the country including the rural vans that are going out in the rural areas. And that would solve a lot of the contact and stuff done in the local areas for employment services.

But if they are not Federal employees, then I would suggest that we are not ever going to get the bang for the buck the way the thing is set up now.

Mr. STUTZMAN. But, Mr. Weidman, you had mentioned something about giving the States more authority or more responsibility. Could you follow-up on that a little bit further on what you said in your testimony.

Mr. WEIDMAN. If you look at everything that a DVOP is supposed to do under Title 38, what you would say is that on the seventh day, he rested. It is impossible. Nobody can do all that stuff.

But I want to tell you that what Mr. Kelley was talking about, it is not because DVOPs do not try and do that because the majority of them do and do it on their own time no matter how much they are punished because they cannot get out of the office during the week because they are being sat on. And it is the office manager precluding people from doing their jobs.

It is the half-time DVOPs and half-time LVERs and this is confirmed by my colleagues around the country over a long period of time. Half-timers, you are lucky if you get 1 day a week. That is not half time, but that is about what you get.

Mr. STUTZMAN. Because they are focused on other folks other than just veterans; is that correct?

Mr. WEIDMAN. It does not mean the office manager is necessarily anti vet.

Mr. STUTZMAN. Right, right.

Mr. WEIDMAN. You have enough staff to see about half the number of people walking through the door. So what happens in the end is they process people instead of placing people in jobs.

And if you ask the workforce development agencies what is their business that they are in, they will not tell you getting jobs for people. What they will tell you is we are information sharing. Well, you cannot ever hold anybody accountable for that one.

Mr. STUTZMAN. Is there a problem with DVOPs and LVERs being required to serve non-veterans by their employment service supervisors?

Mr. WEIDMAN. I believe, yes.

Mr. STUTZMAN. Could you further, I mean, explain a little bit further why you believe.

Mr. WEIDMAN. The whole idea behind the half-time DVOPs, which incidentally, VVA opposed, in fact even half-time LVERs. When I went to New York and took over that program, the first thing I did was grandfather the half-time LVERs in and from that point on only hired full-time LVERs because I knew that we were not getting the bang for the buck from those people.

Mr. STUTZMAN. Yes.

Mr. WEIDMAN. And if there was not enough in some of the very small offices to have a full-time LVER, then had people alternate 3 days one place, 2 days another, the same person instead of splitting it between personnel.

And the DVETS only have the travel money to investigate and do a site visit at each office in their State once every 2 years, once every 2 years. They cannot even do an effective desk audit, meaning looking at the computers, with the way the system has deteriorated in most States. So what that means is that the cat only comes around once every 24 months and a lot of play can go on by the mice in the other 23.

Mr. STUTZMAN. Is there any flexibility pertaining to rural areas versus urban or suburban areas in part time versus full time for vets or for the States currently or not?

Mr. WEIDMAN. I think there is flexibility that people are taking, but in some cases, they are taking it as license. Some States do a pretty good job and I used South Carolina, I think South Dakota does a pretty good job, and a number of others around the country. But in the large States, it often deteriorates into what I said before, people processing and merely talking to somebody does not mean that you have done something to help them land a job.

Mr. STUTZMAN. Uh-huh.

Mr. KELLEY. I would like to go back to the original question of, is this the best place to spend money or should we put it somewhere else.

Until we study and understand what I have identified as the five major issues, I do not think VFW will make a statement one way or the other. We need to understand what is broken and if it can be fixed. If it can be fixed, we should fix it because building a new monster is not always the best way to solve a problem. If we have a problem with the existing, we should work to fix it first before we try to say, ah, it is broken, let's build something new and not really understand what we should be achieving.

Mr. STUTZMAN. Mr. Madden or Mr. Wilson?

Mr. MADDEN. Sure. I think the American Legion has a resolution which defines to make sure that DVOPs and LVERs are performing the duties that they are assigned and is specifically against additional public assistance.

Mr. Kelley eloquently said that we cannot really comment on whether the new machine would be a better machine or fixing the new one is going to be the correct fix. We just need to make sure that the people that are designed to do specific jobs are accomplishing the goals and that there are specific performance measurements that are there to make sure to keep a correct amount of oversight.

Mr. WILSON. And Disabled American Veterans has a similar resolution wherein we believe DVOPs and LVERs should be utilized for the skills in which they were so well-trained at NVTI. A lot of time and money was invested in these individuals. They are experts at what they do and they wish to do and work, as Mr. Weidman was talking about, sometimes off-duty hours, providing assistance to veterans. So we are very supportive of them being focused only on the job that they were trained to do.

We are hopeful that Secretary Jefferson's efforts are going to provide new life, stronger reporting, and greater focus on this problem so they can, in fact, do a better job. So we are looking forward to his continued success.

Mr. STUTZMAN. Okay. A couple things, I guess. What I have taken away from your testimony is that, one, funding is flawed in the way that the States receive their dollars and, two, no performance measures.

I mean, are those two of the major issues? Have they even addressed part of the problems that we are seeing?

Mr. WEIDMAN. The third is no accountability mechanism. What people take seriously is cash American. And in 2000, there was a bill that was pending before this Subcommittee that would have developed standards based on actual placements, not on obtained employments using the UI tax records. And there would have been a sliding scale and a reduction in the block grants 10 percent a year for 4 years with that ending up with 40 percent of the money allocated being used as incentive grants.

So if you are doing a great job in Indiana, then you get a bonus. If you are doing a great job in Iowa, you get a bonus. If folks in an unnamed State are doing a terrible job, then they do not get a bonus. And it was defeated because people said there would be layoffs.

In fact, the attrition rate of DVOPs is 17 percent per year roughly. It varies a little bit each year. Why? Because they are all service-connected disabled vets. And for LVERs, the attrition rate is between 12 and 14 percent a year. So we could have done that and nobody hit the street by reallocating. But we all do what we have to do. And as a Member of Congress, you do the things you absolutely have to do.

WIA is a good example. WIA, there is terrible veteran participation because nobody is monitoring it. Nobody is looking at the percentage of it.

And the gentleman from California talked about TAP. The Marines, 100 percent of the Marines go through TAP. Why? Commandant said you will and he put it in the officer efficiency ratings for the commanders of Marine facilities. If the Army, if Secretary McHugh and the Army Chief of Staff did it, then the same thing would be true for the Army. So I would suggest that on all sides, if it is not going to affect directly people's rice bowl, they will do what they have to do to keep things going first. And the problems with VETS is we are always dead last in those priorities at the State agency level.

Mr. STUTZMAN. Thank you.

Mr. Braley.

Mr. BRALEY. Thank you, Mr. Chairman.

And I want to begin by thanking all of our panelists for the sacrifices each one of you has made on behalf of our country.

But I want to follow-up on this problem of disparity of outcomes between the States because it will not surprise you to know this is not unique to veterans' issues.

I served on the Health Subcommittee as we struggled with a very, very complex health care reform bill. And one of the biggest problems we have in Medicare is an inefficient system where we can identify high pockets of per patient Medicare spending with no direct correlation to any additional medical need.

And we penalize States like mine and Mr. Walz's who finish in the top 10 percent in quality patient outcomes and they are in the bottom 10 percent in Medicare reimbursement per patient.

And so what I want to hear from all of you is what ideas do you have beyond simply putting in incentives for the high-performing States. Mr. Weidman, you said that you do not pay them a bonus, but I think that we maybe need to consider penalizing them if they fail to meet certain objectives because the whole point of these programs is to accomplish the very important purpose of employing veterans and making them successful in their ultimate mission.

So I would be interested in hearing from all of you if you have ideas on how this system of accountability can be improved, what type of metrics would be necessary to hold States accountable and what sort of remedies you suggest to get the type of results we all want to see.

Mr. KELLEY. I think that is a two-part question. Currently the Grants Program reserves 10 percent of the funds for incentives. However, 18 of the States do not accept those even if they are high performers, either because of legislative or statutory reasons or because unions say our employees will not receive that.

So that is an issue that needs to be addressed is that incentives are there, but they are not allowed to be implemented in 18 of the States. So a third of the States are not receiving that.

Mr. BRALEY. And, Mr. Kelley, could you provide the Committee with further information on those justifications you just identified to help us get a better understanding of the real world problem?

Mr. KELLEY. Yes, I will.

[Mr. Kelley subsequently provided the following information:]

Current labor laws in those 18 States prevent State employees from receiving bonuses for job performance. These are laws enacted and enforced

by each of the States or through the labor unions in which the State employees belong.

Mr. BRALEY. Thank you.

Mr. KELLEY. The other issue is performance measures. We cannot say that you are doing great and you are doing poorly without really solid performance measures. Our performance measure right now is how many placements did you have. And as Mr. Weidman has said that there are ways to make it look like you have very high performance measures. So maybe the poor performers are being honest in their reporting and the ones who are reporting high success rates are taking the more dishonest route. So we do not understand. So we cannot say build an incentive this way because we do not understand the procedure that is taking place now.

Mr. WEIDMAN. What I was going to say is that really we are out of time. Your predecessors on this Committee have been having hearings about this going back until the beginning of these two Wars that we are still engaged in.

We are 9 years, 9½ years since the first young ranger was killed in Afghanistan. And I know his mom. She now is devoting her life and the American Gold Star Mothers are getting back to their original intent, which is advocacy for the living, that their son did not make it, but they are going to take care of their sons' buddies indirectly by doing advocacy for effective veterans' services whether in health care or anything else.

For the payoff, if you will, of everything that the Vet Centers do, of everything that the hospitals do, that other treatment programs do, it should all be—the litmus test is the ability to obtain and sustain meaningful employment at a decent wage. That should be the litmus test for every doggone veterans' program.

No matter what your disability is, is the highest functioning level possible and that is what the covenant between the people who put their lives on the line is with the people of the United States. It is deeper than a contract. It is a covenant in a biblical sense. And to do everything humanly possible to make them as whole again as possible and if that does not entail helping folks get and keep a job through supportive services, then we are blowing the ball game. At this point—

Mr. BRALEY. Let me just interrupt you. I am about to run out of time and I wanted to followup on another concern you identified and that is this whole problem we run into all the time of interoperability, the inability of various agencies at the Federal, State, and local level to communicate with each other.

And I believe, Mr. Weidman, you talked about this in terms of the job board postings and the inability to get information from one agency to a State agency and make sure that is distributed to the people who are going to be making the hiring decisions.

I would be interested in the panel's comments on what we can do, what ideas we can do to address those problems and eliminate them.

Mr. WEIDMAN. Well, I am not sure how you are going to eliminate it about the job service. In terms of the computerized job listings, the last Administration eliminated that national job board that was publicly funded. So now you have the private job boards,

some of which like vetjobs.com are very effective, but it is not comprehensive any longer.

And my reason for going into that, and I apologize for going over long, Congressman, but it is that we have been at this for a long time and are finally fed up. We cannot wait any longer to do right by the young people coming home today. And that is why we say Federalize them.

We have been trying to make that inexact State, Federal relationship work intensively through this Committee since 1998. And it is not just VVA. It is all the veterans' organizations and it is still not any better. So it is either come up with real accountability or move to Federalize them because asking them to do the right thing just has not worked.

Mr. BRALEY. I yield back. Thank you.

Mr. BILIRAKIS [presiding]. Thank you, sir.

Mr. Johnson from Ohio, you are recognized for 5 minutes.

Mr. JOHNSON. Thank you very much.

And, gentlemen, thank you for being here with us today.

I heard some of the testimony just a few minutes ago about overhead and I am a little concerned about that.

Do you believe that allowing some States to spend up to nearly 50 percent of their State grant money on overhead is a good use of resources, especially in this economy, and on behalf of our veterans?

Mr. KELLEY. On behalf of VFW, no, it is not a good use of resources.

Mr. MADDEN. The American Legion completely agrees it is not a good use of resources.

Mr. WEIDMAN. It is not a good use of resources, but it is not that they are perpetuating fraud on the Feds. They are following the guidelines of A17 from the Office of Management and Budget (OMB) in terms of allocation of overhead of the office.

Mr. JOHNSON. Uh-huh.

Mr. WEIDMAN. And that is how it ended up that way.

Mr. JOHNSON. It seems to me this money ought to be going more directly toward supporting the veterans and not in overhead. You know, that is my personal opinion.

What about the VETS-100 reporting system? Do you think it is meeting its intended purpose and, if not, how can we improve that?

Mr. WEIDMAN. This Committee has had two hard-hitting oversight hearings and nothing has changed at Office of Federal Contract Compliance. There are still pilots who lost their job within the last 4 or 5 years ago who are still waiting for adjudication of their claims under SCJL.

The system flat does not work. There are two things that they are doing now that are wrong. One is they are not really processing claims and complaints. If you have to wait 5 years, it is useless, number one.

And number two is they are doing 5,000 site visits on employers a year and if they fine them for something Mickey Mouse, there are a lot of employers who feel that they are being unfair in that and that their sole purpose there is to fine employers instead of going after the people who have really violated the law intended by Mr.

Solomon when he sponsored that legislation that led to the filing of the VETS-100 report.

Mr. JOHNSON. Okay. Thank you very much.

Mr. Chairman, I yield back.

Mr. BILIRAKIS. Thank you.

Now I recognize Mr. Walz, my good friend from Minnesota.

Mr. WALZ. Thank you, Mr. Bilirakis.

You look good in that chair too. Your father would be proud.

Mr. BILIRAKIS. Thank you. Thank you, sir.

Mr. WALZ. Well, thank you all again for being here. I appreciate it. And my colleagues are asking some very pointed and good questions. I very much appreciate this.

I think it is the cultural studies teacher in me. I am going to back, back up to that 40,000 foot level.

Why are so many young vets unemployed? What do you guys think? You talk to them.

Mr. WILSON. From the Disabled American Veterans' perspective, we are very concerned about their transition from the military. Secretary Jefferson is working towards a revised Transition Assistance Program. We are very supportive of revisions to TAP. That is key.

When I was a squadron commander in Iceland, we had a Transition Assistance Program there. I wanted to make sure it was viable, worked well. I sat in and watched the process work. And it was effective.

When I was retiring, however, from active duty, I decided to go again, and I was amazed at the amount of information that the VA representative provided me in 1 hour. It was like trying to drink from a fire hose. We have heard that analogy before. You leave thirsty. I did. I thought the delivery of services was poor. Does it need to be revamped? Absolutely. Absolutely. And so I am pleased to see that happening now and we are very much involved in that process.

The other issue continues to be the idea of transferability of skills. I do job searches periodically looking at how other States are looking to hire veterans. When you key in the words, military transition, for a job search, you get security officer jobs.

I was in the military. We were all in the military. None of us, I do not believe, were security personnel. I was a personnel officer and an audiovisual specialist when I was enlisted, nothing about security.

But civilian employers, being unfamiliar, often think if you are military, you must be able to carry a weapon and you must be able to be a security person. Certainly veterans are able to do much more.

The only people who can leave the military now and readily get a job in the civilian sector are nurses and nurse practitioners, physicians, air traffic controllers, and those who happen to work in the information technology area, you know. Everybody else, you have to go and get licensure or certification, be re-blued, if you will, through other studies on your own. Vocational Rehabilitation and Employment helps veterans working towards that. Much more needs to be done.

I would encourage the Committee's followup on ways to incentivize licensure and certification programs so various

credentialing agencies will work with veterans as they transition out and provide them expedited assistance allowing them to move not from a journeyman level in the military to an apprentice level in a union, but from journeyman to journeyman. And with dialogue, through this august body's leadership, I am sure that is entirely possible and we look forward to that dialogue.

Thank you.

Mr. KELLEY. I believe there is a bit of a cultural change. When you go into the military, you are civilian. They spend anywhere from 6 to 13 weeks training you to be something new. And when you leave boot camp, you are a different person than when you went in. You have a different world's perspective. You dress differently. You look different. You speak differently. When you transfer back to civilian life after several years, you still speak differently. You still look different. You still talk differently.

So when you apply for a job and you are talking in military terms, civilians do not understand it. When you sit at an interview table and you are at the position of attention, they think this person is a little too rigid. And we need to figure out a way to reintegrate veterans back into being civilians. And it is getting them to get back to that civilian feeling of culture, I think, that will help bridge some of that gap.

And I think it can be done through the TAP Program, but it needs to be more intensive. It is more along the lines of the two and a half day program that they started in 2010 that is sitting them down and showing them where good employers are at and what skills you need to have, find those gaps that you have in your education and training and show you where you need to go to get those filled.

But also work on resume building that does not have military acronyms in it, that explains in civilian terms what your military qualifications were, and provide them an opportunity to sit down in a mock interview so they can learn what civilian employers look for during an interview and not what the promotion board expected from them, the way they acted when they were in the military.

Mr. MADDEN. We believe that it is important for veterans to be hired. I think the 18 and 24, this Operation Iraqi Freedom/Operation Enduring Freedom (OIF/OEF) two groups that are not being hired or having a problem being employed, there are two different types. There are ones that might have an education that are enlisted and then there are those that do not have an education.

For those that do not have an education, they might decide once they exit the military that I am going to go ahead and get my 4-year degree or I am going to go ahead and get my vocational degree or there are those that already have it and move on it and might have a little bit of a lesser problem being employed.

What we should be focusing on is making sure these individuals know what opportunities are available to them. They need to understand that they need to get their education if they want to work in a professional environment or they need to get vocational training.

Regarding licensing and credentialing, there are three main barriers. Usually it is either they can move into the State regulations or State licensing credentials and automatically get it, but that dif-

fers from State to State. There are different stakeholders that are involved in that. Not everyone can go to California and get their FAA license or their airplane and pilot's license based on their military occupational specialty (MOS).

What we want to make sure is that these veterans are given the opportunity and that we bring together these stakeholders that have a stake in what would make their decision of their license and credentialing in each different State. So if we can provide that for them, bridge that gap that they might have if they do not have the time to necessarily go to a 4-year education because they might have children, they might have a family, we want to make sure they are given those opportunities so that they can become gainfully employed as soon as possible, become productive members and taxpayers in the U.S. Government.

Mr. WEIDMAN. We spend well over \$1 million to train people when they come into the military. Some of that is through basic training. And for some MOSs we spend a heck of a lot more than \$1 million to train them. We spend \$3 million to train counsel over here and, you know, look how that turned out.

I am teasing Mr. Brinck who was a great pilot.

The point is when they get out, we should utilize that experience. And one of the things is that the certification and skills that the States and the military, there is equal fault on both sides.

I will use one example that I know for a fact has to do with the Navy teaching people how to be welders. If they just did a couple more steps, they would be qualified to get licensed as welders in the majority of States. But the Navy would not do it because they said we do not need those skills.

So there has to be some modification both of the State entities that do licensure and of the military coming together to modify a little bit so that when people come out, they come out with readily marketable skills.

One way you can get the States to the table is, say if you want to receive Federal funds in any school or in your State in any kind of an entity, if you take Federal funds, then you have to participate in terms of granting credits and then define what those credits are so you do not have to take it all over again if you already have the skill.

In other words, to allow people to come in and challenge the exam. And if they pass the exam, then they go forward based on the expertise that they acquired in the military. If they do not pass the exam, then they do not go forward. But it is crazy to spend Federal money to train people twice.

Mr. WALZ. I agree. The system in Minnesota, we provided some funding for them to start doing this program. I think we are back to the seamless transition issue. It goes on both sides.

I will leave one last anecdote, if I may, Mr. Chairman, is you are right. It is not just the private sector. We have an issue and it is statistically horrifying. The number of security clearances that are denied by Homeland Security and other agencies where our warriors could come back and work, but because they are deemed a risk because they were in the war zone for a certain amount of time, these adjudicators are denying them security clearance. Just the people you would want to work in Homeland Security, FBI, and

other things are being denied over a security clearance issue, which is a credentialing issue for those jobs.

And we put an amendment in the National Defense Authorization to just school them on what it means to be in a combat zone because many of these are civilian adjudicators on the security clearance and if someone should not be named, hold it on the other side of the house. And so we still have this problem.

So I appreciate your insights into this and we have to get this fixed. Lots of problems stem from a veteran not being employed. This turns down into a spiral that is life long, ruins lives, costs us a lot of money.

I yield back.

Mr. BILIRAKIS. Thank you. Thank you, Mr. Walz.

I have one last question for the entire panel. Do you have a position on having all TAP briefings currently conducted by DVOPs and LVERs transferred to contract instructors so that DVOPs and LVERs can better focus on finding veterans job opportunities?

Mr. MADDEN. The American Legion does not have a resolution. Therefore, it does not have a position on the question.

Mr. WILSON. The Disabled American Veterans does not have a resolution on this matter either, sir.

Mr. KELLEY. I am not sure how to answer that. I like having the LVERs do that task because they are the subject matter experts. They have been trained. We have paid them to understand these issues.

But if we are overworking them and they cannot do the other aspects of their job, then that responsibility should fall somewhere else. Either hire more LVERs and provide them all the equal training or if need be, if it is more cost effective, I suppose contract that out. But I prefer it to stay with the LVERs because they are the true experts.

Mr. BILIRAKIS. Thank you.

Mr. WEIDMAN. We would prefer it stay with the LVERs, but make sure that it is someone who is proficient in public speaking and getting his or her point across. And they need to have those to be effective LVERs because they should not be seeing employers just one on one as the assistant secretary said here earlier today, but speaking at the Rotary, speaking at the JCs, speaking at the Kiwanis in order to change the way in which people are perceiving the young people coming home.

Mr. BILIRAKIS. Thank you very much for your input on that.

I would like to recognize now the Ranking Member for any closing remarks.

Mr. BRALEY. Thank you, Mr. Chairman.

I want to follow up on that comment, Mr. Weidman. One of the things that is so frustrating, I think, to people is when we have an opportunity to educate the public, we have an opportunity to move the ball down the field in addressing this very acute problem. A lot of times, it is a lack of resources that deprives people of a greater understanding.

I would challenge each of you to work with us in coming up with a user friendly program that can be taken to those Kiwanis Club, Rotary Club, Chamber meetings, and help educate the broader public about the importance of fulfilling this sacred honor and how

they can be a part of helping us improve these abysmal statistics. So that is my challenge to you.

I know everyone on this Committee is committed to not being back in this same position 10 years from now with these same complaints. And we look forward to working with you to make that improvement.

Thank you.

Mr. BILIRAKIS. Very good. And with that, on behalf of the Subcommittee, I thank each of you for your testimony and we look forward to working with you often, of course, in the future on a wide range of challenging issues facing our Nation's heroes. Thank you.

With that, the meeting is adjourned.

[Whereupon, at 12:06 p.m., the Subcommittee was adjourned.]

A P P E N D I X

Prepared Statement of Hon. Marlin A. Stutzman, Chairman, Subcommittee on Economic Opportunity

Good morning.

We are here today to examine the FY 2012 budget for the Department of Labor's Veterans' Employment and Training Service better known in the veterans' community as VETS.

It is no secret that veterans are facing difficult times finding and retaining good-paying jobs. Unemployment rates for veterans in some age groups significantly exceed the rates for non-veterans of the same age and that is just not right. I am confident the distinguished Ranking Member shares that view and I intend to work with Mr. Braley in a bipartisan manner to improve employment opportunities for veterans.

Interestingly, job vacancies posted online rose 438,000 in January to nearly 4.3 million according to The Conference Board so there are literally millions of jobs looking for qualified workers. That begs me to ask whether veterans have the right skills for today's job market, and the answer to that may be the key to reducing veteran unemployment rates.

The media focuses on the 15.2 percent unemployment rate among veterans returning home from Iraq and Afghanistan, but in terms of sheer numbers, older veterans are facing rates of unemployment that often exceeds their non-veteran peers.

For example, the Bureau of Labor Statistics latest data shows that 725,000 or 63 percent of the 1,135,000 unemployed vets are 35–64 yrs old. Unfortunately, those veterans have little or no access to veterans' education/training/retraining programs. They are also the group that tends to have the highest financial obligations like mortgages and paying for their children's education.

We are all aware of the financial crisis facing this Nation which means we must redouble our efforts to make best use of the funds available. That means, what is the best use of the \$261million the President has requested for the Veterans' Employment and Training Service in fiscal year 2012? How do we increase the skills unemployed veterans can offer to the job market and then what is the best way to match veteran qualified job seekers with the right job?

The VETS' budget submission is refreshingly frank in addressing the State grant program. I quote, "The program clearly was not fulfilling its mandated role" end quote, and I am eager to hear how VETS proposes to fix their largest program. Having said that, I must admit that I was disappointed to see that the goal for average salary of veterans placed by the DVOPs and LVERs staff is only \$16, 535 while the national poverty level for a family of four is about \$21,000. Mr. Secretary, I believe your goal must exceed the poverty level because an eight dollar an hour job is just not good enough and I hope you will explain to the Subcommittee why your goal is so low.

I would also recognize President Obama's initiative to increase the number of veterans employed by the Federal Government. Today, veterans are approximately 25 percent of the Federal workforce but unfortunately, outside of VA and DoD, most agencies fall far short of employing a significant number of veterans. I wish the President every success in his program and I am sure each of the Members here will call upon the entire Federal Government to place greater emphasis on hiring veterans. But I would also note that the private sector offers far more employment opportunities as evidenced by the Confidence Board's data.

Finally, I welcome today's witnesses and I yield to the distinguished Ranking Member, Mr. Braley after which we will hear from the first panel.

**Prepared Statement of Hon. Bruce L. Braley,
Ranking Democratic Member, Subcommittee on Economic Opportunity**

Today's hearing, the first hearing for the Subcommittee on Economic Opportunity of the 112th Congress, is an important one. As all of you know, Congress is working hard to balance our budget and reduce the deficit while at the same time provide much needed services to provide employment opportunities for veterans.

This hearing will provide us an opportunity to review the U.S. Department of Labor, Veterans' Employment and Training Services (VETS) budget request for Fiscal Year 2012 and funding for Disabled Veteran Outreach Program Specialists (DVOP) and the Local Veterans Employment Representatives (LVER) through State grant programs. VETS oversees six major employment related initiatives for veterans, these are: are Jobs for Veterans State Grants, Transition Assistance Program, Homeless Veterans' Reintegration Program, Veterans' Workforce Investment Program, National Veteran' Employment and Training Services Institute, and the Federal Management. I look forward to hearing how these programs will remain fully operational and effective with the new budget request. I am also interested in learning more about the Transition Assistant Program and Homeless Veterans' Reintegration Program initiatives as these two had a budget request increase for Fiscal Year 2012.

I know that our distinguished panelists will highlight some of the deficiencies of the Disabled Veteran Outreach Program Specialists and the Local Veterans Employment Program Representatives and I look forward to hearing their recommendations on how we can improve these services while keeping a good budget. The main purpose of DVOPs and LVERs is to provide employment services to veterans to help relieve the high unemployment rates among veterans. We should do everything we can to ease the transition of veterans from the military to the civilian world. This hearing is not just about problems and fixes but also about assessing the effectiveness of DVOPs and LVERs in today's economy. Our first priority is to be certain that all our veterans are being properly served by these programs.

**Prepared Statement of Hon. Raymond M. Jefferson,
Assistant Secretary for Veterans' Employment and Training Service,
U.S. Department of Labor**

Chairman Stutzman, Ranking Member Braley, and Members of the Subcommittee:

Thank you for the opportunity to appear as a witness before the Subcommittee and speak to you on the President's Fiscal Year (FY) 2012 budget request for the Veterans' Employment and Training Service (VETS) and the performance of the State grant program that funds the Disabled Veteran Outreach Program specialist (DVOP) and the Local Veterans Employment Representative (LVER) programs.

VETS proudly serves veterans and transitioning servicemembers by providing resources and expertise to assist and prepare them to obtain meaningful careers, maximize their employment opportunities and protect their employment rights. We do that through four major programs that are an integral part of Secretary Solis's vision of "*Good Jobs for Everyone*."

- The Jobs for Veterans State Grants (JVSG);
- The Transition Assistance Program Employment Workshops (TAP);
- The Homeless Veterans' Reintegration Program (HVRP); and
- The Uniformed Services Employment and Reemployment Rights Act (USERRA).

Since being confirmed, I have incorporated stakeholder feedback into five aspirations that VETS will pursue during my tenure as Assistant Secretary in order to achieve our desired outcomes:

1. Providing veterans and transitioning servicemembers a voice in the workplace by serving as *the* National focal point for veterans' employment and training.
2. Creating a path to good jobs for veterans through increased engagement with employers, with a particular emphasis on the private sector.
3. Helping servicemembers transition seamlessly into meaningful employment and careers while emphasizing success in emerging industries such as green jobs.
4. Facilitating a return to work for servicemembers and protecting vulnerable populations through boosting USERRA's impact by increasing awareness of and commitment to it.
5. Investing in VETS' team members and emphasizing continuous improvement to further develop their potential and better serve our clients.

Over the past 1½ years, VETS has prioritized efforts to transform TAP, implement an employer outreach program, reach out to rural veterans, and incorporate best practices into USERRA investigations.

This year, we will be reviewing the JVSG program to obtain a current assessment of its efficacy. The program is now over 8 years old, and, to date, VETS has not conducted a comprehensive, formal review to determine what improvements are needed. To that end, our State Directors have begun discussions with their State Veteran Coordinator counterparts to gain a clearer picture of how the JVSG program is helping veterans gain meaningful employment and whether any improvements are needed to help States achieve their outcome measures. We are particularly interested in the effectiveness of LVER employer outreach strategies, and whether it would be beneficial for DoL/VETS to assist States in developing relationships with large, national employer associations.

We also intend to create an online “Community of Practice” that leverages social networking so that DVOPs and LVERs can: 1) post questions and topics they need assistance with; and 2) share solutions and resources. Professional communities benefit tremendously when they have a way to share information with each other in a timely manner. Indeed, the “Community of Practice” model was one of the Harvard Business Review’s “Breakthrough Ideas for 2006” and the example profiled was the U.S. Army’s “Company Command.com” (<http://cc.army.mil/index.htm>).

In addition, VETS continues to strengthen grant oversight of the JVSG. On February 18, 2011, DoL published a Notice of Proposed Rule Making in the *Federal Register* (<http://frwebgate3.access.gpo.gov/cgi-bin/PDFgate.cgi?WAISdocID=A50xoy/0/2/0&WAIAction=retrieve>) proposing a rule to implement a uniform national threshold entered employment rate (EER) for veterans applicable to State employment service delivery systems. The Department undertakes this rulemaking in accordance with the Jobs for Veterans Act, which requires the Department to implement that threshold rate by regulation. The purpose of this Proposed Rule is to establish the uniform national threshold EER for use in determining deficiencies in States’ performance in assisting veterans to meet their employment needs. The Proposed Rule also explains how the threshold will be used in the process of identifying those States to be reviewed for a potential determination of deficiency, and it identifies certain factors, in addition to the threshold, that will be included in the Department’s review to determine deficiency.

Fiscal Year 2012 Budget Request

For FY 2012, the Department is requesting \$261,036,000 for VETS, an increase of \$4,909,000 over FY 2010. This increase will (1) support the Department of Defense’s goal of increased participation by transitioning National Guard and Reserve Component servicemembers at the Transition Assistance Program Employment Workshops (TAP), and (2) provide additional employment services grants for homeless veterans through the Homeless Veterans’ Reintegration Program (HVRP).

The mission of VETS is a direct reflection of the Nation’s responsibility to meet the employment, training and job security needs of Americans who served in uniform. VETS helps veterans obtain positive employment outcomes through services provided at One-Stop Career Centers and other locations. Grants are provided to State Workforce Agencies (SWA) to support staff dedicated to serving veterans. VETS ensures that veterans who require special assistance due to disabilities or other barriers to employment receive appropriate services based on their needs. VETS also provides funding, through the HVRP and Veterans’ Workforce Investment Program (VWIP), to organizations that serve eligible veterans.

The U.S. military services annually discharge approximately 160,000 active duty servicemembers and approximately 110,000 Reserve and National Guard servicemembers. VETS expects greater demand for transition assistance and employment services for veterans over the next few years. FY 2012 should be the first year of implementation of a new, completely reengineered and transformed TAP employment workshop that will encompass the most significant changes to TAP in its 19-year history. This will be accomplished via the following six components: (1) pre-work, (2) best practice content, (3) experiential facilitation, (4) after-TAP support, (5) an online e-learning platform, and (6) performance metrics.

VETS protects the employment and reemployment rights of veterans and members of the National Guard and Reserve Forces through two major labor laws. Under the provisions of the Uniformed Services Employment and Reemployment Rights Act (USERRA), VETS ensures that servicemembers can serve on active duty without harm to their employment status. Under the Veterans’ Employment Opportunities Act (VEOA), VETS ensures that veterans obtain the preferences in Federal hiring that agencies are required to apply.

VETS meets its responsibilities through budget activities that directly support the Secretary's vision of "*Good Jobs for Everyone*" through the strategic goal of "Prepare Workers for Good Jobs and Ensure Fair Compensation." The VETS budget is formulated through six budget activities described below:

Jobs for Veterans State Grants (JVSG)

The FY 2012 request of \$165,394,000 will support Disabled Veterans' Outreach Program (DVOP) specialists, Local Veterans' Employment Representative (LVER) staff, and respond to exigencies. The JVSG helps veterans find good jobs by providing employment services at One-Stop Career Centers and other locations. DVOPs and LVERs are State employees whose salaries and benefits are funded through formula grants to the States, District of Columbia, Puerto Rico, Virgin Islands, and Guam. At the funding requested, it is expected that 624,000 veterans will receive employment services through this program.

DVOPs and LVERs are primarily stationed at the One-Stop Career Centers where they provide intensive services to veterans and outreach to employers. In addition, VETS is collaborating with the Department of Veterans Affairs Vocational Rehabilitation and Employment (VR&E) service by stationing DVOP specialists at VA Regional Offices and other points of entry to help VR&E participants find good jobs. DVOPs are also stationed at military medical treatment facilities to provide one-on-one employment services to wounded warriors through the DoL REALifelines Program.

Many DVOPs and LVERs are outstationed with, or in support of, other VETS programs and are critical to the success of those programs. This includes:

- Homeless Veterans' Reintegration Program
- Veterans' Workforce Investment Program
- Transition Assistance Program
- Reintegration of Incarcerated Veterans

Transition Assistance Program (TAP)

In FY 2012, VETS requests that the Transition Assistance Program be funded at \$9,000,000, renewing our FY 2011 request to fund this as a separate activity. This is \$2,000,000 above the level for FY 2010. VETS anticipates increased demand for TAP Employment Workshops in connection with the Department of Defense's Yellow Ribbon Reintegration Program, and in providing workshops to retiring Reserve and National Guard members, which represent two populations not fully supported in previous years.

This funding level helps servicemembers and their spouses make the initial transition from military service to the civilian workplace with less difficulty. TAP for active servicemembers consists of comprehensive two and one-half day employment workshops at military installations nationwide and at select military installations overseas. Professionally-trained workshop facilitators present the workshops.

Homeless Veterans' Reintegration Program (HVRP)

The FY 2012 request is \$39,330,000, an increase of \$3,000,000 over the FY 2010 level. This increase should allow for an additional 11 grants serving an additional 1,710 participants. Up to \$4,000,000 of the requested amount will be to serve the reintegration of incarcerated veterans. This request will also support separate grants totaling \$5,300,000 for female homeless veterans and homeless veterans with families.

HVRP grants are awarded competitively to State and local workforce investment boards, State agencies, local public agencies, and private non-profit organizations, including faith-based organizations and neighborhood partnerships. HVRP grantees provide an array of services utilizing a holistic case management approach that directly assists homeless veterans and provides training services to help them to successfully transition into the labor force.

At the funding level requested, it is expected that 26,710 veterans will receive employment services funded through 162 grantees.

Veterans' Workforce Investment Program (VWIP)

The FY 2012 request of \$9,641,000 will allow VETS to award competitive grants geared toward focused training, re-training and employment opportunities for recently separated veterans, veterans with service-connected disabilities, veterans with significant barriers to employment and veterans who served on active duty during campaign badge wars, expeditions or campaigns. These grants are awarded to meet the needs of employers for qualified workers in high demand industries, particularly those occupations requiring a license or certification.

In FY 2009, the Veterans' Workforce Investment Program was refocused to provide training and employment services in green energy occupations as envisioned in the Green Jobs Act of 2007. Grants were awarded competitively to 17 grantees in FY 2009, and an additional five grants were awarded in FY 2010.

At the funding level requested, it is expected that 4,600 veterans will receive employment services funded through 22 grantees.

National Veterans' Employment and Training Services Institute (NVTI)

The FY 2012 request of \$2,449,000 will allow NVTI to continue to provide training to Federal staff and veteran service providers.

NVTI was established to ensure a high level of proficiency and training for staff that provide veterans employment services. These staff members include the DVOPs and LVERs funded through the Jobs for Veterans State Grants budget activity, the VETS Federal staff who are trained in USERRA and veterans Preference enforcement, and all facilitators for the Transition Assistance Program Employment Workshops.

NVTI provides this training in competency based training courses. The primary objective is to increase the service providers' productivity through increased knowledge. The NVTI effort ensures universality of training services for veterans and all direct client service providers.

Federal Management

The FY 2012 request of \$35,222,000 will provide adequate support for VETS' planned FTE level of 227.

The Federal Management budget activity supports the management and oversight necessary to implement the agency's activities, programs and initiatives, to include the programs contained in the other five budget activities.

This activity includes: investigation of USERRA claims; investigation of veterans' Preference complaints; education and outreach on USERRA and Veterans Preference; grant oversight of the Jobs for Veterans State Grants; grant oversight of the Homeless Veterans' Reintegration Program competitive grants; grant oversight of the Veterans' Workforce Investment Program competitive grants; technical and managerial oversight of the Transition Assistance Program Employment Workshops; and technical and contract oversight of the National Veterans' Training Institute.

Disabled Veteran Outreach Program Specialists (DVOP) and the Local Veterans Employment Representatives (LVER) programs

The Disabled Veteran Outreach Program Specialists (DVOP) program and the Local Veterans Employment Representatives (LVER) programs are known collectively as the Jobs for Veterans State Grants program (JVSG).

The Disabled Veterans' Outreach Program (DVOP) is a State grant program started in 1977 and authorized by Section 4103(A) of Title 38, United States Code. DVOP specialists provide intensive employment assistance to meet the employment needs of eligible veterans. DVOP specialists provide intensive services at the One-Stop Career Centers and at the VA's Vocational Rehabilitation and Employment (VR&E) offices. They also provide recovery and employment assistance to wounded and injured servicemembers receiving care at Department of Defense military treatment facilities and Warrior Transition Units through the Recovery & Employment Assistance Lifelines (REALifelines) program. DVOPs focus their services to special disabled veterans and disabled veterans. DVOPs also provide services through the Homeless Veterans' Reintegration Program, Veterans' Workforce Investment Program, Transition Assistance Program, and Incarcerated Veterans' Transition Program.

The Local Veterans' Employment Representative (LVER) program is a State grant program authorized by Section 4104, Title 38, United States Code. LVER staff conduct outreach to employers and engage in advocacy efforts with hiring executives to increase employment opportunities for veterans, encourage the hiring of disabled veterans, and generally assist veterans to gain and retain employment. LVER staff conduct seminars for employers and job search workshops for veterans seeking employment, and facilitate the provision of employment, training, and placement services to veterans by all staff of the employment service delivery system. In addition, LVER staff maintain cooperative working relationships with community organizations that provide complementary services and referral.

In your letter of invitation to testify, you asked a series of questions. Our responses to those questions follow:

What are the demographics of the veterans who are seeking employment?

For calendar year 2010, there were 22,011,000 veterans in the country. There were 11,758,000 in the labor force, and of this group, 1,020,000 (8.7 percent) were

unemployed. Of the 1,020,000 unemployed, 78 percent are white, 17 percent are black, and 7 percent are Hispanic. In terms of age, about half are aged 45–64 years.

What are the 10 States with the lowest overall performance in meeting the common measure goals and what does the Department propose to improve the performance of those States?

The Department uses three Common Measures to measure the outcomes experienced by participating job seekers. The first is the Entered Employment Rate (EER), which is the percent of the participants who are employed in the quarter after the last quarter in which they received services. The second measure is the Employment Retention Rate (ERR), which is the percent of those entering employment who also are employed in the first and second quarters after entering employment. The third is Average Earnings, which is the total earnings in the second and third quarters after the exit quarter for those who are employed in the first, second, and third quarters after the exit quarter.

Grantees are required to report on a quarterly basis these outcome measures for both the One-Stop level and the Grant level. The One-Stop level records the measures for all veterans served by either Wagner-Peyser funded staff or the JVSG. The One-Stop level outcomes are posted on the DoL Web site at <http://www.dol.gov/vets/vetoutcomes/index.htm>. Chart 1 on page 56 displays the current performance by State.

What are the goals and actual performance for each common measure?

Measures	PY 2010 Target	PY 2010 Q1 Results
Entered Employment Rate for Veterans	44.8%	45%
Employment Retention Rate for Veterans	71.2%	75%
Average Earnings for Veterans	\$16,535	\$15,985
Entered Employment Rate for Disabled Veterans	41.7%	42%
Employment Retention Rate for Disabled Veterans	70.8%	75%
Average Earnings for Disabled Veterans	\$16,969	\$16,521

The actual performance by State is shown on chart 1 on page 56.

What is the President's proposed budget for the Veterans' Employment and Training Service and what will be the effect(s) of that funding on each of the common measures?

The President's Budget Request for FY 2012 for the JVSG is \$165,394,000. We do not expect the level of funding to have an impact upon the Common Measures. These outcome measures are not affected by the change in funding level, since they are efficiency measures that reflect the quality of the service, but not the workload or output of the service. For example, EER measures the percent of participants who receive a staff assisted service and then achieve employment. It is our perspective that two factors which have the greatest impact on EER are the economic conditions within the State and the availability of job openings than by the level of funding for the program.

How many DVOPs and LVERs will the President's proposed budget support?

For FY 2012, we estimate that the JVSG will support a total of 2,117 DVOPs and LVERs. Under current legislation States have the ability to adjust the number of DVOP and LVER positions they will support, as they believe appropriate, for each year.

In FY 2011, the States have projected to support 1,146 DVOP Full Time Equivalent (FTE) and 971 LVER FTE.

How much Fiscal Year 2010 State grant funding was recovered from the States and what was done with that funding?

Although VETS must obligate Fiscal Year funds by September 30th of each year, the State Grants appropriation language allows States to obligate those same funds through December 31st of each year. Under VETS current guidance States have until March 31st to liquidate those funds obligated by December 31st. Therefore,

VETS will not be able to determine the amount of FY 2010 unobligated funds by State until final financial reports are received in June 2011.

In FY 2009, States returned approximately \$2.4 million back to Treasury. This could partly be attributed to a mid year appropriation which included an additional \$7 million over the previous FY appropriation.

How many DVOPs and LVERs have not attended training at the National Veterans Training Institute (NVTI) as required by law? What is your timeline to have all DVOPs and LVERs attend training at NVTI?

Under P.L. 109-461, DVOPs and LVERs were required to attend training at the NVTI within 3 years of appointment to their positions. NVTI has successfully handled the mandatory training requirement under the prior (3 year) training window and VETS anticipates that the ongoing level of staffing changes will continue to be accommodated under the prior training window and at the current funding level. The only exceptions are small numbers of DVOP/LVER staff members (e.g. nine hired in 2006 and fifteen hired in 2007) who have been scheduled for their mandatory training on more than one occasion but have not been able to attend. Thus, this issue is not one of training capacity.

Under P.L. 111-275, the time period for attendance at NVTI training was changed to 18 months. The ability to comply with training requirements in FY 2012 will largely depend on attrition levels and the number of new employees.

Which 10 States have the highest administrative overhead and what are those charges against the grant for each of the 10 States?

Allowable charges are covered in 2 Code of Federal Regulations (CFR) part 225 (i.e., OMB Circular A-87) and can vary by each State's methodology. VETS has provided additional guidance to the States through a Veterans' Program Letter requiring States to provide justification when the forecasted Personal Services plus Personnel Benefits to grant award total ratio is less than 65 percent.

Chart 2 on page 57 displays the charges from States for FY 2010.

How many Federal staff are assigned to the States and how do they interact with the State grant program?

VETS has authorized 173 FTE at the State level. As required by the Jobs for Veterans Act of 2004, each State, the District of Columbia, and Puerto Rico have a State Director (DVET). Additional staff is assigned to each State, based upon factors such as the size of the grant activity in that State. The DVET for Puerto Rico also has responsibility for the Virgin Islands, and the DVET for Hawaii has responsibility for Guam.

DVETs serve as the Grant Officer Technical Representatives for the JVSG. The DVETs work closely with the SWAs providing technical assistance as necessary and have an integral knowledge of the State's internal system. They negotiate performance outcome goals on an annual basis, review and recommend approval of the States annual operating plans, analyze quarterly performance and financial reports, and provide appropriate recommendations to meet VETS fiduciary responsibilities in monitoring the JVSG.

In addition to the basic State grant, what is the total funding allocated to support the work of the DVOPs and LVERs in the Transition Assistance Program (TAP)?

In FY 2010, States were funded \$2,744,000 to facilitate 2,922 TAP Employment Workshops. In FY 2011, States requested \$2,697,000 to facilitate 2,639 projected TAP Employment Workshops.

What change(s) are needed to the State grant program to improve the overall performance of the program?

Earlier in my testimony, I noted that this year, we will be reviewing the JVSG program to obtain a current assessment of its efficacy. We also intend to create an online "Community of Practice" that leverages social networking so DVOPs and LVERs can post questions and topics they need assistance with, and share solutions and resources

How many months of unemployment benefits may a veteran receive and what is the average number of months paid to veterans?

The Unemployment Compensation for Ex-servicemembers (UCX) program provides benefits for eligible ex-military personnel. In addition, servicemembers who exhaust UCX benefits are eligible to receive emergency unemployment compensation. Total weeks of benefits range from 60 weeks to 99 weeks. The law of the State (under which the claim is filed) determines benefit amounts, number of weeks bene-

fits can be paid, and other eligibility conditions. The average number of weeks received varies by State and is not available on a national average.

Thank you for the opportunity to present our programs and initiatives. I would be pleased to respond to any questions.

Chart 1
One-Stop Career Center: Veterans' Performance Outcomes
Period Ending September 30, 2010

State	Entered Employment Rate	State	Employment Retention Rate	State	Average Earnings
Montana	58%	Puerto Rico	88%	District of Columbia	\$22,003
North Dakota	58%	Minnesota	81%	Alaska	\$20,937
South Dakota	58%	North Dakota	81%	California	\$20,822
Iowa	56%	Texas	81%	Maryland	\$18,316
Kansas	55%	South Dakota	80%	Utah	\$18,066
Minnesota	55%	Virginia	80%	Ohio	\$18,023
Utah	55%	Alabama	79%	Connecticut	\$17,741
Missouri	53%	Utah	79%	Texas	\$17,722
Arkansas	52%	Wisconsin	79%	Wyoming	\$17,510
Louisiana	52%	Idaho	78%	New Jersey	\$17,506
Wyoming	52%	Kansas	78%	New Mexico	\$17,327
Virginia	51%	Maine	78%	Virginia	\$17,284
Idaho	50%	Montana	78%	Minnesota	\$17,145
New York	50%	Arkansas	77%	Colorado	\$17,116
Texas	50%	Florida	77%	Illinois	\$16,917
Alabama	49%	Maryland	77%	Massachusetts	\$16,644
West Virginia	49%	New Hampshire	77%	Washington	\$16,426
Kentucky	48%	Oregon	77%	Louisiana	\$16,303
Maryland	48%	West Virginia	77%	New York	\$16,254
Maine	47%	Wyoming	77%	Idaho	\$16,180
New Hampshire	47%	Alaska	76%	North Dakota	\$15,507
Oklahoma	47%	Kentucky	76%	Oregon	\$15,499
Wisconsin	47%	Missouri	76%	New Hampshire	\$15,456
Alaska	46%	New York	76%	Hawaii	\$15,330
South Carolina	46%	Washington	76%	Michigan	\$15,191
Washington	46%	Illinois	75%	Virgin Islands	\$15,079
Illinois	45%	Louisiana	75%	Florida	\$14,921
Mississippi	45%	Oklahoma	75%	Montana	\$14,762
Nevada	45%	South Carolina	75%	Vermont	\$14,393
Tennessee	45%	District of Columbia	74%	Alabama	\$14,297
Florida	44%	New Jersey	74%	Iowa	\$14,270
Indiana	44%	Virgin Islands	74%	South Carolina	\$14,134
New Mexico	43%	Arizona	73%	Kentucky	\$14,064
Oregon	43%	Delaware	73%	Oklahoma	\$14,055
Georgia	42%	Indiana	73%	Georgia	\$14,039
Massachusetts	42%	Nebraska	73%	West Virginia	\$14,036
Nebraska	42%	Tennessee	73%	Nebraska	\$13,968
Colorado	41%	California	72%	Nevada	\$13,778
District of Columbia	41%	Ohio	72%	Arizona	\$13,649
New Jersey	41%	Colorado	71%	Wisconsin	\$13,501
Arizona	40%	Connecticut	71%	Missouri	\$13,475
North Carolina	40%	Hawaii	71%	Kansas	\$13,444
Vermont	38%	Iowa	71%	Maine	\$13,397
Connecticut	37%	Nevada	71%	Indiana	\$13,163
Delaware	37%	New Mexico	70%	Delaware	\$13,124

Chart 1—Continued
One-Stop Career Center: Veterans' Performance Outcomes
Period Ending September 30, 2010

State	Entered Employment Rate	State	Employment Retention Rate	State	Average Earnings
Michigan	36%	North Carolina	70%	Arkansas	\$13,118
California	33%	Georgia	69%	Tennessee	\$13,112
Hawaii	33%	Massachusetts	68%	North Carolina	\$13,079
Ohio	33%	Michigan	68%	South Dakota	\$13,070
Virgin Islands	28%	Vermont	61%	Mississippi	\$11,520
Guam	NDA	Mississippi	52%	Puerto Rico	\$8,985
Pennsylvania	NDA	Guam	NDA	Guam	NDA
Puerto Rico	NDA	Pennsylvania	NDA	Pennsylvania	NDA
Rhode Island	NDA	Rhode Island	NDA	Rhode Island	NDA
National Average	45%	National Average	75%	National Average	\$15,985
National Goal	44.8%	National Goal	71.2%	National Goal	\$16,535

Chart 2
FY 2010 JVSG Administrative Costs of the Top Ten States

State	Total Administrative Costs	Total Grant Expenditures	Percent of Total Grant
Kentucky	\$1,065,652	\$2,226,479	47.9%
Florida	\$3,501,341	\$8,218,376	42.6%
Georgia	\$1,849,081	\$4,833,016	38.3%
Tennessee	\$942,626	\$2,649,123	35.6%
Texas	\$3,924,085	\$11,348,817	34.6%
Mississippi	\$512,131	\$1,484,644	34.5%
Maryland	\$925,028	\$2,690,852	34.4%
Nevada	\$428,131	\$1,249,050	34.3%
New Mexico	\$320,123	\$939,762	34.1%
Connecticut	\$543,445	\$1,612,140	33.7%

Prepared Statement of Bonnie Elsey, President-Elect, National Association of State Workforce Agencies, and Senior Administrative Officer, Minnesota Department of Employment and Economic Development

Executive Summary

The following summarizes NASWA's testimony on the Administration's Fiscal Year 2012 budget for the U.S. Department of Labor's Veterans' Employment and Training Service and the performance of the Disabled Veteran Outreach Program Specialists and Local Veterans Employment Representatives.

- Approximately 640,000 veterans were served through the Disabled Veterans' Outreach Program (DVOP) and Local Veterans' Employment Representatives (LVER) in fiscal year 2009. The DVOP and LVER programs have been successful in assisting veterans to become gainfully employed.

- NASWA is concerned with the ability to increase the numbers of veterans receiving intensive services from DVOP specialists without increases in funding. Intensive services are just that—intensive—and require more time and effort. There is the potential that increasing the number receiving intensive services could decrease the quality of that service or decrease core services.
- NASWA is concerned that the Performance Outcomes by State, posted on the VETS Web site, can lead to incorrect assumptions about a State's performance. The common measure goals should be adjusted for factors outside the control of the State—taking into account that a State with a high unemployment rate generally will have poorer performance than a State with a low unemployment rate.
- NASWA recommends language to prohibit States from imposing furloughs and hiring freezes on staff funded by the JVSG. Since these are Federal funds, any dollars saved have little positive impact on States' budgets. Services to our Nation's veterans should not be negatively impacted because of State budget problems. In fact, not accepting or spending these funds would seem to negatively impact a State's budget.
- NASWA recommends enhanced efforts are needed to raise awareness of the DVOP and LVER programs among Human Resource (H.R.) professionals.
- NASWA recommends VETS and JVSG funds should be used to implement tools to assist in translating military skills, develop licensing, certification and credentialing systems to better assist the transition of military members to civilian employment.
- NASWA recommends Congressional legislation should maintain the same definition of a veteran for reporting purposes for all Federal programs (Wagner-Peyser, JVSG programs, Workforce Investment Act, etc.).
- NASWA recommends USDOL utilize VetCentral, an online network connecting employers and State workforce agencies, to provide Federal contractors jobs for States to assist eligible veterans.
- Despite recent improvements to the Federal Contractor Job Listing (FCJL) process, NASWA member States are still unable to identify all Federal contractors and subcontractors subject to 41 CFR Part 60-250 and 41 CFR Part 60-300.
- NASWA recommends customer satisfaction surveys be used and the results of those surveys should be part of the LVER Managers' quarterly reports.

Chairman Stutzman, Ranking Member Braley and Members of the Subcommittee, on behalf of the National Association of State Workforce Agencies (NASWA), I thank you for the opportunity to submit written testimony on the Administration's Fiscal Year 2012 budget for the U.S. Department of Labor's Veterans' Employment and Training Service and the performance of the Disabled Veteran Outreach Program Specialists and Local Veterans Employment Representatives.

The members of our Association constitute State leaders of the publicly-funded workforce investment system vital to meeting the employment needs of veterans through the Disabled Veterans Outreach Program (DVOP), the Local Veterans Employment Representatives (LVER), and the Wagner-Peyser programs. The mission of NASWA is to serve as an advocate for State workforce programs and policies, a liaison to Federal workforce system partners, and a forum for the exchange of information and practices. Our organization was founded in 1937. Since 1973, it has been a private, non-profit corporation, financed by annual dues from member State agencies and other sources of revenue.

Our members are committed to providing the highest quality of service to our Nation's veterans, National Guard members and Reservists. We are focused on our highest priority, serving recently-separated veterans and disabled veterans. With the war efforts in Iraq and Afghanistan, this is a critical time to ensure high quality workforce services are available for those who served our country in time of war and now are returning to the civilian economy.

Continued support and increased funding of the DVOP and LVER programs is essential. The U.S. Military services discharge approximately 160,000 active duty servicemembers and 90,000 Reserve and National Guard Members annually. We can expect a greater demand for transition services and employment services for veterans over the next few years.

Approximately 640,000 participants were served through these programs in fiscal year 2009, and the target for fiscal year 2010 is to serve over 650,000. The DVOP and LVER programs have been successful in assisting veterans to become gainfully employed. It is critical to maintain the connection of the DVOP and LVER programs with the Wagner-Peyser systems.

A. FY 2012 BUDGET PROPOSAL

The Administration's Fiscal Year (FY) 2012 budget requests \$165.3 million for the Jobs for Veterans State Grants (JVSG). This funding level represents 62 percent of all funding for the U.S. Department of Labor's (USDOL) Veterans' Employment and Training Service (VETS). The JVSG fund two programs through formula grants to State Workforce Agencies: the Disabled Veterans Outreach Program (DVOP) and the Local Veterans Employment Representative (LVER) Program.

The DVOP and LVER specialists provide services primarily through the Wagner-Peyser Act funded One-Stop Career Centers. DVOP specialists provide intensive employment assistance to meet the employment needs of eligible veterans, especially to disabled and economically or educationally disadvantaged veterans. DVOPs also provide recovery and employment assistance to wounded and injured service-members receiving care at Department of Defense military treatment facilities and Warrior Transition Units through the Recovery & Employment Assistance Lifelines (REALifeLines). DVOPs also work with the Homeless Veterans Reintegration Program, Veterans Workforce Investment Program, Transition Assistance Program, and Incarcerated Veterans Transition Program.

LVER staff conducts outreach to employers and engages in advocacy efforts with hiring executives to increase employment opportunities for veterans, encourage the hiring of disabled veterans, and generally support veterans in gaining and retaining employment. LVER staff conducts seminars for employers and job search workshops for veterans seeking employment, and facilitate the provision of employment, training, and placement services to veterans by all staff of the employment service delivery system. In addition, LVER staff maintains cooperative working relationships with community organizations that provide complementary services and referrals.

The roles and responsibilities for the Disabled Veterans Outreach Program and the Local Veterans Employment Representatives changed under the Jobs for Veterans Act (JVA), which was enacted in November 2002. JVA implemented a comprehensive performance accountability system that included performance measures for the two programs—consistent with those under the Workforce Investment Act—and enhanced accountability for veteran services in the one-stop system.

While JVA requires USDOL to include information in its annual report to Congress on whether veterans are receiving priority and are being fully served by employment and training programs, questions have been raised about whether available performance information accurately reflects services and outcomes for veterans. The Government Accountability Office (GAO) concluded USDOL's data on services and outcomes for veteran job seekers paint an unclear picture of veterans' use of employment and training services in the One-Stop system. Despite the shared use of common performance measures, key employment and training programs vary in the extent to which their data on veteran participants are integrated or shared with other programs.

GAO noted while States collect a wide range of performance data on services and outcomes for veterans, the data reported to USDOL do not currently include information on outreach to employers, a key LVER program activity. GAO noted it is difficult to assess outcomes over time, in part because of frequent changes in States' reporting requirements that prevent establishing reliable trend data.

Given the performance changes for DVOPs and LVERs under JVA, NASWA would like further clarification on the Administration's proposed changes in the FY 2012 budget. Overall, the FY 2012 budget is critical of JVSG performance data, noting the "the program clearly was not fulfilling its mandated role." The Administration is planning to operate the JVSG program *differently* from prior years as a result of a "refocusing effort."

This effort, according to the FY 2012 budget, resulted from a FY 2009 analysis of JVSG performance data indicating while 79 percent of veteran participants received staff assisted services, only 22 percent of that was intensive services. The budget notes this is a concern because the DVOP program was established to provide intensive services to veterans and USDOL's analysis indicates only 17 percent of all veteran JVSG participants received intensive services.

In addition, the FY 2012 budget notes it was difficult to differentiate the outcomes for veteran participants served by DVOPs and LVERs from those veterans receiving common services provided by Wagner-Peyser staff in the One-Stop Career Centers because the JVSG had an Entered Employment Rate (EER) of 62 percent and an Employment Retention Rate (ERR) of 81 percent. The Wagner-Peyser program had an EER of 3 percentage points lower, and had the same ERR.

The VETS budget for FY 2012 includes a description of refocusing goals for service delivery. VETS say the refocused service delivery model will focus JVSG funded staffs on their primary role established in legislation by:

- Demonstrating the JVSG as a specialized program within a State's overall umbrella of programs providing quality services to veterans on a priority basis;
- Ensuring that veterans receive the following on a priority basis from Wagner-Peyser funded staff: employment self-help, mitigated self-help, staff-assisted help and, when appropriate, intensive services;
- Increasing the numbers of veterans receiving intensive services from a DVOP specialist with a corresponding increase in the number of veterans entering employment after receiving intensive services; and
- Increasing the numbers of veterans receiving individualized job development services with a corresponding increase in the number of veterans entering employment after receiving those services.

NASWA supports these goals and will work with its members to assist in meeting them. However, we are concerned with the ability to increase the numbers of veterans receiving intensive services from DVOP specialists without increases in funding. Intensive services are just that—intensive—and require more time and effort. There is the potential that increasing the number receiving intensive services could decrease the quality of that service or decrease core services.

B. QUESTIONS POSED BY THE SUBCOMMITTEE:

We appreciate the opportunity to testify on this issue and address the questions provided in your invitation.

1. What are the demographics of the veterans who are seeking employment?

The U.S. Department of Labor—Bureau of Labor Statistics (BLS), Employment and Training Administration (ETA), and Veterans' Employment and Training Service (VETS)—provides the official reports regarding the demographics of veterans.

The most recent BLS report, *Table A-5, Employment status of the civilian population 18 years and over by veteran status, period of service, and sex, not seasonally adjusted*, shows as of January 2011, there were 21,797,000 veterans, 18 years and over, in the United States; of this figure slightly over 20 million were men, and almost 1.8 million were women. Almost 11.5 million of these veterans were in the civilian labor force (10.2 million men; 1.2 million women). There were over 1.1 million veterans, 18 years and over, unemployed as of January 2011. The unemployment rate for veterans, 18 years and over, for January 2011, was 9.9 percent (10 percent for men and 9.4 percent for women). The unemployment rate for non-veterans, 18 years and over, for January 2011, was 9.6 percent (10.8 percent for men and 8.3 percent for women). {All figures in this paragraph are non-seasonally adjusted.}

I want to emphasize a few statistics regarding services provided by the workforce system. In the 12-month period ending September 30, 2010, the workforce system served 39.9 million workers. The Wagner-Peyser Employment Service (ES) and Unemployment Insurance (UI) programs served 75 percent of this total. The Employment Service served 22.5 million workers.

Of this figure, almost 1.7 million were "Veterans and Eligible Persons," or 7.5 percent of the total served by the Employment Service. The workforce system serves individuals who are unemployed, underemployed, and employed. Over 14.2 million individuals received staff-assisted services; of this figure, almost 1.3 million Veterans and Eligible Persons received staff-assisted services or 75.8 percent of the total Veterans and Eligible Persons registered with the Employment Service. Of the 1.7 million Veterans and Eligible Persons registered, there were almost 345,000 who received career guidance, almost 716,000 were assisted with job search activities, almost 575,000 referred to employment, almost 130,000 referred to the Workforce Investment Act (WIA), and over 557,000 received workforce information services.

Approximately 640,000 veterans were served through these programs in FY 2009, and the target for FY 2010, is to serve 653,000. The linkage of the DVOP and LVER programs to the Wagner-Peyser Employment Service is vital to the success of all three programs.

In Minnesota, 303,140 individuals were served by the Employment Service in Program Year 2009; of this number 16,845 were Veterans and Eligible Persons. We provide staff-assisted services to almost 76 percent of the Veterans and Eligible Persons.

2. What are the 10 States with the lowest overall performance in meeting the common measure goals and what suggestions does the association have to improve those low performing States?

Appendix Table 1 provides data on State unemployment rates at the midpoint of Program Year (PY) 2009 (December 2009) and the common measures of entered employment rate and employment retention rate for PY 2009. These rates are cal-

culated from the number of individuals who are not employed at the date of participation.

- The entered employment rate is the percent of participants employed in the first quarter after exiting the program.
- The employment retention rate is the percent of participants employed the first quarter after exiting the program still employed in the second and third quarters after exiting the program.

From these data one can identify the ten States with the highest and lowest performance in PY 2010. I am pleased to say Minnesota is in the top ten under both measures. For the entered employment rate, Minnesota ranked seventh with a rate of 56 percent. For the employment retention rate, Minnesota ranked first with a rate of 82 percent. I might add Minnesota had a comparatively low unemployment rate at the midpoint of program year 2009 at 7.9 percent in December 2009, which was well below the national average of 10.0 percent.

I am not going to list the “ten States with the lowest overall performance in meeting the common measure goals,” because I don’t believe one can construct such a list from these measures until they are adjusted for what economists call “exogenous” factors, that is, factors outside the control of the State. I have provided a measure of one such factor, the State economy, in the unemployment rates listed in *Appendix Table 1* for each State.

We estimated a simple linear relationship between State performance measures and State unemployment rates and found performance is inversely proportional to State unemployment rates. In other words, a State with a high unemployment rate generally will have poorer performance than a State with a low unemployment rate. *Appendix Figure 1* shows this estimated relationship.

Using our estimated relationship, one sees some surprising results. For example, Michigan ranked second to last in the entered employment rate and last in employment retention rate, but when we look at our estimated relationship with the unemployment rate, Michigan performed about as one would expect given it had the highest unemployment rate at 14.6 percent. Likewise, South Dakota ranked in the top ten on both performance measures, but performed about what the estimated relationship would suggest with its unemployment rate of 4.7 percent. I am proud to say Minnesota performed above what would be suggested based on the estimated relationship on both measures.

Based on our concern for taking into account factors outside the control of the State, NASWA strongly urges the Committee and the U.S. Department of Labor not to compare States in a given year without adjusting for these factors. These factors should be taken into account nationally also as the economy moves through the economic cycle. Clearly, the program is likely to show better performance in good times than in bad times both at the State and national levels.

3. How any DVOPs and LVERs will the President’s proposed budget support?

The President’s proposed budget for Fiscal Year (FY) 2012 for the Jobs for Veterans State Grants (JVSG) is \$165,394,000 to support the DVOP and LVER staff and for other purposes, such as the Performance Incentive Awards. This is the same amount of funds for FY 2010, and the same as the estimate for FY 2011. The \$165,394,000 amount does not include services provided by DVOPs and LVERs for TAP workshops. For FY 2011, it was estimated that \$163,678,000 will be allocated directly for the DVOP and LVER programs; plus \$320,000 is available for Performance Incentive Awards. At this time any funds for FY 2011 is questionable, since Congress has not yet passed a budget for the remainder of the Fiscal Year.

There are currently approximately 2,100 DVOPs and LVERs funded by the JVSG. The current level of DVOPs is about 1,130. The current level of LVERs is about 965. However, for both the DVOP and LVER programs, the actual number of individuals in these positions is higher due to part-time positions. The National Veterans Training Institute (NVTI) calculates there are about 2,325 individuals in DVOP and LVER positions—1,250 LVERs and 1,075 DVOPs. Typically, we would estimate level-funding would result in less staff due to inflation factors for wages, overhead, etc.; however, currently due to budget deficits, many States are imposing wage freezes, furloughs and other cost cutting measures, which might offset the effects of inflation and other factors.

The services of DVOPs and LVERs are needed more than ever with the increasing number of recently-separated military members from the Iraq and Afghanistan wars. We understand the current dire budget scenario, and if current levels of funding are maintained, we will be grateful; however, we stress services to our Nation’s veterans should always be a high priority, including the funding to provide assistance with finding employment and training.

NASWA recommends language to prohibit States from imposing furloughs and hiring freezes on staff funded by the JVSG. Since these are Federal funds, any dollars saved have little positive impact on States' budgets. Services to our Nation's veterans should not be negatively impacted because of State budget problems. In fact, not accepting or spending these funds would seem to negatively impact a State's budget.

4. How many DVOPs and LVERs have not attended training at the National Veterans Training Institute (NVTI) as required by law?

This question is best answered by USDOL Veterans' Employment and Training Service (VETS); however, we will provide our analysis. Under the 3-year training requirement, of the LVERs and DVOPs hired Pre-2006, there are six (6) individuals who have not received training by the National Veterans Training Institute (NVTI). Of those individuals hired in 2007, there are 15 individuals not trained. Under the 3-year training requirement, there are a total of 24 individuals who have not received training. There are currently 48 individuals hired in 2008, who have not received training, but there is still time left for them to complete training within the 3-year requirement.

As of October 2010, the period of time for DVOPs and LVERs to be trained at NVTI decreased to 18 months. NVTI is currently behind on meeting the needed classes to provide training within the new time period. In March 2009, NASWA recommended an increase of \$2 million for NVTI training; the budget for FY 2010 was increased by close to \$500,000 and the FY 2011 request also includes this increase. NASWA still supports its 2009 recommendation to increase funding to meet the requirements of the new time period for DVOPs and LVERs to complete training.

Additional funding for NVTI would afford an increase in the iterations of the courses offered so States may promptly train new staff. This would increase the effectiveness and efficiency of the services provided by DVOPs and LVERs, and other workforce system staff responsible to provide employment and training to veterans.

Also, many States have contracted with NVTI or the National Learning Center to obtain onsite training within their State borders. These classes not only provide training for DVOPs and LVERs, but also to managers, supervisors, and other workforce system staff responsible for providing employment and training services to veterans. NASWA advocates for the additional funding mentioned above for NVTI to provide in-state classes to improve services to veterans.

5. Which 10 States have the highest administrative overhead and what are those charges?

NASWA does not have a list of the 10 States with the highest administrative overhead. Each State Workforce Agency (SWA) negotiates with the Division of Cost Determination (DCD), U.S. Department of Labor, to determine a Cost Allocation Plan (CAP). The CAP negotiations are based on guidance from the Office of Management and Budget (OMB). The DCD negotiates, issues and maintains a file of indirect cost rates and cost allocation plans based on OMB Circular A-87.

Each SWA must charge all indirect costs and charges within their CAP proportionately to each program within their facilities or responsibility. Indirect charges pay for such things as proportionate share of personnel and related charges for management and supervision staff (beyond direct program supervision), administrative support (i.e. receptionist for an office), accounting staff and services, auditing, budgeting, building leases, data processing, employee retirement system administration, legal services, mail systems, office machines, equipment maintenance and repairs, office space use and related costs (heat, light, custodial services, etc.), payroll services, local telephone and Internet costs, health services, etc.

Some States do have high indirect costs. However, each State's CAP has been negotiated with the U.S. Department of Labor under strict guidelines for all programs, and each program is required to pay its fair share of these indirect charges. In the past several years, many workforce services programs have received severe reductions in funding levels. Yet, the funding reductions often have not been at a level which would result in reductions of many indirect costs.

A prime example would be office space housing 25 staff members, including 2 DVOPs and 1 LVER, funded by 8 programs, including JSVG. Due to the elimination of a program, and reduction of staff of another program, the total staff has been reduced to 19, including the 3 JSVG staff. It would not be cost-effective to terminate the lease and move to a smaller office, so much of the overhead costs remain the same—receptionist, custodian, heat, lights, etc., but now the CAP must be paid by the remaining 7 programs and shared proportionately for 19 staff instead of the previous 25. The 3 JSVG staff is now responsible for 3/19 of the indirect costs, versus

the previous 3/25. This is a rough example. It should be noted not all CAP charges are based on staff percentages; some are based on usage or another formula.

6. What change(s) to the State grant program are needed to improve the overall performance of the program?

Thank you for the opportunity to provide recommendations to improve the overall performance of the DVOP and LVER programs. The following are the NASWA recommendations:

a. Advocate/Promote/Educate: Today's veterans are seeking employment in non-traditional ways. Social media has allowed military members to keep up with family and friends whether stationed in war zones, in another country, or within the United States.

As a result, recently-separated military members need to be reached in non-traditional ways. Congress, Federal agencies, including VETS, and States should be looking into ways to help States and local areas reach today's veterans.

Education campaigns and training in the use of social media and networking could help veterans become more aware of their benefits and the value of the services available to them. Funds should be made available to States to promote and educate staff to assist these programs to better serve today's veterans and employers. The promotion of these services is vital to the overall performance of the programs. Use of public funds for "marketing" is often deemed inappropriate, so we use the terms, "advocate," "promote," or "educate."

A June 2010 poll from the Society for Human Resource Management (SHRM) shows the greatest challenge veterans face in the civilian job market is how they translate and describe their military experience. On the hiring side, Human Resource (H.R.) professionals are largely unaware of Department of Labor (DoL) programs that help to identify veterans seeking civilian jobs.

The SHRM survey asked employers, "How familiar are you with the following Department of Labor (DoL) veterans' programs and have you used them in your organization's recruiting?" Sixty-eight percent of the employers responding to the SHRM survey said they were not familiar with the LVER program, while 16 percent were somewhat familiar but do not use; seventy percent and 19 percent, respectively, said the same for the DVOP program. Of course, some employers may hire veterans or use services provided by a DVOP or LVER, but are not familiar with the terms used in the poll. While the poll shows that 50 percent of employers hiring veterans made a specific effort to recruit these candidates, greater awareness of military veterans as job candidates is needed.

NASWA appreciates the USDoL's "*Hiring Veterans: A Step-by-Step Toolkit for Employers*," and encourages the Department to provide more resources like it for the workforce system, employers and veterans. Resources and tools prepared at the National level should be developed in a manner to allow States and local areas to customize the resource to fit their local needs and to incorporate their own identification or brand.

b. Translating Military Skills, Licensing, Certification, and Credentialing: The SHRM report also showed that well over half—60 percent—of H.R. professionals polled said translating military skills to civilian job experience is a challenge to writing resumes, interviewing, and other related job-hunt communications. Another 48 percent said difficulty transitioning from the structure and hierarchy in the military culture to the civilian workplace presented a hiring challenge.

There are currently several resources available to crosswalk military occupational classifications (MOC) and skills with civilian classifications and skills. The O*NET Online Crosswalk Search, available at <http://online.onetcenter.org/> is a good example. However, the ability to crosswalk skills is only the first step in the licensing and certification (L&C) process. Some States have initiated L&C programs for veterans, but many would need to begin the process.

NASWA recommends additional fund be appropriated by Congress to cover the cost to implement State level L&C program. If additional are not appropriated for his purpose, clarification is requested to allow JSVG funds be used to establish and implement L&C programs as an allowable cost.

NASWA recommends the Subcommittee look at the 2006 proposed legislation, "The Veterans Certification and Licensure Act of 2006," and consider new legislation to fulfill the intent of the draft. The legislation proposed to establish a committee to report to the Secretary of Labor on the following items:

- (A) "A description of any area of employment in which a credentialing or certification system for veterans exists, an evaluation of the effectiveness of each such system, and information on the number of eligible individuals who took advantage of each such system.

- (B) An identification of any area of employment in which a credentialing or certification system for veterans could be established or improved during the 18-month period beginning on the date on which the report under this paragraph is submitted.
- (C) A description of the areas of employment the Committee determines are the most difficult such areas for which to establish a credentialing or certification system for veterans and the recommendations of the Committee with respect to methods of establishing such a system for each such area.”

Instead of creating another committee, the legislation could direct the Advisory Committee on Veterans’ Employment, Training and Employer (ACVETEO) to take on this responsibility.

c. Definition of a “Veteran”: NASWA recommends any Congressional legislation should maintain the same definition of a veteran for reporting purposes for all Federal programs (Wagner-Peyser, JSVG programs, Workforce Investment Act, etc.).

d. Partnerships: Due to the DirectEmployers Association partnership with NASWA to create the National Labor Exchange (NLX), many States have been able to significantly increase the number of jobs available for veterans. In some cases, there has been a 300 percent increase. This is an example of a partnership at the national and State level with a strong focus to assist veterans in obtaining employment. This platform provides States a tool they cannot otherwise create—a national level platform to which jobs are pushed down through the appropriate delivery systems to the local areas.

e. Federal Contractor Job Listing Process: Despite all the recent improvements to the Federal Contractor Job Listing (FCJL) process, NASWA and its member States are still unable to identify all Federal contractors and subcontractors subject to 41 CFR Part 60–250 and 41 CFR Part 60–300.

f. Customer Satisfaction: NASWA recommends customer satisfaction surveys be used and the results of those surveys should be part of the LVER Managers’ quarterly reports. Customer satisfaction surveys are used for other workforce programs with varying degrees of usefulness. Because the LVER and DVOP programs are on a smaller scale than the broader workforce system, and the programs are focused on one well-defined population, the results of such a survey should be effective in determining if a veteran’s needs were met, and what the veteran thinks of the services received.

7. How many months of unemployment benefits may a veteran receive and what is the average number of months paid to veterans?

This is another question best answered by the U.S. Department of Labor. The Employment and Training Administration Office of Unemployment Insurance (OUI) is the Federal entity responsible for unemployment insurance benefits.

For Program Year 2009, ending June 30, 2010, there were 1,674,034 Veterans and Eligible Persons who were registered with the workforce system. Of that number, 730,596 Veterans and Eligible Persons were eligible for Unemployment Insurance (UI). Any veteran who has earned wages from private or public employment is eligible for UI if they earned sufficient wages in a qualifying period and are eligible otherwise.

There are Federal laws regulating the UI system, but most UI criteria are determined by each State in either State law or policy. Most States pay individuals who had steady employment history a maximum of 26 weeks. Currently there are several extensions of UI benefits providing up to a total of 99 weeks in States with very high unemployment rates. The maximum benefit amount of UI payments varies by State.

The Unemployment Compensation for Ex-servicemembers (UCX) program provides benefits for eligible ex-military personnel. The program is administered by the States as agents for the Federal Government. The UCX benefits are available for recently-separated military members, who were separated under honorable conditions, and have wages paid by the military during a base period determined by the State, typically the first 4 of the last 5 completed calendar quarters. The benefit costs are covered by the respective branch of the military. The law of the State under which the UCX claim is filed determines the benefit amounts, number of weeks that can be paid, and other eligibility conditions.

For the year ending December 31, 2010, the estimated average number of weeks claimed for a UCX claim was 21 weeks, compared to the total Unemployment Insurance (UI) average of almost 19 weeks. These figures are a few weeks higher than in past years, a reflection of the Great Recession.

It is estimated that six out of ten veterans exhaust their regular UCX claims, compared to slightly over one-half of all claimants who exhaust their regular State claims. Both the UI and UCX exhaustee rates are significantly higher than in past years, again a reflection of the poor economy during the Great Recession. All numbers and percentages apply only to regular UI programs and do not include any extended benefits.

NASWA and its members remain dedicated to improving the efficiency of the labor market and its labor exchange function, and improving the employment opportunities of our Nation's veterans. We are willing to assist the Subcommittee and the U.S. Department of Labor in any way possible to improve services to veterans.

Thank you for the opportunity to address these important issues.

Appendix Table 1:

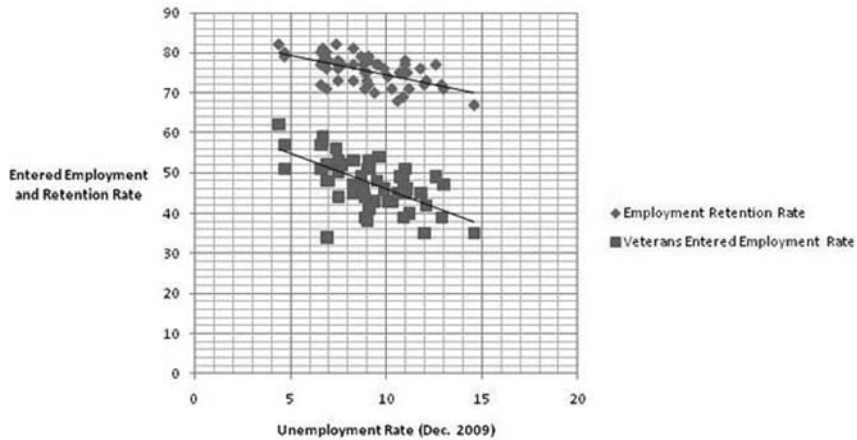
State	Unemployment Rate (Dec. 09)	Veterans Entered Employment Rate	Employment Retention Rate
Alabama	11	51	78
Alaska	8.8	46	77
Arizona	9.1	41	72
Arkansas	7.7	52	77
California	12	35	72
Colorado	7.5	44	73
Connecticut	8.9	39	71
Delaware	9	38	73
DC	12.1	42	73
Florida	11.8	45	76
Georgia	10.3	43	71
Hawaii	6.9	34	71
Idaho	9.1	53	79
Illinois	11.1	46	75
Indiana	9.9	46	76
Iowa	6.6	57	72
Kansas	6.6	57	80
Kentucky	10.7	49	75
Louisiana	7.5	53	76
Maine	8.3	47	77
Maryland	7.5	50	78
Massachusetts	9.4	43	70
Michigan	14.6	35	67
Minnesota	7.4	56	82
Mississippi	10.6	45	68
Missouri	9.6	54	77
Montana	6.7	59	78
Nebraska	4.7	51	80
Nevada	13	47	71
New Hampshire	7	48	78
New Jersey	10.1	43	74
New Mexico	8.3	45	73
New York	9	51	75
North Carolina	11.2	40	71
North Dakota	4.4	62	82

Appendix Table 1:—Continued

State	Unemployment Rate (Dec. 09)	Veterans Entered Employment Rate	Employment Retention Rate
Ohio	10.9	39	69
Oklahoma	6.6	51	77
Oregon	11	45	77
Pennsylvania	8.9	44	75
Rhode Island	12.9	39	72
South Carolina	12.6	49	77
South Dakota	4.7	57	79
Tennessee	10.9	48	75
Texas	8.3	53	81
Utah	6.7	58	81
Vermont	6.9	48	76
Virginia	6.9	52	80
Washington	9.5	48	77
West Virginia	9.1	51	78
Wisconsin	8.7	49	79
Wyoming	7.5	53	77

Appendix Figure 1:

State Veterans Program Performance Related to State Unemployment Rates



**Prepared Statement of John L. Wilson,
Assistant National Legislative Director, Disabled American Veteran**

Mr. Chairman and Members of the Subcommittee:

On behalf of the 1.2 million members of the Disabled American Veterans (DAV), I am honored to present testimony to the Subcommittee today and comment on programs insofar as they are in accordance with DAV's dedication to one, single purpose—building better lives for all of our Nation's disabled veterans and their families.

Under consideration in today's oversight hearing is the President's Fiscal Year 2012 budget as it relates to the U.S. Department of Labor's (DoL) Veterans' Employment and Training Service (VETS). I am pleased to have this opportunity to present our views on this important issue.

The VETS is positioned to provide critical resources to our Nation's veterans. Today's continued unemployment problems underscore the need for a properly funded program, and effective and well-trained staff.

Diane Swonk, economist, author, and advisor to the Federal Reserve Board and White House Council of Economic Advisers commented in the spring 2011 *USAA Magazine* that the job crisis we are in will likely be with us through 2011.

A recovery from a financial-crisis recession is inherently more difficult than a recovery from a regular recession. The effect on jobs is dismal. It will likely take until 2013 to recoup the jobs lost to the recession as we struggle with sub-par growth. The only silver lining is that it could have been worse, especially in light of the magnitude of the crisis, but that provides little solace for the record number of people who have already been unemployed for a record length of time.

Job growth is returning, but it is very slow. Meanwhile, population growth still brings more than 100,000 new job seekers into the workforce each month. The economy has to create enough new jobs to employ new workers before making a dent in unemployment. As 2010 winded down, the economy was only creating enough jobs to keep up with population growth, causing the unemployment rate to stagnate. Many economists expect more of the same in 2011.

A review of the January 2011 Bureau of Labor Statistics economic news release finds an unemployment rate of 9.9 percent generally for veterans and 15.2 percent for more recent veterans, those who served from September 2001 to present. Breaking the data down further by gender, finds males have an unemployment rate of 15.2 percent and females of 13.5 percent for this same group of veterans. A February 17, 2011, article in *USA Today* titled *Female Veterans Struggle In Jobs Market*, by Meena Thiruvengadam, highlights the unemployment issue for women veterans of the wars in Iraq and Afghanistan which rose to 13.5 percent in January, above the 8.4 percent that was the seasonally unadjusted average for non-veteran adult women. And while the overall unemployment rate declined last year, unemployment among women veterans of the latest wars was more than 3 percentage points higher in December 2010 than in December 2009.

Women, whose presence in the military has been climbing over the past decade, now account for 1.8 million, or about 8 percent of 23 million U.S. veterans, according to the latest statistics from the Department of Veterans Affairs (VA). However, their transition from the military seems tougher than male veterans. The reasons for this may include a Veterans Affairs system that doesn't adequately meet women's specialized health care, child care and psychological needs; the traditional role among women to serve as primary caregivers for children; and a civilian sector that may not fully understand the role of women in today's military.

As women transition out of the military today, many are turning to VA for care. The current rate of enrollment of women in VA health care constitutes the largest of any subset of veterans. According to VA, from FY 2002 to the first quarter of FY 2010, approximately 50 percent of 133,000 OEF/OIF women veterans utilized VA health care, with nearly 51 percent of whom were treated through making 11 or more outpatient visits during the past fiscal year.

The Independent Budget veterans service organizations (IBVSOs) remain concerned about the fragmentation of care and disparities in care that exist for women using the VA health care system, and we continue to encourage VA to fully address the unique health care needs of women veterans who have returned from deployments, and to continue to conduct biomedical and health services research initiatives to gain broader understanding of women's needs in VA health care, including outcomes, quality, satisfaction, barriers to care, and other important challenges.

Whether female or male, given the plans of both the Army and Marine Corps to cut troop strength by 47,000 depending on the operational requirements of the current conflicts in Iraq and Afghanistan, such cuts will likely accelerate discharges of

more veterans who will be looking for jobs. Many will present military skills that do not easily transfer into the civilian world.

The transferability of skills gained in the military has long been a concern of the DAV and the IBVSOs. We believe that more must be done to ensure that our highly trained and qualified servicemembers do not face unnecessary barriers as they transition from the military to civilian life. We recommend that the Departments of Defense, Labor, and Veterans Affairs work with employers, trade unions, and licensure and credentialing entities to promote developing the means for military personnel to receive the necessary civilian equivalency to their chosen career fields when receiving military education and training, thus honoring their military service and allowing them to more easily transition into a civilian occupation without the need for complex and duplicative training or apprenticeships. We look forward to monitoring the implementation of these recommendations and future program improvements.

As unemployment continues to negatively impact veterans, we must review current practices and consider new ways to address them. To assist veterans in achieving economic security, both those transitioning out of the military and those already in the veterans population, VA provides education, training, employment, entrepreneurship, homelessness interventions and housing assistance through a number of programs and offices. We believe that reorganizing economic-related programs into a single entity, the Veterans Economic Opportunity Administration (VEOA), would not only create new opportunities for greater collaboration, but would provide greater focus and stronger oversight and accountability of these programs. Consolidation also would relieve some of the burden on the Veterans Benefits Administration (VBA), an organization that already faces significant challenges in reforming its fractured claims adjudication system.

The VEOA would be on a par with the Veterans Health Administration, VBA and the National Cemetery Administration. It would be led by an Under Secretary for Veterans Economic Opportunity and would be responsible for vocational rehabilitation and employment, educational assistance, veterans' entrepreneurship, home loan and homeless veterans assistance programs.

The VEOA would also serve as the single point of inter-agency exchange regarding programs that are administered for veterans outside of the VA, such as DoL's VETS, and similar programs in other departments and agencies.

The funding of VETS ensures employment and training services are available for eligible veterans through the Jobs for Veterans State Grants (JVSG) program. Funds are allocated to State workforce agencies through this grant program in direct proportion to the number of veterans seeking employment within their States. Those JVSG funds support Disabled Veterans' Outreach Program Specialists (DVOPs) and Local Veterans' Employment Representatives (LVERs), staff positions in State workforce agencies. These employment services include assisting transitioning servicemembers, their spouses and also employers interested in hiring veterans.

DVOPs provide intensive employment services to disabled veterans with an emphasis on those who are economically or educationally disadvantaged, including homeless veterans. DVOPs are actively involved in outreach efforts to increase program participation among those facing the greatest barriers to employment. In an effort to provide assistance, they visit VA Vocational Rehabilitation and Employment Program offices, VA Medical Centers, veterans service organization meetings; Native American trust territories; military installations and other sites known to have concentrations of veterans or transitioning servicemembers.

LVERs conduct outreach to employers and engage in advocacy efforts with hiring managers in an effort to increase employment opportunities for veterans generally, encourage the hiring of disabled veterans specifically, and assist veterans in gaining and retaining employment. LVERs hold seminars for employers and conduct job search workshops for veterans seeking employment. They also facilitate priority of service for veterans seeking employment, training, and placement services through State workforce agencies.

To meet the specific needs of veterans, to include veterans with a significant impairment in their ability to prepare for, obtain or retain employment consistent with their abilities, aptitudes and interests, DVOPs and LVERs are expected to be familiar with the full range of job development services and training programs available at the State workforce agency "One-Stop Career Centers" and VA's Vocational Rehabilitation and Employment program locations.

In reviewing the FY 2012 budget request as it relates to the VETS State Grants budget, which funds the aforementioned DVOP and LVER positions, a straight line funding request is noted from FY 2010 to FY 2012 of \$165.4 million. Given their current economic circumstances and likelihood that a complete recovery to pre-reces-

sion employment levels will be slow, we believe the JVSG program funding should be increased to ensure sufficient staff are on board to provide the necessary services for a growing population of unemployed veterans.

**FY 2012
CONGRESSIONAL BUDGET JUSTIFICATION
VETERANS' EMPLOYMENT AND TRAINING SERVICE**

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY (Dollar in Thousands)						
	FY 2010 Enacted		FY 2011 Full Year C.R.		FY 2012 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
State Grants	0	165,394	0	165,394	0	165,394
Unemployment Trust Funds	0	165,394	0	165,394	0	165,394

The next area to address is the funding of the National Veterans' Employment and Training Service (NVETS) contract program of the VETS. This program oversees the National Veterans Training Institute (NVTI). The NVTI was established in 1986 and is administered by the University of Colorado at its Denver campus, and at selected sites in the U.S. and abroad. NVTI provides specialized training in veterans' employment including employment service personnel, VETS and State staff, Department of Defense personnel and others. To date over 50,000 veterans' employment and training professionals have attended NVTI training, the only institute providing this training in the United States.

Of the more than 2,000 DVOP/LVER positions nationwide, historically, the annual turnover rate has exceeded 20 percent. This is attributed to veterans initially entering a State's employment system as a DVOP or LVER and eventually finding another position within the State government at higher salaries. This turnover consequently requires new candidates to be trained by NVTI. The DVOP and LVER positions are crucial because they are often the first support contacts newly discharged veterans will have as they make the difficult transition to civilian life.

Because of inadequate funding, the NVTI has performed its responsibilities over the past 2 years with a staff shortage of at least two to three full-time staff members in Denver. This shortage has limited its ability to fulfill additional training requests of VETS and to travel to conduct training in the field. Currently all classes for FY 20 II are scheduled and have staff assignments. However, under Public Law 111-275, the Veterans Benefits Improvement Act of 2010, all DVOPs and LVERs are to be trained at NVTI within 18 months of being hired, instead of the prior standard of 36 months. Consequently, the NVTI will not be able to meet the shortened training requirement without additional staff. We urge DoL to ensure funding of NVTI will be sufficient to meet this new Congressional mandate.

Although the next topic is scheduled for a future budget hearing, I would like to briefly address VETS' redesign of the Transition Assistance Program (TAP), replacing the old program developed more than 20 years ago. This new program may require additional training and support from the NVTI. As VETS redesigns TAP and searches for new avenues to assist veterans with employment, having the option of requesting support from NVTI would be invaluable. It's imperative that NVTI have the funding to provide not only training as currently constructed but also in new ways and to allow VETS to meet its 18-month training obligation under Public Law 111-275.

**FY 2012
CONGRESSIONAL BUDGET JUSTIFICATION
VETERANS' EMPLOYMENT AND TRAINING SERVICE**

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY (Dollar in Thousands)						
	FY 2010 Enacted		FY 2011 Full Year C.R.		FY 2012 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
National Veterans' Employment and Training Service Institute	0	2,449	0	2,449	0	2,449
Unemployment Trust Funds	0	2,449	0	2,449	0	2,449

Adequate funding will ensure DVOPs and LVERs are available to deliver services to veterans. DAV has expressed concern in the past and do so again today, in accordance with DAV Resolution 234, regarding using these professionals to provide services outside of their areas of expertise. Many State employment agencies are utilizing DVOPs and LVERs to work on public assistance-related programs. This practice diverts these personnel from their prime mission, which is to assist veterans with their employment and training needs. These professionals' primary focus must be on the delivery of benefits to eligible veterans as required in the VETS State Grants program. Every effort must be made to ensure their first priority is assisting veterans.

While we are concerned about the proper utilization of DVOPs and LVERs, we must also address their effectiveness when delivering those benefits. A review of the Detailed Workload and Performance table on page 71 of the FY 2012 Congressional Budget Justification for VETS finds target performance measures to provide services to veterans and disabled veterans. Of the 653,000 veteran participants in Performance Year (PY) 2010 and FY 2011, the Performance Measure 1 target was 56 percent of the group finding employment. However, only 46.2 percent were successful according to this measure. In PY 2008 and 2009, the target was 62.5 percent. Performance Measure 4 focuses on disabled veteran participants with a target of 51.8 percent for PY 2010 and FY 2011. However, only 43.9 percent were successful in finding employment as a result of the measure. What is concerning is that the PY/FY 2012 target for Performance Measures 1 and 4 are to be reduced from 56 percent to 45.2 percent and from 51.8 percent to 42.1 percent respectively.

STATE GRANTS

DETAILED WORKLOAD AND PERFORMANCE				
	FY 2010/ FY 2011	PY 2009/ FY 2010	FY 2011	PY/FY 2012
	Target	Result	Target	Target
Workload Item #1—Number of Participants	653,000	624,000	624,000	624,000
Performance Measure #1—Percent of Veteran participants employed in the first quarter after exit	56.00%	46.20%	44.80%	45.20%
Performance Measure #4—Percent of Disabled Veteran participants employed in the first quarter after exit	51.80%	43.90%	41.70%	42.10%

We also note on page 71 of the same document, that the FY 2012 program is expected to operate differently as a result of refocused staff efforts. Particularly concerning was the analysis that showed only 17 percent of participants received intensive employment services. This refocusing effort will result in providing more intensive services to those who likely will have the most favorable outcomes, plus veterans who are older, disabled or recently separated.

While we are interested in improvement of services through a refocused effort, we are concerned about the proposed reduction in performance standards for FY 2012. For example, what data were used to support a reduction in this performance measure? Given the investment by our Nation in training these veterans when they were on active duty and now through the State Grants program, would it not seem more reasonable to focus on increasing the performance measure targets, not decreasing them?

That concludes my testimony. I would be glad to answer any questions you may have.

**Prepared Statement of Raymond C. Kelley, Director,
National Legislative Service, Veterans of Foreign Wars of the United States**

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the 2.1 million men and women of the Veterans of Foreign Wars of the U.S. (VFW) and our Auxiliaries, I would like to thank you for the opportunity to testify today. The VFW is pleased that this Committee is examining the function of the Veterans' Employment and Training Service (VETS) program. The Disabled Veterans' Outreach Program (DVOP) specialists and the Local Veterans' Employment Representatives (LVER) staff are intended to be the frontline, community-based force that is the conduit between employers and veterans. This conduit must be viable and effective.

The VETS annual budget is \$261 million. They are broken down into six accounts, they are:

- **State Grants program:** These grants will support the State Workforce Agencies by employing 2,117 DVOPs and LVERs in FY 2012, to provide employment assistance to veterans.
- **Federal Administration:** The Federal employees are tasked with the oversight of the VETS programs, investigating USERRA and veterans' preference claims and education and outreach regarding USERRA and veterans' preference.
- **Veterans Workforce Investment Program:** This is a community-based program that has awarded grants that range from \$270,000 to \$500,000 per year to provide transition and employment assistance to veterans within their communities. In FY 2010, VETS funded 22 programs.
- **National Veterans' Employment and Training Service Institute:** Operated through the National Learning Center at the University of Colorado, Denver, the institute provides 26 courses aimed at providing job-specific skills training for veterans' employment specialists.
- **Homeless Veterans Reintegration Program:** Awards grants in five key areas to help homeless veterans receive job skills training. These programs are community-based. It is expected that these grants will provide funding for 162 programs and assist nearly 27,000 veterans.
- **Transition Assistance Program:** In 2010, as a supplement to the traditional TAP program, an Employment Workshop program added a two and one-half day workshop for transitioning veterans and their spouses. The workshop includes procedures for obtaining verification of job skills and experience, civilian workplace requirements, employment and training opportunities and resume, application, and standard forms preparation.

The VFW views veterans' employment as one of its top priorities, and maintains a national resolution providing our support for a "viable and effective veterans' employment and training system" and that the "program must be held accountable for the effectiveness of the services provided." This hearing is just the beginning of determining the effectiveness of the VETS programs and what should be done to improve the employment services for veterans.

The Grants Program absorbs a large majority of the VETS budget, \$165.4 million. VFW has identified several issues that have caused the program to lack efficiency and effectiveness.

- The method that is used to determine the amount of funding that will be provided to each State appears to present a reverse incentive for productivity.
- Many of the services provided by DVOPs and LVERs are duplicative in nature.
- Ill-defined job descriptions have caused DVOPs and LVERs to focus on tasks that should be performed by others.
- Difficulties in oversight and performance measures development and adherence has made accountability difficult at best.
- Poor outreach to the veteran community impacts awareness and participation.

Funding for DVOPs and LVERs is based on a formula that averages two ratios. The first is the number of unemployed in each State compared to the number of unemployed nationally, and the second is the number of veterans who are employed in each State compared to the number of veterans who are employed nationally. With these ratios, percentages are determined and funding distributed to the States. This method provides less funding for high performing States. VFW regards this funding method as a reverse incentive. If States are being funded and DVOPs and LVERs are hired and retained through this method, it is easy to see that changing the ratio of employed veterans in the State will change the percentage of funding provided through the grant. So, improving veterans' employment will reduce the amount of funding received and jeopardize the number of DVOPs and LVERs a State can employ. This funding method must be reviewed to ensure DVOPs and LVERs are incentivized to assist veterans, and not weigh increased productivity as a threat to preserving their own jobs.

One percent of the grant funding is reserved for work incentives. Current work incentive awards are based on improving the provisions of services in general and not necessarily on employment outcomes. Also, more than one-third of all States will not allow work incentives to go to employees due to State policy restrictions or union agreements. These incentives must be tied to performance and all employees must be included in the incentive program.

The majority of DVOPs and LVERs are co-located with other program providers at State workforce One-Stop Career Centers. There are at least twelve other State Workforce Agency-funded programs that provide priority to veterans, and provide similar and often the same services as the DVOPs and LVERs. The Wagner-Peyser program, which was amended in 1998, provides job-seeker assistance through job referrals, recruitment service with employers, arranging job fairs, identifying job skill gaps, and directing potential employees to training. These services closely reflect many of the services provided by LVERs. The overlap and nearly equal effectiveness of these services is seen when the data from DVOPs and LVERs is compared to the data from the Wagner-Peyser funded program. The Entered Employment Rate (EER) and the Employment Retention Rates (ERR) are within 3 percent of each other. These programs must be reviewed for overlap of services to ensure finite resources can be better utilized.

Also, VETS and VA's own Vocational Rehabilitation and Employment (VR&E) program have a Memorandum of Agreement (MOA) in place to reduce redundancy. It is unclear to VFW if this MOA has truly reduced duplication or if it is an effective method of providing services to disabled veterans. VFW requests a review and evaluation of this MOA to ensure its effectiveness in reducing redundancy and its efficiency in providing the highest quality job training and placement for our disabled veterans.

The intent of the DVOP program is to provide intensive services for veterans who have employment barriers. These barriers can include disabilities, long periods of unemployment, and incarceration. However, the performance data that was collected in FY 2009 found DVOPs provided intensive services only 17 percent of the time. Performance reporting also shows that DVOPs are conducting LVER-type job duties. LVERs are tasked to build relationships with local employers and connect them with veterans who are entering the job market, as well as provide briefings at Transition Assistance Program (TAP) events. But it appears that LVERs are also assisting veterans who should be seen by DVOPs. Both DVOPs and LVERs assist in conducting TAP briefings, a job that is intended for LVERs. VFW suggests a study be conducted to identify the difference between the currently defined scope of work and the actual work that is conducted by DVOPs and LVERs to ensure that time and resources are being used as intended.

Oversight of VETS is critical. The Secretary of Labor must submit his or her annual reports in a timely manner, as specified by Chapter 41, title 38. Also, DoL must also apply performance standards that truly judge the effectiveness of the VETS grants. Without proper standards in place, we will never know what is working and what is not.

A 2007 Employment History Report, conducted for V A by Abt Associates, found that only 21 percent of recently separated veterans used any type of employment assistance from State employment agencies. The majority, 51 percent, used Internet job searches. Veterans must be made aware of the services that are available to them in their local community. If only 1-in-5 training or job seeking veterans use DVOPs and LVERs, there must be a large communication barrier between the program and veterans. VFW believes more emphasis must be placed on explaining these services during TAP briefings, as well as in the local communities where the DVOPs and LVERs provide services.

The 227 employees of VETS' Federal Administration have a wide range of responsibilities, starting with investigating approximately 1,500 Uniformed Service Employment and Reemployment Rights Act (USERRA) violations and nearly 700 veterans' preference claims each year. Education and outreach on USERRA and veterans' preference reaches roughly 106,000 individuals, as well. VETS reports they have nearly reached their strategic goal of closing 87 percent of all USERRA investigations within 90 days. However, there is no indication within these strategic goals of the outcome of the investigations. VFW would like to see a USERRA strategic goal that tracks investigation outcomes of suspected employment violations.

VETS also oversees the TAP Employment Workshops and National Veterans Training Institute (NVTI). I will discuss these programs later in my testimony.

The Federal Administration also conducts oversight of the Jobs for Veterans State Grant, the Homeless Veterans' Reintegration Program, and the Veterans' Workforce Investment Program (VWIP). Their responsibilities for these programs are the same: To make site visits, provide technical assistance on operations of the grants, and to review the grant plans and financial and operational reports. Currently, there are 236 grant recipients, and VETS' strategic goals reflect a 100-percent achievement on all three programs. However, there are no strategic goals that reflect how effective these programs have been. VFW suggests that performance measures be developed to better track success, and to use those results to determine the continuation of existing grant awards, as well as to build best practices for future award recipients.

VFW conducted a phone survey over the past week with grant recipients of the Veterans' Workforce Investment Programs. Many of the grantees also receive grants from VETS through the homeless veterans program as well. In some cases, grant recipients were given as much as \$500,000, but only provided services for 70 or fewer veterans. This is a cost per participant of more than \$7,000. In other cases it appears that grantees are performing much better, providing services for 200 or more veterans, which brings the cost per participant down to DoL's reported \$1,700. However, it is unclear to VFW how reporting of veteran participation within programs that are awarded multiple grants through different VETS' grant programs are separated. Do reports show how many different veterans are helped though which grant or do they report, as an example, 100 veterans being helped though the workforce grant and 100 veterans being helped though the homeless grant, even though it uses the same 100 veterans? When combining the total grant awards just from VETS, organizations received up to \$1.4 million dollars. If this is the case, those that are providing services to 300 veterans though the Workforce grant and Homeless grant combined would have a cost per participant of \$4, 100 per veterans served, and the number becomes much worse for organizations that assist 70 or fewer veterans. It must be made clear in their reporting of how many veterans are served by each grant.

VETS does conduct annual site visits of all VWIP and HVRP grant recipients. However, there are no strategic goals in place to report on the productivity of the grantees' programs. VFW believes that VETS must establish and report on performance measures that show the productivity of these programs, and funding must be discontinued for programs that are not reaching those performance goals.

The National Veterans Training Institute provides training to veteran employment and transition service providers. There are currently 26 courses offered that can be provided on-site as part of a conference or meeting, or as a stand-alone class. Many of these courses can also be provided online, which reduces cost. These courses are critical to the function of DVOPs and LVERs; however, there is no testing involved ensuring that participants truly understand the information. In a phone interview with NVTI, it was stated that the programs are set up to allow participants to absorb as much information as they can. This concerns VFW. It is obvious that training is important so the best services can be provided to veterans, but without ensuring the information is retained, we are doing our veterans a disservice. VFW believes it is critical that an information retention assessment must be performed for two reasons: First, to make sure those taking the classes understand the information and secondly, to see if there needs to be improvements in the delivery of the material.

The Veterans Homelessness Reintegration Program (HVRP) provides grants for six assistance categories: General homeless veterans, homeless female veterans and homeless veterans with families, incarcerated veterans, technical assistance, and stand downs. In FY 2012, HVRP will grant 162 awards ranging from \$83,000 to \$750,000. Nearly all of the award recipients in the Veterans Workforce Investment Program also receive grants from HVRP. As stated, it is unclear to VFW whether grantees differentiate between grant awards when reporting the number of veterans assisted through this and other grant awards. Also, there are no strategic goals that report on grantees' performance. The end goal of the HVRP is to provide training and employment opportunities for homeless veterans. VFW suggests that performance measures be established to identify the number of veterans who gain employment through these grant programs, as well as clarify the number of veterans helped by removing any duplication of veterans served between grant programs.

The TAP program has been expanded and improved with the recent addition of the Employment Workshop program. In FY 2010, VETS was funded and served nearly 130,000 transitioning servicemembers and their spouses at more than 4,000 workshops. VFW suggests that performance measures and post-workshop surveys be developed to ensure positive outcomes for the veterans who use this program. VFW also recommends that this program be expanded to serve more transitioning servicemembers as well as veterans who have already left the service.

VFW believes the intent of VETS is necessary in helping veterans transition from military service to civilian life. However, if the program isn't reaching the outcomes that are intended, we must look at the entire process, evaluate the effectiveness and efficiency and make the necessary changes to provide effective job skills training and career placement of our Nation's veterans. There must also be an examination of the duplicative nature of the VETS grants and other DoL grants that are in place to achieve the same goals.

Mr. Chairman, this concludes my statement. I would be happy to answer any questions that you or the Members of the Committee may have.

**Prepared Statement of Robert W. Madden,
Assistant Director, National Economic Commission, American Legion**

Executive Summary

The American Legion sees the current economic downturn and the recently released numbers of unemployed veterans, as an opportunity for the Federal Government to provide the transitional services that disabled and recently returning veterans so need in this financial climate. The necessity for proper training and career guidance is ever present with our Nation's heroes and with the responsibility is a need for proper implementation.

The Department of Labor (DoL) Veterans' Employment and Training Services provides the training and outreach for veterans who are seeking employment. This essential mission is provided through the Jobs for Veterans State Grant Program. The American Legion contacted various States in order to get a glimpse into how each State implements their own program and the challenges they may face. These contacts underscored an overall lack of consistency and implementation including various open positions for DVOP/LVER's, lack of funding for the program, limited resources provided to eligible veterans and questionable responsibilities and duties of each DVOP/LVER.

Furthermore, based on budget justification provided by DoL and performance indicators, The American Legion questions the continued funding and support of State grants to recipients either not fully compliant with or held accountable to the standards and guidelines of the Federal law.

The American Legion suggests recommendations to better assist the States and to provide the best resources to veterans who are eligible for this program.

- *Appropriate \$166 Million for the State Grant Program.*
- *Transfer all DVOPs and LVERs from the State Agencies to DoL-VETS for supervision and oversight.*
- *Provide adequate oversight and scrutiny to guarantee grants are meeting the requirements and provisions of existing laws.*
- *GAO conduct an investigation and review of the Jobs for Veterans State Grant Program to investigate the inconsistencies of the program.*

The American Legion believes a thorough and proper investigation into multiple States will provide DoL-VETS with the information they need in order get the pro-

gram back on track and provide veterans with the best possible service they so dilly deserve.

Mr. Chairman and Members of the Subcommittee, The American Legion thanks you for this opportunity to present its views on fiscal year (FY) 2012 budget issues regarding the State Grant Program for Department of Labor Veterans' Employment and Training Service (VETS).

The mission of VETS is extremely critical and timely. Veterans of the Iraq and Afghanistan wars face unemployment at a rate of over 15 percent, two thirds higher than the national average, according to figures released in February by the Bureau of Labor Statistics (BLS). The problem is also getting worse. The same statistics from BLS noted that the rate of only a year ago was 12.6 percent. To stem the growing tide of veteran joblessness requires immediate and decisive action. The American Legion urges Congress to adequately fund veterans' employment, training and placement programs so well-deserving veterans can successfully transition to their civilian careers after they complete their military service.

The VETS program is essential for its unique mission to serve both the employer and the veterans seeking employment within that community. For some veterans this assistance is important because they served in the combat arms and they possess military skill sets employers do not realize are readily transferable to the civilian labor market. For others, this assistance helps leverage the significant "soft skills" acquired through service in the areas of leadership, strategic planning, risk assessment and management. The essential role of the VETS State grant program combines these to demonstrate to the employer the skills of the veteran and assist the veteran in exhibiting his/her unique background to a prospective employer.

JOBS FOR VETERANS STATE GRANT PROGRAM

The DoL-VETS Jobs for Veterans State Grant Program (VSGP) was funded \$165 million for FY 2010 and the continuing resolution currently funds the program at \$166 million. The President's budget requested \$166 million for FY 2012. The American Legion supports the existing budget proposal amount and yet questions if the existing implementation of the program adequately supports the end goal of employing veterans when figures clearly show the unemployment situation among veterans is growing more dire.

The VSGP is funded to provide advanced or intensive services to veterans seeking employment. Through the law, regulations and training, those services offered to unemployed veterans are to be beyond that offered to the general non-veteran who seeks employment through the State employment centers. Yet analysis of 2009 performance data indicated only 22 percent of veterans received these intensive services. Corresponding employment of veterans was only slightly greater despite the resources offered under VETS program. Not only were the veterans not receiving the intensive services funded by the VETS program, but the services they were receiving were no more successful than those for unemployed non-veterans. This further supported a 2003 study that demonstrated older veterans, disabled veterans and recently separated veterans have more favorable outcomes when provided intensive services.

In light of these studies, within the Department of Labor's FY 2011 Congressional budget justification, the argument was advanced that outlined a refocus on the VETS delivery model. Now within the FY 2012 justification further merit is given to refocusing of VETS programs to intensive delivery systems. The American Legion remains concerned on why this has been delayed for so long and how it will truly be implemented. While Congress and DoL continue to provide the State grants, who holds the States accountable for implementation?

According to the Bureau of Labor Statistics in February 2011, the unemployment rate for Operation Enduring Freedom (OEF)-Operation Iraqi Freedom (OIF) veterans is 15.2 percent and has been rising for 4 months. This statistic puts into question the effectiveness of the State Grant Program. It does not appear the States are adequately providing all the services they should to eligible veterans who are seeking job assistance, such as resume writing, nor are the States conducting outreach activities to local employers to promote the hiring of veterans.

In order to better understand the situation, it is best to examine a concrete example in the form of a single State. The State of Nevada's unemployment rates have eclipsed or led the Nation in the most recent recession. What once was a booming economy with the lowest unemployment in the Nation is now suffering unimaginable devastation across the public and private sectors. To exacerbate matters, DVOPs and LVERs have had to endure furloughs, travel restrictions, and other "administrative reductions" to reduce State budgets while needing to provide services

to the unemployed veterans. In this way, Nevada is not much different than many other States.

During the past 3 years, the VETS grants for Nevada have annually increased from \$1.113M in 2008 to \$1.657M in 2011. From a cursory review, one might applaud the increased grants provided to such a dire economy, but was the increase worthy of the investment? Did the increase enable more personnel to support the veterans? Was the money received by the State pushed to serve the veterans? Since Nevada had a hiring freeze, a 4.5 percent pay furlough, and travel restrictions, did those savings leverage more staff? Only a detailed audit of those records and the grants performance could verify a claim of improved performance, but from the outset, the overall numbers remain less than encouraging. Nevada's unemployment rests at 14.6 percent.

Moreover, Nevada's actual internal performance indicators demonstrate this disconnect and the need for a refocus. During FY 2010, Nevada established a 65 percent goal for veterans securing employment. This was identical to their 65 percent goal for non-veterans securing employment. State budget records indicate they fell far short of this goal with only 47 percent of veterans securing employment. More unfortunate is that this number was less than the 49 percent of non-veterans who were successful in securing employment during the time period. So with a uniquely funded program aimed at only veterans, veteran employment was no greater than the usual employment programs.

Nevada is but one State in the overall implementation of the State Grant Program, but the methods they used to decrease State budgets through furloughs, travel restrictions and hiring freezes were not unique. Through those administrative changes on a State level, the performance indicators and success in employing veterans suffered. Yet without the ability to carefully track and push for improved focus and services for veterans, DoL must continue to fund the status quo rather than the results of veteran employment.

The American Legion challenges the norm where a State is allowed to provide the same goal for veteran employment as non-veteran employment, not reach that goal, and continue to see an increase in their overall grant allocations. Without adequate oversight and control of the implementation at the local level, this grant program merely supplements the resources offered to the unemployed rather than provide additional veteran employment resources.

The Jobs for Veterans State Grant Program is staffed by Disabled Veterans Outreach Program (DVOP) specialists and Local Veterans Employment Representatives (LVERs) who are each responsible for carrying out a very specific mission. DVOPs provide basic career guidance to qualified veterans and servicemembers and LVERs provide job development for veterans by finding potential employers. One area Congress should investigate is whether the one-stop career centers need to have a transparent form of measurement available to the public. These reports should include the number of individuals they see on a daily basis and what types of assistance the veterans were provided. True transparency and accountability are essential to ensure public confidence that the money invested is achieving the desired goal.

The American Legion recommends DoL monitor the staffing levels for DVOPs and LVERs to match the needs of the veterans' community in each State coupled with the performance indicators and success. Staffing levels should not be based solely on the fiscal needs of the State government. Adequate funding will allow the programs to increase staffing to provide the comprehensive case management and job assistance required to provide employment to service disabled and other eligible veterans.

The States are where the "rubber meets the road"; and in terms of implementing the Jobs for Veterans State Grant Program. They are responsible for carrying out the program mandates, but are not always maintaining the same level of reliability. For example, the State of Texas has spoken on the loss of focus in its State Grant Program. Resources are minimal, due to the program being flat-funded and have caused staffing levels to dip to severe numbers. Creating a robust State Grant Program in Texas means appropriating enough funds to maintain a growing program given the military presence in that State. Recently returning veterans and the economic recession have created a new class of unemployed veterans there who are in need of guidance and proper training.

Due to the lack of funding, that the American Legion has found State budgets have been cut limiting the access DVOPs and LVERs have to the remote veterans particularly in largely rural areas. DVOPIL VER travel is down as well and this lack of travel ultimately prevents contacting rural veterans who might not be aware of this program, as well as employers who cannot receive necessary education regarding the program. Without the DVOPs and LVERs traveling and maintaining

contacts in rural areas and with potential employers, their ability to provide the grant administration needed for the veterans they serve is severely diminished.

American Legion experience in Florida indicates high personnel turnover of DVOPs and LVERs due to the State shortfalls in pay and funding. This lack of funding on a regular basis contributes to the ever-growing challenge of lack of program consistency amongst all the States. Both a high turnover and large numbers of vacancies in the States for the DVOPIL VER positions and the lack of State focus for the program as a whole are major hurdles and a challenge that this program must address.

RECOMMENDATIONS

The State Grant Program has the potential to be an effective and successful means to provide transitioning service-connected disabled veterans and other eligible veterans' gainful employment. This program is one way the Federal Government can equip these servicemembers with valuable resources in their search for civilian success. In order to make this a premier program that veterans will seek out and utilize, The American Legion makes the following recommendations:

- *Appropriate \$166 million for the State Grant Program,*
- *Transfer all DVOPs and LVERs from the State Agencies to DoL-VETS for greater supervision and oversight.*
- *Adjust staffing levels to meet the needs of State veterans' community, not merely the fiscal needs of the States,*
- *Initiate a GAO investigation on the Jobs for Veterans State Grant Program, to ensure the program is properly serving eligible veterans.*

**Prepared Statement of Richard F. Weidman,
Executive Director for Policy and Government Affairs,
Vietnam Veterans of America**

Good Morning, Mr. Chairman, Ranking Member, and distinguished Members of this panel. On behalf of our National President, John Rowan, Vietnam Veterans of America (VVA) thanks you for the opportunity to appear here today to express our views on this vital veterans' issue of how well the Local Veteran Employment Representative (LVER) program and the Disabled Veteran Outreach Program (DVOP) is working, particularly for disabled veterans, recently separated servicemembers, and those veterans most at risk. My name is Rick Weidman, and I currently serve as Executive Director for Policy & Government Affairs for VVA.

Vietnam Veterans of America (VVA) has repeatedly advocated the "wellness" model as the paradigm toward which all of the programs, benefits, and services for should be aimed. What this means is that it is the duty of the people of the United States, through our government institutions and with our community resources, to do everything possible to restore the men and women who have placed their lives on the line in the common defense to the highest degree of autonomy and functioning possible following that military service.

Said another way, all of us should be using a "holistic" view of the physiological, neuro-psychiatric, and psycho-social aspects of health of all returning veterans, but particularly disabled veterans. The "litmus test" of achieving the highest degree of "wellness" possible for veterans of working age is the ability to obtain and sustain meaningful employment.

While VVA still believes that the Nation's health care system for veterans is still under-funded, despite strong increases this year, and that the organizational capacity of the VHA is not yet adequate to meet the full range of legitimate needs of the eligible veterans' population, the simple fact is that we as a Nation *do* spend billions every year on health care, readjustment counseling, vocational rehabilitation, educational benefits, post-traumatic stress disorder treatment, substance abuse treatment, and numerous other programs designed to assist veterans. However, if the veteran is not assisted to obtain and sustain meaningful employment, then there is no "payoff" for the individual or for the Nation.

It is because of this centrality of obtaining and securing meaningful employment at a living wage is in the readjustment process, particularly of our newest veterans, that what this panel does is so key to a "pay-off" of all of the rest of the efforts extended by our Nation.

As you know, the DVOP and LVER programs operate at the State level through Federal grants from VETS. For far too long, VVA has observed a significant disparity in the levels of performance between the varying States. Some States, such

as South Carolina, do a great job. Others do not perform as well, and some might appear not to care whether they do a good job or not. They get the same amount of money whether they do a good job or not they do a good job or even try to do a reasonably sufficient job.

Please let me note that I cannot emphasize too much that nothing in this statement should be taken as a criticism of DVOPs and LVERs. Some of the finest and most dedicated veterans' advocates (and finest people, period) I have ever had the pleasure and honor of knowing are DVOPs or LVERs. These folks are eclectic, as any large group would be, and some are more skilled and effective than others. However, as a group, I am always impressed by these fine Americans who do often do great work, no matter what they have to do to accomplish the mission, and no matter how much they may be punished for trying to do their job correctly, and despite how poorly they are paid in some States.

Just as there are many individual veteran staff who are doing a great job, there are some States, like South Carolina, North Carolina, South Dakota, North Dakota, and others who have always done a great job for veterans because it is ingrained in their corporate culture by consistently having fine State leadership that is committed to veterans over a long period of time. There are also individual office managers who fully support services to veterans, and who go out of their way to support the DVOPs and LVERs in their area, as well as using other resources to help get the job done.

Similarly, the several GAO reports in the last 5 years note that a veteran can receive services from a non-DVOP or non-LVER if they are considered job ready. VVA agrees that this should be the case, given that "priority of service" has been re-established as the law. However, there are so few what is called "Wagner-Peyser" staff left out there, So, as a practical matter almost all veterans are sent to the veteran's staff.

The system is actually even more "broken" today than it was before the passage of the Jobs for Veterans Act in 2002 (which originated in this Subcommittee), with even more financial and operational problems. It is still not performance and results oriented in any meaningful way, nor is it meeting the needs of veterans in need of the services it ostensibly provides.

Due to a decision by the Employment & Training Administration (ETA) the current measure of "placements" is intellectually and otherwise dishonest, and a preposterous example of the "post hoc, ergo proper hoc" logical fallacy. Just because someone registered with the public labor exchange, and then gets their own job with no help from that State employment security agency (sesa) does not mean that sesa did anything meaningful toward securing that position. But that is what happens when the sesa compares the Social Security numbers of their registrations with the UI tax rolls, which is what they do today. Service disabled veterans, particularly those coming home from today's wars, and veterans with significant barriers to employment are even more short-changed today than they were in 2002. The former Secretary of Labor put the former Assistant Secretary of Labor for ETA in charge of implementing the Jobs for Veterans Act. Given the history of ETA, it should come as no surprise that this well meaning law does not work as intended by this body.

We have needed a true national strategy to deal properly with the returning servicemembers for some time now. The last truly national veterans' employment conference was held in Buffalo, New York in May, 1991.

Further, what is needed today is a system that focuses on placement (real placements, not the dishonest nonsense that Labor is currently using) of the highest priority veterans, who are special disabled veterans (especially catastrophically disabled veterans), recently separated veterans and recently de-mobilized members of the National Guard and Reserve, and on veterans who are homeless or "at risk."

We must get away from the notion that this is a "cheap" process, and focus on quality placements for those most in need.

Inadequate coordination between DoD and VA in regard to all aspects of care for seriously disabled returning veterans, but particularly with regard to VA Vocational Rehabilitation continues to be a significant problem. It be fruitful for the Committee to look into whether all of the recommendations of the GAO Reports have been implemented, and how that coordination affects the VA/DoL relationship. VVA would suggest that the Committee take steps to verify any quick answers you receive from DoD or VA regarding these recommendations.

We must insist on real collaboration and cooperation between DoL-VETS and VA, to include both VA Voc Rehab and the Readjustment Counseling Service (VET Centers) at both the national as well as the State/local level. This written comprehensive plan of action, as recommended repeatedly by the GAO, must be specific, be able to be measured, and have a mechanism for managers to be held accountable for actual improvements in performance. In some areas of the country this relation-

ship has improved, but it needs to be made consistent, and be measurable (and actually measured) in every area of the country, with appropriate rewards and sanctions for managers involved on the VA side and on the DoL side.

There simply must be a viable national strategy developed to deal with employment of the returning servicemembers from the Global War on Terrorism. While there is a commendable plan by the President and the Director of Office of Personnel Management to bring more veterans, especially disabled veterans into Federal service, it is the private sector that we need involved in a major way. As we come out of this recession and employers start hiring again, there must be a public/private effort ready to move veterans, particularly disabled veterans to the head of the line.

More than one and one half million servicemembers have already rotated through Iraq alone, many of them two or three times. If the Administration will not move to fashion such a results oriented plan, then we call on you, Mr. Chairman, and your colleagues on both sides of the aisle and both sides of Capitol Hill, to reach out and call a convocation of public and private entities to put together a real action plan to make a difference, as was done after World War II.

The veterans' staff members need to be made Federal employees, answerable to the Federally funded State Director of VETS. VVA has come to this conclusion reluctantly, after trying for 25 years to make the relationship with the State employment services agencies work. The State agencies have known that it might come to this for a decade, yet there has been no movement by them to "clean up their act." We simply cannot waste any more time, as the returning veterans deserve and need employment services that work, and they need those services now.

Although it is not popular to add to the Federal workforce, this is something that must be done now. It is not only the right thing to do for these fine young veterans, but it is a necessary thing to do. It is in fact a matter of national defense.

We must think anew, and then act swiftly, in order not to fail the brave young men and women defending us in military service today, and those who are still recuperating from their wounds who are already home.

Mr. Chairman, on behalf of all of us at VVA, I thank you and your distinguished colleagues for the opportunity to present our views here today. We would be pleased to answer any questions.

**Statement of Christina M. Roof,
National Acting Legislative Director, American Veterans (AMVETS)**

Chairman Stutzman, Ranking Member Braley and distinguished Members of the Subcommittee, on behalf of AMVETS, I would like to extend our gratitude for being given the opportunity to share with you our views and recommendations regarding the President's budget request for Fiscal Year 2012 regarding veterans employment and training services.

AMVETS feels privileged in having been a leader, since 1944, in helping to preserve the freedoms secured by America's Armed Forces. Today our organization prides itself on the continuation of this tradition, as well as our undaunted dedication to ensuring that every past and present member of the Armed Forces receives all of their due entitlements. These individuals, who have devoted their entire lives to upholding our values and freedoms, deserve nothing less.

By way of background, the U.S. Department of Labor, Veterans' Employment and Training Service (VETS) offers employment and training services to eligible veterans through a non-competitive Jobs for Veterans State Grants Program. Under this grant program, funds are allocated to State Workforce Agencies in direct proportion to the number of veterans seeking employment within their State. These grants support two primary programs and positions, the Disabled Veterans' Outreach Program (DVOP) and the Local Veterans' Employment Representatives (LVER).

The original intent of the DVOP and the DVOP Specialists was to provide intensive services to meet the employment needs of disabled veterans and other eligible veterans, with the maximum emphasis directed toward serving those who are economically or educationally disadvantaged, including homeless veterans, and veterans with barriers to employment.¹ Furthermore, DVOP specialists are required to actively be involved in outreach efforts to increase program participation among veterans with the greatest barriers to employment which may include but should not be limited to: outplacement in Department of Veterans Affairs (VA) Vocational Re-

¹http://www.dol.gov/vets/programs/empserv/employment_services_fs.htm

habilitation and Employment Program offices; VA Medical Centers; routine site visits to Veterans' Service Organization meetings; Native American Trust Territories; Military installations; and, other areas of known concentrations of veterans or transitioning servicemembers.² Along this same premise the LVER's were founded on the principles of having nationwide local representatives conduct outreach to employers and engage in advocacy efforts with hiring executives to increase employment opportunities for disabled veterans and to assist veterans in gaining and retaining employment.

Currently, the law states any contract in the amount of \$100,000 or more entered into by any Federal department or agency for the procurement of personal property and non-personal services, including construction for the United States government, contains a provision requiring that the party contracting with the United States take affirmative action to employ and advance in employment qualified disabled veterans, veterans who served during an action for which a Campaign Badge was authorized, veterans who received armed Force Service Medal and recently separated veterans. This also applies to any subcontract entered into by a prime contractor in carrying out any contract for the procurement of personal property and non-personal services, including construction for the United States government. Each contractor holding such Federal contracts is required to list all of their suitable job openings with the appropriate local service delivery site, such as DVOPs and LVERs, however, this does not apply to Federal grants or other monies received not as the result of a Federal contract. These requirements pertain to job openings that exist at the time of the execution of the contract and those that occur during the performance of the contract.³

Furthermore, The Federal Contractor Job Listing Program (FCJLP) requires the listing of job openings with local service delivery sites and consideration of employment service referrals at least concurrently with the use of any other recruitment source, including the employer's own applicant files, and involves the normal obligations which attach to the placing of a bona fide job order, including the acceptance of referrals of veterans and non-veterans. The listing of the opening does not require the hiring of any particular job applicant or any particular group of job applicants. It is the policy of the Employment Security Department (ESD) to develop job opportunities for veterans and "Other Eligible Persons" through the utilization of the FCJLP. However, due to the lack of oversight and auditing for compliance by the Office of Federal Contract Compliance and Procurement (OFCCP), the ESD is failing to get the DVOP and LVERs the most updated listings of local Federal contracts, and thus veterans are missing out on employment opportunities. AMVETS believes the OFCCP needs to be playing a more active role in the oversight of Federally awarded contracts to ensure the contractors are actually employing the required number of veterans.

Now, if the DVOP and LVER specialists do receive the FCJLP listings, this is when they are supposed to act. Upon notification of the initial contract award, the LVER or DVOP specialist staff should be immediately scheduling a visit with the employer to explain the veterans' preference laws, ESD's referral services and to emphasize ESD's willingness to assist them with their efforts. Employer records are set up for each Federal contractor upon notification of the contract award. All initial contacts should be recorded on the employer record with the following notation: "Discussed FCJLP." Sadly this is not occurring at the majority of DVOP and LVERs. Problems such as ESD not being able to reliably gain the labor market information to share with the DVOP and LVERs, the inability to ESD and the DVOPs and LVERs to access what Federal contracts have been awarded in their local areas and the inability to gain access to the VETS-100 listings are proving to be a huge hurdle in finding gainful employment for their veteran clients. It is the belief of AMVETS that the DVOP and LVER specialists have moved from their intended roles of employment specialist to that of simply "people processors" who rarely leave their offices.

The last stage of the specialist in aiding veterans in gaining employment is to make subsequent contacts on an annual basis, at minimum, as long as the employer has a Federal contract, either by a personal visit, telephone call or letter. It is the responsibility of each LVER to ensure an accurate and up-to-date master listing of Federal contractors is constantly updated, maintained and used by all staff with order-taking responsibilities. AMVETS again questions if this is actually occurring at every DVOP and LVER.

LVER and DVOP funding under 38 U.S.C. Section 4102 (A), Subsection (B) states that the Secretary of Labor shall make available to each State with an application

² http://www.dol.gov/vets/programs/empserv/employment_services_fs.htm

³ http://www.wa.gov/esd/policies/documents/4034.htm#lver_dvop_resp

approved by the Secretary an amount of funding in proportion to the number of veterans seeking employment using such criteria as the Secretary may establish in regulation, including civilian labor force and unemployment data, for the State on an annual basis. The proportion of State LVER funding will reflect the ratio of:

- The total numbers of veterans residing in the State that are seeking employment; to
- The total number of veterans seeking employment in all States.

Paragraph 5 of the aforementioned law also calls for the continued monitoring and supervising of the distribution and use of funds provided for use by the States. AMVETS believes that this is not occurring, due to the lack of control DoL VETS is afforded on the Federal level.

Furthermore, AMVETS believes that the current metrics used to measure the success and thus the data used to review which locations are meeting their goals are ineffective and misleading.

For example, AMVETS strongly believes the following measurement tools to actually be more detrimental to veterans than they are helpful to identifying successful practices with DVOPs and LVERs:

- Any veteran who simply enters into a DVOP or LVER either for assistance or just information is recorded as a “veteran having received counseling.”
- Any veteran who finds employment without any assistance from the DVOP or LVER is considered a successful placement and is thus reported by the DVOP or LVER as a positive termination.

To stay compliant with the Government Performance and Results Act, DoL VETS must implement stronger oversight and tracking of funds. AMVETS believes that due to the current state of the entire DVOP and LVER system this must occur through the Federalization of the programs. Furthermore, AMVETS strongly believes the current DoL Assistant Secretary of the Veteran Employment Training (VETS) program, Mr. Raymond Jefferson, displays the attributes needed to lead this program on the Federal level. He displays all of the necessary knowledge, true understanding and drive to see all veterans succeed. However, the VETS Assistant Secretary is currently restricted by current laws and regulations in the amount of oversight they may have and what consequences for non-compliance they can enforce. This is why we believe the Federalization of the DVOPs and LVERs is also necessary.

AMVETS strongly believes that as we go into our 10th year of fighting wars on multiple fronts it is of the utmost importance to afford our Nation’s returning war fighters every opportunity to receive training and assistance in gaining and sustaining quality employment.

And, while AMVETS applauds the initial and intended functions of both the DVOPs and LVERs, we believe the programs to currently be lacking in oversight and effectiveness. While the mission of VETS is to provide veterans and transitioning servicemembers the resources and services needed to succeed in the workforce and to sustain gainful employment, AMVETS believes that somewhere along the way the programs under VETS have gone astray from their intended purposes. AMVETS is not necessarily placing blame on the entire VETS program and leadership, however someone must be held accountable to protecting the integrity and intended purpose of the DVOP and LVER programs. AMVETS believes if the government continues to provide Federal funding there must be centralized Federal oversight of the entire DVOP and LVER program on the Federal level under DoL VETS. We must start tracking funds and goals in a manner that will provide the most functional way of eliminating waste and improve short falls.

AMVETS makes the following recommendations to the Subcommittee in an effort to restore the DVOP and LVER programs to their originally intended and necessary purpose:

1. Due to the fact veterans are not currently getting the help we are paying for in the DVOP/LVER program, AMVETS recommends the Federalization of the DVOP and LVER requiring all DVOP and LVER personnel be Federal employees under the oversight and direct management of the Assistant Secretary of Labor for Veterans Employment & Training. This will provide stronger oversight of performance and distributed/awarded grant money.
2. Redefine Entered Employment Rate (EER) and Employment Retention Rate (ERR) for all veterans and have systems in place that will provide the strictest of oversight of the new definitions.
3. Funding and grant money should be based on performance. Through this you will reward the program sites meeting the goals and indirectly make the lower

performing program locations and specialist work harder in order to meet goals and receive Federal funding.

4. Higher and measurable performance metrics must be set which will quantify the effectiveness of services provided to veterans by the complement of Disabled Veterans' Outreach Program (DVOP) specialists and Local Veterans' Employment Representative (LVER) staff in each State and such funding should be based around these measurable performance levels.
5. Strict enforcement of mandated performance standards as set forth by 38 U.S.C., §4102A, as well as regular unscheduled visits and program audits to determine the strengths and weaknesses at every location. AMVETS believes this will ensure equal access to quality programs and staff, regardless of where they reside within the United States. Furthermore, we believe these type of internal and external review audits will prove to be the most fiscally responsible way of eliminating waste, identifying duplication of effort and identify personnel not performing their job as mandated by the programs. But more importantly, these easily achievable and functional reviews will identify what is working and what is producing the most successful results. This is what we are striving for, identifying best practices that are providing measurable results and improving the quality of life of all the veterans they serve.
6. DVOPs and LVERs should be Federalized, even if only temporarily, to provide the much needed oversight required to identify weaknesses, strengths, waste and duplications of efforts.

In closing, I want to make it clear that AMVETS is in no way recommending that the DVOP and LVER funding or grants be cut, rather we believe a more fiscally responsible program should be based on performance and meeting the goals outlined by DoL VETS. AMVETS believes this will motivate individual DVOPs and LVERs to work harder in meeting the needs of any veteran reaching out to them for help and guidance. We must work together in developing a new centralized Federal oversight office, such as DoL VETS Raymond Jefferson, to be able to track every dollar of every grant awarded to ensure the money is in fact being used only on staff and programs directly relating to a functioning DVOP or LVER. AMVETS is not questioning any of the States ethics on how the awarded funds were spent, however we believe in order to bring the DVOP and LVER programs back up to par we need a dedicated location and staff to the oversight of not only the correct use of funds, but more importantly, that every veteran reaching out for assistance to a DVOP or LVER is receiving nothing but the best services and training we have to offer them.

Chairman Stutzman and distinguished Members of the Subcommittee, this concludes my testimony and I will address any questions you may have for me. Thank you.

SAMPLE LVER REPORT TO ADMINISTRATOR

LOCAL VETERANS' EMPLOYMENT REPRESENTATIVE'S REPORT TO THE ADMINISTRATOR

Service Delivery Site: _____

Date Submitted: _____

LVER: _____

Quarterly Report: _____

The following report is submitted on a fiscal year quarterly basis as required by the DoL Funding Agreement for the Local Veterans' Employment Representative (LVER) regarding compliance with Veterans' Performance Standards, Prototype Standards, and Vocational Rehabilitation & Employment (VR&E) activities.

Veterans' Performance Standards

1. Accomplishments:
2. Problem Areas:
3. Corrective Action

Taken:

Planned:

Prototype Standards

1. Accomplishments:

- 2. Problem Areas:
- 3. Corrective Action

Taken:

Planned:

Vocational Rehabilitation and Employment (VR&E) (Note: All data provided must reflect current Fiscal Year (FY) quarterly, cumulative activities).

Referred from VA VR&E: Those VR&E clients determined to be job ready and referred each quarter by VA VR&E for registration with the local service delivery site for placement purposes: _____ (Data Source: VA VR&E).

Registered: The number of job ready VR&E clients referred from VA VR&E and registered each quarter with the local service delivery site for placement purposes: _____ (Data Source: local service delivery sites).

Registered carry-over from previous FY: Registered VR&E clients being case managed who are "carried over" from the previous FY. (First quarter entry only): _____.

NOTE: The following report categories are based on the VR&E clients being registered with the local service delivery sites for employment services.

Entered Employment: The number of above VR&E clients who have registered with the local service delivery site and entered employment each quarter through job placement or obtained employment _____ (Data Source: local service delivery sites).

Discontinued: (For the purpose of this report) identifies those referred and registered VR&E clients who are no longer actively seeking employment through the local service delivery site _____ (Data Source: VA VR&E).

NOTE: Status Determination is made by the local VR&E officer after notification from the local service delivery site of those veterans who have registered with the site, but are no longer seeking employment services.

Average Entry Hourly Wage: Of the total number of VR&E clients who entered employment during the current Quarter: \$ _____ per _____ (Data Source: local service delivery site)

NOTE: Average entry wage information is being compiled as baseline data for Veterans' Employment and Training Service (VETS) strategic planning purposes and to demonstrate program effectiveness in accordance with the Government Performance and Results Act of 1994.

Additional Comments or Success Stories:

LVER Signature: _____

Date: _____



MATERIAL SUBMITTED FOR THE RECORD

Committee on Veterans' Affairs
 Subcommittee on Economic Opportunity
 Washington, DC.
 March 7, 2011

The Honorable Raymond M. Jefferson
 Assistant Secretary
 Veterans' Employment and Training Service
 U.S. Department of Labor
 200 Constitution Avenue, NW
 Washington, DC 20210

Dear Secretary Jefferson:

I would like to request your response to the enclosed questions for the record I am submitting in reference to our House Committee on Veterans' Affairs Subcommittee on Economic Opportunity hearing on *Veterans' Employment and Training Service's Budget and State Grant Program* on March 3, 2011. Please answer the enclosed hearing questions by no later than Tuesday, April 19, 2011.

In an effort to reduce printing costs, the Committee on Veterans' Affairs, in cooperation with the Joint Committee on Printing, is implementing some formatting changes for material for all full Committee and Subcommittee hearings. Therefore, it would be appreciated if you could provide your answers consecutively on letter size paper, single-spaced. In addition, please restate the question in its entirety before the answer.

Due to the delay in receiving mail, please provide your response to Ms. Orfa Torres by fax at (202) 225-2034. If you have any questions, please call (202) 225-9756.

Sincerely,

Bruce L. Braley
 Ranking Member

JL/ot

**Veterans' Employment and Training Service
 U.S. Department of Labor Questions for the Record
 U.S. House Committee on Veterans Affairs
 Subcommittee on Economic Opportunity
 Veterans' Employment and Training Service's
 Budget and State Grant Program"**
 March 3, 2011

Question 1: In your opinion, should any State lose funding for not performing well?

Response: The Veterans' Employment and Training Service (VETS) prefers to provide targeted technical assistance to improve a State's underperformance, rather than reducing funding. Any substantial reduction in Jobs for Veterans State Grant (JVSG) funding would diminish a State's ability to provide services to veterans. For example, a decrease in funding could translate into a need to lay off Disabled Veterans' Outreach Program (DVOP) specialists and/or Local Veterans' Employment Representative (LVER) staff who serve veterans and work with area businesses to increase hiring opportunities. VETS has the option to require a corrective action plan, in conjunction with ongoing technical assistance, to improve the performance of underperforming States.

Question 2: How many reports does VETS have to do each year and what percentage of your staff's time does that represent?

Response: VETS understands that this question refers specifically to Congressional reporting and our response only addresses that aspect of VETS' responsibilities. On an annual basis, VETS submits six reports to Congress: four Uniformed Services Employment and Reemployment Act (USERRA) Quarterly Reports, one USERRA Annual Report and one VETS Annual Report. We estimate that the preparation and submission of these reports represents approximately 5 percent of the annual time of VETS' program managers.

Question 3: Why does Guam, Pennsylvania, Puerto Rico, and Rhode Island have “no data available” and do you find that acceptable?

Response: The reasons for the specific instances of missing data from these four grantees differ, and VETS’ plan for addressing the grantees’ deficiencies focuses on the unique factors in each case.

- With respect to Puerto Rico (PR) and Guam, VETS has recognized for some time that both of these territories face infrastructure constraints that differ significantly from those faced by State grantees. VETS has been working with PR since 2008. In June, 2010, VETS met with the PR Deputy Secretary of Labor to discuss reporting concerns. As a result, reporting improved but still contained errors. These problems were identified and were being fixed by a contractor and the IT staff. Several reports were subsequently produced, but reporting has recently stopped again. VETS continues to monitor the situation and an on-site visit is being scheduled to meet with the PR government to further discuss these issues. Guam only recently became a recipient of Jobs for Veterans State Grant funds and VETS is currently working with the grantee on a process of improvement similar to the process already underway with Puerto Rico.
- For several years, Pennsylvania has been conducting a major pilot of a new reporting system. During the course of the pilot, Pennsylvania has maintained continuity and consistency with the reporting system implemented by the other States. Pennsylvania did experience a lapse during two quarterly reporting periods, but these lapses did not affect its annual reporting, and the cause of the lapse has since been resolved.
- The reporting for Rhode Island has generated concerns by VETS’ staff regarding its timeliness and quality. As a result, VETS put the grantee on a corrective action plan, which required the State government to transfer an individual to the fiscal department so that the reports could be completed timely and accurately. The plan was completed in early April and an individual was transferred as required. The second quarter reports were submitted on time, but still had problems as far as their quality. VETS continues to work with the Rhode Island to correct these errors.

VETS does not consider missing data to be acceptable. However, VETS recognizes that grantees experience concrete problems with reporting, and strives to work in partnership with its grantees to identify constructive solutions to identified problems.

Question 4: In your estimation, what percentage of incarcerated veterans are successfully reintegrated back in their communities?

Response: Our new Incarcerated Veterans’ Transition Program (IVTP) provided over \$4 million in funding to selected grantees and is just two quarters into the current performance period. Therefore, VETS does not yet have conclusive data on outcomes for this new initiative. It is clear, however, that structured intensive service programs, such as the Homeless Veterans’ Reintegration Program, can significantly increase the potential for successful reintegration into meaningful employment. During the prior demonstration of IVTP, carried out in PY 2004 through 2007, approximately 50 percent of the formerly incarcerated participants were placed into employment.

Question 5: Should DVOPs and LVERs go through the NVTI training before beginning work in their State?

Response: VETS does not think that a DVOP specialist or an LVER staff member should go through National Veterans’ Training Institute (NVTI) training before beginning to serve veterans in their State. Our primary rationale is that the relatively high rate of turnover among these veterans’ representatives, coupled with States’ procedures for filling such vacancies, already makes it difficult for States to maintain staffing at funded FTE levels. If DVOP specialists and LVER staff members were required to complete training prior to reporting for work, the vacancy periods would be extended even further. In addition, we believe that DVOP specialists and LVER staff are more likely to benefit from NVTI training *after* they have gained some experience serving veteran clients in their own States. They can then attend NVTI training with the necessary “frame of reference” to directly relate it to their cumulative experience in a One-Stop Career Center work setting, thus increasing the impact and value of the NVTI training experience.

Question 6: How many vacancies do you have in your office?

Response: VETS' current authorized FTE level is 227. We currently have 209 staff on board, 187 in the field and 22 in the National Office. There are 12 vacancies in the field and 6 vacancies at the National Office.

Question 7: Last Congress, you testified in a hearing, that DoL was going to begin a pilot program that will offer tailored intensive services by DVOPs. Can you provide us an update?

Response: Following that hearing, VETS leadership reexamined its plan to launch a "pilot program." VETS determined that the appropriate solution to the concerns raised during the hearing was to implement changes across the entire program instead of as a limited pilot since offering tailored intensive services is the primary role of DVOPs. Thus, VETS prepared and issued a directive to States entitled "Refocused Roles & Responsibilities of JVSG Funded Staff" (VPL 7-10). In this directive, VETS was clear that in order to best serve veterans effectively and efficiently, VETS required DVOP specialists to focus on their primary core role which is to provide intensive services to targeted veterans. In addition, as part of their Jobs for Veterans' State Grant funding for FY 2011, States were directed to improve the coordination of services for Disabled Veterans and returning servicemembers who face significant barriers to employment. We are hopeful that the increased efforts for this population will yield positive results over time.

Question 8: Are the current performance measures properly gauging the work done by the Veterans' Employment and Training Service (VETS)?

Response: VETS believes that the current performance measures provide a reasonable basis for measuring the results achieved by VETS' grantees, as well as the results achieved by VETS' Federal staff. All of VETS' grant programs measure veteran participants' entry to employment, their retention in employment, and their earnings level following program participation. With respect to USERRA, VETS currently measures the timeliness of Federal staff in carrying out two aspects of their responsibilities: timeliness of investigations and timeliness of referrals. In addition, VETS is currently developing a third measure of the quality of the investigations of USERRA claims. We recognize that, as programs adapt in response to changing circumstances, measures also must adapt. We also recognize that measures never perfectly reflect the results they are intended to capture. Therefore, VETS is committed to a process of continuous improvement in performance measurement to ensure programs are relevant and address their intended goals. That process is actively underway during the current fiscal year.

Question 9: How are the States' shrinking budgets impacting the work being done by DVOPs and LVERs?

Response: We are extremely proud of the fine work that the DVOP specialists and LVER staff perform given their relative numbers and the ever-increasing budget constraints. The shrinking budgets in States have multiple impacts on the work performed. First, there are State-imposed hiring freezes and four-day work weeks that are designed to conserve State revenues, but produce under-expenditures in Federal program funding. There are also constraints on the amount of outreach and job development visits performed when States impose travel restrictions to curb expenses, particularly fuel and transportation costs. We have recently revised our fiscal reports to more clearly identify the administrative overhead being charged to the JVSG to support DVOP and LVER staff.

Question 10: Some individuals have stated that NVTI cannot keep up with the need to train all DVOPs and LVERs within the 18 month time frame due to budget constraints. Is this true?

Response: It is true that with a fixed budget for NVTI, hard decisions have to be made to manage the demand for other professional courses while still meeting the goal of completing core training for all DVOP and LVER staff within 18 months of appointment. This, coupled with States' shrinking budgets and policies limiting out-of-state travel, challenges our ability to guarantee that all DVOP and LVER staff will complete the core training within the 18 months of appointment. However, it is VETS' intent to work with States to comply with the statutory requirement. We have already received a plan, based upon past turnover data, that increases the intensity with which NVTI delivers core training classes at its national hub in Denver and at on-site locations in selected States to conserve costs and increase training completions.

Question 11: When will VETS finalize the review on the Jobs for Veterans State Grant program?

Response: VETS has completed the data collection from our State Directors. We plan to analyze those responses over the next few months and have results to share by soon. At that point, we will make decisions on what next steps to take to implement our analysis.

Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
Washington, DC.
March 7, 2011

Ms. Bonnie Elsey
President-Elect, National Association of State Workforce Agencies
Senior Administrative Officer
Minnesota Department of Employment and Economic Development
444 North Capitol Street NW,
Suite 142
Washington, DC 20001

Dear Ms. Elsey:

I would like to request your response to the enclosed questions for the record I am submitting in reference to our House Committee on Veterans' Affairs Subcommittee on Economic Opportunity hearing on *Veterans' Employment and Training Service's Budget and State Grant Program* on March 3, 2011. Please answer the enclosed hearing questions and deliverables by no later than Tuesday, April 19, 2011.

In an effort to reduce printing costs, the Committee on Veterans' Affairs, in cooperation with the Joint Committee on Printing, is implementing some formatting changes for material for all full Committee and Subcommittee hearings. Therefore, it would be appreciated if you could provide your answers consecutively on letter size paper, single-spaced. In addition, please restate the question in its entirety before the answer.

Due to the delay in receiving mail, please provide your response to Ms. Orfa Torres by fax at (202) 225-2034. If you have any questions, please call (202) 225-9756.

Sincerely,

Bruce L. Braley
Ranking Member

JL/ot

National Association of State Workforce Agencies
Washington, DC.
April 19, 2011

Ranking Member Bruce L. Braley
U.S. House of Representatives
Committee on Veterans' Affairs
335 Cannon House Office Building
Washington, DC 20515

Dear Ranking Member Braley:

Thank you for the opportunity to answer the questions you provided to NASWA following the House Committee on Veterans' Affairs Subcommittee on Economic Opportunity hearing on *Veterans Employment and Training Service's Budget and Grant Program* on March 3, 2011.

I am responding to your March 7, 2011, letter addressed to the National Association of State Workforce Agencies (NASWA) President Bonnie Elsey.

Following are the answers to the questions you posed. If you have any other questions or concerns, please let me know. Again, thank you for the opportunity to answer these questions and provide additional information.

Sincerely,

Bob Simoneau
Deputy Executive Director

**NASWA's Responses to Questions from Ranking Member Braley
March 3, 2011 Hearing**

Questions for the Record

Question 1: What is your assessment of how the JVSG is doing nationally?

Response: As with any program, there is always room for improvement, and states continuously strive to improve the JVSG program. The Jobs for Veterans Act of 2002 significantly improved the program for our Nation's veterans. Considering the current economic situation following the Great Recession, the program is doing well.

In July 2010, the U.S. Department of Labor Veterans Employment and Training Service (VETS) issued guidance to refocus the roles and responsibilities of JVSG funded staff; NASWA supports the basic changes included in the guidance. Our written testimony for the March 3rd hearing included six items we would like to see changed in the overall performance of the program:

- a. Advocate/Promote/Educate;
- b. Translating Military Skills, Licensing, Certification, and Credentialing;
- c. Definition of a "Veteran;"
- d. Partnerships;
- e. Federal Contractor Job Listing Process; and
- f. Customer Service.

Question 2: What is your opinion of the performance measures used by VETS?

Response: NASWA supports the current performance measures for the Disabled Veteran Outreach Program (DVOP). The guidance issued by VETS to clarify intensive services, and to better align those same services provided by Wagner-Peyser and the Workforce Investment Act (WIA) should improve the reporting of intensive services for veterans.

NASWA is concerned that the roles and responsibilities of the Local Veteran Employment Representative (LVER) do not match well with the required performance measures. The primary role of a LVER is to conduct employer outreach on behalf of veterans. LVERs are also directed to focus on job development for veterans, something that is not always conducive to today's hiring practices by employers. The performance measures for the LVER program do not capture any outreach services. The LVER performance measures should be addressed to better align with the roles and responsibilities for the position.

NASWA is aware of the concerns voiced by some representatives of Veterans Service Organizations and other groups regarding the performance measures for the DVOP and LVER programs. The recommendation is often made by these groups to return the performance measures to placements instead of entered employment rate and employment retention rate.

We do not support the use of placements as a measurement. The three primary reasons are:

- (1) No matter how good a state's workforce system is, it will only be able to capture a small percentage of the actual job openings in any area. Measuring performance on placements will encourage DVOPs and LVERs to only focus on the job openings in their job bank, instead of job openings at-large.
- (2) The LVER and DVOP programs work closely with the Wagner-Peyser and WIA programs, which are measured on entered employment rate.
- (3) The LVER and DVOP programs do not have a separate reporting system; they use the job matching system supported by Wagner-Peyser Act funds and its reporting system.

Perhaps the Committee could request a Government Accountability Office (GAO) report examining the performance measures and request recommendations.

Question 3: Do we need a better way to determine the administrative overhead costs?

Response: We agree the administrative overhead costs for the DVOP and LVER programs are a concern. Elimination or reduction of other workforce programs in one-stop centers and escalating infrastructure and oversight costs have in many cases resulted in a significant increase in administrative costs for the DVOP and LVER programs. Each state workforce agency (SWA) negotiates with the Division of Cost Determination (DCD), U.S. Department of Labor, to determine a Cost Allocation Plan (CAP). Each SWA must charge all indirect costs and charges within their CAP proportionately to each program within their facilities or responsibility.

Our written testimony for the March 3rd hearing further describes this process and the issues surrounding it.

NASWA is concerned with the increasing percentage of JVSG funds required for administrative overhead costs, especially in some states. However, states must comply with the Cost Allocation Plan described above and further described in our written testimony.

Question 4: Do you think that part-time DVOPs and LVERs are a good idea?

Response: Yes, NASWA believes the ability for states to use part-time DVOPs and LVERs is a good idea. States should have the authority to determine whether to use part-time, defined as “half-time” positions—or not. Some states have indicated they strongly support the half-time positions; others have indicated they do not believe it works well in their state.

In states with large rural areas, the ability to have half-time positions allows the state to spread the positions to more one-stop centers and to cover more of the state. This reduces “windshield time” for a full-time DVOP or LVER, who would spend more time traveling than providing direct services. It provides more flexibility to maximize services to veterans.

Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
Washington, DC.
March 7, 2011

Mr. John L. Wilson
Assistant National Legislative Director
Disabled American Veterans
807 Maine Avenue, SW
Washington, DC 20024

Dear Mr. Wilson:

I would like to request your response to the enclosed questions for the record I am submitting in reference to our House Committee on Veterans' Affairs Subcommittee on Economic Opportunity hearing on *Veterans' Employment and Training Service's Budget and State Grant Program* on March 3, 2011. Please answer the enclosed hearing questions by no later than Tuesday, April 19, 2011.

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Due to the delay in receiving mail, please provide your response to Ms. Orfa Torres by fax at (202) 225-2034. If you have any questions, please call (202) 225-9756.

Sincerely,

Bruce L. Braley
Ranking Member

JL/ot

**Post-Hearing Questions for John Wilson
Assistant National Legislative Director of the Disabled American Veterans
Following the March 3, 2011 Hearing of Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
U.S. House of Representatives**

Question 1: In your written testimony, you are concerned that the funding level for State Grants is not enough. What do you consider to be an appropriate funding level?

Answer: The Veterans Employment and Training Service (VETS) offers employment and training services to eligible veterans through its Jobs for Veterans State Grants (JVSG) program. Funds are allocated to state workforce agencies in direct proportion to the number of veterans who are employed in each state compared to the number of unemployed veterans nationally. Disabled American Veterans (DAV)

believes funding should be sufficient to ensure that Disabled Veterans' Outreach Program Specialists (DVOPs) and Local Veterans' Employment Representatives (LVERs) are available in adequate numbers so that no veteran has to wait extended periods to be provided the employment services they seek. The primary focus of DVOPs and LVERs should be on providing priority service to veterans as opposed to state workforce agency managers utilizing them to work with or process public assistance programs.

Question 2: In your opinion how effective is the DVOP/LVER program?

Answer: The Workforce Investment Act (WIA) of 1998 required at least one impact evaluation to be conducted by 2005 to assess how effective VETS one-stop services are in helping veterans find and maintain employment program services. The Jobs for Veterans Act (JVA) of 2002 built upon the WIA by consolidating funding for veterans employment and training services into the JVSG. In the 2004 Government Accountability Office (GAO) Report, *Veterans' Employment and Training Service, Labor Could Improve Information on Reemployment Services, Outcomes, and Program Impact*, GAO-07-594, the GAO recommended that the Department of Labor (DoL) conduct the impact evaluation as required under the 1998 WIA.¹ In testimony presented April 7, 2011, by Andrew Sherrill, GAO Director of Education, Workforce, and Income Security Issues before the House Appropriations Subcommittee on Labor, Health and Human Services, Education and Related Agencies, GAO-11-506T, titled *Employment And Training Programs, Opportunities Exist for Improving Efficiency*,² he stated ". . . little is known about the effectiveness of employment and training programs because only 5 of the 47 programs reported that they had conducted any impact studies since 2004." This lack of a system-wide impact evaluation or study impairs policy makers and program managers ability to make ". . . decisions about how to improve, coordinate, or consolidate existing programs."³

The issue of JVSG data reporting is also addressed in Director Sherrill's April 7, 2011 testimony. He states that DoL has made progress in information reporting, but two issues remain:

First, only a small proportion of job seekers who receive services at one-stops are reflected in WIA outcome data. While customers who use self-services are estimated to be the largest portion of those served under WIA, job seekers who receive self-service or informational services are specifically excluded from performance calculations by the statute. Second, WIA's performance measurement system contains no provision for measuring overall one-stop performance, relying instead on a program-by-program approach that cannot easily be used to assess the overall performance of the one-stop system.⁴

Assistant Secretary Jefferson stated at the March 3, 2011 hearing before this Subcommittee, beginning in 2011, DoL will be reviewing the JVSG program so a current assessment of its effectiveness can be obtained. He indicated that VETS will conduct a comprehensive, formal review to determine what improvements are needed "to gain a clearer picture of how the JVSG program is helping veterans gain meaningful employment and whether any improvements are needed to help States achieve their outcome measures."⁵

DAV views an impact evaluation or study carried out in such a way as to provide a valid assessment of the effectiveness of the JVSG program in its entirety as essential in evaluating the effectiveness of the VETS program. If the formal review highlighted by Assistant Secretary Jefferson addresses the objectives of the impact study required by the 1998 WIA, then the results of this formal review could not only fulfill this longstanding requirement, it could identify additional areas for improvement, enhancements to program performance metrics and offer other insights on how to maximize VETS ability to help veterans find and maintain employment.

Further, action must be taken to ensure VETS has an effective performance management system of key employment and training program indicators to aid policy

¹ Government Accountability Office, VETERANS' EMPLOYMENT AND TRAINING SERVICE, *Labor Could Improve Information on Reemployment Services, Outcomes, and Program Impact*, May 2007, page 10

² Andrew Sherrill, GAO Director of Education, Workforce, and Income Security Issues on April 7, 2011, Page 14

³ Ibid

⁴ Ibid

⁵ Statement of Hon. Raymond M. Jefferson, Assistant Secretary, Veterans' Employment and Training Service, U.S. Department of Labor, Veterans' Employment and Training Service's Budget and State Grant Program, March 3, 2011, page 4.

makers and program managers in making informed decisions on delivery of services and budgetary support. We urge Congress, through its oversight function, to work closely with DoL to ensure an impact study is carried out in such a way as to provide a valid assessment of the effectiveness of the JVSG program in its entirety is completed, and an effective performance management system is put in place.

Question 3: Do you believe DVOPs and LVERs are properly trained to provide employment services?

Answer: To address the adequacy of training of DVOPs and LVERs requires an evaluation of the National Veterans' Training Institute (NVTI) educational effort, which is responsible for their training. DVOPs and LVERs hired on or after October 13, 2010 must now complete their training within 18 months of being hired as opposed to the former standard of 36 months. In a report titled *Veterans' Employment and Training Service: Labor Actions Needed to Improve Accountability and Help States Implement Reforms to Veterans' Employment Services*, GAO-06-176, December 2005, GAO surveyed state and local workforce officials who indicated they were pleased with the quality of NVTI training.

A review of course critiques of actual participants who attended NVTI between October 2010 and March 2011 provides a more current assessment. NVTI requires pre- and post-testing of program participants. Using a one to five scale for pre- and post-testing, participants pre-test knowledge of course material was 1.41 on average, while post-test results revealed a 4.96 overall rating. This sampling of critiques is generally consistent with data from previous years. The findings of the above-referenced GAO 2005 report, as well as course critique results, indicate that NVTI continues to provide an effective training program. Given this continued positive performance, we believe increased funding for at least two to three full-time staff members to correct the staff shortage of the past 2 years is appropriate. Such a staff increase would allow NVTI to provide additional training to DVOPs, LVERs and others through more on-campus courses, e-learning platforms or site visits.

Based on the feedback from state and local workforce officials in 2005 and positive course critiques over an extended period, it seems effective training is being provided by NVTI. We would prefer to see that training investment fully realized with DVOPs and LVERs focused on assisting veterans in finding employment as opposed to working on public assistance related programs such as food stamps. We encourage Congress, through its oversight role, to investigate how DVOPs and LVERs are utilized and to work with DoL to ensure effective tools are in place to hold management accountable.

Question 4: Do you think that the staffing and funding level for Disabled Veterans' Outreach Program Specialists and Local Veterans' Employment Representatives is adequate to properly address the employment needs of our veteran population?

Answer: One area of concern has to do with DVOPs and LVERs turnover rate of approximately 20 percent. One of the reasons for this turnover rate may be that these employees are typically hired at entry level positions in most states. Anecdotally, if these state employees' jobs were compared to their equivalent Federal sector peers they may be rated as GS-7s without an undergraduate degree, GS-9s with an undergraduate degree, and GS-10s or 11s with a graduate degree. Once hired, these entry level employees may be seeking better paying positions within their respective states, thus contributing to a high turnover rate.

One option offered by some would be to allow all DVOPs and LVERs to compete for the 1 percent of JVSG funding reserved for performance incentives. Unfortunately, work incentive awards are based on improving the provisions of services in general and not necessarily on employment outcomes. Also, while many states would allow such incentive opportunities, about one-third of all states will not allow work incentives to go to employees because this JVA requirement conflicts with state laws, policies, or collective bargaining agreements.⁶ We encourage Congress to work to lift such restrictions within these states. Once lifted, DVOPs and LVERs would then be able to compete for JVSG performance incentive awards regardless of the state in which they are employed. Such incentives could enhance employee retention and improve the assistance they provide to veterans.

As noted earlier, DAV supports an impact study carried out in such a way as to provide a valid assessment of the effectiveness of the JVSG program in its entirety. If the formal review that Assistant Secretary Jefferson highlighted also addresses

⁶GAO Report, VETERANS' EMPLOYMENT AND TRAINING SERVICE Labor Actions Needed to Improve Accountability and Help States Implement Reforms to Veterans' Employment Services GAO-06-176, page 3.

the objective of the impact study required by the 1998 WIA, then the results of this review could provide an objective evaluation of the JVSG program and the adequacy of its staffing and funding. Decisions on staffing and funding can also be better informed if DoL put in place an effective and accurate performance management system of key employment and training programs.

We urge this Subcommittee, through its oversight function, to work closely with DoL to ensure an impact study is completed and an effective performance management system is put in place. We also encourage Congress to work with the applicable states and unions to lift restrictions precluding DVOPs and LVERs from being able to compete for JVSG performance incentives.

Question 5: What is DAV's recommendation on how to address the licensure and credentialing since the individual states are responsible for it?

Answer: The Department of Defense (DoD) has developed new ways to inform servicemembers interested in pursuing vocational and technical licensing and certification in various career fields and providing information on state requirements. These programs are designed to help document training or experience and offer information on taking courses or exams to get the types of certification and licensing that are important to their eventual transition into the civilian workforce. While each of the Services offers this information through various Web sites, two similar programs are referenced here: the U.S. Army COOL Program (<https://www.cool.army.mil/>) and; the U.S. Navy COOL Program (<https://www.cool.navy.mil/index.htm>).

The acronym COOL stands for (Credentialing Opportunities On-Line). Both Services' programs explain how active duty personnel, officer or enlisted, can meet civilian certification and license requirements related to their career fields. This provides a way for servicemembers to assess their current level of training. Then they can review the certification and licensure requirements for the state in which they will reside once they leave the military. With this information in hand, they have the opportunity to plan for their transition by making use of their Services' Tuition Assistance (TA) Program while on active duty (TA can pay up to 100 percent of tuition but requires the participant to serve longer in the military, referred to as an active duty service commitment), the Post-9/11 GI Bill, or if eligible, the Vocational Rehabilitation program offered by the Department of Veterans Affairs (VA) for those with a service-connected disability and an employment handicap.

While these enhanced Web sites are important as are the opportunities to obtain additional training during or after military service, it would seem a more proactive approach should be considered. As an alternative, the DoD could expand its training programs so that they meet the requirements of their civilian equivalent career paths. Once the training was completed, and while the information is fresh, servicemembers would be permitted to take certification equivalency examinations to gain apprentice or journeyman status for that state. If testing determines that they meet the necessary requirements for that state, then they would be so recognized by that state's licensing body for that subject area. As military members continue in the service, additional training or education would be available and could be counted as continuing training or education credits to retain state certification or licensure status. For those who did not pass the equivalency test, they would know the areas in which they need additional course work and, once completed, would be able to retake the test.

Some may offer that providing training linked to certification and licensure will make recruitment and retention harder. We counter that in fact recruitment and retention would both be enhanced. The Services could require a service obligation as they do through their TA Program. Individuals interested in joining the service would not see actually doing so as a roadblock to an eventual civilian career, thus removing another impediment to a seamless transition from military service. Servicemembers would be assured that they could more easily move into a civilian job once they fulfill their military obligations, or retire, and thus continue contributing to the economy instead of drawing unemployment wages or becoming homeless once they separate.

We continue to stress the importance of removing unnecessary barriers from the path of our highly trained and qualified servicemembers as they transition from military to civilian life. We recommend that Congress engage in a national dialogue, working closely with the DoD, VA and DoL as well as employers, trade unions, and licensure and credentialing entities to finally put in place a clear process so military personnel are able to take equivalency tests and receive civilian equivalent apprentice or journeyman status and licensure for the states in which they choose to live after leaving the military. This would honor their military service and allow them

to more easily transition into a civilian occupation without the need for redundant training or apprenticeships.

Question 6: How competitive are salaries for DVOPs and LVERs nationwide?

Answer: Comparing DVOPs and LVERs state employee job ratings anecdotally to their equivalent Federal sector peers, they may not necessarily be considered in competitive pay grades. They could likely be rated as GS-7s without an undergraduate degree, GS-9s with an undergraduate degree, and GS-10s or 11s with a graduate degree. Of the more than 2,000 DVOPs/LVER positions nationwide, the annual turnover rate has been approximately 20 percent. This could be attributed to their initially being hired by a state as DVOPs or LVERs at the aforementioned entry level grades and eventually finding another position within the state government at higher salaries. This turnover consequently requires new candidates to be trained by NVTI, new relationships to be built by DVOPs with employers and new LVERs to get to know the veterans' community in their states. These positions are crucial because they are often the first support contacts newly discharged veterans will have as they make the difficult transition to civilian life. We would encourage Congress to obtain a comprehensive understanding of the competitiveness of DVOPs and LVERs beyond anecdotal conclusions we may offer.

Question 7: Do you believe that VETS is lowering their goals to match actual performance Measures 1 & 4?

Answer: Performance Measures are the Federal job training program common measures used by DoL for employment programs and serve as efficiency measures that reflect the quality of the service provided. Performance Measure #1 is the percent of veteran participants employed in the first quarter after they exit the program and Performance Measure #4 is the percent of disabled veteran participants employed in the first quarter after they exit the program. DAV is concerned about what appears to be a reduction in performance Measures 1 and 4 for FY 2012. While one could conclude that these standards are being lowered to match actual performance, we do not have sufficient information from which to offer a definitive opinion. Given DoD's investment in training veterans when they were on active duty and now DoL's efforts to assist them in finding employment through the Jobs for Veterans State Grants program, it seems more reasonable to focus on increasing the performance measure targets, not decreasing them.

Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
Washington, DC
March 7, 2011

Mr. Raymond C. Kelley
Director, National Legislative Service
Veterans of Foreign Wars of the United States
200 Maryland Avenue, NE
Washington, DC 20002

Dear Mr. Kelley:

I would like to request your response to the enclosed questions for the record I am submitting in reference to our House Committee on Veterans' Affairs Subcommittee on Economic Opportunity hearing on *Veterans' Employment and Training Service's Budget and State Grant Program* on March 3, 2011. Please answer the enclosed hearing questions and deliverable by no later than Tuesday, April 19, 2011.

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Sincerely,

Bruce L. Braley
Ranking Member

JL/ot

**Questions for the Record from the House Committee on Veterans' Affairs,
Subcommittee on Economic Opportunity
Hearing on
*Veterans Employment and Training Service's
Budget and State Grant Program*
Questions for the Record**

Question 1: In your opinion, how effective is the DVOP/LVER program?

Answer: VFW believes the DVOP/LVER program is not as effective as it should be. Most DVOP and LVER employees are dedicated to delivering services to veterans. However, they are often over worked with tasks that are outside their scope of work. As outlined in testimony, staff members are fulfilling tasks that are not specifically assigned to them. 2007 report found that only 21 percent of veterans who are seeking employment use any type of state employment service. Also, the grant system that provides money to the states is a disincentive in reducing the number of unemployed veterans in each state, status quo ensures that each state will continue to receive the same amount of funding each year.

Question 2: Do you believe DVOPs and LVERs are properly trained to provide employment services?

Answer: Yes, DVOPs and LVERs receive quality training; however, this training must be provided in a timely manner and VFW believes that students must be held accountable through testing after each class. Currently, there are employees who are assisting veterans who are awaiting training and when they do receive training it is based on an "absorb what you can" format that doesn't indicate whether or not the DVOP or LVER gained the knowledge to properly do their jobs.

Question 3: Do you think that the staffing and funding level for Disabled Veteran's Outreach Program Specialists and Local Veterans' Employment Representatives is adequate to properly address the employment needs of our veteran population?

Answer: VFW believes that the only way to truly know if staffing and funding levels are appropriate is to reevaluate the scope of work of DVOPs and LVERs and determine from that evaluation what the needs are. Over the years, DVOPs and LVERs continually have more tasks assigned to them. Their job should be easy, work with local employers so they can be a conduit for job-seeking veterans and assist veterans who needs support services to help them qualify for jobs. Over time this roll has changed, forcing DVOPs and LVERs to focus on added task, such as outreach, TAP classes and in many cases split their time with helping non-veterans with in the Employment One-Stop.

Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
Washington, DC.
March 7, 2011

Mr. Robert W. Madden
Assistant Director, National Economic Commission
The American Legion
1605 K Street, NW
Washington, DC 20006

Dear Mr. Madden:

I would like to request your response to the enclosed questions for the record I am submitting in reference to our House Committee on Veterans' Affairs Subcommittee on Economic Opportunity hearing on *Veterans' Employment and Training Service's Budget and State Grant Program* on March 3, 2011. Please answer the enclosed hearing questions by no later than Tuesday, April 19, 2011.

In an effort to reduce printing costs, the Committee on Veterans' Affairs, in cooperation with the Joint Committee on Printing, is implementing some formatting changes for material for all full Committee and Subcommittee hearings. Therefore, it would be appreciated if you could provide your answers consecutively on letter size paper, single-spaced. In addition, please restate the question in its entirety before the answer.

Due to the delay in receiving mail, please provide your response to Ms. Orfa Torres by fax at (202) 225-2034. If you have any questions, please call (202) 225-9756.

Sincerely,

Bruce L. Braley
Ranking Member

JL/ot

The American Legion
Washington, DC.
April 18, 2011

Honorable Bruce L. Braley,
Ranking Member
Subcommittee on Economic Opportunity
Committee on Veterans' Affairs
U.S. House of Representatives
335 Cannon House Office Building
Washington, DC 20515

Ranking Member Braley:

I respectfully submit the following responses to your additional questions from the Subcommittee hearing on *Veterans Employment and Training Service's Budget and State Grant Program* conducted on March 3, 2011:

Question 1: Should States that fail to meet the grant program requirements lose their funding?

Answer: The idea of taking away State grant program funds because States do not meet the minimal requirements sounds good in practice, but taking away veterans employment resources and opportunities does not help veterans in the long run. The State Grant program is monitored by DoL-VETS staff and produce quarterly reports for the agency to review. This process needs to be enhanced to show what the LVER/DVOPs are accomplishing. Identifying possible fraud of the State Grant Program should be monitored. Only after multiple attempts to eradicate any possible issues with no compliance by the States should the funding for the "Jobs for Veterans" State Grant Program be taken away.

Question 2: What are the major inconsistencies of the JVSG?

Answer: DVOPs provide disabled and eligible veterans with training opportunities and intensive services to meet their employment needs. In addition, LVERs provide outreach to employers as well as assist veterans in gaining employment by conducting job search workshops and establishing job search support groups. They also facilitate employment, training, and placement services to veterans. These responsibilities sound daunting, but States have relegated DVOP/LVERs to providing administrative tasks outside the scope of their job descriptions. The American Legion wants to see DVOP/LVERs performing their assigned duties and not providing additional support to their offices. With unemployment numbers continuing to rise for veterans of all wartime eras, especially the *OEF/OIF* era, it is imperative DVOP/LVERs fulfill their assigned duties.

Congress should also ask, "Are we getting our return on investment?" with this program. To provide transparency that the States are accomplishing their efforts to provide eligible veterans with employment, a quarterly report needs to be developed in a format easily understood by all interested stakeholders.

Question 3: In your opinion, how effective is the DVOP/LVER program?

Answer: Based on our research the program is not operating at an effective level in all States and there seems to be an inadequate amount of data to easily and quantifiably demonstrate success/failure. As mentioned above, the program needs measurements that are adequate and easily understood. DVOP/LVERs understand their job and are passionate about servicing disabled and other eligible veterans, but the States are not necessarily focused on the same goals that DoL-VETS sees as priorities.

Question 4: Do you think the staffing and funding level for Disabled Veterans' Outreach Program Specialists and Local Veterans' Employment Representatives is adequate to properly address the employment needs of our veterans population?

Answer: The American Legion has advocated for proper and adequate funding for the Jobs for Veterans State Grant Program. The American Legion does support the budget proposal for FY 2012, yet at the same time requests a more effective program, thereby increasing the number of eligible veterans who are receiving the specific resources to include job placement.

Question 5: Do you believe that more reports from VETS will improve VETS performance?

Answer: VETS will improve their performance when States improve their transparency and prove the effectiveness of their State grant program. Adding another report does not necessarily improve a program, unless it provides specific and definitive data that is useful to those who are responsible for measuring the program success.

Thank you for your continued commitment to America's veterans and their families.

Sincerely,

Robert Madden
Assistant Director, National Economic Commission

cc: Chairman Marlin Stutzman

Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
Washington, DC.
March 7, 2011

Mr. Richard F. Weidman
Executive Director for Policy and Government Affairs
Vietnam Veterans of America
8719 Colesville Road, Suite 100
Silver Spring, MD 20910

Dear Mr. Weidman:

I would like to request your response to the enclosed questions for the record I am submitting in reference to our House Committee on Veterans' Affairs Subcommittee on Economic Opportunity hearing on *Veterans' Employment and Training Service's Budget and State Grant Program* on March 3, 2011. Please answer the enclosed hearing questions by no later than Tuesday, April 19, 2011.

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Sincerely,

Bruce L. Braley
Ranking Member

JL/ot

**Questions for the Record from the House Committee on Veterans' Affairs,
Subcommittee on Economic Opportunity
Hearing on**

***Veterans' Employment and Training Service's
Budget and State Grant Program***

1. In your opinion how effective is the DVOP/LVER program?
2. Do you think that the staffing and funding level for Disabled Veterans Outreach Program Specialists and Local Veterans' Employment Representatives is adequate to properly address the employment needs of our veteran population?
3. Does VETS have enough DVOPs/LVERs?
4. What is your opinion of the part time DVOPs and LVERs?

5. Do you believe DVOPs and LVERs are properly trained to provide employment services?
6. Is the Veterans' Employment and Training Service program meeting its goal of assisting veterans with employment?

[NO RESPONSE WAS RECEIVED.]

