

FISCAL YEAR 2000 BUDGET FOR THE DEPARTMENT OF LABOR VETERANS' EMPLOYMENT AND TRAINING SERVICE (VETS)

HEARING
BEFORE THE
SUBCOMMITTEE ON BENEFITS
OF THE
COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES
ONE HUNDRED SIXTH CONGRESS
FIRST SESSION

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FEBRUARY 24, 1999
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WEDNESDAY, FEBRUARY 24, 1999

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON BENEFITS,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to call, at 10 a.m., in room 340, Cannon House Office Building, Hon. Jack Quinn (chairman of the subcommittee) presiding.

Present: Representatives Quinn, Filner, and Reyes.

Mr. QUINN. Good morning. The subcommittee will come to order. We are pleased to welcome all those in the audience here and, of course, our members, who will be here, some coming a little bit late. We have received some calls that there are some conflicts this morning. I know Mr. LaHood called in. He will be here in a few moments.

Before we begin with our testimony, I do want to take a minute to welcome some visitors we have at the hearing this morning.

The Close-Up Foundation is here observing for the better part of about 45 minutes this morning from Houston, TX, Ms. Sheila Jackson-Lee's district, good friend and colleague of all of ours in the House. And their chaperones, I suppose, or the leaders, Mr. Seals, Mr. Spencer, Mrs. Washington, Mrs. Linton, are also joining us today. I thought it might be appropriate now if we asked Mr. Seals if he might want to say a word or two before we begin. Mr. Seals, would you like to address the subcommittee and the folks who are here, sir?

Mr. SEALS. I would like to thank you for these young people to have a chance to really see what goes on in Washington, DC.

Mr. QUINN. Well, I am not so sure you want to see what goes in Washington. (Laughter.)

Good idea, though.

Mr. SEALS. So far all of the students have nothing but good things to say. And from listening to them talk, they have already made plans about the things they would like to do in the future. And all we would like to say is we will be watching you. And we thank you for the invitation.

Mr. QUINN. Well, thank you, Mr. Seals. I appreciate your comments for the record. You have now become part of the record of our proceedings today. And we appreciate that.

I and I know the other members here are keenly aware of the work, the great work, that Close-Up does. I happen to have spoken to a few groups that have visited our offices when they were on the Hill from our districts back home. So we appreciate all that you are doing.

I am a former high school English teacher myself for 10 years and a coach while I was teaching. So I think whenever we can take a few minutes to not only recognize young people, students, but to give an opportunity like you are giving them now to be on the Hill and to see how their government works, it is really a step in the right direction. Thank you for doing that.

And I thank on behalf of the full subcommittee everybody who is here from the Houston, TX, area today. Thank you very much.

Today we meeting—we are going to hear testimony in a minute from Mr. Borrego on the Fiscal Year 2000 budget request of the Veterans' Employment and Training Service of the U.S. Department of Labor.

The Labor Department is requesting \$185.6 million for veterans' job search, placement, and training assistance. The largest portion of the veterans' budget, \$157.5 million, is distributed to the States by a formula set by the Congress. It would pay the salaries and administrative expenses of 1,431 Disabled Veterans' Outreach Program specialists and 1,305 Local Veterans' Employment Representatives.

We look forward to hearing testimony from Assistant Secretary for Veterans' Employment and Training, Mr. Al Borrego, and from representatives of our Nation's veterans' service organizations.

And for the young people who are with us in the audience today, our hearing is very similar to ones you have seen on TV before and you may have heard of. Members and our staff are here. And we are asking as it relates to our Committee on Veterans' Affairs to hear today from the Department of Labor, who works on veterans' programs for employment.

So I don't want to confuse anybody. We are the Veterans' Committee and Subcommittee on Benefits, but our Department of Labor here in Washington is given some money. And they try to find jobs for veterans. We will be talking today about that job search and the placement and evaluation of that. And this is the amount of money in the budget they are requesting. We are going to talk about that today and have some people give us some testimony. Then we will ask some questions.

[The prepared statement of Chairman Quinn appears on p. 28.]

Mr. QUINN. With that as a backdrop, I do want to yield to the Subcommittee's ranking member, our co-chair, my friend from California, Mr. Filner, and, Bob, give you the floor and yield for a few moments.

OPENING STATEMENT OF HON. BOB FILNER

Mr. FILNER. Thank you, Mr. Chairman.

And I, too, want to welcome the students from Close-Up. I am meeting with about a dozen students from my district. I represent San Diego, CA and Trulavista, CA. There will be about a dozen students coming by around noon to my office to say hello.

We have heard from the Congressional Commission on Service Members and Veterans' Transition Assistance. And in their report, they state that "Congress must," and I am quoting from it, "provide transitioning Service members with a means and opportunity to succeed in their civilian lives and to invest their talent and ability in the American economy." And the report goes on to say that "Employment is the door to a successful transition to civilian life."

I strongly agree with those statements. I know the Chairman does. I know you do, Mr. Borrego. And they very well articulate the responsibility that we as members of the Veterans' Affairs Committee and you in the Department of Labor have to the men and women who have honorably served their country through military service.

The commission's comments also point out the importance of the Department of Labor's Veterans' Employment and Training Service and the programs administered by you or by the VETS Department. It is your responsibility to open the door for transitioning Service members and for all veterans to successful employment in the civilian economy. And, as you know, it is an enormous responsibility.

So our purpose here this morning is to determine if the administration's proposed VETS' Fiscal Year 2000 budget is adequate for the purpose that has been outlined. We want to know if under this budget VETS will have the resources necessary to fulfill its responsibility to open the door to successful employment for Service members and veterans. Then if we determine that additional funding would enhance employment opportunities for America's veterans, it will be our responsibility to seek the funding needed.

Thank you, Mr. Chairman. I look forward to hearing from our witnesses today.

Mr. QUINN. Thank you, Bob.

Mr. Reyes, opening remarks, sir?

Mr. REYES. Mr. Chairman, I have an opening statement that I would like to submit for the record, but I would like to welcome Mr. Borrego and also the students of Houston. It is interesting to note I represent El Paso. And I am closer in El Paso to L.A. than I am to Houston.

Mr. QUINN. Thank you.

Mr. REYES. Thank you.

Mr. QUINN. Without objection, your statement for the record is included.

[The prepared statement of Congressman Reyes appears on p. 31.]

Mr. QUINN. We will use our normal procedure this morning of asking witnesses to limit their oral statements to not more than about 5 minutes, Mr. Borrego. I know you are aware of that. Your full written statement will become part of the record this morning. When you are finished with your testimony, we will have questions.

Welcome back again. We appreciate the hard work you do.

Mr. BORREGO. Thank you.

Mr. QUINN. Please proceed.

Mr. BORREGO. Thank you.

STATEMENT OF ESPIRIDION BORREGO, ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT AND TRAINING, DEPARTMENT OF LABOR

Mr. BORREGO. Mr. Chairman and members of the committee, it is an honor for me to appear before you to present the budget which will serve America's veterans with new and improved employment and training opportunities in the first year of the new millennium.

Before I discuss how the Veterans' Employment and Training Service, VETS, will help veterans in the year 2000, I want to thank the committee for the confidence it has shown in VETS by giving it new and expanded responsibilities during the last legislative session.

The Omnibus Veterans' Benefits Enhancement Act of 1998 strengthened VETS' ability to protect veterans working for State government from employment and reemployment discrimination. The law also allows veterans working for the Federal Government to file complaints under USERRA, even if the alleged violation occurred before the law was enacted.

Also, the Veterans' Employment Opportunities Act of 1998 greatly expanded opportunities for veterans to compete for and retain Federal Government jobs, entrusted VETS with investigating veterans' preference complaints, and put some teeth in our enforcement efforts by making willful failure to comply a prohibited personnel practice. Also, more veterans will get good jobs with federal contractors and subcontractors because Congress expanded coverage of the Vietnam-Era Veterans' Reemployment Rights Act to include all veterans holding a campaign or expedition badge.

These legislative improvements go hand in hand with the dramatic growth of our Nation's economy. It is creating unprecedented job growth without appreciable inflation, expanding career opportunities into new technology-based industries, and more than ever allowing our veterans to use the considerable technical and interpersonal skills that they acquired in the military to build strong, stable civilian careers for themselves and their families.

I intend to leverage VETS' 2000 budget by expanding on the opportunities presented by our dynamic economy to help veterans find not just jobs but to build careers that will enable veterans to move and grow with the new century.

The Workforce Investment Act, also passed by Congress last year, has consolidated the Nation's employment and training programs and services into a one-stop system, where there are no wrongdoors for people seeking assistance. It also makes better use of America's Job Bank and America's Talent Bank, our electronic labor exchange system.

VETS is working diligently within our legislative mandate to make sure that veterans' priority of service is maintained in all Wagner-Peyser services within the one-stop environment.

As you know, by far the largest portion of VETS' budget is to make sure veterans continue to receive first referral in this system through our network DVOPs and LVERs. These dedicated men and women are veterans themselves. They fund an important but small part in a billion-dollar system paid for by a dedicated tax on employers.

We do not control the system. It is our job to work it so that veterans receive maximum employment and training services possible. It is the work of DVOPs and LVERs and case-managing veterans who are disabled or have other employment barriers doing career assessments, reaching out to employers and developing job opportunities, matching qualified veterans to actual job openings that provide veterans with priority in the emerging system, priority they have earned through service.

The \$157.5 million that we are requesting for DVOPs and LVERs will bring us more bang for our buck in fiscal year 2000, thanks to outcome measures we are developing as part of GPRA, or the Results Act.

Coming from a background in organizational development and human resource utilization, I have always looked upon GPRA as an opportunity for government managers to measure, not how hard we are working but how effectively we are working for our customers. And that includes not only veterans but employers and taxpayers, too. It also allows VETS to move as an agency from one that passes its grants to one that actively manages programs to ensure that more of our limited resources are used to help veterans build careers in the new economy.

But I am not waiting until fiscal year 2000 to improve our management process. Last year I instituted a detailed monthly report called "VETS Operations and Programs Activity Report." It tracks performance goals for all of our programs. And these goals are built into my managers' performance standards. When problems arise, I can see they are systemic and move to fix it.

A clearly defined corrective action plan brings accountability to our programs, accountability I must show in my monthly meetings with the Deputy Secretary on VETS' program. As the head of a public agency, I believe in congressional oversight and public scrutiny. Therefore, this monthly report is available to anyone upon request. I believe it will document that the \$26.1 million requested for agency administration in fiscal year 2000 is being used responsibly and with the best interests of America's veterans always in the forefront.

We can do this because Secretary Herman has made it clear throughout the Labor Department that veterans' issues are America's issues. She is bringing resources from throughout the department and seeing how they can help veterans reap their fair share of the bounty our society is now offering to all our citizens, resources for homeless veterans' programs, resources to pilot our Transition Assistance Program overseas so that these 23,000 men and women leaving the Service will be on a level playing field with their stateside comrades, resources to include reporting among federal contractors and subcontractors—these are good career jobs; 20 percent of veteran hires in the Employment Service are federal contractor jobs—resources for a database that will give transitioning Service members a complete listing of all licensing and certifications they will need for civilian jobs requiring them.

I can say with confidence that veterans have never had a stronger advocate as Secretary of Labor than Alexis M. Herman. Just as she is transforming the Labor Department into a Twenty-First Century agency, VETS is transforming itself to serve Twenty-First

Century veterans and help older veterans cope with the employment challenges of the new millennium.

Today many of America's best businesses have good jobs they cannot fill because of a skills gap. VETS can play an important role in bridging that skills gap.

My goal is a simple one: to have qualified veterans be first in line at those employers' doors, résumé in hand, ready to work. America's veterans have unselfishly done their duty to bring peace and stability around the world. Working together, we can make the coming century one of prosperity and peace for them here at home.

I would be happy to take any questions that you may have.

[The prepared statement of Mr. Borrego appears on p. 32.]

Mr. QUINN. Thank you, Mr. Borrego, and thank you for the summary of your comments. As you know, we have had a chance to look over all of your testimony today.

And, please, on behalf of all of us, the subcommittee and the full committee send our thanks to the Secretary of Labor. I have had an opportunity to work with her on a number of programs on my transportation assignment. She is making some great changes there. So please send our best.

Mr. BORREGO. Will do.

Mr. QUINN. I have one question now, if I may begin. You mentioned that there are some pilot initiatives that you are looking at with Microsoft and the Communication Workers of America. I have been over the years closely involved with communication workers and the Phone-Home Program in veterans' hospitals.

CWA has been invaluable in making that happen. It could not have been done without them. The leadership and the nuts and bolts work at getting it done in hospitals all across the country.

Can you give us just a brief summary of the status of that and how it is going, maybe where it is headed?

Mr. BORREGO. Yes, sir. The model is a real simple one. Currently there are between three and four hundred thousand jobs that are open in the information technology industry without the skilled employees to fill those, a huge skills gap in there.

Where we started working is by going to employers. Actually, employers came to us. We asked for their skill standards. We certified to those skill standards. Where there is a skills gap, we are taking a look at putting some of our training money. What we did with the Communication Workers of America is they have agreements with the telecommunications companies.

They are setting up an assessment total. They have a Web page. The first person to be hired was on a ship in the Indian Ocean in the Navy, ran across the Web page, contacted CWA, stepped off of the ship in Seattle into a job with U.S. West. Clearly the need is there. So that is a program that is doing very well.

Microsoft will certify for the information technology industry. These are not Microsoft jobs, but the industry has about 90 percent users of the Microsoft systems. So Microsoft will certify. Once certified, veterans will be placed in the IT industry.

We start with pilots in our TAP sites. We did four with Microsoft. We went nationwide February 1. And now we are also moving it into the Employment Service so that we can work with the general veterans population, not just transitioning servicemembers.

Then it is another step for the whole workforce. These are models that are very good models for the workforce of the Twenty-First Century.

We are also working with a power communication company that came to us. They are after the combat veterans, the infantry, artillery, armor. They want people to lay fiber optic cables, power transmission. They are looking at the deregulation of the energy industry. So we are moving very rapidly.

Cisco Systems, which is a nonunion company, signed a partnership with the Communication Workers to get access to our Military To Work Project. It is an area that is really picking up a lot of energy and a lot of speed.

There is a lot going on. I would suggest a separate briefing where we could you a more in-depth report and take a little bit more time.

Mr. QUINN. I would love to do that, either for the full subcommittee or any Members who are interested. I know your time is valuable, but that sounds like a winner.

You and I have had conversations about trying to get some of this done before our veterans separate from the service. That one example you used sounds like that was done before the separation even occurred, which is what we need—

Mr. BORREGO. Yes, sir.

Mr. QUINN (continuing). To do more of. That is a whole other problem you and I have discussed a number of times.

Mr. BORREGO. Right.

Mr. QUINN. That is very intriguing with some great possibilities.

Mr. BORREGO. I would like to devote a little bit more energy to blue collars, to the electricians, plumbers, drivers, commercial driver's licenses.

Mr. QUINN. How about apprenticeship programs?

Mr. BORREGO. We have a federal interagency task force. And there is so much going on in the Federal Government that we have broken it into three groups. One is marketing. One is legislative to see what legislative changes would be helpful. The third is apprenticeship. So that is an area that we are starting to look at from the Federal Government.

Mr. QUINN. One last final question before I yield to Bob. You also know my interest in the voc rehab area—

Mr. BORREGO. Yes, sir.

Mr. QUINN (continuing). Where my suggestion has been that members of the House become involved in that project. Any possibilities here with this CWA-Microsoft area, do you think?

Mr. BORREGO. Yes, sir. I think that I would love to work with committee members of the committee and move that forward.

Mr. QUINN. I appreciate it.

Bob?

Mr. FILNER. Thank you, Al. We all know of your commitment to this effort. So I am not going to ask you to defend the administration budget versus a larger budget.

I just want you to know that we are going to suggest to the full committee when we do the budget—I hope Mr. Quinn will join us—an additional 22 million or so for the LVERs, which will allow us to serve almost 34,000 more vets; an additional 40 million for the

DVOP Program, which will allow us to serve more than 71,000 more vets, doubling the homeless veterans reintegration project so we can try to place 3,500 more vets in jobs; an additional 50 percent for the National VETS Training Institute, which would allow another 1,300 service providers to be trained; and an additional million or so that would allow the DVOPs and the LVERs to have computer and internet access. I know if we were able to get that, you wouldn't turn that down.

Mr. BORREGO. Thank you, Mr. Filner.

Mr. FILNER. Also you know that I have introduced a bunch of bills related to the area. One, H.R. 364, is the Veterans' Training and Employment Bill of Rights Act. This would require that disabled and wartime veterans be provided priority of services under all federally funded employment and training programs. And, of course, we might want to expand eligibility to include veterans who have barriers to employment. Perhaps other changes could be made. But the bottom line here is that veterans should be at the front of the line for federally funded employment and training programs.

I am just wondering if your agency had taken a position on that or what do you think of that concept?

Mr. BORREGO. Mr. Filner, I think that your bill does a lot for veterans. That area of priority of service in all federal employment and training is of a large concern to the veterans' community.

As the Chairman mentioned, we are at Labor. We have a split committee. Our authorization is Veterans'. Our appropriation is Labor. The system that we work in is a billion-dollar employment service system funded by employer unemployment tax.

We have and everybody acknowledges priority of service in Wagner-Peyser, the employment service. How do we handle that in the employment and training now that we have gone to the one-stops that bring in 14 programs? There is no priority of service in those.

From my perspective—and your bill addresses this—we have been trying to work with the labor committees. Our Secretary is also concerned. The Workforce Investment Act had passed the House. It was in the Senate. She sent an amendment to the Senate labor authorization.

The concept that we got consensus on at the department was fair share. The amendment we sent and asked the committees to write in their authorization legislation that the States assure that veterans receive their fair share in the training programs. We were targeting the dislocated, which is the most applicable to veterans. The Committee did not accept that.

At the department, we got consensus around fair share, which takes us very close to priority of service. We have not taken a position on your particular bill, but I think that that accomplishes getting priority of service in training.

Right now we have over 100,000 veterans who need training, many—what is it?—57 percent of the unemployed veterans are over 45. Eighty percent are over 35. Many of them are looking at having mid-career changes as the economy changes. So training is very important. And your bill goes a long way.

The consensus that we have reached at the department has been on fair share, which is slightly different but gets us most of the way to priority of service.

Mr. FILNER. For the students in the audience, that was a yes. (Laughter.)

Thank you.

Fortunately, my bill was referred to this committee and not to the Labor Committee.

Mr. BORREGO. And that is very important.

Mr. FILNER. I will pass.

Mr. QUINN. Mr. Reyes?

Mr. REYES. Thank you, Mr. Chairman.

I don't know that I can follow that act, though, from the gentleman from California, but I did want to publicly thank you again, Mr. Borrego, for coming to El Paso last August and attending a veterans' town hall meeting. In fact, Mr. Chairman, while he was in El Paso, the American GI forum presented Mr. Borrego with an award for some partnership work that he had done with several of the businesses in the local area. So we have seen first-hand some of the successes that you have had.

In light of that, yesterday we had a hearing where the Congressional Commission on Service Members and Veterans' Transition Assistance provided some testimony where they were somewhat critical of a number of different issues but one of them, in particular, the DOL VETS Program.

My question to you is: Have you had a chance to look at their report and specifically as it pertains to some of the criticism that they have leveled at DOL VETS? I would be interested in hearing any response that you might have to that.

Mr. BORREGO. Yes, sir. We are preparing a report. We have 90 days. That should be to the committees on April 25. DOD, VA and DOL have to file a joint report.

When I looked at that, one of the first things that I think is clear is that both the Congressional Commission and I share the same goal, and that is that veterans be extremely well-served by our department.

I also know that they looked at a huge number of programs when you look at the VA and DOD and that they had a limited time and that they didn't take a very in-depth look at us. I think part of it is, if the only information I had was the information they have, I would see it the same. But clearly there is a lot that they didn't look into.

For example, the system that we work in is paid for by employers. It is an employer tax coming through the federal unemployment trust account. That billion-dollar system is a labor system, not a veteran system. On this system, Congress has done two extremely very smart things. It provided for priority of service for veterans in the Employment Service. That to me is a cornerstone and the key that veterans get referred first.

What I have seen in working with employers is that if they have a job opening and they need someone that meets their skills. Getting the veteran these first clearly is very important because it is not a veteran system. It is very important that we measure how

veterans do relative to non-veterans because that is where we are putting resources.

The other is that it created the DVOPs. Congress created DVOPs and LVERs. The LVERs monitor the priority of service. They do the matching of the résumés with the employment openings. DVOPs will work with disabled veterans.

If we take and we compete the DVOPs/LVERs, we are taking a very small piece. But the system doesn't get competed. That is where the jobs are as we transform into the one-stop that has all the employment and training. All of that gets removed. We lose that priority of service because now we have a separate group. It would preclude veterans from using that one-stop system because we are sending them someplace else. So I am not very comfortable. I think we can get to the same dynamics that they are after with incentives.

The other piece that I am very uncomfortable with is they limit benefits to veterans only for 4 years after separation. It took me 5-6 years to finish college. I wouldn't have been able to get any help. So if you go to college, you can't get help.

It allows us to continue working with disabled veterans and veterans who have barriers. That is the piece that bothers me most because it puts veterans in the place of having to say once they are past the 4 years, they need help from us, that they have a barrier that keeps them from getting employment that is so severe they can't get employment on their own. It stigmatizes veterans and it stigmatizes those veterans that have been in combat.

Clearly what I saw in BLS was that of those eight million Vietnam veterans, those four million that were in country in Vietnam have unemployment rates twice as high as those Vietnam veterans that were not in country. It will penalize those that have been in combat that will carry problems for a long period of time. We will prepare an in-depth report.

Hopefully I think one of the things that comes out of it is that is very good as it places a spotlight on our programs. Clearly when the legislation was first written—it has been many years. Now we have a new economy. I think there are some changes that can be made that would be very positive and bring us in synch and in tune with a new economy. And we will be proposing those.

But those are the two pieces. I would hate to lose priority of service in the one-stops, send veterans to a place where they don't have those services. They will clearly lose. And the possibility is it will place 3,000 veterans on the street, put them out of a job. And clearly I think that we can make the system better, but it is a labor system. Our piece is very small.

So I think that veterans will be ill-served if we take those two recommendations. There are other very good aspects that they had, and we will support those.

Mr. REYES. Thank you.

Mr. QUINN. Thank you, Mr. Reyes.

I think the Commission's report, as Mr. Filner pointed out with some suggestions right off the bat today, had a lot of good in it. We will hear from you and others about which parts we want to go forward with.

Thank you, Mr. Reyes. I have no further questions at this point, Mr. Borrego. We appreciate your coming over.

I will just ask, Mr. Filner, is there anything further?

[No response.]

Mr. QUINN. Thanks again for coming over. We will look at your full statement. Are you going to get back to us with some information?

Mr. BORREGO. Absolutely. Yes, sir. Thank you, Mr. Chairman.

Mr. QUINN. For the students here today, we are going to relieve Mr. Borrego of his duties and we are going to have some VSOs come up, which is veterans' service organizations. They will be up at the table in a minute. I will introduce them to you now.

Thank you, Al.

Mr. QUINN. Gentlemen, do you want to come forward now? I will introduce you—I know your name tags are there for us—for the youngsters in the group just so that they know who you all represent when they leave. They are going to leave in about 10 or 15 minutes.

Mr. Calvin Gross is the Chairman of the National Employment, Training, and Business Opportunities Committee of the Vietnam Veterans of America. I am going to go from my right across the table, students. Thank you, Mr. Gross.

Mr. James Hubbard is the Director of the National Economics Commission, The American Legion. Mr. Jim Magill is the Director of the National Employment Policy of the Veterans of Foreign Wars of the United States, the VFW. Mr. David Woodbury is the National Service Director of AMVETS. And Mr. Larry Rhea is the Deputy Director of Legislative Affairs of the Non Commissioned Officers Association of the United States.

Gentlemen, thank you for joining us this morning. We appreciate it. I think you know the ground rules pretty much. I am going to ask you to keep your oral statements to about 5 minutes. We have your full statement here. If the other members agree, we'll hear from all five of you first, and then we will go to questions when you are finished if that is okay.

Mr. Gross, if you don't mind, we begin with you this morning. Thank you.

STATEMENTS OF CALVIN GROSS, CHAIRMAN, NATIONAL EMPLOYMENT, TRAINING, AND BUSINESS OPPORTUNITIES COMMITTEE, VIETNAM VETERANS OF AMERICA, INC.; JAMES B. HUBBARD, DIRECTOR, NATIONAL ECONOMICS COMMISSION, THE AMERICAN LEGION; JAMES N. MAGILL, DIRECTOR, NATIONAL EMPLOYMENT POLICY, VETERANS OF FOREIGN WARS OF THE UNITED STATES; DAVID E. WOODBURY, NATIONAL SERVICE DIRECTOR, AMVETS; AND LARRY D. RHEA, DEPUTY DIRECTOR OF LEGISLATIVE AFFAIRS, NON COMMISSIONED OFFICERS ASSOCIATION

STATEMENT OF CALVIN GROSS

Mr. GROSS. Mr. Chairman and members of the subcommittee, thank you for this opportunity to present testimony here this morning. The transition of our Nation's separating veterans into the civilian workforce and the availability of real job opportunities for

Service-connected disabled veterans and the availability of Vietnam veterans and veterans of significant barriers to employment is of the utmost importance to the American economy.

The Veterans' Employment and Training Service indeed provides a most crucial service to veterans in this country. Overall, VVA is pleased with the administration's funding of VETS. Our concern is focused on the quality and the efficacy of services rendered by the actual service delivery systems funded by VETS.

Today's job market is increasingly complex and technological, demanding life opportunity. In order for vets to effectively provide tangible job delivery services to today's veterans, VVA firmly believes that VETS must implement some key changes.

In regards to the DVOP and LVER programs, such as DVOP and the LVERs, VVA believes that funding must take place, one. Instead of working in job service offices, you can be stationed out in vet cetera, VA vocational rehabilitation sites, and every work therapy site in all appropriate CBOs.

Two, each DVOP and LVER should be provided with adequate administrative support and technological tools. A heavy emphasis—this is number three—should be fostered throughout the DVOP and LVER programs that all DVOPs and LVERs must aggressively interact with local employers and businesses on behalf of the clients.

Simply providing a veteran with a list of jobs culled from the newspapers and internet is not enough. We expect VETS to sell veterans to employers.

The VVA believes that these changes can become an everyday working reality if the VETS institutes a system of standards, rewards, incentives, and competition throughout its national network. An incentive program must be treated which rewards those States and local offices that excel at helping veterans in gainful permanent employment.

Such a program must be predicated on standards by which performance is accurately measured. The VVA believes that VETS must develop performance measures that clearly show the bottom line of DVOPs and LVERs work. The number of veterans placed into permanent jobs, there should be a minimum standard of 50 veterans, 25 disabled veterans, and 12 special disabled veterans placed into permanent employment for DVOP or LVER each year.

Future monies should be withheld from States not meeting minimum standards of work contracted out. Seventy-three million has been provided to VETS' budget through the title 168 monies. The VVA believes that this relatively small amount of money should be set aside for the workforce and awards that best complete the training, placement of disabled veterans and those veterans with significant barriers to employment.

Lastly, I would like to briefly comment on Homeless Veterans' Reintegration Program. HVRP is a very effective program that moves homeless veterans toward becoming self-sufficient taxpayers again. It is an opportunity for these veterans to recover and earn their piece of the American dream.

VVA strongly urges the Committee to urge your colleagues on appropriations to allocate the full \$10 million that has been our cost for this program. Since the authority for this program will expire

at the end of 1999, we urge you to be sure that HVRP will be extended until December 31, 2007 and at a much improved, authorized funding level.

In summation, the VVA urges VETS to take the necessary changes needed so that today's veterans and tomorrow's veterans will have opportunities fully transitioned into the Twenty-First Century workforce.

Mr. Chairman, I again wish to thank you and this committee for the opportunity to be here today. I welcome you and any questions your colleagues would have.

[The prepared statement of Mr. Gross appears on p. 43.]

Mr. QUINN. Mr. Hubbard.

STATEMENT OF JAMES B. HUBBARD

Mr. HUBBARD. Thank you, Mr. Chairman.

I would like to start by expressing my appreciation for the members of the Close-Up class who are here today. Both of my daughters went through that program. It is a wonderful program. And what better way to learn about how we do business here than to watch it? So congratulations to the students from Houston.

Mr. QUINN. Yes. I agree. Thanks.

Mr. HUBBARD. The American Legion does not concur with the President's recommended funding for personnel levels for the Disabled Veteran Outreach Program, Local Veterans' Employment Representative Program for Fiscal Year 2000.

Although funding levels for the DVOPs would increase by 175,000, it supports 32 fewer staff positions. The LVER funding increases by \$175,000. The number of veterans to be served will not increase. This is not a good trade-off. Fueling salary increases through staff reductions is not acceptable.

With respect to the Local Veterans' Employment Reps, the Title 38 provides that a minimum of 1,600 positions be funded. Now, this hasn't happened for more than a decade. We recommend this committee consider funding authorization of at least 100 million to properly fund the program.

Likewise, the Disabled Veterans' Outreach Program specialists are also seriously under-funded. The President's budget for 80.2 million will support 1,431 DVOPs in the field. That does not even begin to cover the 2,500 one-stops created by the Workforce Investment Act where veterans will go for assistance.

We believe that VETS will need at least 2,000 DVOPs to meet the WOIA-funded activities. And to do the Transition Assistance Programs provided at some of the one-stop centers, staffing is on a part-time basis. This is a conservative estimate. We believe that an additional \$40 million in funding will be required to support even that conservative estimate.

Mr. Chairman, while we were looking for information and doing research for this testimony, we discovered that 56.2 percent of all unemployed veterans are over the age of 45. You heard from Mr. Borrego a few minutes ago that there are over 100,000 of those people. And they all need training.

Section 168 of the Workforce Investment Act is that portion which covers this type of training. For at least the past 3 years,

this account has received 7.3 million in annual funding, which has allowed the program to operate in only 11 States.

There are 100,000 of these people available for work in this new economy, but they lack marketable technological skills. The problem is clear. The solution is adequate funding.

If the 7.3 million funding level continues in authorizing legislation, it becomes the baseline for future budgets. That is dangerous because that hole just gets deeper and darker for the next generation of veterans. That baseline needs to be at least \$32 million to allow VETS to begin training in all 50 States under Section 168 of the Workforce Investment Act.

Mr. Chairman, the National Veterans Training Institute continues to play a critical function in the world of veterans' employment. The exceptional training provided enhances the quality and delivery of services in almost every employment service office.

Funding for NVTI must not continue to be flat-lined in 2000. Now, I don't know exactly what the right number is, but I would suggest that the new Assistant Secretary conduct a study in the field of the training that is necessary and then put a budget number to that and get back to you with a recommended figure.

Mr. QUINN. Excuse me, sir. May I interrupt you for just one second?

Mr. HUBBARD. Yes.

Mr. QUINN. When we finish up here today, could we meet for just a second with staff to get that question exact? And I will make that request for you. When we finish up, we will get it. Okay?

Mr. HUBBARD. Thank you, Mr. Chairman.

Mr. QUINN. You are welcome.

Mr. HUBBARD. Mr. Chairman, the last time the VETS statute underwent any dramatic change was more than a decade ago when Congress passed Public Law 100-323. That law has served veterans well over the years. The only way it can continue to do so is to give the agency the proper resources. The President's budget leaves the agency barely surviving and some kind of maintenance diet. Veterans deserve better treatment than the public labor exchange.

Thank you, Mr. Chairman. We will be happy to answer any questions.

[The prepared statement of Mr. Hubbard appears on p. 48.]

Mr. QUINN. Thank you, Mr. Hubbard. I appreciate you doing that. I just made a note to staff here that when we get the question from you and send it, we will get all of the witnesses today the response from the Department of Labor when it comes to us just so you will have it.

Mr. Magill.

STATEMENT OF JAMES N. MAGILL

Mr. MAGILL. Thank you very much.

At the start, I was going to amend my oral remarks just to comment on the support that we would give for the comments by the ranking member on his recommended levels. That was very encouraging to hear.

One of the major concerns that we are finding out at the Veterans of Foreign Wars is that the main thing people who are just get-

ting out of the military are concerned about is: Will they be able to find a job? This is something that when we go to job fairs, et cetera, one of the first questions is: Is there going to be help out there in locating employment?

At the same time, we are getting more and more phone calls from individuals in the 50 to 60 age group that have retired from one career and are now looking to supplement that income with employment. They are finding it very difficult to find job placement.

The Department of Labor has recognized the need to address the concerns of veterans by establishing the Office of the Assistant Secretary for Veterans Employment Training.

At the outset, the VFW strongly supports the Federal Government taking a proactive role in assisting veterans in their entering the civilian workforce as well as assisting those who may be in danger of losing their jobs through reductions of force and downsizing. We also believe that Congress has both a statutory, if not a moral, obligation to provide the necessary funding to ensure that veterans can become productive members of the civilian workforce.

While the total Fiscal Year 2000 budget for VETS shows a 4.9 percent increase over fiscal year 1999, we are concerned about some of the specific levels. As was mentioned before, we do note there is a shortfall in the funding of the DVOP Program, which was mandated by Congress, as well as a shortfall in the LVER Program. And it is outlined in my statement. So I won't go into that.

We would suggest, though, that maybe a concept should be considered to reward those States that have very good DVOP programs, maybe something by providing some extra funding for those States that have shown that they have excelled.

Possibly some of the funding could come from the shortfall. And the appropriate appropriations committees may want to consider taking a percentage of that money as a proactive measure and not a detrimental measure.

With respect to the Homeless Veterans' Reintegration Project, the VFW has long supported it being funded at the congressionally mandated level. And we would hope that the Congress would do that.

With the National Veterans' Training Institute, NVTI, we find this an extraordinary, beneficial program. And we are pleased to see that it is now on a line item, instead of having to fight for those dollars. And we would encourage the Congress to ensure that that program is properly funded.

In closing, I would like to commend the Assistant Secretary for Veterans' Employment and Training for his efforts in bringing veterans' issues directly to the attention of Secretary Herman and other departments within DOL.

For too long, veterans have not even been at the table when decisions affecting them have been made. We believe now the veterans' voice is being heard. And for that, we thank Mr. Al Borrego for that.

This concludes my statement. And I will be happy to respond to any questions you have.

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

Mr. QUINN. Thank you very much. Mr. Woodbury.

STATEMENT OF DAVID E. WOODBURY

Mr. WOODBURY. Good morning, Mr. Chairman. I am David Woodbury, the National Service Director for AMVETS. We appreciate the opportunity to join you this morning and to provide testimony in support of your oversight efforts on the budget for veterans' employment and training for fiscal year 2000.

My comments will be brief. Neither AMVETS nor I have been the recipient of any federal grants or contracts during fiscal year 1999 or the previous 2 years.

At a time in our history when unemployment is approaching record lows, the economy is strong. And for the first time in several decades, the national debate seems increasingly focused on what to do with budget surpluses, rather than how to deal with deficits.

Americans generally may be content with their economic circumstances. One can reasonably argue that, indeed, times are good. They are unless you happen to be a veteran facing separation or retirement from military service and looking for a job.

We believe that America's commitment to its veterans, codified and consistently reaffirmed by federal statutes throughout our history, is not being satisfied to the degree Congress intended. Indeed, the perception among America's veteran population is reaching similar conclusions. Increasingly, they sense that a grateful nation may not be and that other priorities now consume the Nation's consciousness, that veterans' issues are no longer important.

With regard to employment issues, a dichotomy exists. Hardly a day passes without an article appearing in a newspaper or other periodical commenting on corporate America's urgent need for skilled employees. Concurrently, DOD projects that it will separate between 250,000 to 275,000 Service members during each of the next several years.

The dichotomy is that generally employers are not aware of the advantages this veterans' population and those who preceded them bring to the employment marketplace. And for their part, most veterans do not know how to effectively access the employment opportunities for which they may offer clear and timely solutions.

Mr. Chairman, you and your subcommittee together with the House Committee on Veterans' Affairs have aggressively fought to support veterans' programs. Indeed, many of the initiatives you fought for are currently in place. Unfortunately, in too many instances, we believe they are not working as efficiently as you intended. And in the process, veterans are being left behind.

In its recently published report, the Congressional Commission on Service Members and Veterans' Transition Assistance commented extensively on a series of problems with recommendations. And, in the interest of brevity, I won't repeat any of that here.

Separately, however, AMVETS in partnership with the Disabled Americans Veterans, the Paralyzed Veterans of America, and the Veterans of Foreign Wars recently published its 13 edition of the independent budget, fiscal year 2000. It also addresses veterans' employment and training issues.

Representative findings included the following. Service members are not adequately served by the Transition Assistance Program

and Disabled Transition Assistance Program, TAP and DTAP. The National Veterans' Training Institute administers training programs unavailable elsewhere and should be funded at a level adequate to ensure training is continued within a constantly changing veterans' environment.

Discrepancies in the State Employment Service Agency level affect the services veterans receive. The Department of Labor needs to review the current structure and process for the delivery of employment services to veterans to ensure successful outcomes, rather than process, are rewarded.

Within the vet system, performance standards are inconsistent and inadequate. There is no system in place through which comparisons can be drawn between state programs so that successful programs can be rewarded. Vets must develop meaningful performance standards in order to ensure limited fiscal resources are applied only where successful outcomes are consistently achieved.

Inadequate funding within both DVOP and LVER programs make full compliance with federal statutes extremely difficult, if not impossible. For example, there is a shortfall of about \$32 and a half million between the mandated level of funding for DVOP and LVER Programs, which only Congress can remedy.

Mr. Chairman, it seems to us that, notwithstanding the commitment to supporting veterans' employment initiatives and the well-intentioned efforts of both federal and state agencies to effectively implement congressional mandates in this area, veterans continue to be under-served. Part of the challenge which confronts us today may well be to overcome bureaucratic inertia and inability to recognize the changing dynamics associated with veterans' employment issues today, a hesitancy to adjust programs to accommodate for these changes, and a failure to establish clear standards through which program implementation is measured in terms of outcome, rather than process.

We have the Department of Defense, the Department of Veterans' Affairs, the Department of Labor, all tasked with responsibility for implementing various congressional mandates for and on behalf of veterans. For its part, DOD certainly knows which Service members are scheduled for separation or retirement. They know who they are, where they are, and when they will be available for transition or employment assistance.

The Department of Veterans' Affairs is currently in the process of establishing offices at major military separation facilities across the Nation. And by next year, it is my understanding they intend to establish an overseas presence in both Asia and Europe. These initiatives serve several vital purposes, including the ability to provide outreach to veterans at their time of separation. And the Department of Labor knows the labor marketplace. They know better than anyone else where the jobs are.

There is a natural partnership in the offing here. Each of these agencies has as part of its congressional mandate a responsibility for assisting veterans. And each in its efforts to comply has invoked various policies and procedures focused on satisfying this congressional direction.

In the process, however, there may be duplicative efforts which work across purposes. When you are dealing programmatically

with these issues, it is very difficult to think in terms and units of one, one veteran seeking help in his or her efforts to find post-military employment.

We believe we need to examine ways to better focus on the special needs of veterans by applying the strengths each of these agencies brings to the table. We need a coordinated, results-oriented approach which solves employment issues one veteran at a time.

The companion piece to such an initiative is a renewed outreach effort to potential employers nationwide describing the real benefits to them of hiring veterans. The commission's report pointed out that in its national survey of employers concerning the hiring and job performance of veterans of the United States military, the Gallup organization learned that 74 percent of all employers surveyed reported they employed veterans. But only 26 percent of the employers actively recruited veterans.

When employers were asked why they did not actively recruit veterans, 29 percent said they did not gear recruiting to any specific group. And 21 percent reported they had never considered recruiting veterans group and 21 percent reported they had never considered recruiting veterans.

Mr. QUINN. Mr. Woodbury, excuse me for interrupting. If we were on the House floor, someone would stand up and say, "The gentleman's time has expired." Well, we are not there. But I will say it.

Because we have to get to everybody else, we would simply ask you to conclude in the next couple of minutes. Then we will take your full report. Okay?

Mr. WOODBURY. That concludes my statement, Mr. Chairman.

[The prepared statement of Mr. Woodbury appears on p. 52.]

Mr. QUINN. There we go. Thank you. Thank you very much. We did have a chance to look at most of that, and we appreciate it.

The Non Commissioned Officers Association of America is here today as the fifth. Last but not least, certainly. Would you begin, Larry?

STATEMENT OF LARRY D. RHEA

Mr. RHEA. Thank you very much, Mr. Chairman.

Good morning to you and the ranking member, Mr. Filner. It is a pleasure to see both of you again, and we appreciate the opportunity to appear this morning and to make our comments on the subject at hand. We also thank you for your leadership and the interest that you have shown over the years for the employment and training programs for worthy veterans.

We also at the very start want to extend our salute to Mr. Borrego. I want to frame what I am about to say the right way so that I don't diminish the contributions of any of his predecessors. But, clearly in our view, Mr. Borrego has done more within the Department of Labor to elevate the employment and training needs of veterans than anyone else up to and including the Secretary, the Deputy Secretary of Labor, as well as within the Employment and Training Administration within that agency.

Overall we are pleased, Mr. Chairman, that the administration has proposed an increase for the programs and services administered by VETS. We note, however, that about 25 percent of the in-

crease that is proposed is consumed by inflation, employee costs, and administrative overhead. But there are several things in the budget that we believe are commendable.

For example, the proposed pilot program for Transition Assistance Program at overseas locations is clearly commendable in our view. Another example of a commendable initiative is money to support State efforts to compile and provide better outcome measures in what we are trying to do here.

The VETS budget proposal also supports expanding the current ongoing effort relating to the licensure and certification of military training. In NCOA's view, this area alone has the potential to be the single greatest thing vets could do to ease the transition of military members into civilian life, into high-paying jobs that ultimately lead to careers.

In addition to supporting the budget request of \$250,000 for this expanded effort, NCOA requests that this subcommittee make the issue of licensure and certification a high priority on your oversight agenda.

We are very delighted that the subcommittee intends to hold hearings on this subject in April. And we would welcome the opportunity to provide our thoughts and recommendations at that hearing, Mr. Chairman.

The critical area of the DVOP and LVER Programs I think, like everyone else here this morning has stated, remains of concern to NCOA. While the budget provides a slight increase to those programs as far as the overall dollar amount, because of inflation and employee costs, as has been pointed out, we actually lose some ground. Thirty-four fewer LVERs and 32 fewer DVOPs would be funded in the budget.

And we are pleased, Mr. Filner, that the subcommittee intends to address some of this area in your recommendations to the full committee. I don't think you will get any arguments at all from the veterans' organizations on that.

Our experience with DVOPs and LVERs, as we noted in our written testimony, Mr. Chairman, identified several common themes. And I would just ask you to take a look at what we said in there relative to that program because, as my good friend there that is anchoring the other end of this table pointed out, we are of the belief that it is time for some fundamental changes to that program.

I think what we have been saying as an association to you now for several years was backed up and validated in some of the things that the commission said. The fact that DVOPs and LVERs have consistently told us for several years now that they need more time to do case management, they need more time to outreach to employers, and to sell veterans to employers—and despite what we might think of those commission recommendations—and I know it is getting some criticism right now—I think that is one of the important things that you should look at in all of that.

We also support the notion that there needs to be some incentives in place out there for those DVOPs, LVERs, the States, and the local areas that do a good job for us. How that is constructed can be worked on, but I think it is time that we move on that. Here

again—and I say this with no disrespect to this subcommittee—we have talked about that for many years, but we haven't done it.

The fact that the administration proposed an increase in these worthy programs is certainly appreciated and noteworthy. And I would just ask you that as you consider this budget, that you consider it in the context of what we truly need for veterans in the way of outcomes as we approach the new millennium.

We welcome the opportunity to continue to work with all of you, the subcommittee members as well as the staff, to either change existing programs or, if need be, to create new or revised programs that will truly serve the needs of worthy veterans as we approach the new millennium.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Rhea appears on p. 57.]

Mr. QUINN. Thank you, Mr. Rhea. And thank you to all of the members on this panel who have offered their views, both in writing and orally. We have come to rely on your input on all of these matters, particularly budget matters. And we appreciate it very much.

Let me, if I may, Mr. Rhea, sort of pick up where you left off with your discussion and ask a question of all five of you and ask Mr. Rhea to respond first because we just left it. That has to do with the DVOP and the LVERs situation.

Numbers tell us that fewer than two percent of veterans go to the Employment Service looking for jobs. And then even in the testimony today, we are told that 12 percent get jobs. We will look at the funding and discuss that, as you already have today, while we didn't get into specifics of that or the Commission yet.

I guess my question is more institutional, and my question is this: Is it strictly a problem of money? If we are able to get more money to fund it better, is that the answer to the question? Sometimes these problems are structural, problems with the situation the way it exists for us too—I mean, you won't get any argument from us either if we could increase the funding levels to everything, we would. But sometimes it is not always a question of just money. Should we, can we also be looking at some structural changes here?

Larry, if you don't mind, I will start with you.

Mr. RHEA. I want to be very careful how I answer that because I wouldn't want to dampen any effort that you might have to get additional money.

Mr. QUINN. No, no. Believe me, it is not going to happen.

Mr. RHEA. I think there are some structural sorts of things because what we have heard for quite some time now from DVOPs and LVERs is that they are hamstrung in the current environment. Certainly more money just for the technology types of things, that they don't have out there to do their job with, is needed and appreciated.

NCOA gets criticized when we say this. And I first mentioned the current environment they feel hamstrung in. But I will be quite honest with you. I told Mr. Borrego this the other day, so I am not telling anything out of school.

We have got DVOPs and LVERs that are gaming the system on us, too.

Mr. QUINN. What do you mean by that?

Mr. RHEA. They are grants through the States. They are working in a State employment service. On one hand, they contend they are strictly to serve veterans, but you have got the employment service wanting other things done and so forth.

I am saying to you that you have got some that want to walk that middle road. They say: Well, I am not fulfilling my responsibility as a DVOP or LVER because they are pulling me off on something else. So you can't hold me responsible for my low performance there. Okay?

Now, having said that, you have got some that want to work both ends against the middle to mask poor performance. That is what I am saying about gaming the system.

Whatever we do structurally, I think we have to refocus their efforts in those areas that I mentioned, again, I think that the commission stated so very accurately on case management and so forth.

Mr. QUINN. Mr. Gross, do you want to comment?

Mr. GROSS. Yes, I do. I am going to make an assumption that you want the truth here.

Mr. QUINN. Yes. Particularly now that the students are gone, we would like to have the truth. (Laughter.)

Mr. GROSS. You will walk into an instance where this man has placed 200 vets, and at the same time a man who sits next to him placed 5. And Larry aptly described the games that would go on.

Basically your question is C. It is both A and B. I have a member of my committee who is a DVOP in Missouri. Three years ago he went for Microsoft training for a PC. He just got it.

Mr. QUINN. Three years ago?

Mr. GROSS. Yes, sir. I can document this for you.

Mr. QUINN. All right. Go ahead.

Mr. GROSS. And when he said he just didn't remember what to do with the application, the unemployment office lost patience: Well, come in here for training. He shows up, and they are hooked to a mainframe with the CRTs. So they are two different animals, two different behaviors. The application won't work.

So this man has on his own been able to place people. He has a great record. But it is a matter of: Where did the money go? You spent money on training him. Then you spent money on a PC. And maybe the application wouldn't run on the newest PC. I mean, there are some logistics and planning. What vision is there?

We have fought in Michigan. I don't know anybody here in Michigan. In Michigan, we have been fighting a fight where they separated the DVOPs and LVERs from the main employment offices and put them in offices with no access ramps or no bathrooms or no ability to have a PC. So they were just destroying the system.

This was the governor. We fought the governor. We came to Secretary Borrego. And thank God that he and his staff got into action. And we were able to threaten them with holding up the money until we were able to fold it back in properly. There is not just anecdotal information. There are hard facts for you to have when it comes to these things.

So vitrics is something that is a part of my life. I could come to you and say we have a business case and it has to be measurable, show you results. Why would we put this kind of money out there

and ask for that, not demand that there are measurements and show results? And what do we do, have an application 3 years old come on the new PC?

Mr. QUINN. So the answer is C?

Mr. GROSS. Yes, sir, it is C.

Mr. QUINN. It's not A and B?

Mr. GROSS. And that is why you have such a low rate of veterans going to these people.

Mr. QUINN. I agree. I could not agree with you more.

Does anyone else want to comment before we leave that topic and I yield to Bob?

Mr. MAGILL. I cannot argue with the points made by Larry and Calvin. One thing I would like to comment, though, the Congress enacted a law last year that removes the restriction that DVOPs be Vietnam veterans. And we supported that. And I am hoping that we will see an improvement with just that small step, which I think is in the right direction.

I also think, as was mentioned before, that the case management concept has got to be further explored and developed. I mean, veterans, a lot of times I think when they go in, are only seeing one aspect of it, where maybe in reality they are expecting a little bit more.

And I think, rightfully so, they should expect more. It is not necessarily just that initial interview and: Okay. Go out and talk to this employer, that employer. He needs to be worked with: the veteran. So we are hoping that that can also be brought into place.

Mr. QUINN. Good. That is fine. Does anyone want to comment? Thank you.

Mr. HUBBARD. Thank you, Mr. Chairman. I would agree with Calvin gross that the answer is all of the above. Some States do quite a good job in their veterans' employment efforts. Some States do a terrible job. And some States are undergoing some major changes in the way the public labor exchange works. And veterans in some cases are being left in the dust.

Michigan was almost one of those places. Fortunately, the veterans' organizations up there got the attention of the governor. And veterans are now part of the program, although it is proving difficult.

The local office manager here is key. In some cases, local office managers have actually prevented veterans' representatives from doing their job. And then, boy, is that ever frustrating to those folks. In some cases, it is the veterans' representatives themselves.

I raised my hand when somebody said: Is anybody from Michigan? I grew up there, and I maintain close ties back there. And, in fact, I was up there with Mr. Magill in September at a veterans' representative conference.

And they are looking at change right in the eye. And he is sitting in the back of the room with a beard and glasses. And they don't like what they see. They were told—there is a standard that was set in corroboration with the Veterans' Employment Training Service people form the State director and the regional director in Chicago. They were given a quota of placements to meet every year. And about a third of those representatives said: We can do that. And about a third of them said: It's not in my job description. An-

other third said: Well, we will give it a shot. And so there are some systemic problems out there.

Now, Mr. Gross also mentioned an incentive program. The people that you see here at this table, we colleagues, we band of brothers, are all members of the Secretary of Labor's Advisory Committee on Veterans' Employment and Training, which I chair.

And I can tell you that an incentive recommendation has gone forward to the Secretary. The shape and form remain to be put on paper. I understand Mr. Borrego has been tasked with giving some shape and form to that recommendation, and we look forward to working with him on that subject.

Mr. QUINN. David, just before we move on, I want to see if Larry wants to comment on this.

Mr. RHEA. No. I would just be repeating.

Mr. QUINN. Thank you.

I yield to Mr. Filner.

Mr. FILNER. Thank you, Mr. Chairman.

I am sorry the students left because I want to talk a little bit about politics. Now, notwithstanding some of the structural and accountability issues that you have raised, certainly the level of funding is not sufficient.

Mr. Gross very eloquently talked about the homeless situation. And Mr. Woodbury talked about within the congressional thought processes how low veterans' issues seem to be in terms of priority. Well, that cries out for political action on behalf of your own membership.

As I have said in the past several years from this committee, things have changed here. We don't have a committee that can force its will on the appropriators. We don't have a Congress that values that very highly apparently. I mean, 300 Members of Congress have not had military experience. So we have to change what we are doing.

I need your millions of numbers, not just to talk to us but to talk to the other 430 Members of Congress. When the new majority came, they talked about a contract with America. We need a contract with America's veterans, to be underlined and restored. We have to have a way to do that. I am not sure.

Correct me if I am wrong, but I would bet that most of your members know less about the independent budget than we do. And this is a process that is going to go pretty quickly. You need to inform them about that, how whatever we decide to come up with—I don't know—you put Mr. Quinn along with me in my recommendations. I hope that is the case. I am not sure that the full committee is going to accept the independent budget, as some of us will recommend. But whatever we do, it is going to be more than the administration's budget I feel confident to say.

But whatever we do or even if the independent budget is good enough in terms of a rallying point, which I think it is—I mean, I think you guys have done an incredible job on that.

The other 420 Members of Congress have to hear that word, "independent" budget, so when I go on the floor of the House and talk about it, they say: Oh, yes. I just heard about that from 1,000 letters I got. They need to be informed about that. And you can correct me if I am wrong. I doubt if they have it.

And when we go through this process after our recommendation leaves the committee, everybody on the floor has to be hearing from their veterans that they want the independent budget so when I go up there and yell about it, everybody knows what I am yelling about. It can't be you guys. Your job is with us, and you have done that very well. But now your grass roots have to grow.

So whether you call up a contract with America's veterans—I saw Mr. Gross here loved that—or the independent budget or \$3 million more, whatever can fit basically on a bumper sticker, the members have got to notify the other members in starting out. I would like to be informed of what you are doing on that.

I know Mr. Magill looks very anxious to do that. So you could start. But I hope I am wrong in that you haven't started that process. I mean, I haven't gotten one letter on it.

Mr. GROSS. How many do you want?

Mr. FILNER. I want Mr. Reyes. He keeps saying he has got 60,000 veterans. I would want to only get 60,000 letters. Ms. Berkeley keeps saying she has the fastest growing mail about it. But more than this committee, it is the other folks. And it is the 300 especially that have no military experience.

They have to hear that this is an organized group, like any other group in the American electorate that they expect to hear from. And if they don't hear from you, you are nothing. I mean, that is the way it works. They won't have to do anything on the floor if they don't hear from your membership.

I am sorry, Mr. Magill.

Mr. MAGILL. No. That is all right.

At the end of this week, we will be starting our Washington conference. We are going to be bringing in several thousand of the Veterans of Foreign Wars. And I believe the other VSOs are going to be starting theirs in the future.

We have been trying to educate our people on the budget process. And I am sure I am preaching to the choir here. It is a complicated issue. I wish that it could be something that we could very easily just say—

Mr. FILNER. Right. Well, let us just say 3 billion more as a rallying cry. I mean, you know, we could—

Mr. MAGILL. But the Congress want to hear more than just "We want more and more and more and more."

Mr. FILNER. They have got to say that, but—

Mr. MAGILL. We got to the point where we did say that for a long time. And now we are trying to show where this money can come from, what the needs are for this money, not necessarily the VSOs for years saying "Just give us more. That is all we want." And they walk out. So hopefully these Members of Congress will meet with our members when they come in.

Unfortunately, I have to say—and I hope it is not speaking out of school, like Larry said. But sometimes we have very difficult times for Members of Congress that will take the time to meet with their constituents. And this is something that we would appreciate even your help on this when you are talking with your colleagues. If they are coming in and they are taking the time to come to Washington, give them 5 minutes with a Member of Congress. I

don't mean to talk about the staff, but they would like to see the Member of Congress:

Mr. FILNER. Right. But, again, as Mr. Woodbury outlined, it is a low priority right now. You have to force it on them. This is your job now. I am sorry to say it is partially our job, but it is partially your job.

And I think your veterans if they are typical of those in my district are ready for some more action. I mean, these are folks who served in the military. They know what direction action means. If a member won't meet with them, sit outside their office until they do. They know how to set up tents. You didn't hear it here; right, Mr. Quinn?

Let there be tents all over the Capitol for members who haven't met with their membership. But when we come to your dinners—VFW has a big dinner, I think the American Legion has a big dinner—I mean, don't let us get away with—when I say “us,” I mean you come into the dinner, and everybody is feeling good about it.

All of those people at the table or at the reception should say: Are you going to vote for the independent budget? I mean, let that be one message and let everybody at that table talk to that Congress person. And don't just let them get away with being there and waving and, therefore, you are going to have your votes.

Get a commitment out of them at that table. They are coming to it. They think they are going to get political credit. Give them some responsibility or accountability for that credit that when they come to your reception, you want one thing out of them, “Are they going to support the independent budget?” or however you want to phrase it because they aren't going to listen unless you force them to listen at this point.

The process is going to move, and it is not going to stop for our amendments. It is not going to stop for our arguments unless you have prearmed them through your membership. You have got as much votes as any other organized group or more. You have people who are willing to take on that job I think if you let them know about it.

And let them show up at the members' offices in their districts. Let them show up at the offices here. And I want someone to come up to me from some other district and say: What the hell are they talking about, this independent budget? I want them to ask me, Mr. Chairman, and force it on them.

I tell you. My veterans given what happened in the—when the balanced budget thing was passed, they saw what was going to happen in this year's budget, last year's, this year's, and next year's. We have a surplus, but they are still restricted by the rules of that balanced budget agreement. And they sat. And they were ready to do some things.

Let them come to Washington. Let them surround the Capitol until we pass the independent budget. I mean, I am still looking back to the 1960s, you know, when I had fun.

Mr. GROSS. I still have the t-shirt.

Mr. FILNER. If there is anybody who is organized to do it, it is your members. And we could get into these accountability issues at some point. They are real. And we can get into where the money

should be. But the fact of the matter is we are at least three billion short. And unless we get that, we can't do very much anyway.

So let us rally around it. Let us get your troops, literally your troops, to the Congress and let them ask. In fact, you could probably say, "What the hell is an independent budget?" and let them ask us.

Mr. GROSS. Mr. Filner, one of the things that I brought up the other day in a meeting with Kitty Hawkins was that we are throwing away the asset. You made an initial investment in me when I was 19. I served until I was 21. Then you threw that money away. I was highly skilled at what I did. I was not always in combat. I was a courier.

I tried the U.S. Postal Police. I tried Customs. I tried the Marshals. I mean, I carried top secret documents all over Europe and Vietnam. I couldn't get there. It was union. I couldn't get a card. Okay? So you lost on your reinvestment of the asset. And that still applies today.

My plan is to put in the dollars and cents because I think maybe the Members of Congress who never have taken the oath that hasn't expired—I was 19 when I stepped forward, raised my right hand, and took an oath to protect and defend. Did we ever get an expiration date? No. And that is key.

I think what they will pay attention to is that everything has a residual value. This microphone has a residual value. You have made an initial investment in it. It still works. It still amplifies my voice. It has a place somewhere in our work culture, the same thing with human beings, the same thing with veterans.

And if we made it dollars and cents, I believe that it will make more sense and if we put it in terms of "Are they going to put a match to all of this money and burn it up?" So it is a matter of the assets that this country develops and they throw it away? What caused the deficit?

Mr. QUINN. Thank you. Thanks, Bob. I know there was a question in there somewhere, but we—

Mr. GROSS. It was a statement.

Mr. QUINN. Well, it is a statement. I am told we are going to be called to vote in the next couple of minutes, so I should round this thing out here on a comment more than a question if it is okay, Bob.

I think Bob Filner knows how the system works as well as anybody in this place, believe me. When he asks for your help to get the job done, he also says that you have partners in this and they are us. There is the vote.

My point, Bob, is simply that I think we can help you do that job. You know how these votes get. We are going to go over there now. It was an independent budget vote. We could search out somebody on the floor to do something about it.

I am on a bill that has to do something with steel quotas, a whole different issue but I happen to be on the bill. And we sent out a Dear Colleague. As the steelworkers worked the crowd last week and some this week, they said: Contact Quinn and Jones and Smith and some other people so that when you get down on the floor, and you ask whether to sign or not sign, they have got somebody as a resource they can come to.

We have got 28 or 35 or how many members on the Veterans' Committee, 31. We make ourselves available, just as Bob suggested, that for those who aren't signed up, who aren't ready to come, they can come ask us. And we can explain to them the fall-out if they don't do it and the reason they should be on, the reason they should vote. Then we sort of team up whatever we can bring to the table with your members out there. Bob hit it exactly on the head I think. We will help you do that.

Thanks a million. Thanks for your comments, your ideas, and assistance. Bob, thanks. We are going to see each other later. We are adjourned.

[Whereupon, at 11:32 a.m., the subcommittee was adjourned.]

A P P E N D I X

STATEMENT

CHAIRMAN JACK QUINN

SUBCOMMITTEE ON BENEFITS

HEARING ON THE FY 2000 BUDGET FOR THE

DEPARTMENT OF LABOR

VETERANS' EMPLOYMENT AND TRAINING

SERVICE

FEBRUARY 24, 1999

THE COMMITTEE WILL COME TO ORDER.

**GOOD MORNING, LADIES AND GENTLEMEN,
AND WELCOME.**

**TODAY WE ARE MEETING TO HEAR TESTIMONY
ON THE FISCAL YEAR 2000 BUDGET REQUEST
OF THE *VETERANS' EMPLOYMENT AND
TRAINING SERVICE* OF THE U.S. DEPARTMENT
OF LABOR.**

**THE LABOR DEPARTMENT IS REQUESTING
\$185.6 MILLION FOR VETERANS' JOB SEARCH,
PLACEMENT, AND TRAINING ASSISTANCE.**

**THE LARGEST PORTION OF THE VETS BUDGET,
\$157.5 MILLION, IS DISTRIBUTED TO THE**

STATES BY A FORMULA SET BY CONGRESS.

IT WOULD PAY THE SALARIES AND ADMINISTRATIVE EXPENSES OF 1,431 DISABLED VETERANS OUTREACH PROGRAM SPECIALISTS AND 1,305 LOCAL VETERANS EMPLOYMENT REPRESENTATIVES.

WE LOOK FORWARD TO HEARING TESTIMONY THIS MORNING FROM THE ASSISTANT SECRETARY FOR VETERANS EMPLOYMENT AND TRAINING, MR. AL BORREGO, AND FROM REPRESENTATIVES OF OUR NATION'S VETERANS' SERVICE ORGANIZATIONS.

I NOW YIELD TO THE SUBCOMMITTEE'S RANKING DEMOCRATIC MEMBER, MY FRIEND FROM CALIFORNIA, MR. BOB FILNER.

BOB, I VERY MUCH APPRECIATED THE OPPORTUNITY TO WORK CLOSELY WITH YOU IN THE 105TH CONGRESS, AND I AM TRULY DELIGHTED TO HAVE THAT OPPORTUNITY AGAIN HERE IN THE 106TH.

LADIES AND GENTLEMEN, WE SHALL USE OUR

NORMAL PROCEDURE OF ASKING EACH WITNESS TO LIMIT THEIR ORAL STATEMENT TO NOT MORE THAN FIVE MINUTES.

EACH WITNESSES' FULL WRITTEN STATEMENT WILL BE INCLUDED IN THE OFFICIAL HEARING RECORD.

ASSISTANT SECRETARY BORREGO, WE APPRECIATE YOUR EFFORTS ON BEHALF OF OUR NATION'S VETERANS.

THIS YEAR I AM PLEASED THAT THE SUBCOMMITTEE ON BENEFITS IS ABLE TO DEVOTE AN ENTIRE HEARING EXCLUSIVELY TO VETERANS' EMPLOYMENT AND TRAINING MATTERS.

MR. BORREGO, FOLLOWING YOUR TESTIMONY, MEMBERS WILL BE RECOGNIZED UNDER THE FIVE-MINUTE RULE, FOR ANY QUESTIONS THEY MAY HAVE FOR YOU.

MR. BORREGO, AGAIN WELCOME, AND PLEASE PROCEED WITH YOUR STATEMENT.

**Statement of Congressman Silvestre Reyes
Hearing on FY2000 Budget for
DOL Veterans' Employment and Training Service (VETS)
February 24, 1999
Subcommittee on Benefits
Committee on Veterans Affairs**

Good morning. I want to welcome Assistant Secretary Borrego and all of the Veterans Service Organizations who are here to testify about the FY2000 Budget for the Department of Labor Veterans' Employment and Training Service.

As I have reviewed the testimony, and the budget request, I welcome your remarks about continuing to emphasize resources and programs for those veteran subgroups who suffer higher than average unemployment rates or significant barriers to employment.

As you know, in El Paso which has over 60,000 veterans, a majority of those veterans are minority and hispanic. While the rest of the United States economy is booming with historically low rates of unemployment and certain veteran populations are benefitting, we can not allow the rest of the veteran community to remain excluded.

Efforts to bolster resources and programs toward assisting these veterans is a must. I intend to work diligently with you, Mr. Borrego and all of the Veterans Service Organizations to ensure that these initiatives are in place and working.

Moreover, I welcome the efforts of VETS to focus on the use of technology and internet based systems to provide career information, and training and licensing information to our veterans.

I look forward to hearing your testimony today, and thank you for your commitment to our nation's veterans in securing their earned and deserved piece of the American dream.

Thank you.

STATEMENT OF ESPIRIDION "AL" BORREGO
ASSISTANT SECRETARY FOR
VETERANS' EMPLOYMENT AND TRAINING
BEFORE THE
SUBCOMMITTEE ON BENEFITS
COMMITTEE ON VETERANS AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

February 24, 1999

Mr. Chairman and Members of the Committee:

I appreciate the opportunity to submit for the record the Fiscal Year 2000 (FY 2000) Department of Labor budget request for veterans' employment and training programs.

Before I formally present the budget request and focus on new directions and efforts, I would first like to note some of our accomplishments in FY 1998 and address some of our current efforts, pilots and initiatives. During FY 1998 and the beginning of FY 1999, the Veterans' Employment and Training Service (VETS) started some initiatives designed to improve our operational and programmatic performance and communications relative to services to veterans. The role of the public employment service system is impacted heavily by changes in technology, the marketplace, and employer needs. Employers continue to fund the billion-dollar public employment service as a means of getting help filling positions and helping those who become unemployed. VETS has improved its communications with its State staff to ensure that changes in the State Employment Security Agencies enhance services to veterans and employers alike. VETS is also using pilot projects to test approaches that would appear to be beneficial to veterans and employers before expanding such efforts to the larger public employment service system. VETS is also ensuring that veterans are an important factor and consideration in the development of new One-Stop Services and other Workforce Investment Act systems. Changes in the system to provide information and self-service options without requiring the employers or job seekers to register first will mean that many more veterans will be able to be served, and our field staff will be able to focus greater attention on those veterans who need more intensive services. It also means that the field staff will have to assume a greater responsibility in ensuring veterans know about the services available, and that they receive all of the services, and the priority for services to which they are entitled.

I have established an internal reporting system, the Veterans' Operations and Programs Activities Report or VOPAR for short. VOPAR monitors how States and programs are doing in providing services for veterans and identifies issues, problems and other information that will enable VETS to continue providing the best services feasible under a rapidly changing workforce system environment. Through the VOPAR, we can monitor how well efforts are directed at meeting our Strategic Plan and Annual Performance Plan goals and promptly make any necessary adjustments; it is an important part of our overall system of performance measurement and accountability. We can re-target efforts or work closer with States and

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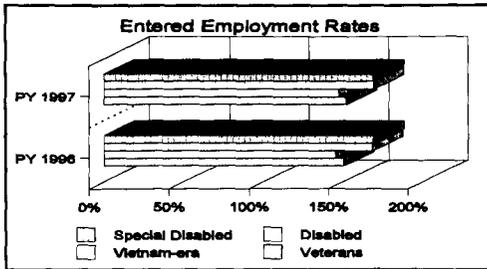


Figure 1 Entered Employment Rates of veterans and non-veterans for the year ending on June 30, 1998 (PY 1997) and prior year. The base is the entered employment rate for non-veterans, which is noted as 100%.

appropriations of more than one billion dollars, provides services to all employers and individuals seeking employment. This system is largely funded by employers through their Federal Unemployment Tax payments. Our key responsibility is to provide priority of services for veterans, with the highest priority given to special disabled veterans, within this system. Figure 1, above, shows the outcome of veterans' priority of service within the system.

VETS administers grants to SESAs to support Disabled Veterans' Outreach Program (DVOP) staff and Local Veterans' Employment Representatives (LVER) in each State, who personally help veterans and other eligible persons. Their specific purpose and responsibilities are described in Chapter 41 of Title 38, United States Code. VETS establishes performance standards to reinforce priority of service for special disabled and disabled veterans, veterans and other eligible persons, and evaluates the States' policies and processes to ensure that veterans receive services leading to economic security and well-being. The SESAs function on a program year. For program year 1997 (PY 1997), which ended on June 30, 1998, SESAs helped 492,000 veterans (295,000 helped by DVOPs and LVERs) into jobs from the 1.8 million veterans that registered for assistance. This means that 26.5% of the veterans registering for services were helped into jobs. Of those that registered and were helped into jobs, 18,374 were special disabled veterans, and 42,662 were disabled veterans (a 5% increase for special disabled and a 3% increase for disabled veterans from last year's numbers).

Generally, LVERs supervise services to veterans by other local employment service office staff to ensure that they provide maximum employment and training opportunities to disabled veterans, veterans, and other eligible persons, as well as provide job placement and supportive services directly to veterans. LVERs also network with employers, community and veteran service organizations, and other public agencies to maximize the job openings available to veterans. LVERs helped 148,823 veterans into jobs (including 13,352 disabled veterans, of whom 5,581 were special disabled veterans; for both, the entered employment rate was 28%).

programs to make sure we are providing the best services for veterans we can, and achieving the desired outcomes. VETS delivers employment services to veterans in partnership with State Employment Security Agencies (SESAs). The system, with annual

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Disabled Veterans' Outreach Program staff conduct outreach, particularly directed at special disabled and disabled veterans, and develop job opportunities with employers. DVOP staff spend about 20 percent of their aggregate time stationed at VA facilities and other places where veterans can be found who may be in need of employment and training assistance. DVOP specialists helped 146,640 of those veterans registering for assistance into jobs (including 16,140 disabled veterans, of which 7,549 were special disabled veterans; their entered employment rate was 25.5% and 27.4% respectively).

DVOP and LVER staff, in cooperation with the Department of Defense, the Department of Veterans Affairs, VETS Federal staff, contract facilitators and human resources' staff from private employers, deliver Transition Assistance Program (TAP) workshops to separating service members and their spouses at military installations in 42 States. These efforts resulted in more than 130,000 service members and their spouses participating in TAP workshops. This is a decline from last year, which is partly due to a lesser number of separations during FY 1998 from the military services. To further assist those leaving the service, DVOP specialists are now also out-stationed at many military installations to provide employment assistance to separating service members.

DVOP and LVER staff also work cooperatively with the Department of Veterans Affairs, Vocational Rehabilitation and Counseling program (VR&C) staff to provide individualized attention to VR&C participants and help those completing VA training programs find suitable employment. During fiscal year 1998, a total of 4,240 Vocational Rehabilitation and Counseling Program participants were helped into jobs by DVOP and LVER staff, a 15% increase over the number helped into jobs during FY 1997, and a 30% increase over FY 1996. The 4,240 now employed, from a total of 6,655 referred by the VA and registered for assistance (a 63.7% success rate) are earning an average of \$10.44 an hour in their new jobs.

As you will see in our budget request, LVER staff will continue to give particular emphasis to monitoring Federal contractor job listings (Federal contractors are required to list their jobs with SESAs). VETS continues to support new approaches to maximize the receipt of and referrals to these higher paying jobs. These include enabling Federal contractors to list their vacancies electronically in America's Job Bank. However, not all LVER staff have ready access to computers, or the computers they do have are outdated. VETS is working with SESAs to help them upgrade or purchase new equipment to enable all LVER staff to see such job openings and promptly refer qualified veteran applicants for these jobs. VETS is also seeking to identify a larger number of Federal contractors and subcontractors and maintain a data base that is made available to DVOP and LVER staff to: facilitate job development contacts, encourage personal visits to explain to the contractors their job listing responsibilities and discuss affirmative employment goals for targeted veterans.

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VETS is also relying on the One-Stop Career Services concept and new electronic tools, including a Military Resume Writer developed specifically by VETS for veterans, to enable DVOP and LVER staff to more efficiently help our customers. VETS will encourage SESAs to use the resulting time savings to give more time and attention to special disabled, disabled, minority, female, young and recently-separated veterans under a case management approach to service delivery.

Consistent with the VETS vision that it be recognized as a "world class" organization ensuring employment, training and enforcement services to our veterans, I expect VETS to keep pace with the demands of putting our customers -- veterans and their prospective employers -- first. This will give each veteran a chance for real job security in a changing world.

The National Veterans' Training Institute (NVTI) trained 3,085 veteran service providers and SESA management staff during the fiscal year. NVTI continued to place emphasis on training DVOP and LVER staff on case management, provided TAP training to Department of Defense participants under a reimbursement agreement with the Department of Labor, and continued to offer a Veterans Program Orientation (VPO) course for One-Stop Career Centers staff. The VPO was designed to be delivered in conjunction with One-Stop States conferences or training sessions, to orient One-Stop employees on veterans' priority of services and the roles of DVOP and LVER staff in the new environment. This course is offered off-site in the individual States, enabling VETS to reach a wide audience effectively. NVTI also developed a new Labor Exchange Specialist course, using both long-distance and classroom components as the core training for DVOP and LVER staff.

Funds provided for Veteran Employment Programs under Title IV, Part C of the Job Training Partnership Act (JTPA IV-C) are expected to enable grantees to help about 1,800 veterans into jobs. About \$5.8 million of FY 1998 JTPA IV-C funds were provided to 11 grantees based on proposals submitted. The remainder of the funds were used to provide specialized services, research and demonstration projects. These discretionary projects supported employment and training services, including support for homeless veteran projects in cold weather States, as well as enabling initiatives designed to assist recently separated veterans overcome credential, license and certification barriers often encountered by recent veterans in using their military acquired training and experience in a civilian job.

The \$3 million provided in FY 1998 for Homeless Veterans' Reintegration Projects will enable State and nonprofit grantees to operate projects that are expected to result in about 2,000 homeless veterans getting jobs.

VETS activities in the employment arena go beyond the programs noted above. VETS also promotes the hiring of veterans by Federal agencies, markets the hiring of veterans to private sector employers and more recently has started working with private sector employers to facilitate their hiring of veterans with specialty skills. Efforts piloted with Microsoft Corporation to identify TAP participants interested in working in the computer industry have now been extended nationwide. VETS continues to work with the Communications Workers of America to facilitate the employment of separating service members by the telecommunications industry. VETS also is working with other Federal agencies and with branches of the military in an Interagency Task Force to address worker credential issues. Similarly, VETS is piloting several approaches to address State licenses and credentials that may impact on recent veterans' ability to go into careers related to their former military occupation and training.

In effect, VETS activities in support of veterans' employment goes beyond the direct labor exchange support or grant activities. Efforts concentrated on separating service members have already shown results. VETS' strategic plans use a reduction in the number of veterans unemployed during a calendar year as the ultimate benchmark for success. VETS will continue to fine tune its efforts to impact target groups who have higher than average unemployment rates, as well as groups with the largest number of unemployed veterans. Although VETS is targeting young, recently separated veterans and has seen their unemployment rate decrease to below two digits in calendar year 1998 (9.2%), VETS also continues to monitor the number of unemployed veterans in many other categories, including, recently, older veterans, aged 45 and older, which comprised 57.1% of all unemployed veterans for 1998. The number of unemployed veterans in our targeted groups is generally decreasing, with some notable success stories (e.g., Black veterans). Overall, however, the unemployment rate for veterans in 1998, at 3.2 percent, is quite low by recent historical standards.

The Veterans' Employment and Training Service employees provide direct services to veterans, Reservists and National Guard members to protect their employment and reemployment rights, including anti-discrimination, seniority and pension rights, as defined by the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA). In FY 1998, VETS staff opened 1,051 cases under USERRA, and continued processing 198 complaints filed during the previous fiscal year. From this total, VETS closed 1,055 cases, of which 802 (76%) were closed within 90 days or less, and 892 (85%) were closed in 120 days or less. During FY 1998, VETS actions in resolving USERRA cases helped bring about the recovery of just under \$1.1 million in lost wages and benefits for veterans and Reserve component members who filed claims.

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VETS provides USERRA technical assistance to employers generally and to employers where problems have been identified. These outreach efforts benefit a far greater population than any one person or persons filing a complaint. For example, in the past year, VETS provided information to both General Motors and Chrysler corporations that led them to change corporate policies that now provide for proper seniority credit for employees who leave the job for periods of service in the Reserve components. The number of individuals affected by these actions taken by two very large employers is difficult to estimate, but certainly would be measured in the thousands.

Fiscal Year 2000 Budget Request

The Agency's FY 2000 request is designed to promote the maximum employment and training opportunities for veterans, particularly those in veteran subgroups who suffer higher than average unemployment rates or face significant barriers to employment -- special disabled and disabled veterans, minority, female, young and recently separated veterans -- within Government-wide resource constraints. To do this, VETS has been streamlining and shifting resources to where they will do the most good, and promoting the use of electronic tools to better serve our customers.

The Agency's request is divided into three activities: (1) State Grants, which are further divided between the DVOP and the LVER programs; (2) Administration, which includes funding for the TAP for separating service members; the investigation and resolution of USERRA claims from veterans, Reservists and National Guard members; investigation of complaints filed by veterans who believe they were denied the requisite veterans' preference in applying for Federal jobs; and funding for VETS' grant administration operations; and (3) NVTI, which provides training to Federal and State employees and managers involved in delivery of services to veterans. The funds requested from the Federal Unemployment Tax Accounts must also provide benefits to the employers that support the public employment service system.

Funds are requested under the Training and Employment Services account of the Department of Labor, from general revenue funds, for employment and training programs for veterans under the Job Training Partnership Act, Title IV, Section C at 29 U.S.C. 1721 (JTPA IVC), and by FY 2000, the new operative legislation, Sec. 168 of the Workforce Investment Act; and the Stewart B. McKinney Act at 42 U.S.C. 11448 (as amended) for Homeless Veterans Reintegration Projects (HVRP).

The Department is requesting \$7.3 million for the new Veterans Workforce Investment Program (formerly JTPA IV-C). It is anticipated that \$6 million of these funds will be awarded through a competitive process to State entities through each State's Governor's office. The

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remainder of the funds will be used to provide specialized and targeted services as well as research and demonstration projects. It is expected that such grants will continue to target eligible veteran subgroups (such as the recently separated and disabled veterans). The Workforce Investment Act expanded the authority of these grants to include veterans with significant employment barriers, which should enable more services to be provided to minority and female veterans. Overall, VETS will process, award and monitor up to 30 grants to various service providers, resulting in more than 1,800 eligible veterans getting jobs after training.

The request includes \$5 million (an increase of \$2 million over FY 1999) for the Homeless Veterans Reintegration Project program under the Training and Employment Services account. The funds provided will support services to more than 6,000 homeless veterans and the placement of about 3,500 in jobs.

The Agency requests a total of \$157,468,000 for grants-to-States, an increase of \$350,000 over the funding provided in FY 1999. The increase will be used to support an enhanced Federal contractor and subcontractor identification and targeting effort, and the development of a Federal contractor and subcontractor data base that is accessible by DVOP and LVER staff to help veteran clients. VETS programs will be incorporated into the States' strategic plans for the Workforce Investment system, and will be included, as required partners, in the one-stop systems that will be implemented in every local area. The FY 2000 funding request for the LVER program is \$77,253,000, which we project will support about 1,305 positions, resulting in about 149,000 veterans being helped into jobs. Of these, more than 4,000 will be special disabled veterans. The funding request for the DVOP is \$80,215,000, which will support about 1,431 positions and will result in another 149,000 veterans, including more than 5,000 special disabled veterans, helped into jobs.

LVERs will continue to functionally supervise the provision of priority services to veterans under the local agreements that establish an estimated 2,600 One-Stop Career centers across the country. They will also continue to provide labor exchange services, focusing increasing attention on the referral of veterans to, and job development efforts with, Federal contractors. VETS will monitor closely the distribution of LVER positions to obtain the maximum coverage of local service delivery locations and focus their efforts on special disabled and disabled veterans and other targeted veteran subgroups.

The centralized listing of vacancies by Federal contractors and subcontractors, together with the new incentive for Federal contractors and subcontractors to file a VETS-100 under the newly amended section 4212 of title 38, U.S.C., should result in better paying jobs for veterans. Emphasis on improved efforts to help Vocational Rehabilitation and Counseling program participants will continue, and we expect that, through closer coordination with the VA and

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better training of those working with program participants, we will do better both this year and during FY 2000 in finding good jobs for disabled veterans.

Both DVOP and LVER staff will work to ensure delivery of services to those needing intensive help, with a primary focus being VA Vocational Rehabilitation and Counseling program participants, using a case management approach to services. They will also devote more time and effort to help veterans with employability barriers or those who cannot otherwise successfully compete in the civilian labor market. They will also continue to assist veterans who are better prepared to compete successfully for jobs by helping them access and use the electronic tools available, such as America's Job Bank and Talent Bank, the electronic resume writer, and by establishing direct links with both labor unions and private sector employers and private industry groups, as well as other resources or services available at the local One-Stop centers.

All of these efforts are projected to result in more than 9,000 special disabled veterans getting jobs in FY 2000. Also, emphasis will be placed on getting better quality and thus better paying jobs for veterans.

A total of \$26,145,000, an increase of \$2,544,000 over funding provided in FY 1999, is requested for the administration of the Veterans' Employment and Training Service. This funding level is sufficient to support about 255 employees. VETS employees provide oversight for the DVOP and LVER, HVRP and JTPA IVC (now WIA Sec. 168) grants; investigate complaints covered by USERRA. Under USERRA VETS staff provide assistance directly to veterans, Reservists, and National Guard members to protect their employment and reemployment rights, including anti-discrimination, seniority, and pension rights. In addition, under Veterans Employment Opportunity Act, enacted in the fall of 1998, VETS is now responsible for investigating complaints from veterans that a Federal agency violated veterans preference provisions in hiring or retention activities. VETS administers the Job Listing component of the Federal Contractor Program (FCP), under 38 U.S.C. Section 4212, which requires Federal contractors to list their openings with SESAs and to submit annual employment reports on special disabled and Vietnam-era veterans. VETS also administers the Transition Assistance Program and gives technical assistance to Congress. VETS also acts as liaison with other Federal agencies, including the Merit Systems Protection Board, Office of Special Counsel and Office of Personnel Management, to protect veterans' hiring preference in the Federal sector; the Office of Federal Contract Compliance Programs, to ensure the enforcement of affirmative action requirements for special disabled and campaign veterans; the Department of Veterans Affairs, to coordinate vocational rehabilitation and on-the-job training programs; and the Departments of Defense and Veterans Affairs, to conduct the Transition Assistance Program

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providing service members separating from active duty with labor market information and job search skills training.

VETS, in coordination with the Employment and Training Administration (ETA), is especially eager to develop an Internet-based vehicle to provide information on worker credentials, licensing or other skill or training requirements targeted at veterans. A total of \$250,000 is requested for this cutting edge, innovative purpose. The goal is to facilitate service members' efforts to identify whether the skills, training and experience gained in military service can be put to use in the private sector and if gaps exist, learn how to fill them. In other words, if the service member needs to acquire additional training or experience this tool will let them know exactly what education or training they need be able to qualify for a particular work credential. VETS is positive that this will provide an effective and efficient tool for veterans and that it will likewise benefit employers in need of such qualified individuals.

In addition, VETS collects and summarizes information, as required by law, concerning the quantity and quality of services provided to veterans by DOL and DOL-funded programs, and provides this information to the Congress. In view of the changing workforce development systems environment and changes brought by the Workforce Investment Act, VETS is requesting a total of \$600,000, including one FTE, to coordinate with ETA, SESAs, and others to develop new information collection approaches that will enable the Secretary and this Committee to determine the effectiveness of the Department in the delivery of services to veterans.

Similarly, a total of \$200,000 is requested to start developing information that is more reflective of outcomes, value-added services and their impact, and other performance and results-related efforts.

A total of \$2 million is requested for NVTI which provides training to Federal and State employees and managers involved in delivery of services to veterans. The funding will support more than 70 classes and train more than 1,700 service providers, mainly using long distance learning techniques and off-site training.

The training institute has proven to be an extremely effective instrument for significantly improving both the quality and quantity of services provided to veterans. NVTI has proven efficient at quickly meeting new training needs as they arise, such as in the case of TAP, USERRA, grants management, and case management. VETS programs and operations will have to remain flexible to meet the challenges set forth by the One-Stop Career Center concept. This will require training and retraining not only of DVOP and LVER staff, but also of VETS staff and program recipients. In addition, One-Stop Career Center providers will need training on the

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veterans' priority of service requirements and the case management approach used by VETS for those that have severe employability barriers.

VETS staff will continue to work on the following priorities:

- * **Maintaining an effective Transition Assistance Program.** The agency, along with its partners, will maintain the capacity to present workshops to 160,000 separating service members and their spouses. To do this, we will utilize DVOP and LVER staff, Federal contract facilitators and VETS employees. This request includes \$500,000 to pilot providing TAP workshops overseas. Efforts to support TAP for separating military personnel realize cost savings for the government that are significantly greater than the amount being requested by VETS. A study has shown that TAP participants obtain their first civilian job three weeks faster than do non-participants—demonstrating that it is valuable to service members and that there is a substantial return on investment in this program. The high priority we place on TAP is supported by recent findings in a Department of Defense study, which indicated notably high satisfaction ratings among service members who had attended TAP workshops. VETS staff will give emphasis to increasing participation in TAP workshops and to improving the quality of TAP workshops.
- * **Improved use of technology.** The Agency sees improved use of technology as the means of getting better quality and better paying jobs for veterans coming into the DOL service delivery system. Improved technology is a means to improve the access of veterans to employers, and vice-versa, and a way of improving efficiency among VETS and DVOP and LVER staff. America's Job Bank, America's Talent Bank and America's Learning Exchange are good examples of where we are headed. The veterans' resume-writer, USERRA Expert System and Veterans' Preference Advisor in the Internet are also good examples of the new VETS direction. Each of these makes the job of the service providers a little easier and enables them to use the time it would have taken to help those that can avail themselves of these electronic tools to instead help those with severe employability barriers.
- * **Placing emphasis on services to young, recently separated, minority, female, and disabled veterans.** VETS will work within the One-Stop center environment, the backbone of the WIA, to ensure its customer-driven services reach those veteran sub-groups suffering from higher than average unemployment rates and to increase awareness of their employability barriers and how they can be mitigated.

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I want to acknowledge the efforts of this Committee and others in Congress and the Administration who have updated our authorizing legislation relative to the Federal Contractor Program, Veterans' Preference and access to Federal employment, and USERRA to ensure that veterans continue to receive world class services from the Department of Labor and its Veterans' Employment and Training Service and our Federal and State agencies, as well as private sector partners.

I appreciate this opportunity to give you some highlights of the FY 2000 budget request for the Veterans' Employment and Training Service. I look forward to working closely with the Committee on behalf of our Nation's veterans.



Vietnam Veterans of America, Inc.

1224 M Street, NW, Washington, DC 20005-5183 • Telephone (202) 628-2700

Faxes Main (202) 628-5880 • Advocacy (202) 628-6997 • Communications (202) 783-4942 • Finance (202) 628-5881

World Wide Web: <http://www.vva.org> • E-mail 71154.702@compuserve.com

A Not-For-Profit Veterans Service Organization Chartered by the United States Congress

Statement of
VIETNAM VETERANS OF AMERICA

Presented by

Calvin Gross

**Chairman of the National Employment, Training, and Business
Opportunities Committee**

To the

House Veterans' Affairs Subcommittee on Benefits

Regarding

**The proposed FY 2000 Budget for the Veterans' Employment
and Training Service**

February 24, 1999

Mr. Chairman and Distinguished Members of the Subcommittee, thank you for allowing us to present testimony here this morning. My name is Calvin Gross, and I serve as Chairman of the National Employment, Training, and Business Opportunities Committee, as well as a National Board of Directors Member for Vietnam Veterans of America (VVA). VVA appreciates the opportunity to appear before you today to comment on the proposed FY2000 budget for the Veterans Employment and Training Service (VETS).

The transition of our Nation's separating veterans into the civilian workforce, and the availability of real job opportunities for service-connected disabled veterans, Vietnam veterans, and veterans with significant barriers to employment is of the utmost importance to the American economy. Therefore VVA believes that the Veterans Employment and Training Service (VETS) at the United States Department of Labor is an agency that provides a most crucial service to veterans, and by extension to all citizens.

Vietnam Veterans of America (VVA) is generally pleased with the over-all monetary sum provided VETS, our focus remains on the quality and efficacy of services rendered by the actual service delivery systems funded by VETS. The total request of \$197,913,000 is an increase from last year. VVA is pleased that the request includes \$2 Million for the National Veterans Training Center, to ensure that staff have the possibility of receiving proper training in how to be more effective in their job for veterans, particularly disabled veterans. The request for \$26,145,000 for Federal Administration will allow for 255 Federal employees, this is a reasonable, but not optimal request. VVA would point out that in addition to enforcing re-employment rights for members of the National Guard and Reserves, the administration of grants to the local service delivery systems, and other vital duties that the VETS personnel will have to play a strong, forceful, and effective role if Public Law 105-339, strengthening enforcement of veterans preference in Federal employment, is to be properly implemented and rigorously enforced. The Veterans Employment and Training Service has far more duties, of a more demanding nature than they had ten years ago, but significantly fewer persons to ensure that the laws enacted actually fulfill Congressional intent. The Committee and the Congress as a whole may wish to take a careful look at this issue.

The request for the Homeless Veterans Reintegration Program is frankly disappointing. As you know, this program is authorized for up to \$10 Million under current law. The Administration has never requested that much and actually "zeroed out" this program three years ago in their request. It was only through the bi-partisan intercession of this Committee, supported by the very strong support of the veterans organizations, that this funding was restored to at least \$3 Million in FY1998, and was appropriated \$3 Million for FY1999 as well.

The Homeless Veteran Reintegration Program (HVRP) is a very effective placement program that moves veterans toward autonomy and self sufficiency, helping veterans become tax payers again, with an opportunity to fully recover and earn their piece of the American dream. This program also helps make other private and public programs for mental rehabilitation and substance abuse, including those administered by the United States Department of Veterans Affairs (VA) more effective. VVA strongly encourages the Committee to urge your colleagues on Appropriations to allocate the full \$10 Million to this program. Further, since the authority for this program will expire at the end of 1999, we urge you to take steps to reauthorize this program until December 31, 2007, at an authorized

funding level of \$50 Million per year.

The \$77,253,000 requested for supporting about \$1,309 Local Veterans Employment Representatives (LVERs) and the \$80,215,000 requested for supporting 1,431 Disabled Veterans' Outreach Program workers are basically what one might expect, and reasonably adequate given the state of the system within which the persons who actually are supposed to perform the job placement activities currently work.

Vietnam Veterans of America has high regard for the Honorable Espiradion "Al" Borrego, Assistant Secretary of Labor for Veterans Employment & Training, as a result of his effective efforts in securing and apparently holding the attention and support of both the Secretary of Labor and the Deputy Secretary of Labor on the needs and concerns of veterans. Similarly, VVA has the highest regard for the Honorable Alexis Herman, Secretary of Labor, and salutes her public and private expressions of support and concern for veterans, particularly disabled veterans and wartime veterans. The Honorable Katherine Higgins could well be called the "mother of the DVOP program" given the vital role that she played in creation of this program in 1978, and her continued support for veterans. It appears that due to these factors, the Employment and Training Administration at the USDOL is finally a bit focused on the needs of veterans. The problem with all of this salutary activity is that it may well be a case of too little at too late a date.

Today's job market is increasingly complex and technologically demanding, yet rife with opportunity. We agree with the Honorable Alexis Herman, Secretary of Labor, that there is no labor shortage. Rather there is a *skills* shortage, and a shortage of effective mechanisms to match up persons who are easily trainable with job specific skills with the employers who are actively seeking good workers.

The VVA firmly believes that VETS must institute some key changes in the terms under which it funds the entities that actually deliver employment services in order to be an effective means of providing actual and tangible assistance in today's job market. To us, that means adherence to the principles as well as the letter of the Government Performance and Results Act (GPRA). Being effective also means consciously instituting private sector principles of rewards, incentives, and competition in the delivery of services.

As a result of rather astonishing stories and dissatisfaction with the direction of the DVOP/LVER program from literally every section of the United States, VVA adopted a resolution dealing with the veterans employment system that was passed by the 1997 National Convention of Vietnam Veterans of America that calls for implementing competitive measures in the delivery of services to veterans and disabled veterans. The standards for such competition that would be measured on the basis of output, in this case actual placement of veterans in full time, permanent employment. VVA reached the conclusion several years ago that it was time for major changes in the way in which we tried to deliver vitally needed employment services to veterans, as the world around us was changing rapidly.

Perhaps the situation coming to the current difficult situation should not be surprising. From the early 1980s onward, there was much talk of "devolution" of the United States Employment Service and the Federal / State partnership known as the State Employment Security Agencies (SESAs) or "Job

Service.” One possibility was passing legislation ending the authority altogether for this activity. This never actually happened. What actually happened was that the funding for the SESAs declined with each passing year from the late 1970s to today, where instead of comprising 7 to 10% of local job service office staff, the DVOP/LVERs comprise over 30% of in many locations. In practical terms this has led to a great deal their time and energy being devoted just to the tasks of keeping the office open, not to mention the veterans program carrying an inordinate share of the overhead for this system of offices (in some case more than 30%!). What this means in practical layman terms is that the veterans community is getting less “bang for the buck” than we should have a right to expect, in real terms of the number of disabled veterans, recently separated veterans, Vietnam veterans, and veterans with significant barriers to employment actually obtaining a permanent job as a direct result of more than \$150 Million being spent per year.

The passage of the so called “Workforce Improvement Act” by the last Congress was only the last step in a slow death of the Job Service in a recognizable form. This is important to us here today because all of Chapter 41, Title 38 is predicated on a viable Job Service, that has local offices that can be accessed by veterans virtually anywhere in the Nation. Further, the system of Disabled Veterans Outreach Program workers was designed to reach veterans, particularly disabled veterans, and draw them into a functioning system that put an emphasis on “priority placement” for veterans. The role of the Local Veterans Employment Representative was to provide “functional supervision” over the local office of a system that was committed to *priority* placement of veterans, and to assist the local office manager in ensuring that this actually occurred on a consistent basis.

The problem for us at VVA is that this system no longer exists in this form. With the ability to consolidate programs, virtually all states will do so in the next two years, simply because of economics. Because there is no strong requirement for priority services for veterans, we have no reason to believe that any priority for any services, much less placement, will actually take place. Furthermore, the allocation formulas currently in place give the same resources to a state agency whether they are doing a good job or a poor job of placing veterans in decent paying permanent jobs in any given year

First, we would like to see the program currently entitled Homeless Veterans Reintegration Program (HVRP) be renamed VETWORCS. This simple name change would reflect the true nature and mission of this program: “Veterans’ Employment Transition to Work and Overall Rehabilitation, Creating Stability”, or VETWORCS. The focus of the program would continue to be on individuals who are in a program leading toward autonomy and self sufficiency. Such veterans need gainful work in order to succeed in overcoming neuro-psychiatric and other problems that would constitute “barriers to self sufficiency.”

VVA recommends that the Disabled Veteran Outreach Program Specialists (presently known as DVOPs) be renamed as “Disabled Veterans Employment Placement Specialists”, and that the program be known as the “Disabled Veterans Employment Placement Program.” Similarly, the Local Veteran Employment Representatives (presently known as LVERs) would in the future be known as “Veteran Employment Placement Specialists” (VEPS). This is not just a semantic change, but a recognition that if any veterans are going to receive placement in a job, it will be because of the direct action of a dedicated veterans staff person within one of the SESAs, as virtually all other placement

activity has ceased. There has to be a concerted effort at every level to accentuate actual performance which should mean veterans placed in permanent jobs.

Vietnam Veterans of America (VVA) strongly recommends that the Committee take steps to alter the statute in such a way as to mandate that at least one DVEP or VEP be out-stationed on a full time basis in each VA Vet Center, each VA Vocational Rehabilitation Site, every CWT site and all appropriate CBOs. Each placement specialist should be provided with administrative support and the appropriate technological tools (i.e., a computer, preferably a lap-top, state job bank access, and Internet access) at the outstation

Heavy emphasis should be placed on interaction and communication between these placement specialists and local employers. Simply providing a veteran with a list of jobs culled from the local newspaper and the Internet is not enough-it is the mission of VETS to "sell" veterans to employers.

Currently there is no mechanism in place for VETS to truly encourage states to place veterans into jobs. The VVA believes that there ought to be an incentive program that rewards those states and local offices that excel in helping veterans find gainful employment. A certain percentage of the VETS budget should be reserved for such a program. VVA would suggest roughly 15% or approximately \$23 Million this year would be set aside as incentives to reward performance. We would suggest that 7.5% be awarded Nationally to the states that actually placed the most veterans and disabled veterans in permanent jobs. The other 7.5% would be awarded by the Regional Administrator in cooperation with the State Director, and be awarded at the local office level, thus creating a system that encourages success at all levels of VETS.

In order for such a program to work however, there must be standards implemented by which performance can be accurately measured. The VVA believes that VETS must develop performance measures that clearly show the bottom line of a DVOP's or LVER's work: the number of veterans, disabled veterans, and special disabled veterans placed into permanent jobs. There should be at least a minimum standard of 50 veterans, 25 disabled veterans, and 12 special disabled veterans placed into permanent employment per staff position (or equivalent) per year for each grantee. The VETS would not have any option but to put out for competitive bid any state or any sub-state area (WIB or labor market area) not meeting these minimum standards for four consecutive quarters, to take effect in Program Year 2000 (which begins July 1, 2000)

The \$7.3 Million in Title 168 (formerly Title IV-C) is all that we can expect, given the way in which the formula for those funds is drawn. Vietnam Veterans of America strongly urges that it be required by the Congress for at least this small amount of funds be set aside as incentive monies for the Workforce Improvement Boards that perform the best in actual completion of training and placement of disabled veterans and of veterans with significant barriers to employment. If this is done, these funds will go much further, and have a much greater impact than selecting 10 or 12 small programs.

Mr. Chairman, I again wish to thank you and this Committee for the opportunity to be here today

We will be pleased to answer any questions.

STATEMENT OF
JAMES B. HUBBARD, DIRECTOR
NATIONAL ECONOMIC COMMISSION
THE AMERICAN LEGION
BEFORE THE
SUBCOMMITTEE ON BENEFITS
COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
ON
THE VETERANS' EMPLOYMENT AND TRAINING SERVICE FISCAL YEAR 2000
BUDGET
FEBRUARY 24, 1999

Thank you Mr. Chairman for the opportunity to present The American Legion's position on the budget for the Veterans' Employment and Training Service (VETS) for FY 2000.

The American Legion continues to support the current outreach programs to private sector employers. With great interest, The American Legion noted this year's budget for VETS contains increased funding for new initiatives to help veterans obtain jobs:

- placing a list of Federal contractors and subcontractors on the Internet;
- increasing job development efforts with Federal contractors and subcontractors;
- monitoring unemployed target groups, which include veterans;
- operate some Transition Assistance pilot programs overseas;
- developing an Internet site for information on credentialing; and
- working more closely with the Employment and Training Administration on new performance measures.

The American Legion does not concur with the President's recommended funding and personnel levels for the Disabled Veteran Outreach Program (DVOP) and the Local Veteran Employment Representative (LVER) program in FY 2000. Although funding for DVOPs would increase by \$175,000, it will support 32 fewer field staff positions. That translates into no service for many unemployed or under employed veterans. Similarly, while LVER funding increases by \$175,000, the number of veterans to be served will not increase. This is not a good trade off; achieving salary increases through staff reductions is not acceptable.

With respect to the LVERs, Section 4104 (a) (1), title 38, USC, provides that a minimum of 1600 positions be funded. This has not happened for more than a decade. The American Legion recommends that this committee consider funding of at least \$100 million to properly fund this program. Mr. Chairman, The American Legion believes that as the electronic medium becomes the option of choice for finding a job, the need for more LVERs will continue to increase. We are shortchanging veterans by not funding this program properly.

Likewise, DVOPs are seriously under funded. The President's budget request for \$80.2 million will support just 1,431 DVOPs in the field. That does not even begin to cover the proposed 2500 one-stop centers created by the Workforce Investment Act where veterans will go for assistance. The American Legion believes VETS will need at least 2,000 DVOPs to meet WIA funded activities and to do Transition Assistance Programs, provided that some of the one-stop centers' staffing is on a part-time basis. To meet this extremely conservative estimate, DVOPs will need an additional \$40 million in funding.

Mr. Chairman, while doing the research for this testimony, The American Legion discovered that 56.2% of all unemployed veterans are over the age of 45. Therefore, The American Legion believes that many of these veterans are victims of corporate

restructuring or overtaken by technology changes. These veterans need training to remain in their previous professions or to begin new careers.

Section 168 of the Workforce Investment Act (formerly JTPA IV-C) is that portion of the statute that provides for this type of training for veterans. For at least the past three years, this account received \$7.3 million in annual funding, which has allowed the program to continue to operate in only 11 States. ***This is absolutely unacceptable.*** There are thousands of veterans available for work in this new economy, but they lack marketable, technological skills. The problem is clear; it is the solution, adequate funding, that is the problem

Congress continues to ignore this program. The only participants in this specific program are veterans of the armed forces of the United States. Those brave young persons are people to which this Nation owes a debt of gratitude. It seems more money is available nationally to training single parents, recovering drug addicts, high school dropouts, and convicted felons than the true defenders of democracy. What message are we sending to America's youth? Is an honorable discharge more than just a piece of paper, or is it a passport to vocational opportunity? Are citations and decorations open *windows of opportunity* or *closed doors to the future*?

Try telling the kid, who is packing his duffelbag for Kosovo, that if he comes home and leaves the military, he can receive job training only if he lives in one of eleven states. If the \$7.3 million funding level continues in authorizing legislation, it becomes the baseline for future budgets. The hole just gets deeper and darker for the next generation of veterans. This baseline needs to be at least \$32 million to allow VETS to begin training in all fifty states

Mr Chairman, the National Veterans Training Institute (NVTI) continues to play a critical function in the world of veterans employment. The exceptional training provided to veterans' advocates enhances the quality and delivery of services to veterans in almost every employment services office. Funding for NVTI must not continue to be flat-lined in FY 2000. This valuable resource must keep pace with market trends and inflation. Without adequate funding, the quality services provided by NVTI will surely suffer and adversely impact on the availability of classes and instructors. The American Legion recommends the Assistant Secretary for Veterans Employment and Training report to the Subcommittee the future training needs of VETS from NVTI and the cost estimates to fund such training.

Mr. Chairman, the last time the VETS' statute underwent any dramatic change was more than a decade ago when Congress passed P.L. 100-323. That law has served veterans well over the years. The only way it can continue to do so is to give the agency the proper resources. The President's budget leaves the agency barely surviving on some kind of maintenance diet. Veterans deserve better treatment in the public labor exchange

Thank you Mr Chairman for this opportunity to present the views of The American Legion.

STATEMENT OF
JAMES N. MAGILL, DIRECTOR
NATIONAL EMPLOYMENT POLICY
VETERANS OF FOREIGN WARS OF THE UNITED STATES
BEFORE THE
SUBCOMMITTEE ON BENEFITS
UNITED STATES HOUSE OF REPRESENTATIVES
WITH RESPECT TO
U.S. DEPARTMENT OF LABOR'S VETERANS EMPLOYMENT
AND TRAINING SERVICE FY 2000 BUDGET REQUEST

WASHINGTON, D.C.

February 24, 1999

Mr. Chairman and members of the Subcommittee:

On behalf of the more than 1.9 million men and women of the Veterans of Foreign Wars of the United States, I appreciate the opportunity to participate in today's hearing and to share our thoughts on the Department of Labor's Veterans Employment and Training Service FY 2000 budget request.

The relationship between veterans, disabled veterans, and employment is vital to public policy and today's environment. People with disabilities often encounter barriers to their entry into the workforce and lack accommodations on the job; many have difficulty obtaining appropriate training, education, and job skills. These in turn contribute to low income levels, low labor force participation rates, and high levels of reliance of public benefits.

Historically, unemployment rates among veterans exceed those of their non-veteran counterparts for at least 10 years following separation from the military. Veterans of the Vietnam-Era who actually served in Southeast Asia had higher unemployment rates than veterans of that era who served outside the Vietnam War theatre or their non-veteran peers.

The mission of the Veterans Employment and Training Service (VETS) is to help veterans, Reservists and National Guard members in securing employment through existing programs, coordination and merger of programs, and the implementation of new programs. VETS accomplishes this through partnerships with State Employment Security Agencies (SESA). VETS administers grants to these agencies to support Disabled Veterans Outreach Program (DVOP) staff and Local Veterans Employment Representatives (LVER) in each state, who personally helped veterans.

DVOP staff conducts outreach, particularly directed at special disabled and disabled veterans, and develops job opportunities with employers. LVERs supervise services to veterans by other local employment service office staff to ensure that they provide maximum employment and training opportunities to disabled veterans and veterans. They also provide job placement and supportive services directly to veterans.

Mr. Chairman, while the total FY 2000 budget request for VETS shows a \$4.9 million increase over FY'99, we are concerned about some specific funding levels. There is a shortfall of approximately \$32 million between the mandated level of funding for DVOP (\$112.5) and the budget request (\$80 million). They FY 2000 request (up \$175,000 over FY'99) would support 32 fewer DVOP positions resulting in 1,000 fewer veteran job placements than in FY'99.

With respect to LVERs, a similar shortfall of approximately \$17 million exists. Again, the FY-2000 budget request (up \$175,000 over FY'99) would support 34 fewer LVERs resulting in 1000 fewer job placements.

The VFW suggests that one way to increase the number of job placements by DVOP/LVERs would be to implement a program to reward states and individual employees that are most effective in assisting veterans, particularly those with barriers to employment, find work. Funding for this incentive program could be provided from any percentage that the Appropriations Committee makes available from the \$32 million and \$17 million shortfall. The VFW recommends a 3-year pilot program be implemented to test this incentive concept.

Also, included in the VETS FY-2000 budget request is \$5 million for the Homeless Veterans' Reintegration Project, \$2 million more than FY'99. Inasmuch as Congress has authorized \$10 million for this program, the VFW supports funding at the authorized level. While we applaud this much needed increase, it is disturbing to note it is estimated that approximately 100 fewer veterans will be placed into jobs than in the previous year! It is not unreasonable to expect that with a \$2 million increase, a proportionate increase in those assisted would be realized.

The National Veterans' Training Institute (NVTI) was established in 1986 and authorized in 1988 by P.L. 100-323. NVTI is administered by staff from VETS through contract to the University of Colorado at Denver. NVTI trains federal and state employees and managers who provide direct employment and training services to veterans and service members. Courses are also offered for staff of DVOP and LVER.

The VFW is pleased to see funding specifically included in this budget request and urges Congress to continue funding for NVTI at an adequate level to ensure training is continued in an ever-changing environment.

In closing Mr. Chairman, I wish to commend the Assistant Secretary, Veterans Employment and Training for his efforts in bringing veterans issues directly to the attention of the Secretary of Labor and other offices within the Department of Labor. For too long, veterans were not even at the table when decisions effecting them were being made. The veterans' voice is now being heard and for this we thank Assistant Secretary Borrego.

This concludes the VFW's statement, we appreciate appearing before this distinguished Subcommittee and look forward to working with you on behalf of our nation's veterans.



S
SERVING
WITH
PRIDE

STATEMENT OF

**David E. Woodbury
AMVETS National Service Director**

**For the
House Veterans Affairs Committee
Subcommittee on Benefits**

**Veterans' Employment and Training Service
(VETS) for Fiscal Year 2000**



**Wednesday, February 24, 1999
334 Cannon House Office Building**

A M V E T S

**NATIONAL
HEADQUARTERS
4647 Forbes Boulevard
Lanham, Maryland
20706-4380
TELEPHONE: 301-459-9600
FAX: 301-459-7924
E-MAIL: amvets@amvets.org**

Mr. Chairman, I am Dave Woodbury, National Service Director for AMVETS. We appreciate the opportunity to join you this morning to provide testimony in support of your oversight efforts on the budget for Veterans' Employment and Training (VETS) for Fiscal Year 2000. My comments will be brief. Neither AMVETS nor I have been the recipient of any federal grants or contracts during fiscal year 1999 or the previous two years.

At a time in our history when unemployment is approaching record lows, the economy is strong, and, for the first time in several decades the national debate seems increasingly focused on what to do with budget surpluses rather than how to deal with deficits, Americans generally may be content with their economic circumstances. One can reasonably argue that indeed times are good. They are - unless you happen to be a veteran facing separation or retirement from military service and are looking for a job.

We believe that America's commitment to its veterans, codified and consistently reaffirmed by federal statutes throughout our history, is not being satisfied to the degree Congress intended. Indeed, the perception among America's veteran population is reaching similar conclusions. Increasingly they sense that a "grateful nation", may not be - that other priorities now consume the nation's consciousness - that veterans' issues are no longer important.

With regard to employment issues, a dichotomy exists. Hardly a day passes without an article appearing in a newspaper or other periodical commenting on corporate America's urgent need for skilled employees. Concurrently, DoD projects that it will separate between 250,000 to 275,000 service members during each of the next several years. The dichotomy is that generally employers are not aware of the advantages this veterans population, and those who preceded them, bring to the employment market place. And, for their part, most veterans do not know how to effectively access the employment opportunities for which they may offer clear and timely solutions.

Mr. Chairman, you and your Subcommittee, together with the House Committee on Veterans Affairs have aggressively fought to support veterans programs. Indeed, many of the initiatives you have fought for are currently in place. Unfortunately, in too many instances we believe they are not working as efficiently as you intended. And, in the process, veterans are being left behind.

In its recently published report, the Congressional Commission on Servicemembers and Veterans Transition Assistance commented extensively on a series of problems with current veteran's employment and training initiatives. Representative among its findings and recommendations the Commission reported the following:

FINDINGS

- That veterans continue to need the special job training services that the Job Training Partnership Act (JTPA IV-C) funds.

- That the current process for allocating veterans job training funding excludes 81 percent of the veterans in the civilian labor force from access to JTPA IV-C funded job training, the primary purpose for veteran-specific job training.
- That DOL estimates that more than 80,000 veterans who need training to become gainfully employed are precluded from receiving training under the current funding process.
- That veterans would have more equitable access to job training if funding were allocated on a national basis to veterans, rather than to geographic jurisdictions and then to program providers.

RECOMMENDATIONS

- That Congress appropriates sufficient funds (approximately \$32 million) to enable a viable national veterans training program.
- That DOL make JTPA IV-C/VWIP training funds equitably available to all eligible veterans through a competitively selected executive agent, either a federal, state, or nonprofit organization with ability to disperse funds nationally. Under this system, veterans' service providers in all states (currently DVOP and LVER staff) would write training contracts for individual veterans until the pool of funds was exhausted. Training providers would submit their invoices for payment to the executive agent administering the funding pool.

Separately, AMVETS, in partnership with the Disabled American Veterans, Paralyzed Veterans of America, and the Veterans of Foreign Wars, recently published its thirteenth edition of the Independent Budget – Fiscal Year 2000. It also addresses veterans' employment and training issues. Representative findings include the following:

- Servicemembers are not adequately served by the Transition Assistance Program and Disabled Transition Assistance Program (TAP/DTAP).
- The National Veterans Training Institute (NVTI) administers training programs unavailable elsewhere and should be funded at a level adequate to ensure training is continued within a constantly changing veterans environment.
- Discrepancies at the State Employment Service Agency (SESA) level affect the services veterans receive. The Department of Labor (DOL) needs to review the current structure and process for the delivery of employment services to veterans to ensure successful outcomes rather than process are rewarded.
- Within the VETS system, performance standards are inconsistent and inadequate. There is no system in place through which comparisons can be drawn between state programs so that successful programs can be rewarded. VETS must develop meaningful performance standards in order to ensure limited fiscal resources are applied only where successful outcomes are consistently achieved.
- Inadequate funding within both the DVOP and LVER programs makes full compliance with federal statutes extremely difficult, if not impossible. For example, there is a shortfall of \$32.5 million between the mandated level of funding for DVOP and LVER programs which only Congress can remedy.

Mr. Chairman, it seems to us that, notwithstanding the commitment to supporting veterans' employment initiatives, and the well intentioned efforts of both federal and state agencies to effectively implement congressional mandates in this area, veterans continue to be under served. Part of the challenge which confronts us today may well be to overcome bureaucratic inertia – an inability to recognize the changing dynamics associated with veterans employment issues today; a hesitancy to adjust programs to accommodate to these changes; and a failure to establish clear standards through which program implementation is measured in term of outcomes rather than process.

We have the Department of Defense, the Department of Veterans Affairs, and the Department of Labor (DOLVETS) all tasked with responsibility for implementing various Congressional mandates for and on behalf of veterans. For its part DoD certainly knows which servicemembers are scheduled for separation/retirement. They know who they are, where they are, and when they will be available for transition/employment assistance.

DVA is currently in the process of establishing offices at major military separation facilities across the nation and, by next year, they intend to establish an overseas presence in both Asia and Europe. These initiatives serve several vital purposes including the ability to provide outreach to veterans at their time of separation.

And, DOLVETS knows the labor marketplace. They know better than anyone else, where the jobs are.

There is a natural partnership in the offering here. Each of these agencies has as part of its congressional mandate a responsibility for assisting veterans. And each, in its efforts to comply, has invoked various policies and procedures focused on satisfying this congressional direction. In the process, however, there may be duplicative efforts which work at cross purposes. When you are dealing programmatically with these issues, it is very difficult to think in units of one – one veteran, seeking help in his or her efforts to find post military employment. We believe we need to examine ways to better focus on the special needs of veterans by applying the strengths each of these agencies brings to the table. We need a coordinated, results-oriented approach, which solves employment issues, one veteran at a time.

The companion piece to such an initiative is a renewed outreach effort to potential employers nationwide describing the real benefits to them of hiring veterans. The Commission's report pointed out that in its "National Survey of Employers Concerning the Hiring and Job Performance of Veterans of the United States Military", the Gallup Organization learned that:

- 74% of all employers surveyed reported they had employed veterans.
- Only 26% of employers actively recruited veterans.
- When employers were asked why they did not actively recruit veterans, 29% said they did not gear recruiting to a specific group and 21% reported they had never considered recruiting veterans.

- When employers were asked if they wanted to hire a veteran, did they know whom to contact, 42% said they did however of those who said they did, 48% incorrectly identified the VA and 25% cited the local job service office in their state.

Mr. Chairman, in summary, we believe the issues surrounding veterans' employment and training are clearly solvable. To do so will require a continued congressional commitment to fully fund those programs mandated by law. However, there may also be fiscal savings achieved by refocusing the combined efforts of DoD, DOLVETS and DVA in a renewed goal and outcome oriented partnership. And, we need to renew our outreach efforts to potential employers. In employment terms, veterans continue to be a national treasure. We simply need to do a better job introducing them to employers.

Mr. Chairman, this concludes my testimony. I will be happy to answer any questions you or the committee members may have.



Non Commissioned Officers Association of the United States of America

225 N. Washington Street • Alexandria, Virginia 22314 • Telephone (703) 549-0311

STATEMENT OF

LARRY D. RHEA

DEPUTY DIRECTOR OF LEGISLATIVE AFFAIRS

BEFORE THE

SUBCOMMITTEE ON BENEFITS

COMMITTEE ON VETERANS AFFAIRS

U. S. HOUSE OF REPRESENTATIVES

OVERSIGHT HEARING ON

FY00 BUDGET FOR THE

VETERAN'S EMPLOYMENT AND TRAINING

SERVICE

FEBRUARY 24, 1999

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**DISCLOSURE OF FEDERAL GRANTS AND
CONTRACTS**

The Non Commissioned Officers Association of the USA (NCOA) does not currently receive, nor has the Association ever received, any federal money for grants or contracts. All of the Association's activities and services are accomplished completely free of any federal funding.

The Non Commissioned Officers Association of the USA (NCOA) thanks the Distinguished Chairman for your invitation to appear and present testimony on the Fiscal Year 2000 budget proposal for the Veteran's Employment and Training Service (VETS). NCOA believes this hearing is particularly timely in view of the substantial changes taking place in the employment arena. The Association salutes the Chairman and Distinguished Ranking Member, the Honorable Bob Filner, for the interest and attention you have given to these important programs. NCOA trusts that our testimony today will be helpful to the Subcommittee as you fulfill your oversight responsibility for VETS.

VETS FY00 Budget

NCOA is pleased that the Department of Labor has proposed a \$4.9 million increase for the programs and services administered by the Veterans Employment and Training Service. The total of \$197,913,000 is broken down as follows: \$185,613,000 from the Federal Unemployment Trust Account; \$7,300,000 from the Workforce Investment Act; and, \$5,000,000 for the Homeless Veterans Reintegration Project from general revenue funds through the Employment and Training Services account. For the Office of the Assistant Secretary for VETS, the \$185,613,000 requested is an increase of \$2,894,000 over that provided in FY99. The Association notes however that inflation, employee salaries, and administrative overhead consume almost 25% of the total \$4.9 million increase.

NCOA is generally pleased with the proposed budget for VETS for FY00, particularly for the new initiatives and for the proposed increase in the HVRP. The critical area of Local Veterans' Employment Representatives (LVERs) and Disabled Veterans' Outreach Program (DVOP) specialists

however remains a concern of this Association. Approximately, \$157 million has been requested to fund DVOPs and LVERS in FY00, a slight increase in the overall dollar amount, but actually a reduction as a factor of inflation and employee costs.

The budget proposal would fund LVERS at 1305 positions, 34 less than in FY99. DVOP specialists are to be funded at 1431 positions, 32 less than the current fiscal year. While the cost of the DVOP and LVER program continues to rise, staff positions continue to decrease with a corresponding decline in the placement of disabled veterans, veterans with significant barriers to employment, and veterans recently released from active duty. This concern, Mr. Chairman, is addressed more fully later in our testimony.

The budget proposes several new or expanded initiatives that are commendable, for example, \$500,000 to fund a pilot Transition Assistance Program (TAP) for service members in overseas locations, and \$600,000 to provide funding to support efforts of the States to compile and provide better outcome measures. The budget proposal also seeks \$200,000 in VETS funding to provide money to improve and expand the Bureau of Labor Statistics survey of veterans to capture information on all targeted veteran subgroups. NCOA acknowledges the lack of reliable data and supports the collection of this information, but the Association questions the necessity of having to use VETS funding for a purpose that clearly is a function of the BLS.

The most commendable initiative undertaken by VETS in NCOA's view is that relating to the licensure and certification of military training and

experience. For several years, NCOA has been calling attention to this situation that, in many cases, is an artificial and needless barrier that hinders a transitioning service member from immediate and gainful employment. A study of military personnel separating in 1997 revealed that 37% of those leaving the service had a military occupation with a civilian counterpart occupation that required some type of credential, license or certification. In that same year, every one of the top 20 military occupations of transitioning service members required a certificate or license in the civilian workforce. Even more upsetting in NCOA's view is the fact that many of these highly skilled veterans are being required to use their veteran education benefit to retake training and courses already completed in the military, military training that in some cases has already received civilian approval.

In April 1998, the Department of Labor, through VETS, and the Department of Veterans Affairs created an Interagency Task Force on the Certification and Licensing of Transitioning Military Personnel. To this point, VETS has been funding the initiative out of hide through reprogramming actions. The FY00 budget requests \$250,000 for this initiative and NCOA urges this Subcommittee to fully endorse and support that request.

NCOA salutes VETS for taking the lead in an area that this Association believes has enormous potential to truly place transitioning service members not into jobs but into high paying careers. In addition to supporting the budget request of \$250,000, NCOA requests that this Subcommittee make the issue of licensure and certification of military training a high priority on your oversight agenda this year.

VETS Future

NCOA is sincerely grateful that the 105th Congress took action on and passed The Veterans Employment Opportunities Act of 1998. The Association extends special thanks to the Members of this Subcommittee who worked so diligently in support of that initiative. While the full impact of Public Law 105-339 is yet to be fully realized, your continued support of that initiative will ultimately reestablish veterans, particularly preference eligible veterans, to their rightful and proper place in the federal workforce. The Association also wants to thank VETS for the work done, even prior to the Act becoming law, to ensure the law's successful implementation. VETS is now in charge of enforcing, not merely investigating, violations of veterans preference law.

The Assistant Secretary of Labor for VETS, the Honorable Espiridion "Al" Borrego, has earned and deserves commendation. Clearly, Mr. Borrego has elevated the visibility of veterans employment needs within the Labor Department, up to and including the Deputy Secretary and Secretary of Labor. His has made tremendous inroads with the Employment and Training Administration, an office that has a long history of taking a dim view on veterans' employment needs. Also, NCOA is abundantly grateful for Mr. Borrego's leadership on the licensure and certification initiative.

NCOA knows of no one, however, who is fully satisfied with any of the programs that are designed to assist the employment and training needs of transitioning service members and veterans. Each year in recent memory, hearings have been held to seek ways to improve the delivery of services

through the Veterans Employment and Training Service. The changing work force, the emerging labor exchange environment, and the implementation of the Workforce Investment Act have made, and will continue to make, that task a difficult one.

Two years ago, the House and Senate Veterans Affairs Committee joined the House National Security and Senate Armed Services Committee in establishing a Congressional Commission to examine veterans' benefits and programs. More than 60 pages of the Commission's final report is devoted to veterans employment and training, with more than 50 specific recommendations. Conclusions and recommendations reached by the Commissioners are, in many cases, identical to NCOA positions for legislative action and change. The Final Report has validated and confirmed a great deal of what NCOA has presented in testimony before Congress for many years. One area in particular is that pertaining to the DVOP and LVER program.

NCOA's experience with DVOPs and LVERs has identified a common theme for several years. DVOPs and LVERs have consistently related to NCOA that they are hamstrung in the current environment. They consistently voice their frustration with the lack of basic technological necessities to operate in a computerized world. They have also repeatedly stressed two other important needs: (1) increased opportunities and the need to devote more time to case management; and, (2) the importance of and the need for more opportunities to accomplish outreach to employers and facilitate transition workshops. In this regard, NCOA's experience and contention that the DVOP and LVER program needs refocused was substantiated by the Commission's findings.

Currently, there is no mechanism in place for VETS to encourage and reward those DVOPs and LVERs, as well as the States and local offices, who do an outstanding job. NCOA is inclined to believe that incentives could be effectively used to encourage success at all levels of VETS. The current practice of awarding grants gives state employment services no incentive to adopt best practices and gives DOL, through the ASVET, no leverage to force meaningful change.

In order for any incentives program to work however, there must be performance standards implemented in which expectations are clear and achievable and that can be accurately measured. At present, one of two things can be concluded regarding current standards and achievement of those standards. Assuming that the standards are valid, then one can reasonably conclude that veterans are not getting a good return on the government's investment. If the opposite assumption is made, that of the standards not being valid, then one can reasonably conclude that the performance is probably not as good as current statistics would lead one to believe. Either way, NCOA believes a fundamental refocus of the program is needed. More focus and attention must be devoted to outreach to employers to "sell" the prospective veteran employee. More time and energy must be devoted to case management for disabled veterans, veterans with significant barriers to employment, and recently released veterans.

CONCLUSION

NCOA is not dissatisfied with the over-all funding level proposed for VETS. The fact that an increase is proposed by the Administration for these critical programs is noteworthy. As stated above, the Association does remain concerned, however, that veterans might not be getting the greatest bang for the buck.

As the Distinguished Members of this Subcommittee consider the FY00 Budget for VETS, NCOA asks that you consider it in context with what is truly need in the way of outcomes. NCOA believes one of the outcomes must be the placement of veterans into jobs that have the potential to lead to good paying careers. NCOA also believes that another outcome must be the marketing and selling of veterans to potential employers. The Association also believes the program must focus primarily on those veterans having the greatest need, the disabled veteran, the veteran with a significant employment barrier, and recently separated veterans.

NCOA welcomes the opportunity to continue to work with this Subcommittee to change existing programs, or create new employment programs, that will serve the needs of worthy veterans in the new millenium.

Thank you.



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225 N. Washington Street • Alexandria, Virginia 22314 • Telephone (703) 549-0311

Follow-up Questions from Honorable Bob Filner
To the Veterans Service Organizations
From The Hearing Held February 24, 1999,
Regarding
The FY 2000 Budget for the DOL/VETS

1. Some of you recommended in your testimony that incentives and rewards be provided to states that demonstrate their commitment to helping veterans find meaningful employment. Would you describe your ideas about this approach in more detail?

NCOA response: NCOA supports the concept and philosophy of an incentives program. Such a program must, however, go beyond simply putting veterans in jobs and a count of services provided. An incentives program, in our view, must be structured to emphasize and reward those employment specialists' and states that place veterans in good quality, high paying jobs that lead to careers, specifically for disabled veterans, recently released veterans, and veterans with employment barriers.

NCOA is not opposed to fencing a small percentage of appropriations to fund a properly structured incentives program. The Subcommittee stated its resolve to increase appropriations for more DVOP and LVER positions in FY00; perhaps, some of that increase could be earmarked for an incentives award program. Another alternative might be to use recaptured DVOP and LVER funds if provision was made to carry these funds over to the next program year. NCOA recognizes that recaptured funds would vary from year to year and likely would be an unreliable funding source. Another possibility would be the use of FUTA money to fund an incentives program. While FUTA would be a reliable source of funds, NCOA believes gaining access would be difficult because of the overlapping jurisdiction of Congressional Committees in this area. NCOA welcomes the opportunity to review, with the aim of fully supporting, the incentive recommendations being finalized by DOL VETS.

2. Several of you mentioned that VETS needs to develop performance standards that accurately reflect the level and quality of services provided for veterans seeking employment. I expect that in the new world of One-Stop Career Centers and the availability of America's Job Bank on the Internet, it will be somewhat more challenging to measure performance. What are your specific ideas on this?

NCOA response: Preliminary to a discussion to develop performance standards, NCOA believes a decision needs to be made to refocus the VETS programs that deliver employment services to veterans. The Association concurs with the recommendations made by the Veterans Transition Commission to replace the current DVOP and LVER programs with a Veterans' Case Manager (VCM) program and a Veterans' Employment Facilitator (VEF) program. If the Commission recommendations were adopted, NCOA believes it would be much easier to develop meaningful performance standards, establish realistic outcomes, and achieve accountability in a system that presently has little or none. Employment services to veterans must be focused primarily on those having the greatest need - disabled veterans, recently released veterans, and veterans with barriers to employment. Currently, performance is focused on a process that produces results in relative, not absolute terms. Measurement systems and performance outcomes must be revised and focused on positive outcomes rather than service counts. Adopting the VCM and VEF concept would allow that to happen, and in the process, better accommodate those veterans most in need of employment services.

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In addition to outcome measurements, VETS should be evaluated on other goals. For example, it should be easy to measure and evaluate their success in creating job opportunities and in recruiting employers to actively seek and hire veteran employees. VETS efforts to create transition opportunities by relating military qualification to civilian licensing and certification could and should be measured. Success in these and other related missions are critical to resolving long term veterans' employment issues.

3. I believe that DVOPs and LVERs should be staffed at the level mandated under title 38. These individuals, most of whom are veterans - and many whom are disabled veterans - are our advocates in the field for veterans seeking employment assistance. I also believe their missions and responsibilities must be redefined and targeted - but they cannot accomplish their mission if they are understaffed. Do you share my view, or do you consider full funding for these veterans' employment specialists a low priority?

NCOA response: NCOA agrees completely that veteran's employment specialists' positions should be funded and staffed to a level that is stipulated in statute. The Association has been of the opinion for some time, however, that the current formula may no longer be an accurate predictor of what the staffing level should be. As you know, the DVOP formula is tied heavily to the Vietnam Era. NCOA believes the formula for determining the staffing level of employment specialists' should be revised to include all veterans, except those who are permanently and totally disabled and those veterans retired from the civilian workforce. Such a change would, in NCOA's view, provide the flexibility needed in adjusting to future changes in the veteran population. At the same time, NCOA believes VETS needs greater flexibility in moving positions from State to State in response to changing demographics in the veteran population.

4. I am very disappointed that the Administration is requesting only \$5 million for the Homeless Veterans Reintegration Program (HVRP). We all know that over 250,000 homeless veterans' sleep on the streets every night - and I believe that even the authorized funding level of \$10 million is far too low for this program. This is a shameful situation, but I commit to you that I will do everything I can to see that \$10 million is appropriated for HVRP for fiscal year 2000, and to reauthorize this program at \$50 million in subsequent years. What can your organizations do to help us in what I expect will be an uphill battle?

NCOA response: NCOA will continue to support and advocate increased appropriations for HVRP. The Association fought aggressively for The Veterans Transitional Housing Assistance Act that was included in The Veterans Benefits Improvement Act of 1998, P.L. 105-368. That important legislation, as you are aware, authorized VA to guarantee up to \$100 million in loans, in the first three years of the program, to provide transitional housing for homeless veterans. An important feature of the Transitional Housing Assistance Act was the public-private sector partnership between VA and community-based organizations in providing housing services to homeless veterans.

The Association continues to believe that veterans must be given a higher priority and greater share of the resources made available under the McKinney Homeless Assistance Act. Veterans comprise approximately one-third of the homeless population, yet they are almost completely ignored in the programs and services of the primary federal program providing assistance to the homeless. NCOA believes a concerted effort needs to be made to target a percentage of the funds, for each of the several programs under the McKinney Homeless Assistance Act, to the benefit of homeless veterans. Ideally, in our view, a target for the funds to be dedicated to homeless veterans would closely approximate their percentage of the homeless population. The money to fight homelessness is already there - veterans need to be included as a priority group.

**THE AMERICAN LEGION RESPONSE TO FOLLOW-UP QUESTIONS FROM
HON. BOB FILNER TO THE VETERANS' SERVICE ORGANIZATIONS
FROM THE HEARING HELD FEBRUARY 24, 1999 REGARDING THE FY
2000 BUDGET FOR THE DOL/VETS**

- 1. Some of you recommended in your testimony that incentives and rewards be provided to states that demonstrate their commitment to helping veterans find meaningful employment. Would you describe your ideas about this approach in more detail?**

The Report of the Commission on Servicemembers and Veterans Transition Assistance made a recommendation to contract out veterans services based on their perception that the placement rate for the SESA veterans staff was not working up to standards which, at this point are unspecified. At the same time veterans staff members are working with hard to place people with barriers to employment or who are otherwise not job ready. It seems to us that if some kind of bonus system were put in place, using discretionary money which is apparently available to the Secretary of Labor, that placement rates would increase and the perceived need to contract out the services now provided by state employees would be eliminated. In addition to bonuses for DVOPs and LVERs who improve efforts in outreach to employers, these bonuses could be provided to employers who hire veterans who face barriers to meaningful employment and to veterans who work hard at being the best they can be in interviews. The idea here is to shift the emphasis from pure placements, for the sake of meeting some quota, to marketing veterans to employers. That means getting out of the office and visiting with employer, something which is not done enough at this point. The details remain to be worked out, but The American Legion would look forward to working with the Subcommittee on this issue.

- 2. Several of you mentioned that VETS needs to develop performance standards that accurately reflect the level and quality of services provided for veterans seeking employment. I expect that in the new world of One-Stop Career Centers and the availability of America's Job Bank on the Internet, it will be somewhat more challenging to measure performance. What are your specific ideas on this?**

The employment security agency in Michigan is already in the "New World" of One-Stop Career Centers. The leadership of the state agency, the State Director of the Veterans Employment and Training Service, the Regional Director of VETS, and a group of Local Veterans Employment Representatives and Disabled Veterans Outreach Workers have worked out an agreement of a standard of 200 "placements" or "obtained employments" for each DVOP or LVER per year. The goal here should be to put veterans in meaningful employment, not to simply register them with the employment service. It is too early to tell how the new standards are working though there seemed to be some problems with the reporting system software.

It seems to us that each state ought to be able to accomplish something along these lines if people are willing to sit down and discuss reasonable alternatives.

- 3. I believe that DVOPs and LVERs should be staffed at the level mandated under title 38. These individuals, most of whom are veterans—and many of who are disabled veterans—are our advocates in the field for veterans seeking employment assistance. I also believe their missions and responsibilities must be redefined and targeted—but they cannot accomplish their mission if they are understaffed.**

Do you share my view, or do you consider full funding for these veterans' employment specialists a low priority?

The American Legion concurs with your belief that full funding is critical to the future success of the LVER and DVOP programs. Without full funding, many of the 2,500 future one-stop career centers will have no veteran's representation. In recent years, service to veterans has suffered when DVOPs and LVERs were used to perform Transition Assistance Training for separating service members. This must stop.

The focus here must shift to DVOPs and LVERs getting out of the office and building relationships with employers as first step. This must be done with a goal of each employer thinking of the LVER or DVOP as the single best source of quality em-

ployees. Once employers reach this conclusion, they will call the DVOP/LVER first to obtain quality applicants.

4. I am very disappointed that the Administration is requesting only \$5 million for the Homeless Veterans Reintegration Program (HVRP). We all know that over 250,000 homeless veterans sleep on the streets every night—and I believe that even the authorized funding level of \$10 million is far too low for this program.

This is a shameful situation, but I commit to you that I will do everything I can to see that \$10 million is appropriated for HVRP for fiscal year 2000, and to reauthorize this program at \$50 million in subsequent years. What can your organizations do to help us in what I expect will be an uphill battle?

The American Legion will forcefully present its views to the proper Appropriations Subcommittee in April. We have just received notification that we will not be able, once again, to present testimony in person. However, during our Washington Conference in the last week in March, we will inform our visiting members that this is an item of high priority. Their message will be carried to Congress in person.



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