AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

OVERSIGHT OF THE U.S. DEPARTMENT OF LABOR'S VETERANS EMPLOYMENT TRAINING SERVICE, DISABLED VETERAN OUTREACH PROGRAM AND LOCAL VETERANS EMPLOYMENT REPRESENTATIVE PROGRAM

HEARING

BEFORE THE

SUBCOMMITTEE ON ECONOMIC OPPORTUNITY

OF THE

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

ONE HUNDRED TENTH CONGRESS

FIRST SESSION

OCTOBER 25, 2007

Serial No. 110–58

Printed for the use of the Committee on Veterans' Affairs

U.S. GOVERNMENT PRINTING OFFICE
39–467 WASHINGTON : 2008

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512–1800; DC area (202) 512–1800
Fax: (202) 512–2104 Mail: Stop IDCC, Washington, DC 20402–0001

COMMITTEE ON VETERANS' AFFAIRS

BOB FILNER, California, *Chairman*

CORRINE BROWN, Florida
VIC SNYDER, Arkansas
MICHAEL H. MICHAUD, Maine
STEPHANIE HERSETH SANDLIN, South Dakota
HARRY E. MITCHELL, Arizona
JOHN J. HALL, New York
PHIL HARE, Illinois
MICHAEL F. DOYLE, Pennsylvania
SHELLEY BERKLEY, Nevada
JOHN T. SALAZAR, Colorado
CIRO D. RODRIGUEZ, Texas
JOE DONNELLY, Indiana
JERRY MCNERNEY, California
ZACHARY T. SPACE, Ohio
TIMOTHY J. WALZ, Minnesota

STEVE BUYER, Indiana, *Ranking*
CLIFF STEARNS, Florida
JERRY MORAN, Kansas
RICHARD H. BAKER, Louisiana
HENRY E. BROWN, JR., South Carolina
JEFF MILLER, Florida
JOHN BOOZMAN, Arkansas
GINNY BROWN-WAITE, Florida
MICHAEL R. TURNER, Ohio
BRIAN P. BILBRAY, California
DOUG LAMBORN, Colorado
GUS M. BILIRAKIS, Florida
VERN BUCHANAN, Florida

MALCOM A. SHORTER, *Staff Director*

SUBCOMMITTEE ON ECONOMIC OPPORTUNITY

STEPHANIE HERSETH SANDLIN, South Dakota, *Chairwoman*

JOE DONNELLY, Indiana
JERRY MCNERNEY, California
JOHN J. HALL, New York

JOHN BOOZMAN, Arkansas, *Ranking*
RICHARD H. BAKER, Louisiana
JERRY MORAN, Kansas

Pursuant to clause 2(e)(4) of Rule XI of the Rules of the House, public hearing records of the Committee on Veterans' Affairs are also published in electronic form. **The printed hearing record remains the official version.** Because electronic submissions are used to prepare both printed and electronic versions of the hearing record, the process of converting between various electronic formats may introduce unintentional errors or omissions. Such occurrences are inherent in the current publication process and should diminish as the process is further refined.

CONTENTS

October 25, 2007

Page

Oversight of the U.S. Department of Labor's Veterans Employment Training Service, Disabled Veteran Outreach Program and Local Veterans Employment Representative Program 1

OPENING STATEMENTS

Chairwoman Stephanie Herseth Sandlin 1
Prepared statement of Chairwoman Herseth Sandlin 32
Hon. John Boozman, Ranking Republican Member 2
Prepared statement of Congressman Boozman 32

WITNESSES

U.S. Department of Labor, Hon. Charles S. Ciccolella, Assistant Secretary for Veterans' Employment and Training 17
Prepared statement of Hon. Ciccolella 89

American Legion, Ronald F. Chamrin, Assistant Director, Economic Commission 3
Prepared statement of Mr. Chamrin 33
Paralyzed Veterans of America, Richard Daley, Associate Legislation Director 5
Prepared statement of Mr. Daley 38
Vietnam Veterans of America, Richard F. Weidman, Executive Director for Policy and Government Affairs 7
Prepared statement of Mr. Weidman 40

SUBMISSIONS FOR THE RECORD

National Association of State Workforce Agencies, Larry Temple, President, and Executive Director, Texas Workforce Commission, statement 94
Veterans of Foreign Wars of the United States, Justin Brown, Legislative Associate, statement 97

MATERIAL SUBMITTED FOR THE RECORD

Post-Hearing Questions and Responses for the Record:
Hon. Stephanie Herseth Sandlin, Chairwoman, Subcommittee on Economic Opportunities, Committee on Veterans' Affairs, to Ronald F. Chamrin, Assistant Director, Economic Commission, American Legion, letter dated October 30, 2007, and response letter dated November 28, 2007 100
Hon. Stephanie Herseth Sandlin, Chairwoman, Subcommittee on Economic Opportunities, Committee on Veterans' Affairs, to Richard Daley, Associate Legislation Director, Paralyzed Veterans of America, letter dated October 30, 2007, and response letter dated November 16, 2007 103
Hon. Stephanie Herseth Sandlin, Chairwoman, Subcommittee on Economic Opportunities, Committee on Veterans' Affairs, to Rick Weidman, Executive Director for Policy and Government Affairs, Vietnam Veterans of America, letter dated October 30, 2007 **[NO RESPONSE WAS RECEIVED FROM MR. WEIDMAN.]** 105
Hon. Stephanie Herseth Sandlin, Chairwoman, Subcommittee on Economic Opportunities, Committee on Veterans' Affairs, to Hon. Charles S. Ciccolella, Assistant Secretary, Veterans' Employment and Training Service, U.S. Department of Labor, letter dated October 30, 2007, and DoL responses 105

OVERSIGHT OF THE U.S. DEPARTMENT OF LABOR'S VETERANS EMPLOYMENT TRAINING SERVICE, DISABLED VETERAN OUTREACH PROGRAM AND LOCAL VETERANS EMPLOYMENT REPRESENTATIVE PROGRAM

THURSDAY, OCTOBER 25, 2007

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

The Subcommittee met, pursuant to other business, at 2:39 p.m., in Room 334, Cannon House Office Building, Hon. Stephanie Herseth Sandlin [Chairwoman of the Subcommittee] presiding.

Present: Representatives Herseth Sandlin, McNerney, Hall, and Boozman.

OPENING STATEMENT OF CHAIRWOMAN HERSETH SANDLIN

Ms. HERSETH SANDLIN. Good afternoon, ladies and gentlemen. The Committee on Veterans' Affairs Subcommittee on Economic Opportunity hearing on Oversight of the Disabled Veterans Outreach Program (DVOP) Specialists and Local Veterans Employment Representatives (LVER) Program will come to order.

Like the states of many of my colleagues on the Subcommittee, the State of South Dakota has had servicemembers that have been activated in support of operations in Iraq and Afghanistan, including just this week the 147th Artillery National Guard Unit based out of Salem, South Dakota. Some of these brave men and women have returned injured and are currently in need of healthcare and employment services. They, like all disabled veterans from around the country, deserve our best efforts to provide a seamless and effective transition from military service to civilian life and the workforce.

Earlier this year, this Subcommittee held its first hearing that included the U.S. Department of Labor's (DoL) Disabled Veterans Outreach Program Specialist and Local Veterans Employment Representative programs, which are primarily administered through State employment agencies. As our distinguished panelists know, the primary role of DVOP and LVER is to assist veterans to obtain employment and conduct employer outreach. Specifically, the implementation of DVOP was designed to meet the employment needs of disabled veterans. I applaud the sincere dedication of these professionals, but also believe further opportunities to enhance these programs still exist.

As I have traveled around my State meeting constituents, I have had the privilege to meet with servicemembers and veterans to discuss issues important to them and to their families. While healthcare, compensation and education benefits rank high among the issues raised, the need for employment opportunities has resonated clearly among the veteran community. Their ability to acquire proficient skill sets, obtain the needed assistance to successfully connect to an employer and apply those skills to the workforce are fundamental to their ability to succeed in today's workforce environment. This is especially true at a time when we can expect an increased level of retirements within the next 5 years. I truly believe the Department of Labor's DVOP and LVER programs have a critical role in assisting our veterans meet this need.

Today's hearing will follow up on at least three Subcommittee hearings held in the 109th Congress under Mr. Boozman's leadership and our first Subcommittee hearing held on March 7 of this year. In those hearings we had the opportunity to hear from veteran service organizations (VSOs) concerns on funding levels, DVOP and LVER training, accountability, and priority of service for our veterans.

Mr. Boozman, I look forward to working with you and all Members of the Subcommittee, the veteran service organizations, and the administration officials with whom we work frequently to address these concerns and ensure our Nation's veterans are provided the best services to succeed in life after their service to our country.

I now recognize our Ranking Member, Mr. Boozman, for his opening remarks.

[The prepared statement of Ms. Herseth Sandlin appears on p. 32.]

OPENING STATEMENT OF HON. JOHN BOOZMAN

Mr. BOOZMAN. Thank you, Madam Chair, and I appreciate your leadership in this area.

I would like to ask unanimous consent that the National Association of State Workforce Agencies' statement be placed in the record.

Ms. HERSETH SANDLIN. So ordered.

[The statement of National Association of State Workforce Agencies appears on p. 94.]

Mr. BOOZMAN. Thank you.

Since its inception the mission of the DVOP/LVER program has been to place veterans, especially disabled veterans, in suitable employment. Recent changes in the law have refocused the duties of DVOPs and LVERs and added flexibility to the system by authorizing States to fill those positions with half-time employees. However, there continues to be controversy regarding the performance of the system.

We continue to hear that employment office managers divert veteran staff to serve other nonveteran clients. We also hear that competition would bring improved performance throughout the system.

Last year at the suggestion of the Veterans Employment and Training Service (VETS), we removed language from what eventually became Public Law 109–461 that would have added specific data-reporting requirements so that VETS could implement the common measures. Now that a year or so has passed, it will be

very interesting to hear whether common measures are providing a sufficiently robust picture of how we are doing in placing veterans compared to their nonveteran counterparts.

I am also open to any suggestions our witnesses may have to improve the system. It is vital that our employment programs enable veterans to find suitable employment that promotes their wellness and quality of life.

And, again, before we get started, I want to thank our panel. Under Ms. Herseth Sandlin's leadership last year or last Congress, on several occasions you all have always come and testified and done a tremendous job. And again, we appreciate your hard work for veterans. So I look forward to hearing your testimony today.

Ms. HERSETH SANDLIN. I thank the distinguished Ranking Member.

Joining us on our first panel is Mr. Ronald Chamrin, Assistant Director of Economic Commission for the American Legion; Mr. Richard Daley, Associate Legislation Director for the Paralyzed Veterans of America (PVA); and Mr. Rick Weidman, Executive Director for Policy and Government Affairs for Vietnam Veterans of America (VVA).

Gentlemen, welcome back to the Subcommittee. I would like to remind each of you that your complete written statements have been made part of the hearing record, so please limit your remarks to 5 minutes so we have opportunities to explore questions. I want to make sure everyone has the opportunity to do so. No word yet on votes, so I think we are going to be good to go with your opening statements and our questions. Again, welcome today.

Mr. Chamrin, we will begin with you. You are recognized for 5 minutes.

STATEMENTS OF RONALD F. CHAMRIN, ASSISTANT DIRECTOR, ECONOMIC COMMISSION, AMERICAN LEGION; RICHARD DALEY, ASSOCIATE LEGISLATION DIRECTOR, PARALYZED VETERANS OF AMERICA; AND RICHARD F. WEIDMAN, EXECUTIVE DIRECTOR FOR POLICY AND GOVERNMENT AFFAIRS, VIETNAM VETERANS OF AMERICA

STATEMENT OF RONALD F. CHAMRIN

Mr. CHAMRIN. Thank you, Madam Chairwoman, Ranking Member Boozman, and Members of the Subcommittee. Thank you for the opportunity to present the American Legion's view on the Department of Labor's Veterans' Employment and Training Service.

The U.S. Government Accountability Office (GAO) reported in May 2007 that approximately 700,000 veterans are unemployed in any given month. Veterans returning from duty in support of the Global War on Terror are not always coming back to a hero's welcome, at least not from all employers. The American Legion notes that VETS reports an unemployment rate in 2006 of approximately 10 percent for veterans ages 20 to 24; improved in comparison to 2005, but it is still higher than the national average of nonveterans within the same age group and significantly higher than the general population as a whole.

This committee requested that we respond to four questions in addition to our concerns. Number one, is DoL properly imple-

menting the DVOP/LVER programs within the States? The Jobs for Veterans Act, Public Law 107–288, has eliminated the requirement that VETS review all workforce centers annually, and this has minimalized Federal oversight of the programs. This law has removed the job descriptions of the DVOPs and LVERs from Title 38 and given the States the ability to establish the duties and responsibility, thus weakening the VETS programs across country by eliminating the language that required these staff positions provide services only to veterans.

Finally, the passage of Public Law 107–288 removed the Federally mandated naming formulas for assigning DVOPs and LVERs in each State. This action has allowed each State to determine the number of veterans employment personnel in each State based on budgetary limitations. States now have the discretion of assigning one half-time DVOP and/or LVER to an office while eliminating positions in offices that need veteran staff by virtue of veteran intake.

The American Legion supports the restoration of language of Chapter 41, Title 38, that requires that all half-time DVOP/LVER positions be assigned only after approval of the DVOP. And that the Secretary be required to monitor all career centers that have veteran staff assigned. The American Legion also supports legislation that restores the duties and responsibilities of DVOPs and LVERs to include case management, outreach to veterans and job development.

VETS provide staff to participate in a Transition Assistance Program (TAP) on military installations. Higher demands placed on LVERs to develop TAP modules in addition to their normal assistance programs has the potential for weakening their overall capability. In order to circumvent any gaps in providing services, additional funding to support an increased number of LVERs should occur.

The National Veterans' Employment and Training Service Institute (NVTI) provides training to Federal and State employment service providers in competency-based training courses. Public Law 109–461 stipulates that a newly hired DVOP or LVER must attend the NVTI to be trained for their position within 3 years of hiring. Unfortunately a newly hired individual can retain the position for 2½ years before they are required to begin training to ensure that graduation is within the 3-year hiring period. Newly hired employment specialists without the benefit of NVTI training may be ill-prepared to properly assist veterans seeking meaningful employment or facing significant barriers to employment.

To close this loophole, the American Legion recommends that newly hired DVOPs and LVERs must be trained at NVTI within the first year of employment, and all untrained DVOP/LVER staff within 3 years of hiring at the time of enactment of any new legislation must be trained within 1 year.

Number two, under what circumstances should States lose funding for failing to meet their obligations? The American Legion does not have a position regarding this stipulation.

Number three, are part-time DVOPs and LVERs meeting the needs of rural and urban-area veterans? The American Legion has observed by virtue of our members who are employed as DVOPs and LVERs that due to the half-time status, these personnel are

unable to travel to the locations where veterans tend to congregate. Their travel budgets have been slashed. Their half-time status prohibits periods of travel that will extend beyond half a day, and their other requirements force them to be able to assist non-veterans within their employment offices.

Number four, what is your organization's position on how DoL tracks its performance measures? Although Public Law 107–288 requires veterans' priority services in all DoL programs, the Employment and Training Administration has not monitored the performance, nor do they have a way of tracking the performance. The Assistant Secretary for Veterans' Employment and Training (ASVET) cannot accurately capture local, statewide and national data to adequately assess performance outcomes or hold the various States accountable for providing priority services to veterans.

The American Legion supports that any agency providing Federal funding to provide veterans employment and training services must adhere to priority of service and develop reporting systems that track priority services to veterans as provided and outlined in Title 38.

The American Legion strongly supports improvements in the reporting programs available to and administered by VETS. The ASVET should be empowered to establish clear and up-to-date realtime performance standards and a means of collecting data to properly measure performance at the local, State and national level.

I see I am running out of time, so I will wrap up.

In conclusion, transition assistance, education and employment are each a pillar of financial stability. By placing veterans in suitable employment sooner, the country benefits from increased income tax revenue and reduced unemployment compensation payments, thus greatly offsetting the cost of TAP training.

Madam Chairwoman, thank you for the opportunity to present the American Legion's views. This concludes my testimony. I would be happy to answer any question that you may have.

[The prepared statement of Mr. Chamrin appears on p. 33.]

Ms. HERSETH SANDLIN. Thank you very much, Mr. Chamrin.

Mr. Daley, you are now recognized for 5 minutes.

STATEMENT OF RICHARD DALEY

Mr. DALEY. Thank you, Congresswoman Herseth Sandlin, Ranking Member Boozman and Members of the Subcommittee. Paralyzed Veterans of America would like to thank you for the opportunity to testify today on the Department of Labor's Veterans' Employment and Training Service and programs under its jurisdiction.

The Federal Government can play an important role for veterans, and particularly disabled veterans that are leaving the military in large numbers. The Department of Labor Veterans' Employment and Training Service has created specific programs that provide help for veterans seeking employment. Most important of these services is the Veterans' Employment and Training Service and the Disabled Veterans Outreach Program coordinators, DVOPs, and the Local Veterans Employment Representatives, better known as LVERs. PVA, along with other veteran service organizations, have worked for years to have clear performance standards put on both

the DVOPs and the LVERs staff. In 2002, Veterans' Employment and Training Service initiated limited performance measures based on the rates of employment and retention for veterans.

For disabled veterans to successfully enter the job market, they must first choose a career that most likely requires additional training or initial training for a new employment position. This is provided through the Department of Veterans Affairs Vocational Rehabilitation and Employment Program. The Vocational Rehabilitation and Employment counselors working with the Disabled Veterans Outreach Program coordinators and the Local Veterans Employment Representatives can improve the seamless transition from military to civilian employment.

Many veterans that are in what is known as service-connected fall into the larger category of 30 percent disabled. They may choose to stay in their career field that the military has trained them in. The Disabled Veterans Outreach Program and the Local Veterans Employment Representatives can play an important role in these situations because they have the knowledge of the employment opportunities in the areas, they have knowledge of the veteran's disability, and often they have built relationships with local employers if they have been out doing their job as full-time representatives would be.

PVA believes that the Department of Labor is doing a reasonably good job of implementing the Disabled Veterans Outreach Program and Local Veterans Employment Representative programs. Their primary responsibility is to refund and monitor these programs. Unfortunately, Congress has not increased the funding for these programs since 2003. Without adequate funding, these programs have struggled to manage an increasing workload and address the needs of the new veterans.

Along with inadequate program funding, the Department of Labor does not have discretionary funding for special projects. Discretionary funds could be used for new pilot programs. Recently last year, the Paralyzed Veterans of America, they had a plan to start a vocational employment counseling office down in the Richmond, Virginia, Veterans Affairs Hospital. That is one of the larger spinal cord units in the system, and they also have a trauma center there. They sent out grants to a lot of areas, and one of them was Department of Labor, to seek some funding. And the Department of Labor didn't have funding for extra programs like that. Eventually they did receive money from a private source, and they opened that office back in August, and they hope to open three more in the next 18 months depending on revenue available.

To address the needs of today's veterans, Congress might consider reimplementing a program similar to the servicemembers Occupational Conversion and Training program (SMOCTA). Although this program was funded by the Department of Defense (DoD), it was administered by the U.S. Department of Veterans Affairs (VA) and Department of Labor. This was considered one of the better programs to serve transitioning military personnel. SMOCTA was established during the downsizing of the military for veterans discharged after August 1st 1990 and was intended to help the veterans that had limited transferable job skills. A similar program

could be useful for the young men and women today transitioning from the military.

Chairwoman Herseth Sandlin, Ranking Member Boozman, Members of the Subcommittee, I would like to thank you again for an opportunity to express our concerns on this issue. I will be available to answer any questions you may have.

[The prepared statement of Mr. Daley appears on p. 38.]

Ms. HERSETH SANDLIN. Thank you for your testimony, Mr. Daley.

Mr. Weidman, welcome back. We look forward to your testimony. You are recognized for 5 minutes.

STATEMENT OF RICHARD F. WEIDMAN

Mr. WEIDMAN. Madam Chairwoman, thank you very much for the opportunity for the Vietnam Veterans of America to present our views here today before you and Mr. Boozman and the full Subcommittee. I thank you also for your indulgence. I know that we submitted an extraordinarily long statement, but felt it was important to get on the record how did we get to where we are today, and unfortunately there aren't that many old guys like me who remember this stuff when it happened. And institutional memory is not being what it could be, you have to know how you got to where you are and where you are in order to figure out where do you need to go to accomplish your goal.

And the problem is that where we are today is not in a good place. Accountability is—while we would associate ourselves with the fine statements of the American Legion and Paralyzed Vets of America, we frankly believe that just more money is not the need here. The need is for more accountability. We provide $160 million to the State workforce development agencies every year, and we do not get half of that in terms of bang for the buck, in our view. Half-time LVERs, you are lucky if you get a day out of 5. Half-time LVRs, the same thing is true. That is particularly true in the urban areas, less so in some States.

There are a handful of States where there is a corporate culture and strong political leadership that has been committed to veterans' employment both in the permanent bureaucracy and in the political leadership for a long time, so it works well. And there is veterans' priority service, even when it was formally not in the law for a period of about 5 years, and in States like South Dakota, in States like South Carolina, North Carolina and a number—a handful of other States, where the corporate culture moves us forward. However, as I get older, I believe less and less in the eleemysonary instinct and do think that veterans should be like Blanche DuBois in "A Streetcar Named Desire." It depends on the kindness of strangers.

Priority of service is, in fact, in law in the Job Veterans Act. There are no implementing regs, it is not enforced, and we don't have a good measure of how many people are actually getting jobs. What we are measuring now is obtained employments derived from the unemployment insurance tax rolls, so that if I register in order to get an unemployment check with the Maryland Department of Labor, Licensure and Regulation, I have them automatically register with the so-called job service. And if I never walk into that office, and they never do a darn thing for me, when I get my job

on my own, they count it as an obtained employment. And, in fact, what we are measuring now is the local labor, condition of the local labor market and the individual initiative of the veterans out there seeking work for themselves. In some cases, you have fine DVOPs, and in many cases fine DVOPs and LVERs who would do a terrific job if, in fact, they were supported in doing so.

We need to change this system to one that does hold those folks accountable and all the way. The appendix to my statement was a bill that was derived in 19—excuse me, actually it started in 1999—in 2000, in an unprecedented series of colloquia that took place in this room with all the players; the workforce development agencies, the veteran service organizations. Everybody that anybody could think of who felt they should be a player were included in those colloquia to arrive at a consensus bill to try and build some accountability into the system and make it work for today's veterans, and it was blown apart at the last minute because the workforce development agencies and then Assistant Secretary of Labor lobbied against it at the last minute, and so it was not enacted. That then led to the Jobs for Veterans Act in 2002, which we would maintain has still not been implemented.

So where does that leave us today? Where that leaves us today is with over a million and a half young men and women who have processed through Iraq alone, not counting Afghanistan, and National Guard and reservists, as well as Active Duty folks who are coming home.

I use the football analogy, borrowing heavily from Mr. Boozman, that you can rack up all the yards in the world and all the completed passes and long gains on the ground to get down in the Red Zone. We spend billions to help people get to the point where they are job-ready, and if we don't take that final step and punt it into the end zone of actually helping them get a job, then all of those yards gained and all of those billions spent is for naught because it is not going to finish the job that we should do for every single man and woman who has been lessened by virtue of military service, which is to help make them as whole again as possible.

I thank you very much for the opportunity to testify here today, and I would be happy to answer any questions, Madam Chairwoman.

[The prepared statement of Mr. Weidman appears on p. 40.]

Ms. HERSETH SANDLIN. Thank you, Mr. Weidman.

Let me start out with a question for all three of you. I think, Mr. Weidman, you addressed it to a degree. It relates to the relative effectiveness of the One-Stop Career Centers around the country. You identified some States, including my own. I would like to get Mr. Chamrin and Mr. Daley's opinions on the One-Stops across the country. How effective are they? Were there disparities of effectiveness? Have you identified factors that that may be attributable to? Not that North Carolina and South Carolina are as rural in most parts of their States as, say, South Dakota. I mean, are there some best practices that are being utilized by certain States or certain One-Stop Career Centers? Why aren't they being utilized across the country?

Mr. CHAMRIN. Thank you, Madam Chair.

I concur with what Mr. Weidman said in regards to the Tax Code and how they are tracked. One veteran can walk into one office and never talk to a DVOP/LVER or get any assistance and be credited as getting a job.

Now, some of the best practices that we find are in the full-time DVOPs and LVERs, not the half-time. And why is that? An LVER can concentrate solely on veterans. They can be more efficient, they can streamline their programs, they can create a flow chart, they are also veterans themselves. So an LVER knows the atmosphere of a transitioning veteran. They know what to expect, know the pitfalls of what is going to happen.

Ms. HERSETH SANDLIN. May I interrupt?

Mr. CHAMRIN. Sure. Go right ahead.

Ms. HERSETH SANDLIN. Would it be fair to state that half-time DVOPs or LVERs are not effective across the board? Perhaps one of the things we need to be looking at is a restriction on how the money that is sent to the States to administer these grants is utilized and not allowing part-time DVOPs or LVERs?

Mr. CHAMRIN. If I can say what you said, yes. We find that the half-time DVOPs and LVERs, can't go out to a lot of the rural areas because some of them have to remain in their offices to ensure that any nonveteran who goes in during that other half-time status is taken care of. So if you have a half-time DVOP—I am making up an example, but some other States have told us this. Let us say you have a DVOP who from 8:00 to 12:00, is totally dedicated to veterans, and then from 12:00 to 4:00, nonveterans. If they need to travel 50 to 100 miles to where veterans congregate, and they are still required to be in an office the other half of the day, they are in trouble. So we feel that any half-time DVOP/LVER should only be approved by the State Director for Veterans' Employment and Training (DVET) in very, very little situations.

Ms. HERSETH SANDLIN. Mr. Daley, did you have any further comments?

Mr. DALEY. About the half-time or the full-time, we would certainly prefer a full-time representative because they would have the time to work with the veterans and then also in the afternoon or the morning go out in the community with the businesses and look for those opportunities. But if the only choice is a half-time person, of course we would agree with a half-time. But certainly the job could be done much better with a full-time representative, and they are usually a veteran, and they care about veterans.

Ms. HERSETH SANDLIN. Thank you.

The reporting system then, in terms of ensuring accountability. I have heard concerns about what data they are utilizing of reporting effectiveness rates. Do you have a suggested model, Mr. Chamrin, on a model that you have seen utilized elsewhere in tracking effectiveness either for other programs whereby veterans are the beneficiaries or other discussions you have had with your colleagues and other veteran service organizations? Or is it not so much a model, but really requiring some contact with the DVOP or LVER and not utilizing more general labor statistics?

Mr. CHAMRIN. We feel that all reporting should go back to the Assistant Secretary of Labor for VETS, and he should have all the

numbers at his disposal to better equip him to make better decisions.

Ms. HERSETH SANDLIN. Mr. Boozman, I will turn it over to you now for your questions.

Mr. BOOZMAN. Thank you, Madam Chair.

First of all, I enjoyed, Mr. Weidman, your written testimony since I think you really give a good history of how this program has progressed. I think that was valuable for me in the sense that I have been around this up to my eyebrows in it, for the last several years and feel that these things just take time to understand. But, again, I think that was very helpful. Members are busy. We have a lot of reading to do in regard to what we have going on here, and you can multiply that times all different things. But that is something I think that we might suggest that the Members take the time to read the stuff again. I felt like it was very helpful, so give yourself a pat.

Mike was a little concerned. We didn't really understand your Blanche DuBois. That was a little over the Arkansas head here.

Mr. WEIDMAN. I told Commander Brinck that I would be glad to give him a book on tape and spell out the big words for him, sir.

Mr. BOOZMAN. That would be much appreciated.

You suggest releasing veteran staff members from the yoke of local office managers. How would you have that happen? How specifically would you do this?

Mr. WEIDMAN. We are really up a point, at least it seems to us at VVA. There was a time where we were habituators, if you will, in Mr. Porter's office when he was Chair of the relevant Subcommittee on Appropriations for Labor. And after the 2000 agreement came unwound, we made the decision that we are no longer going to extend ourselves to fight for anything except NVTI, the Veterans' Workforce Investment Program (VWIP) and Homeless Veterans' Reintegration Program (HVRP). And HVRP and VWIP, there is accountability in those programs. We are getting the bang for the buck. They work. They get people in jobs, and they go out and do job development.

The DVOP/LVER, we are not getting the bang for the buck, and there is administrative overhead. Indirect admin and direct admin runs as high as 37 percent in that program. So out of $160 million, just on the face of it you are already $50 million gone just in admin overhead.

So coming back to your point, what I am trying to say is that we are at a point where we either build some strict accountability and measures of performance that are meaningful in there and reward people with cash, American, because that is the coin of the realm in general, and it certainly is when it comes to the workforce development agencies, to effect behaviors, or we Federalize the system. It is as simple as that.

Mr. BOOZMAN. Thank you.

Mr. Chamrin, I didn't quite understand. You suggested that the current funding formula for DVOPs and LVERs is based on the States' fiscal needs. Can you explain that?

Mr. CHAMRIN. The way we understand it, Department of Labor-VETS labels it as State grants. So the State derives their needs based upon their veterans and what their planning is in their man-

agement. So you can have a half-time DVOP next to a half-time LVER instead of one full-time LVER, and that is State-driven. I believe the Assistant Secretary could better answer that.

But if I may just follow up with this. The funding for the State grants has only increased 1.2 percent since 2002, and that is not in real support of the Global War on Terror since 9/11. So approximately 100 positions have been limited since 2002—I believe the Assistant Secretary can give you the official number—because the inflation rate is greater than the increase in the State grants.

Mr. BOOZMAN. Very good.

Mr. Daley, you mentioned half-timers versus full-timers. In the rural areas of the country, would that be a problem if we did it as you suggested and went to full-time positions; would that in the rural areas of America where you didn't have as much population, would that be a problem?

Mr. DALEY. Yes, sir, that is probably the area that we could accept the idea of a half-time person, such as part of your State or part of Virginia or something where you don't have the population. But if they could squeeze in the money for a full-time, they would perform for the veterans much better.

Mr. BOOZMAN. Mr. Weidman.

Mr. WEIDMAN. At one point in my life, as you know, Mr. Boozman, I was a State veterans program administrator for New York, and everybody thinks of New York as the city, but, in fact, there are parts of New York that are highly rural. And one of the first things we did was when I got there is we stopped hiring any more half-time LVERs. We grandfathered in those who were already there, but then started measuring their performance with real measures, which indeed is possible, by the way, in terms of actual placements. And it is easily done today without any change, except it is all on what you pull out of the computer. And from that time on, when an LVER would leave, we would appoint a full-time LVER who would spend part of the week in one office and part of the week in another office.

But the point is they had full-time, and it was in many cases the same employers, even though there might be a distance between the two offices. It is getting out and getting the job.

We always approach it from the wrong ways. We try and say to the veteran, you need to deal with all this stuff that is getting in the way of your getting and keeping a job, and then we will look for a job. That is like saying, look, if you learn how to dance, clean up your act and learn how to talk right, we will search for a date and maybe find a dance. Well, that is not a very good incentive. You say, the dance is on a certain date, and we have got a date for you; now you need to do all this stuff to be able to take advantage of it. Then people will get their act together and do it.

So the Work Opportunity Tax Credit, bringing back—I hate the name SMOCTA, but the concept is based on the Veterans Job Training Act (VJTA) that began in your predecessor's Committee, Subcommittee, back in 1982 to meet an immediate need of Vietnam veterans unemployment skyrocketing in the early 1980s. So if you have employer incentives, what we found under VJTA and even under SMOCTA at the practical level is it got the DVOP and LVER's foot in the door to develop a job around the veteran.

For disabled vets, in talking to DVOPs for 25 years now, they all tell me the same thing, is that for the disabled and particularly the profoundly disabled veteran, they developed a job around the person. So you have got to be able to have the contact with the employers, and it is—the certainty and the confidence that employer in a local area, particularly in a rural area, has in the quality of the referral with that DVOP or LVER will make that they will say, okay, you will stand behind them, John, I will do it, and give this person a shot.

We found that many of them didn't go back and take the tax break or didn't apply for the payments because they were so pleased with the quality of the work that was done and the fact at their bottom line they had a great worker and they were making money.

Mr. BOOZMAN. Thank you, Madam Chair.

Ms. HERSETH SANDLIN. Thank you, Mr. Boozman.

Mr. McNerney, you are recognized.

Mr. MCNERNEY. Thank you, Madam Chair.

Mr. Weidman, I hadn't had the opportunity to read your testimony, but after the rave review, I will make an effort on the airplane to do that tonight.

One of the things that comes to mind is the State's performance with regard to DVOP and how to hold them accountable. And accountability is a theme that I hear pretty consistently across the board here. How would you recommend—I would like an answer from all three of you on this. How do you recommend that we hold States accountable, through sanctions or punishments, or what ideas are there on that specific topic?

Mr. CHAMRIN. As I said before, we don't think we should punish any DVOPs or LVERs who fail to have veterans get employed. We never want veteran funding to be lessened. But a way to track these veterans is to have a follow-up mechanism. It is not just getting employed, it is being gainfully employed and staying in that position and then progressing within that program. So, you can have a follow-up for this veteran, you can have a 6-month, 1-year, year-and-a-half, 2-year tracking of this veteran, if they become unemployed, they go back to their original LVER, and they are back in the system. Not just are they employed and they are off the radar screen.

Mr. DALEY. Definitely some type of follow-up program. I don't know how. Whether you would call that person periodically or send them a questionnaire through the mail, but a follow-up to see if they did receive help in getting the job, and if they are still employed 6 months or 9 months later, such as Mr. Weidman was referring to.

I had a friend just a year ago that got out of the Air Force with 22 years of experience, and his specialty was taking care of very high-tech medical equipment. Of course, he went through all the TAP programs, and he went to the State employment office and registered and did all that. So somewhere they have the record of a veteran coming in there seeking employment. But his contacts were through the major hospitals, and the major hospitals did call him, and he was, within a month, employed. So somewhere on the records it shows that he came to the State office, and now he is

successfully employed. But the State office didn't really do anything to help the gentleman get his job, it was his own background.

Mr. MCNERNEY. What we would like to know is how the VA can hold the States accountable and make them perform these kind of necessary actions.

Mr. Weidman.

Mr. WEIDMAN. The only tool now that Labor has is what I call the nuclear option, where they can suspend all funding into the State. It has only ever happened once with the State of Maine, and it was only for 1 year that they did that because politically it is tough. Governors go crazy, et cetera. And what we had in the original bill, the bill that I attached as the appendix, what it did is over a 4-year period, pulls 2½ percent each year out and hold that in reserve for incentive monies to give out to the States. Originally, in the original working draft of the bill, it was 10 percent each year.

I mentioned before the people spread, well, the organizations are trying to take DVOP's job away. In fact, at that time the attrition rate among LVERs nationwide in a given year was about 14 percent and of DVOP 17 percent. The reason for that is folks are disabled, and things happen, and they are no longer able to work. Incidentally, the attrition rate is about the same now.

So you can take 10 percent a year and start to set it aside by shifting monies between States and hold them harmless. What that would mean is if you were doing a good job, and not under the current specious way of measurement, but I am talking about in terms of placement, particularly for special disabled—disabled and special disabled veterans and for those most recently separated within the last four years, and for veterans at risk of becoming homeless, then you would get incentive dollars. And, in fact, if you broke it down in that original draft, you could—the State, the DVOP, would have the power to declare an SMSA, a standard metropolitan statistical area, or which in most cases is one job service or one One-Stop per SMSA—declare them out of compliance. If they were not meeting their goals, they weren't acting correctly, put them under a project improvement plan. If that doesn't work, pull the money. And then let the money—contract the money out with any public or private entity, profit or not-for-profit, because it is only the cash American that is going to cause people to respond on the agency level.

The DVOPs and LVERs, if supported, 85 percent of them will work their heart out. And many of them do great work no matter how much they are punished for doing it. And many of them do it after hours because they are not allowed to do it during office hours.

Mr. MCNERNEY. So you might need more flexibility then, give the administrators more flexibility?

Mr. WEIDMAN. Give the Federal folks more flexibility to measure real performance.

What happened in the actual JVA is it was a theoretical tradeoff between giving more flexibility, slash, latitude to the State workforce development agencies in return for more accountability. Well, they got the latitude. And some of us said at the time, it is license, it is not really just latitude. And, in fact, there is less ac-

countability today than there was prior to the passage of JVA in 2002.

If I may suggest back respectfully to the Subcommittee two things. One is that there needs to be an oversight hearing on JVA itself, Jobs for Veterans Act, and the implementation by the Department of Labor and Ms. Emily DeRocco, because the responsibility for implementing that was not given to Charles Ciccolella. We have an Assistant Secretary for Veterans' Employment and Training who is fully capable and a fine leader, but he is not given the authority within Labor. It is the Assistant Secretary for Employment and Training Administration who has all the power. All assistant secretaries are equal, but some are more equal, to paraphrase George Orwell.

And the second thing. I mentioned in my written testimony two books. One was written in 1944 and one in 1945. And it was based on a veterans One-Stop center modeled and developed in Bridgeport, Connecticut. And by 1946, a majority of American cities had these. And the governing board was somebody from the clergy, somebody from retail, somebody from manufacturing, somebody from organized labor, somebody from every aspect of the community leaders to draw all services together to greet our young men and women coming home and make sure they got what they needed. And because it was the whole community involved and not somebody else's job, it worked.

And it strikes me that is what we need again. And I would hope that—that is why I am suggesting a national Veterans Employment Conference or Convocation, or whatever you may call it, with the business community, the organized labor and everybody else, as well as the political leadership and the agency people.

Mr. MCNERNEY. Thanks for the latitude on that, Madam Chairwoman.

Ms. HERSETH SANDLIN. That is no problem.

I have a couple follow-up questions and comments. Mr. Chamrin, you stated in your testimony that, currently, NVTI provides training to staff within 3 years of being hired, and the American Legion recommends that this training be provided within 1 year of being hired. Do you have numbers that demonstrate how many folks are not getting training within that first year, and are actually not getting that training from the institute until their second or third year of employment?

Mr. CHAMRIN. In meeting with the Advisory Committee and sitting on some of their meetings, they are saying that sending people to NVTI is derived from the States. So the State might not have the funding to send to NVTI, or it can only send one person at a time. I don't have the numbers on that, but I believe the Assistant Secretary could provide it for you. But it makes sense to make sure that everyone is trained to do their job as soon as possible and not have someone untrained for 2½ years trying to help out our veterans.

Ms. HERSETH SANDLIN. Thank you.

If the States are determining when people go for that training, is there any correlation between where we have seen the One-Stop Career Center servicing veterans, for example, Mr. Weidman, the States you identified? Do we know, one, are they getting to the

training sooner; and, two, do they have any part-time DVOPs or LVERs?

Mr. WEIDMAN. I think that some of the States that I mentioned do have part-time DVOPs and LVERs. But there is such consistent corporate culture in some of the smaller States like South Dakota, like South Carolina, if you walk into a South Carolina job service office—and years ago Jack David, who is the Director out there—you have here in the Committee office is a poster called When Johnny Comes Marching Home, which you have seen it, which has Norman Rockwell featured on it. Jack asked if we could get him 42 of those. And I said, yeah, what do you want? Because we produced them in New York when I was up there. And he said, I want to put one in every office. So I sent it to him. And I walked into a job service office in two different towns when I was down there on other business in South Carolina, and what Dr. David did was have those framed and put over the main reception desk. And there was a line for veterans and a line for everybody else.

So you didn't need a statute, and you didn't need the training because their acculturation would carry people. But it is also the same States who immediately try and get people into training so that they can do a better job. It is local leadership. And the problem with not having accountability is those States that are going to do the right thing because they want to are already doing it. It is the other States that aren't doing it; that people shouldn't be penalized for not being from the Carolinas or from South Dakota or from New Hampshire, which is another State that consistently does things.

Well, you asked about best practices. Do you want some of those? I didn't answer that question.

Ms. HERSETH SANDLIN. I would appreciate if you would submit them to the Subcommittee for the record. I think that would be very helpful to have, in addition to some of the other recommendations that you have made on how to get at this issue more directly as it relates to the administration of the program at the Department of Labor. So, yes, I would be very interested. If you could submit those to us in writing, I would appreciate it, and we can follow up with you then.

[The information was not received from Mr. Weidman.]

Ms. HERSETH SANDLIN. I will be following up with our witness on the next panel as it relates to the timing of the training and seeing if we can get those numbers.

Mr. CHAMRIN. I do know that there is a yearly employment cycle that some of these offices have. And there is also a probationary period for newly hired DVOPs/LVERs where some of the States will not send them to training because they haven't completed their probationary period. It is kind of like protecting themselves. They don't want to send someone out to Colorado to get trained, then come back and leave. So they want to make sure that they are committed to that One-Stop center.

Ms. HERSETH SANDLIN. Just a final comment. I appreciated the line of questioning that Mr. Boozman pursued, and Mr. McNerney, on accountability. I appreciate the statements that have been made about how well South Dakota is working with its One-Stops. Sometimes when you say, part-time staff, if that is—what you don't

want to give up entirely, and that is the best we can fund, especially for the rural areas because of less dense population. Yet on the other hand, because the outreach areas tend to be larger, it is almost as if you are compromising the work of the part-time staff more because their outreach territory is larger and perhaps at a higher level of veterans. That has been demonstrated per capita in terms of rural States, a larger percentage of veterans.

I want us to be careful as we pursue that issue more fully that we are again looking at. Let me just say that I don't want rural areas to get short-changed on this thinking that if you have adequate funding, maybe the part-time DVOP or LVER could address that, because there are other factors that come into play. We see this in other areas of Federal policy.

It looks like, Mr. Chamrin, you have a comment.

Mr. CHAMRIN. The easy solution to that is give the Assistant Secretary DoL–VETS discretionary funding over on top of what he already is funded. That allows the Assistant Secretary to make a program for outreach for these rural areas.

Ms. HERSETH SANDLIN. I am glad you mentioned that because I was going to ask Mr. Daley about his proposal on offering some discretionary funding. I know you had mentioned a pilot project or special projects that you had been involved in where ultimately private funding came. I don't disagree with the suggestion, but, again, do you want discretionary funding for a particular purpose like outreach in rural areas? Do you want discretionary funding for more of a broad special project, as Mr. Daley addressed?

Mr. CHAMRIN. The American Legion can go on record that we support the Assistant Secretary of DoL–VETS, and we trust his judgment that he'll best use the discretionary funding to the best project that he sees fit.

Ms. HERSETH SANDLIN. Mr. Daley, did you have any final comments on that point?

Mr. DALEY. I agree with Ron. They understand the situation, and they know the problems out there among the States a lot better than we do here in Washington. So I believe that they would put the money or try a test program or a pilot program wherever they think they would get the most results from.

Mr. WEIDMAN. Unfortunately not every small State has an Ernie Fender for 30 years who just worked his heart out and knew everybody in the State, including both U.S. Senators long before they were in office.

So it was an extraordinary situation.

I will say, though, that the idea of incentive moneys is—as you know, 9 percent of Workforce Investment Act (WIA) moneys are held back by the Feds, and 9 percent are held back by the Governors to distribute to the local whips. The 9 percent that is held back nationally, the veterans organizations have repeatedly suggested to Labor that they hold back, take 1 percent of that, or even less, a half of 1 percent of that, and use it for incentive dollars for those States and/or local offices that are doing the best job for veterans, particularly for disabled vets.

In fact, no Secretary has ever done so. Our response to that from VVA is, don't tell me veterans are our priority when you can never

use a doggone dime of your incentive dollars that you control in order to service this population.

Ms. HERSETH SANDLIN. As we have stated in other Subcommittee hearings, we will work more closely with the Governors to get some of this as well. Mr. Chairman also commented on reporting directly to the Assistant Secretary to provide some information on how to best allocate discretionary dollars. Yet, we want to ensure that the money that is going through this program has accountability. It is for the benefit of the veterans, not just to allow Governors to have additional resources to support their staff that is also doing a whole host of other work. I appreciate the comments that you have made.

Mr. Chamrin, I noticed you might want to make one final comment, but I do want to move to the next panel. We could talk perhaps after the hearing, if that is okay. Thank you.

I thank all three of you, again, for your service to our Nation's veterans, and for your helpful testimony on these important programs. Thank you. I look forward to seeing you again soon.

I would like to invite our witness on our second and final panel to the witness table.

Joining us on the second panel is the Honorable Charles Ciccolella, Assistant Secretary for Veterans' Employment and Training with the U.S. Department of Labor.

Secretary Ciccolella, thank you for being here. We look forward to your testimony and any responses to our questions and any comments that you also may have or would like to share based on what we have just heard from the first panel. Again, your entire written statement has been made a part of the record. We would now recognize you to summarize any opening remarks for 5 minutes.

STATEMENT OF HON. CHARLES CICCOLELLA, ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT AND TRAINING, U.S. DEPARTMENT OF LABOR; ACCOMPANIED BY GAY GILBERT, ADMINISTRATOR, OFFICE OF WORKFORCE INVESTMENT, EMPLOYMENT AND TRAINING ADMINISTRATION, U.S. DEPARTMENT OF LABOR; AND WILLIAM OFFUTT, EXECUTIVE DIRECTOR, HIREVETSFIRST CAMPAIGN

Mr. CICCOLELLA. Thank you very much, Madam Chair and Ranking Member Boozman. Thank you very much for the opportunity to appear before you today.

With me at the table is Ms. Gay Gilbert. Gay is the Administrator for the Office of Workforce Investment at the Employment and Training Administration.

Thank you for being here.

Again, thank you for the opportunity to testify on our VETS program, the main grant that we operate.

And, as you indicated, Madam Chair, my written testimony captures the intent of the questions of the Subcommittee in your letter, including the additional specific questions about the DVOP and LVER program. You also asked if I could talk about any issues of concern or importance to us, so that is what I would like to talk about in my oral testimony and just give you a brief update on the three mission areas that VETS has.

Our first mission, of course, is to maximize employment opportunities for veterans, and we do that through the State grant that we just talked about, which funds the DVOP and LVER program. The JVA grant program is actually a fairly strong program compared to where it was some years ago, in my view. The quarter that ended in March of 2007 resulted in an overall employment rate of 60 percent for veterans and 56 percent for disabled veterans. But the retention rate for veterans was 79 percent, and for disabled veterans it was 78 percent. And that is very significant.

We talked about common measures in the previous panel. We have implemented the common measures, and they are designed to improve accuracy and performance accountability. We think that is beginning to work very well.

The roles and responsibilities of the DVOP and the LVER were clarified through the Jobs for Veterans Act. We maintain that those roles are important, they are distinct, and that they are essential. And that is particularly true with the DVOP today because, after all, we are at war.

We have improved training not only for the DVOPs and LVERs but also for the State workforce administrators. A lot of the problems with the JVA grant is making certain it is not just a grant that is just put off to the side. And State administrators do need to understand that it is a grant that requires not only their involvement but their leadership, and we work very hard to do that.

We have also improved training for our Uniformed Services Employment and Reemployment Rights Act (USERRA) investigators, the law that protects our servicemembers employment and re-employment rights, and also for our transition employment assistance facilitators. In addition, I think Congress had great foresight in States to use the half-time DVOPs and LVERs. I think that has significantly helped the States. I know we are probably going to talk about this in your questions.

The second mission of vets is the USERRA mission, or the protecting of our servicemembers' employment and re-employment rights. We have put out new regulations and employer notice posters, electronic complaint filing, expanded outreach to employers. And we also provide regular USERRA briefings at Reserve and National Guard mobilizations and Demobilizations, either us or the Department of Defense, for our returning troops from the global war on terror.

So we have vastly improved our enforcement of USERRA. And it is not only us, but also the Department of Defense as well, Justice is very intricately involved in enforcing USERRA, and so is the Office of the Special Counsel.

The third mission of VETS is assisting servicemembers as they leave the military, and that is through the Transition Assistance Program. And our role is to conduct the DoL-facilitated TAP, or Transition Assistance Program Employment workshop. And we also make that available to Reserve and Guard members.

Now, we are not getting as many servicemember participants in TAP as we would like, but the numbers keep on increasing. In a very real sense, we have reset our thinking about both the relevance and the importance of transition assistance for returning servicemembers. It is extremely important that we prepare our

servicemembers before they leave the military, while they are still in the military, and get them thinking about their jobs and thinking about the transition process.

Not only that, but we have improved the quality of the TAP workshops. Now there are specific deliverables. When you attend TAP, you walk out with a draft resume and having done an interview. And we are looking at hooking servicemembers up to the workforce system during TAP. I think that would be a really good thing to do.

And very, very favorably, I think DoD and the individual military services, the Army and the Air Force and the Navy and the Marines and the Coast Guard, all have agreed to step up their participation levels in the TAP. That is extremely important. And, as a matter of fact, this week each of the military services briefing—briefings for them to achieve their goals. And that is going to have a major impact on driving, I believe, the number of the young veterans unemployed down.

We are also working more closely with the VA and the DoD to provide the best possible employment opportunities and services for our returning servicemembers from the global war on terror, particularly those who are wounded and injured. And we have enhanced and expanded our Real Lifelines program. That is the program that does provide face-to-face employment assistance to seriously wounded and injured servicemembers.

And I will tell you what we have done in realivliness. We are physically there, forward-positioned at the major military medical treatment facilities, with employment representatives and assigned Federal staff. We are also at the Military Seriously Injured Center. And I just finished putting veteran employment representatives with the Marine Corps at Quantico and at Pendleton to work with wounded and injured Marines. And we are getting ready to do this for the Army.

Our Homeless Veterans Reintegration Program, which was talked about during the previous panel, has seen increased funding for the last 6 years. The performance of that program is very, very good. We don't do that alone. We do it in cooperation with the Department of Veterans Affairs, and they have some very good programs as well. But we are literally knocking down the numbers of homeless veterans on the streets of America to the tune of about 9,000 a year. And that also includes the Incarcerated Veteran Transition Program that Congress has recognized that was so enormously successful during its demonstration phase. And very soon, very hopefully, we are going to continue that program in the coming grant cycle.

And our Veterans Workforce Investment Program that Rick talked about a few minutes ago that serves veterans with barriers to employment is on a good track, because we are sort of reshaping that so that it focuses on the jobs of the future, the jobs that are in demand, and with an emphasis on the jobs that require a certification or even a license.

Now, we have a lot of work to do. We need to continue to improve the Transition Assistance Employment Workshop. We really need to link servicemembers during their transition to the One-Stop Centers, so they understand that not only is there a workforce sys-

tem out there, but there is a workforce system out there that gives them priority of service, but it has the specialized services of the veteran employment representatives who can help them.

We need to implement fully the DoD's TurboTAP portal. This is an extremely good resource. It helps a servicemember to develop an individual transition plan. And it is going to be enormously useful to the Reserve components, but it will also be very, very useful to those Active-Duty servicemembers both before and after they go through the regular transition program.

We are always working to improve training of our DVOPs and LVERs. The training of those employment specialists by NVTI, the National Veterans' Training Institute, has improved.

And our USERRA investigations have improved. We have put a lot of focus on USERRA. We have driven the number of complaints and investigations down by comparison with the last major mobilization, which was the first Persian Gulf War. We have almost cut them in half, the rate of complaints. And we don't do that alone either, because we have to have DoD and we have to have Justice and Special Counsel's Office all working together. And as I mentioned, the training for the State workforce administrators about how to better administer this grant is extremely important.

My last comment is to say that, while VETS is always going to be focused on services to all veterans, we are especially focused today on our returning members from the war on terror, especially those who are wounded and injured by their service.

I thank you very much for having me today, and I am prepared to respond to your questions.

[The prepared statement of Hon. Ciccolella appears on p. 89.]

Ms. HERSETH SANDLIN. Thank you very much for your testimony.

Before I recognize the Ranking Member for his questions, let me pose this one at the outset. Based on Mr. Chamrin's testimony as it relates to the training of DVOPs and LVERs and the timing to get that training within the first 3 years, I can understand the concerns that raises, and that the States are imposing these probationary periods to cover themselves.

With these grant monies, can you provide the information today or at least follow up with us with the information on just how many do not receive that training within their first year? I would like to see what the disparities are by State, since States are determining that. That may lead us to, perhaps, some recommendations and changes. Maybe I should pose that question to you.

In your experience, do you find that the importance of that training occurring within the first year, rather than halfway through the second year, someone is onboard, that we would see more positive performance measures if we can get that training done sooner?

Mr. CICCOLELLA. Well, it would only stand to reason that you do.

With regard to the States that don't send their DVOPs and LVERs to training, it is not real smart not to send them to training. The smart States do send them to training. They don't have to pay for that. They don't even have to take it out of the grant, because it comes out of the National Veterans' Training Institute budget. So there isn't any reason not to send them.

I would have to get the data for you State by State. But like I say, the smart States don't miss an opportunity to send them.

Now, on the data, the only thing I will tell you is that, as we pointed out in previous panel, there is, you know, a turnover of DVOPs and LVERs. We train, I think, about 1,900 DVOPs and LVERs every year in those basic courses, those employment service courses. And we have over 2,000 DVOPs and LVERs. So you have some turnover. But we will get you the numbers.

[The information was provided in the post hearing questions and responses for the record, which appears on p. 108.]

Ms. HERSETH SANDLIN. I would appreciate it.

Mr. CICCOLELLA. And you have a backlog. That is what I was going to say. There is a backlog of training, and that is what I think you really need to know.

Ms. HERSETH SANDLIN. There is a backlog of training, meaning——

Mr. CICCOLELLA. Backlog of individuals who need the training.

Ms. HERSETH SANDLIN. Is that a function of insufficient funding for the institute? Or too much turnover? You are saying there is a backlog, meaning that the institute has more requests for people who want to get slots for the training than you can provide on an annual basis?

Mr. CICCOLELLA. What I am saying is there are more training requirements than the National Veterans' Training Institute can handle, in terms of the DVOP/LVER program, in terms of what we would like to do with USERRA, and in terms of our TAP facilitators. So, you know, there is a limited number of resources and folks out there that do the training.

Ms. HERSETH SANDLIN. Thank you.

Mr. Boozman.

Mr. BOOZMAN. Good. I also had that question, Madam Chair, so I am glad that you brought it up, as far as whether or not we need more resources in that area with NVTI.

I am glad to hear that you are hearing, and we are hearing it also—that there is less resistance to the TAP program. And I have really, I think, seen a change, myself, a fairly dramatic change in the last few years, as we talk to people. But it does seem like—and I am a person that really feels like that should be mandatory, in the sense that if you get the solid base, then we will have less problems down the line.

And then, also, for the guys that—even the lifers, have to take that some time through their career so they can start planning—10 years they need to start planning because we all know that goes by pretty quickly.

So anyway, I am glad to hear that, and that is something I believe in very strongly, about TurboTAP, and again, trying to improve that. These individuals have kind of grown up or worked in the environment using that kind of technology. So, again, we are glad to hear those things.

Mr. Ciccolella, how many referrals did the States receive from the VA Voc Rehab and Employment Program? And what were the outcomes of the referrals?

Mr. CICCOLELLA. How many referrals from the VA to our DVOP/LVER program for placement?

Mr. BOOZMAN. Yes, sir.

Mr. CICCOLELLA. I would have to get those figures for you.

[The information was provided in the post hearing questions and responses for the record, which appears on p. 108.]

Mr. BOOZMAN. Okay. That would be good.

Mr. CICCOLELLA. The placement rates are in the 70 percent—I think they are around 78 percent, just for general information. There are about 10,000, you know, participants, Chapter 31 participants, enrolled every year. I am not sure how many of those we are actually placing. I think it is between 5,000 and 7,000. I have seen the figures; I just don't have them with me.

Mr. BOOZMAN. On the NVTI, when we passed the law, did we give you the ability to withhold funds if they didn't send their people for training?

Mr. CICCOLELLA. In the law?

Mr. BOOZMAN. Yes.

Mr. CICCOLELLA. Well, we have the authority to withhold funds. We do withhold some funding on a quarterly basis, because, you know, the Federal dollars are allocated on a quarterly basis. So if a State doesn't expend their Federal dollars or they have a firing freeze and they don't hire or whatever it happens to be, then we may hold back money.

But, to the larger point, we don't penalize States by docking their overall grant. We haven't done that recently, but we did it a couple of times a few years ago.

Mr. BOOZMAN. I would think you would allude to, the other panel alluded to States that did a very good job, and then I am sure that we could find States that did a very poor job. But if those States who are doing a very poor job aren't taking advantage of the training, then I think I would call them in and say "You do the training, or we are cutting you off." I mean, that is a decision that you have to make.

Now, if you have a State that is doing a great job, you know, and they are not taking advantage, then that is fine, because they probably don't need it. They have some other system. But if those two are running hand in hand, which I suspect they are, then I would really encourage you to do that.

Mr. CICCOLELLA. Okay.

Mr. BOOZMAN. And we might, you know, at some point look at that.

Mr. CICCOLELLA. I will tell you what I can do. I can make that sort of a special area of interest for our VETS State Directors to take a look at and come back to us and tell us whether they are having problems in that area. Because the VET State Director, as a Federal staff person, has a lot of sway over stuff like that. And that is the kind of thing that is in the managers' report and technical reports that we require each quarter.

Mr. BOOZMAN. Is there a limit on the amount of the State grant that a State may charge for overhead? And, thus, if you had a really high overhead, reducing the, monies that actually went, you know, out in the—you know, really helping VETS. Do you understand what I am saying? Is there a limit?

And I guess, at some point—and you probably don't have it with you—I think we would really like to look at that and see which States are doing a good job of limiting their overhead and providing services, as opposed to the States that are not. It might be that all

the States are doing a good job and keeping their overhead in check. But I think that is something that we would like to look at.

Mr. CICCOLELLA. Well, I think it is a very important point. You know, as things get more expensive, some States are charging the grant more for indirect or administrative costs. And we have seen that. We don't see it in all States, but we have seen it in some. And sometimes that number goes up to what I think is kind of unreasonable.

So what we are doing is we are taking a look at that, a study of that to look at what those costs are, with the view toward, if necessary, setting a cap for the State to charge for those administrative or indirect costs. And we would be happy to share——

Mr. BOOZMAN. What would you consider excessive, what percent? I mean, do we have States that have 50 percent?

Mr. CICCOLELLA. Well, I am almost afraid to say, because—I might see it again. But, I think anything over 18, 19, 20 percent is excessive.

Mr. BOOZMAN. Because I understand we have States that may be charging up to 50 percent.

Mr. CICCOLELLA. I have never heard of 50 percent. I have heard of 40.

Could I go back to a point you made about TAP?

Mr. BOOZMAN. Yes, sir.

Mr. CICCOLELLA. On TAP, it is not only that we get more servicemembers to TAP. And making it mandatory I don't believe is the right answer, because not everybody needs to go to TAP. But most people do.

What I think the military and the Department of Defense need to focus on is not only presenting the opportunity to every servicemember so they go to TAP and that we make TAP more attractive, but get them to TAP earlier in the process. In other words, if you send them to TAP, and they just got back from Iraq, and they have 30 days to go, it is going to be interrupted with dental appointments and everything else. And they are in a hurry to get out of the military. A lot of that stuff doesn't stick with them.

We want to try to give them TAP, and TurboTAP can help us with this, and some of the other tools, earlier in the process, so they begin thinking about the labor market conditions, thinking about the jobs, thinking about the skills that they have and how they are going to transition into the workforce.

And if we do that, it is not only going to help the re-entry process, it is going to help our Nation's military with retention, because a lot of these servicemembers will stay another term, because sometimes they get out of the military, especially young ones, and they go back in after a while.

Mr. BOOZMAN. No, I agree totally. We have had a problem because some of the military felt like exposing them to TAP would be an incentive to get out. And my experience in visiting with many of those families, they don't realize how it is in the real world, as far as benefits and things and some of the things that they are going to be out paying for. So I think it is a very, very positive thing.

I said mandatory in the sense—and I agree with you. And yet one of the things that we have to do is figure out how you remove

the stigma of going through TAP if you are not going to get out. Because as soon as you make an effort to go through just to see what is out there or to again if you plan on staying in but you want to maybe have the opportunity of moving your job skills to know what is going to be available when you eventually do get out. It seems that there is a concern among the service persons that there is a stigma attached to that and there is a feeling that you are going to get out. So, again, we have to kind of figure out how to overcome that.

But I think that is something that the Subcommittee has really done a good job, Madam Chair, at moving forward and is something that I would like for us to continue working on very hard.

Thank you very much.

Thank you, Madam Chair.

Mr. CICCOLELLA. You are absolutely right. If I could just say, that you are absolutely right. And let me tell you, the military services are beginning to understand that. And that is what I hear. And I spend an awful lot of time at the Pentagon these days, and that is what I hear at the meetings that we have.

Ms. HERSETH SANDLIN. Well, I would like to associate myself with Mr. Boozman's comments on the importance of TAP and removing the stigma.

I agree with you, too, Mr. Ciccolella, that we need to get the servicemembers access to TAP earlier in the process. I am of the strong opinion that it should be mandatory and earlier in the process. I think it should be both. Because you even said, right after you said you don't think making it mandatory is the way to go, you said because some servicemembers don't need it, but most of them do. I would much rather have servicemembers go, when they didn't need it, they are a little bored, they are fine, than to have a number who really need it not take advantage of the opportunity.

With that, if you could—and I don't expect you to do it today, but if you could get us an estimate on the number of personnel needed to fully implement TAP, to ensure that every module is given to every transitioning soldier—well, every transitioning servicemember—in all the branches. I just would like to see an estimate on how many LVERs would be required to do that.

Mr. CICCOLELLA. I will get you those. I will get you those figures. But we have the LVERs and we have the contract personnel to do that.

[The information from Mr. Ciccolella is as follows:]

> At this time, it is not possible to calculate or estimate whether additional DVOP and LVER positions would be required to conduct TAP for 100% of separating service members. It is possible that full implementation may prove to be more of a training (qualified facilitator) issue rather than a numbers or personnel issue. Currently, there are approximately 2,100 DVOP and LVER, many, but not all, of whom are trained TAP facilitators. To accomplish the 100% goal, it would be necessary to increase the number of DVOP and LVER trained to be TAP facilitators, and these personnel would need to be allocated to this mission. Since we are moving in the direction of providing TAP to 85% of the separating service members, we will have a better idea of the number of additional DVOP and LVER that might be needed as we move toward that goal.

Ms. HERSETH SANDLIN. You currently have——

Mr. CICCOLELLA. Yes.

Ms. HERSETH SANDLIN [continuing]. Enough LVERs——

Mr. CICCOLELLA. Yes.

Ms. HERSETH SANDLIN [continuing]. And other personnel to essentially implement a mandatory TAP program?

Mr. CICCOLELLA. We have enough LVERs and contract folks. We may need some additional funding for the State grants because, you know, they project the time that an LVER or DVOP is giving TAP, and while they are doing that, they are not, you know, in the One-Stop serving or out with business developing job opportunities for veterans.

But the numbers of LVERs I don't think are the issue. The States would simply require some additional funding to do that.

Ms. HERSETH SANDLIN. Okay. Thank you.

Mr. Chamrin mentioned in his testimony the idea of a follow-up mechanism, right, so we can track some of the veterans a year into their employment, a year and a half, 2 years.

Is there any follow-up, currently, with veterans after they receive employment, basically to assess how their transition and adjustment is going?

Mr. CICCOLELLA. No. We don't collect the kind of data on a servicemember when they are in the transition program where we could track, for example through the wage records system, their employment retention and earnings.

And I don't know whether we have the capability to do that because of DoD policy. In other words, I am not sure we are allowed to collect that kind of information. We would need a Social Security number and personal information to do that.

Ms. HERSETH SANDLIN. I think I know what you are saying, but couldn't you have your DVOPs and LVERs, on a more local basis, just checking in through the contact information that they have for that particular veteran and to be required to see where they are? I mean, are any of the DVOPs or LVERs required, as a matter of policy, to do any follow-up with the veterans that they have helped place in employment?

Mr. CICCOLELLA. A requirement for them to do staff follow-up with the individual who got the job?

Ms. HERSETH SANDLIN. Yes, like after 6 months to assess——

Mr. CICCOLELLA. Yeah, I don't believe there is a requirement to follow up in that regard, because we went to the wage record information system. We don't require that the DVOP or LVER do staff follow-up.

I am not saying it doesn't happen, because I think it does happen. Because, like, for Federal employment or rural employment or ranching or things like that, that is not captured in the State wage record information system. So I think there is follow-up by the DVOP and LVER with regard to the placement of servicemembers in those areas.

Let me say this: That takes time. And the time that they are doing that may be time that they are not serving veterans or not doing outreach or not going out to that Homeless Veteran Reintegration Program.

Ms. HERSETH SANDLIN. Well, I understand there are limited resources.

Mr. CICCOLELLA. There is a trade-off.

Ms. HERSETH SANDLIN. Right. But I don't think you would disagree that, if we had the resources that—I shouldn't—I am not going to put words in your mouth.

Would you agree with Mr. Chamrin's statement that, assuming sufficient resources, that that type of follow-up mechanism would be helpful, as it relates to the positive performance measures for the two programs?

Mr. CICCOLELLA. Sure. Anything like that would be helpful, yeah. I mean, I have to be honest with you, I just don't know how feasible it is to do that. And I am not taking you on this. I am just trying to think through, you know, how much time that would take. And I need to think about it. Could I think about it and come back to you?

Ms. HERSETH SANDLIN. Certainly. I think it is worthwhile, as it relates to the accountability issue, but just as importantly, the adjustment for the veteran who turned to a DVOP or LVER for assistance and most likely established some level of relationship with that individual.

Mr. CICCOLELLA. I absolutely agree. It would be a wonderful thing to do.

Ms. HERSETH SANDLIN. On the tracking, you heard in the first panel there seems to be a concern that, perhaps based on the index used, that VETS is taking credit for veterans who are securing employment outside of the DVOP and LVER programs. How do you respond to that concern?

Mr. CICCOLELLA. Well, the measurement system and accountability of the system that we have in place under the Labor employment records system, there isn't a problem with the Wagner-Peyser and the VETS program. So, in other words, if a servicemember comes in or a veteran comes in and they are served by the State employment service or VETS, there isn't a problem about double counting.

I think where the issue comes up is where an individual comes in and receives a Workforce Investment Act service, a WIA service, and then they may also receive a Wagner-Peyser or a VETS service, and then both of those programs are reporting an employment outcome. I think that is where the concern is.

Was that clear? Do you want me to elaborate?

Ms. HERSETH SANDLIN. It does. I am just not sure, based on what I was hearing articulated in the first panel, that that is only it. I mean, that may be part of the concern.

Mr. CICCOLELLA. I don't think I understood. I apologize. I don't think I understood the question.

Ms. HERSETH SANDLIN. Yes, Ms. Gilbert, thank you for joining us. If you would like to respond?

Ms. GILBERT. Thank you, Madam Chair.

I believe your question had to do with, does using wage record data, which tracks any employment following service delivery, is that good enough somehow, is the concern that I heard from the panel members.

I think we believe that the services that a veteran may receive in a One-Stop, whether there is a direct placement or not, may help serve them in their employment-seeking generally. So it is reasonable that you would look to that if someone is entering into the job

market successfully, that that was a good outcome from our services.

Also, we think wage record data and the usage of wage record data—and I think the Congress agreed with that when they passed the Workforce Investment Act and put in place this measurement process—that that was a really an efficient way to track our outcomes for the workforce investment system.

Ms. HERSETH SANDLIN. Okay. Well, I appreciate that response.

I certainly want to delve into this further, although we are going to have votes at about 4:15, and I have a couple other areas that I want to pose questions. I think I will submit some of those to you in writing that you can take. And it goes, also, to the May 2007 GAO report as it relates to what was adopted by the Department of Labor in 2005 as it relates to performance measures that were new measures for programs, some of which hadn't fully been implemented.

I appreciate your response, Ms. Gilbert. I just want to think about this a little bit more, as we pursue it, so I am asking the right questions and we can get on the same page. If, indeed, we think that some changes should be made to more accurately gauge and measure the effectiveness of the programs and how to best target them to veterans that face certain employment barriers.

I see that Mr. Offutt has also joined you today. I want to ask just a couple of questions, with the Ranking Member's indulgence, on the Hire Vets First Campaign.

On the part-time versus full-time—and Mr. Boozman may have some thoughts here, too, since we both pursued this. I would like you to explain why you think—you said in your statement earlier that you think that Congress had good foresight in giving the States the flexibility of having part-time DVOPs and LVERs. Although we heard from the prior panel that, while, yes, it is better to have a part-time, it is even better to have a full-time, and that we have certain areas that would be particularly well-served to have full-time DVOPs and LVERs.

I would like, first, if you could explain why you think it is working well in some States. The second question would be—and, again, I don't necessarily expect you to have the information today. If you could get it to us, I would like to know how much would be required to fund the same number of DVOPs and LVERs in half-time positions. I would also like to know how much it would cost to make all of the current part-time DVOPs and LVERs full-time. That is the same number. If you take the same number total, both full-time and half-time, how much more would it cost to make all the part-time full-time?

Mr. CICCOLELLA. Well, first of all, I always think that Congress has great insight.

Okay. We have 431 DVOPs and LVERs—or something like that, about that; I think it is exactly that—who are part-time, half-time. So if you made them full-time, that costs about $16 million.

But, now, my question is whether we want to do that, because then that would kind of bust the funding formula, and the funding formula as was prescribed by Congress, and that is based on the number of veterans who are looking for jobs in one State, that

State, over the number of veterans who were veteran job-seekers in all States.

I have seen a number of States where the flexibility that has been extended to the States to operate this grant in a manner that they think is best and tailored to their veteran population—where they really work very well. And to me, there are plenty of opportunities where a half-time DVOP or half-time LVER doing another job in the workforce system, that is an advantage. I always want to look at the DVOP/LVER program as a well-integrated program in the career centers, because that was Congress's design in the Workforce Investment Act, that you could go one place and get all the services.

And the DVOP or the LVER really, really, if they are well-integrated—it is like, if you have a seriously injured and wounded servicemember, and you have a recovery coordinator assigned to them, and that recovery coordinator knows everything about every benefit that a servicemember can get, and that recovery coordinator can coordinate for all of the programs that servicemember may need. And that is the way that I look at the DVOP and LVER program being integrated into the One-Stop system.

Ms. HERSETH SANDLIN. May I interrupt you there, just with a quick question?

Mr. CICCOLELLA. Yes, ma'am.

Ms. HERSETH SANDLIN. I agree with you. If we have evidence, as was suggested in the first panel, that some employees of a One-Stop Center—if some grant money is going to fill the need for veterans' placement—are to meet the needs of veterans from 8:00 until 12:00 and then service other folks coming in the rest of the day, that is not well-integrated, in my opinion.

I agree with you, if it is all well-integrated effectively, so that the needs of a veteran who may be coming into the One-Stop Career Center will always be met, but that individual also has time—not the veteran—the DVOP or LVER has the time to do the necessary outreach to employers.

What are your thoughts on States that actually impose those types of restrictions on their part-time DVOPs and LVERs? Are you familiar with many States that impose those types of restrictions, in terms of the hours of the day that they are to dedicate to veterans versus the hours of the day that they are supposed to dedicate to other beneficiaries of services in the One-Stop Career Center?

Mr. CICCOLELLA. Well, there are a number of ways that they do it. The only way you can really track it properly is for the half-time DVOP or LVER to do that half-time and then do the other job the other half the time. It is the only way you can really check and make sure that services to nonveterans are not being charged to the grant.

Ms. HERSETH SANDLIN. All right. I don't have a problem with your answer; I think that is a very smart answer. I am just not satisfied.

Mr. CICCOLELLA. I hope I didn't confuse you.

Ms. HERSETH SANDLIN. No, I see what you are saying. I mean, look, each State has their own accountability measures, as well. I just think that, given the concerns cited about how we are ensuring

a level of accountability and tracking and measuring, you know, where it is almost like we are allowing the States' systems to have more flexibility than we do, it seems to me.

Mr. CICCOLELLA. Well, we want the States to have flexibility, but we don't want them to have the flexibility to break the law and to misuse this grant. And that is really the job of our State Directors, to make sure that doesn't happen.

But, you know, in your State, in South Dakota, you have a number of half-time DVOPs and LVERs, mainly DVOPs I think. And the other times they are working, again, maybe they are doing unemployment insurance, maybe they are doing Wagner-Peyser. And I have talked to those guys, and they think that it works well. The veteran employment representatives think that it works well. And the results in just that one State—and I am not picking on your State—but the results in your State aren't bad. They are 63 percent.

Ms. HERSETH SANDLIN. I think there are other variables that go into that, a whole host of other variables. I am going to do some checking, because I don't think that we separate out—I mean, I can't remember the exact date that I visited the One-Stop Career Center in Spearfish, South Dakota, and met with the folks there. I don't think that there was—well, I am just going to check on that, in terms of the accountability. I don't think that anyone who was part-time was only providing services to veterans for part of the day. I just think it could be overall the number of people seeking services and that they have adequate resources because we are doing a better job in South Dakota on a whole host of fronts, not only administering this program but also the State allocation that is going in to ensure that we have adequate resources to meet the needs of people coming into those centers. And that is what I think was identified even in the first panel, that there are some States that are doing a good job that do have part-time folks. But there is that consistent culture, as I think Mr. Weidman noted.

I will transition here because, again, I am expecting votes at any time. We will maybe submit some questions to you in writing for follow-up. I did want to pose just a couple more questions, but before I do, I am going to see if Mr. Boozman has any further questions.

Mr. BOOZMAN. I don't. Again, I appreciate your hard work in an effort to really try to move these things forward. I know you have worked really hard. You and your staff also have really been very good to work with, and we appreciate that. Thank you very much.

Ms. HERSETH SANDLIN. The Hire Vets First Campaign, this is administered by VETS, and I know Mr. Offutt is here. Does the budget for it come out of VETS?

Mr. CICCOLELLA. It comes not out of the grant, but it comes out of the Federal administration part.

Ms. HERSETH SANDLIN. Right.

Mr. CICCOLELLA. That funds salaries and expenses and all that stuff.

Ms. HERSETH SANDLIN. Are there job placement goals for veterans that are specified within the campaign?

Mr. CICCOLELLA. No.

Ms. HERSETH SANDLIN. Do you think there should be?

Mr. CICCOLELLA. I don't know. When I think about how we would do that, the only way I could really figure out how to do that would be to measure what the placement of veterans who visit a job fair—and we would have to collect some information from them or other activities of the Hire Vets First Campaign. I think that it might be a reporting nightmare. That is just an initial view. I don't know.

The campaign is important, from this point of view. It is important that Governors and States and localities understand that there are real advantages to hiring veterans and that there is a business case for that. It is not just the right thing to do. The business case is that American employers today want to hire veterans.

Now, what I am trying to focus that campaign on are these job fairs and on the Advisory Committee for Veterans' Employment and Training to provide us information on how to get out to employers and give them strategies for hiring veterans.

Now, the job fairs are unbelievably good. They are not always successful in terms of, you know, 100 veterans getting a job. But you bring the veteran and the employer together, you bring the workforce agency together with them, you bring the press together, and it really raises the awareness of the value that veterans bring to the workforce.

And, you know, it has been very, very successful. We have over 100 job fairs that are going to take place in the next 30 days. They are really a good way to convey the message.

Ms. HERSETH SANDLIN. I would agree with that, and I have appreciated the opportunity to meet a number of the Advisory Committee members who have been involved on this campaign and other initiatives. I don't disagree that it is very important as it relates to raising the awareness, bringing all of these folks together in a network that may not be otherwise.

I know you said trying to track the actual placements might turn into a reporting nightmare, but do you not currently do any surveys of those who have participated, at the end of the day, trying to get them to offer some information or being able to even ask the question of how many contacts—or even survey your participants, your business participants?

Mr. CICCOLELLA. Yeah. No, I think it is—and I am trying to think, as I am talking here. It is hard for me to do sometimes. But I think you may be on to something.

We know from anecdotal information that 10 to 15 percent of veterans who go to job fairs get offers—will get offers. That is the feedback anecdotally that we get. What we don't do is to actually register those servicemembers who visit the job fairs. With, for example, the DVOP and LVERs, we try to have them at the job fairs. And then, you know, run those numbers against the wage record system, so that we could say, you know—but then, you know, if we did that, it doesn't necessarily mean that going to the job fair, you know, got them that particular job.

So I don't know. But if you want us to do look at it, we will be glad to look at it.

[The information was provided in the post hearing questions and responses for the record, which appears on p. 111.]

Ms. HERSETH SANDLIN. I think it might be helpful to look at it. When you say 10 to 15 percent anecdotally, are those anecdotes coming from the employers or from the servicemembers?

Mr. CICCOLELLA. Employers.

Ms. HERSETH SANDLIN. Okay. Do you know, off the top of your head, what has been the budget for the campaign?

Mr. CICCOLELLA. It is not a whole lot.

What is the budget?

Mr. OFFUTT. The budget was less than $100,000 for the last fiscal year.

Mr. CICCOLELLA. What about the meetings?

Mr. OFFUTT. The meetings run about $50,000 apiece. It has been about $50,000.

Ms. HERSETH SANDLIN. I didn't hear all that; I am sorry. So it is about $115,000?

Mr. CICCOLELLA. About $150,000.

Ms. HERSETH SANDLIN. $150,000. That doesn't include the overhead?

Mr. CICCOLELLA. No. No. No.

Ms. HERSETH SANDLIN. Any idea what that is?

Mr. CICCOLELLA. Could I get you that information?

Ms. HERSETH SANDLIN. Yes, please.

Okay. Well, thank you for indulging me, Mr. Boozman.

Again, a number of areas that we could pursue, but I would like to echo Mr. Boozman's sentiment. We appreciate the hard work that all of you do with the authority and the resources that you have, and that some of the areas that we probe is just to gauge whether or not you need more, if we are even in a position to be able to provide it in some tight budgets. But it does allow us to identify what is working and what additional information might we think necessary to, again, best gauge the performance measures and to be of assistance.

Thank you.

Ms. Gilbert, thank you for joining us today, as well. We thank you for your service through the Department of Labor and through these important programs to our Nation's veterans, and working so closely with your Advisory Committee and with really terrific employers across the country who want to do the right thing and know that it is a valuable asset for them to hire our Nation's veterans.

Again, thank you for your testimony and answering our questions.

Thank you, again, to the first panel.

The hearing now stands adjourned.

[Whereupon, at 4:22 p.m., the Subcommittee was adjourned.]

APPENDIX

Prepared Statement of Hon. Stephanie Herseth Sandlin, Chairwoman, Subcommittee on Economic Opportunity

Like many of my colleagues in the Subcommittee, the state of South Dakota has had service members that have been activated in support of operations in Iraq and Afghanistan. Some of these brave men and women have returned injured and are currently in need of healthcare and employment services. They, like all disabled veterans from around the country, deserve our best efforts to provide a seamless and effective transition from military service to civilian life and the workforce.

Earlier this year, this Subcommittee held its first hearing that included the Department of Labor's Disabled Veteran Outreach Program Specialist (DVOPS) and Local Veterans Employment Representative (LVER) programs, which are primarily administered through state employment agencies.

As our distinguished panelists know, the primary role of DVOP and LVER is to assist veterans obtain employment and conduct employer outreach. Specifically, the implementation of DVOP was designed to meet the employment needs of disabled veterans. I applaud the sincere dedication of these professionals, but also believe further opportunities to enhance these programs still exist.

As I have traveled around my state meeting constituents, I have had the privilege to meet with service members and veterans to discuss issues important to them and their loved ones. While healthcare, compensation and education benefits rank high among the issues raised, the need for employment opportunities has resonated clearly among the veteran community. Their ability to acquire proficient skill sets, obtain the needed assistance to successfully connect to an employer and apply those skills to the workforce are fundamental to their ability to succeed in today's workforce environment. This is especially true at a time when we can expect an increased level of retirements within the next few years. I truly believe that the Department of Labor's DVOP/LVER programs have a crucial role in assisting our veterans meet this need.

Today's hearing will follow-up on at least three Subcommittee hearings held in the 109th Congress and our first Subcommittee hearing held on March 7th of this year. In those hearings we had the opportunity to hear from veteran service organization's concerns on funding levels, DVOP/LVER training, accountability and priority of service for our veterans.

Ranking Member Boozman, I look forward to working with you, all the Members on this Subcommittee, veteran service organizations and administrations officials to address these concerns and ensure our Nation's veterans are provided the best services to succeed in life after their service to our country.

Prepared Statement of Hon. John Boozman, Ranking Republican Member, Subcommittee on Economic Opportunity

Good afternoon Madam Chairwoman and today's witnesses. Since its inception, the mission of the DVOP/LVER program has been to place veterans, especially disabled veterans in suitable employment. Recent changes to the law have refocused the duties of the DVOPs and LVERS and added flexibility to the system by authorizing states to fill those positions with half-time employees.

However, there continues to be controversy regarding the performance of the system. We continue to hear that employment office managers divert veterans staff to serve other non-veteran clients. We also hear that competition would bring improved performance throughout the system.

Last year, at the suggestion of VETS, we removed language from what eventually became PL 109–461, that would have added specific data reporting requirements so that VETS could implement the common measures. Now that a year or so has

passed, I will be very interested to hear whether common measures are providing a sufficiently robust picture of how we are doing in placing veterans compared to their non-veteran counterparts.

I am also open to any suggestions our witnesses may have to improve the system. It is vital that our employment programs enable veterans to find suitable employment that promotes their wellness and quality of life.

Madam Chairwoman, thanks for bringing this issue to the front and I yield back.

Prepared Statement of Ronald F. Chamrin, Assistant Director, Economic Commission, American Legion

Madam Chairwoman and Members of the Subcommittee:

Thank you for this opportunity to present The American Legion's view on the Department of Labor's Veterans' Employment and Training Service (DOL–VETS).

The American Legion has been advocating for additional support for the DOL–VETS programs. Our contentions are supported by the numerous Government Accountability Office (GAO) reports regarding VETS that have been released in recent months. The GAO reported in May 2007 that approximately 700,000 veterans are unemployed in any given month. (See Appendix 1.)

VETS programs are and should remain a national program with Federal oversight and accountability. The American Legion is eager to see this program grow and especially would like to see greater expansion of entrepreneurial based, self-employment opportunity training.

The mission of VETS is to promote the economic security of America's veterans. This stated mission is executed by assisting veterans in finding meaningful employment. The American Legion believes that by strengthening American veterans, we in turn strengthen America. Since 2001 the Department of Defense (DOD) annually returns approximately 300,000 servicemembers to the private sector each year. These recently separated servicemembers will immediately seek employment. The American Legion has observed that these recently discharged servicemembers increasingly have chosen some form of self-employment.

In light of the facts, The American Legion has been strongly advocating that staffing levels for Disabled Veterans' Outreach Program (DVOP) Specialists and Local Veterans' Employment Representatives (LVERs) should match the needs of the veteran community in each state as opposed to the current system that is based solely on the fiscal needs of the state government.

The American Legion believes that the military experience is essential to understanding the unique needs of the veteran. Title 38 United States Code (USC) § 4103A should be expanded to include all LVERs, as well as all DVOPs. Current law requires that all DVOP specialists shall be qualified veterans and preference be given to qualified service-connected disabled veterans for appointment to DVOP specialist positions. These critical staff members should be veterans and should be additionally educated to be able to address the needs of veterans who desire entrepreneurial support.

This Committee requested that we respond to four questions in addition to our concerns:

1. **Is DOL properly implementing the DVOP/LVER programs with the states?**
2. **Under what circumstances should states lose funding for failing to meet their obligations?**
3. **Are part-time DVOP/LVER meeting the needs of rural and urban area veterans?**
4. **What is your organization's position on how the DOL tracks its performance measures?**

1. IS DOL PROPERLY IMPLEMENTING THE DVOP/LVER PROGRAMS WITH THE STATES?

The Jobs for Veterans Act, Public Law (P.L.) 107–288, has eliminated the requirement that DOL/VETS review all workforce centers annually and this has minimized Federal oversight of the programs. The Assistant Secretary (ASVET) has drastically cut funds allocated for this activity and established a policy that only 10 percent of the centers operated under Title 38 will be reviewed. Furthermore, P.L. 107–288 has removed the job descriptions of the DVOPs and LVERs from Title 38, USC, and given the States the ability to establish the duties and responsibilities, thus weakening the VETS programs across the country by eliminating the language that required these staff positions provide services only to veterans.

Finally, the passage of P.L. 107–288 removed the Federally-mandated manning formulas for assigning DVOPs and LVERs in each state. This action has allowed each State to determine the number of veterans' employment personnel in each State. States now have the discretion of assigning one half time DVOP and/or LVER to one office, while eliminating positions in offices that need veterans' staff by virtue of veteran intake.

The American Legion supports the restoration of language to Chapter 41, Title 38, USC, that require that half time DVOP/LVER positions be assigned only after approval of the Director of Veterans Employment and Training (DVET), and that the Secretary of Labor be required to monitor all career centers that have veteran staff assigned. The American Legion also supports legislation that restores the duties and responsibilities of DVOPs and LVERs to include case management, outreach to veterans and job development.

TAP administration by State governed DVOPs/LVERs

VETS provides professional veterans' employment personnel, DVOPs/LVERs, to participate in the Transitional Assistance Program (TAP) on military installations. Higher demands placed on LVERs to deliver TAP modules, in addition to their normal employment assistance programs, has the potential for weakening their overall capability. In order to circumvent any gaps in providing services, additional funding to support an increased number of LVERs should occur.

Training for DVOPs/LVERs under state jurisdiction

The National Veterans' Employment and Training Services Institute (NVTI) provides training to Federal and state government employment service providers in competency based training courses. Current law requires all DVOPs and LVERs to be trained within 3 years of hiring.

NVTI has provided several thousand training sessions for State Employment Security Agency staff, Veterans' Employment and Training Service (VETS) staff, DOD staff, and Department of Veterans Affairs' (VA's) Vocational Rehabilitation staff. NVTI provides standardized training for veterans' advocates providing employment and training services. The positive impact on the quality of services provides veterans with well-trained vocational specialists across the country.

P.L. 109–461 stipulates that newly hired DVOPs/LVERs must attend the NVTI to be trained for their position within 3 years of hiring. Unfortunately, a newly hired individual can retain their position for 2.5 years before they are required to begin training to ensure that graduation is within the 3-year hiring period. Newly hired employment specialists, without the benefit of NVTI training, may be ill-prepared to properly assist veterans seeking meaningful employment or facing significant barriers to employment.

To close this loophole, The American Legion recommends that newly hired DVOPs/LVERs personnel must be trained at NVTI within the first year of employment and supports that all untrained DVOP/LVER staff within 3 years of hiring at the time of enactment of new legislation must be trained within 1 year. The American Legion also recommends $6 million of funding to NVTI.

Interagency Cooperation Between DOL–VETS and VA at State Levels

It is our observations that the interagency collaboration and communication between the VR&E program, and DOL–VETS is lacking.

A Memorandum Of Understanding (MOU) between VA and DOL was developed and signed in October 2005 stating that each agency would work for the smooth transition of veterans to the civilian workforce. This agreement is authorized in accordance with Title 38, USC, § 4102A(b)(3).

In discussions with numerous VETS representatives across the country, The American Legion is hearing a variety of opinions on the current implementation process and progress of the MOU. A majority of VETS representatives contacted spoke of a markedly improved level of communication between the two agencies, along with other positive developments such as improvement in local data sharing and combined training on the local and national levels. In addition, national representatives from the two agencies are currently reporting a close and cooperative relationship, and the expectation is that this relationship will continue to improve over time.

In some states, however, it has been reported that the signing of the MOU has not led to an improvement in cooperation between the two agencies. Some problems cited were a difference in the perceptions of the primary mission, differing education levels of VA case managers and DVOPs and LVERs, and the unenforceable mandate for the two agencies to communicate and cooperate on a local level. DVOPs and LVERs are controlled by each individual state and have their own requirements making a state and Federal program difficult to synchronize.

2. UNDER WHAT CIRCUMSTANCES SHOULD STATES LOSE FUNDING FOR FAILING TO MEET THEIR OBLIGATIONS?

The American Legion does not have a position regarding loss of funding for failure to meet obligations. We do, however, advocate for continuous oversight on all Federal programs for veterans.

3. ARE PART-TIME DVOP/LVERS MEETING THE NEEDS OF RURAL AND URBAN AREA VETERANS?

The American Legion has observed, by virtue of our members who are employed as DVOPs/LVERs, that due to half time status, these personnel are unable to travel to the locations where veterans tend to congregate. Their travel budgets have been slashed. Their half time status prohibits periods of travel that will extend beyond half a day, and their other requirements force them to be able to assist non-veterans within their employment offices.

The American Legion reiterates to only have half time DVOPs/LVERs at the approval of the DVET.

4. WHAT IS YOUR ORGANIZATION'S POSITION ON HOW THE DOL TRACKS ITS PERFORMANCE MEASURES?

The Employment and Training Administration (ETA), DOL stated that although P.L. 107–288 requires veterans' priority services in all DOL programs, ETA has not monitored the performance nor do they have a way of tracking the performance.

The ASVET cannot accurately capture necessary local, state wide and national data to adequately assess performance outcomes or hold the various states accountable for providing priority services to veterans. Additionally, states are not required to report to the ASVET.

The American Legion supports that any agency provided Federal funding to provide veterans' employment and training services must adhere to priority of service, and develop reporting systems that track priority services to veterans as provided and outlined in Title 38, U.S.C. Furthermore, all DOL One-Stop Centers should work with the VETS to ensure the operations of the One-Stop Centers meet or exceed the Federally-mandated priority of service for eligible veterans.

The American Legion strongly supports improvements in the reporting programs available to and administered by VETS. The ASVET should be empowered to establish clear, up to date, real time performance standards and a means of collecting data to properly measure performance at the local, state, and national level.

The American Legion also seeks and supports a revision of existing VETS reporting requirements for measuring performance standards and for determining compliance with requirements for providing employment services to veterans.

FULL FUNDING FOR DOL–VETS

The President requested $228.1 million in Fiscal Year (FY) 2008 to support the staffing and grant making ability of VETS. This is a $5.1 million, or 2.3 percent, increase over FY 2007. For FY 2008, the House provided an additional $3 million for Homeless Veterans' Reintegration Program (HVRP), $1 million for NVTI, and $1 million for additional employees, including one additional employee in each of the six regional offices to address complaints and investigations arising under the Uniformed Services Employment and Reemployment Rights Act (USERRA).

Veterans returning from duty in support of the Global War on Terror are not always coming back to a hero's welcome, at least not from all employers. The American Legion notes that DOL–VETS reports an unemployment rate in 2006 of approximately 10 percent for veterans aged 20–24, improved in comparison to 2005, but is still higher than the national average of non-veterans within the same age group and significantly higher than the general population as a whole. Numerous national publications have reported veterans are having a more difficult time finding jobs than non-veterans.

The employment market is tougher for young veterans as illustrated in a January 2007 Study by the National Organization of Research, Chicago.

> *'An illustrative example of this complexity is the experience of the respondent whose public identifier is 8224. He reported exiting the military in week 45 of 1998. He was then employed every week from week 46 in 1998 to week 13 of 2000. He returned to the military from week 14 of 2000 to week 29, and returned to employment from week 30 of 2000 to week 50. He returned to the military in week 51 of 2000, and stayed until week 12 of 2001. He was employed from weeks 13 to 44 for 2001, and then was out of the labor force from week 45 to week 48 of 2001. This was followed by a spell of unemployment from week 49 of 2001 to week 40 of 2002. The respondent was then*

out of the labor force for 10 weeks, and then was employed from week 52 of 2002 to week 49 of 2004.'

The American Legion receives numerous requests for employment assistance and comments on unemployment and underemployment. This is a key reason why the funding for the VETS program is so critical.

Veterans need proper training and tools to begin new careers after they leave military service. For example, the Veterans Workforce Investment Program (VWIP) account has only received $7.3 million in annual funding, which has allowed the program to operate in only 11 states. This is unacceptable. There are thousands of veterans available for work, but some lack marketable or technical skills. The problem is a lack of adequate funding for this and other veteran only programs.

To ensure that all veterans, both transitioning and those looking for employment assistance well past their discharge, receive the best care; the DOL–VETS program must be adequately funded. The American Legion has observed that the ASVET does not have any discretionary funding that would enable him to create programs or enhance current programs to help veterans. With the great need for employment assistant, we feel that the current funding levels are inadequate. Please refer to appendix 2 for the presidents FY 2008 Budget Request for DOL–VETS.

Contrary to the demands placed upon VETS, the funding increases for VETS since 9/11 does not reflect the large increase in servicemembers requiring these services due to the Global War on Terror. In support of this fact, the inflation rate from January 2002 to January 2007 was 14.3 percent and yet for State Grants alone, funding has only increased a mere 1.2 percent ($158 million to $161 million). The President's Budget request for FY 08 will allow for an increase of one percent for State Grants, the mechanism for funding DVOPs and LVERs. However, this does not meet the inflation rate of salaries and approximately 100 positions will be eliminated nationwide next year.

Because of the enactment of P.L. 107–288, each state receives an individual grant based upon their State Plans and how many positions that they feel that they require. The new funding formula emplaced in 2002 re-calculated the authorization for State Grants leaving the onus of how many staff members to fund the responsibility of each state. It is our understanding that if a state chose to employ half time DVOP's and LVER's instead of a full time employee that is their prerogative. However, DOL–VETS has no enforcement authority to mandate that states request only full time staff and in greater numbers. Since the enactment of P.L. 107–288 there has been a net loss of DVOP's and LVER's as the net cost per FTE has risen at a rapid rate. Moreover, the Wagner-Peyser grants from DOL have a direct correlation to the number of indirect costs to VETS. DOL–VETS can provide a detailed breakdown of their funding, authorization, and formulas.

More services and programs are needed and yet, since 2002, the VETS program has only received a modest four percent increase. Accordingly, The American Legion recommends full funding for DOL–VETS.

SERVICEMEMBERS OCCUPATIONAL CONVERSION AND TRAINING ACT (SMOCTA)

The American Legion continues to encourage Congress to reauthorize and adequately appropriate funds for the Service Members Occupational Conversion and Training Act (SMOCTA) program. SMOCTA was developed as a transitional tool designed to provide job training and employment to eligible veterans discharged after August 1, 1990. SMOCTA was the only Federal job training program available strictly for veterans and the only Federal job training program specifically designed and available for use by state veterans' employment personnel to assist veterans with barriers to employment.

Veterans eligible for assistance under SMOCTA were those with a primary or secondary military occupational specialty that DOD has determined is not readily transferable to the civilian workforce or those veterans with a service-connected disability rating of 30 percent or higher. SMOCTA is a unique job-training program because there is a job for the veteran upon completion of training. Specialists publicly praised the effectiveness of SMOCTA because it successfully returned veterans to the civilian workforce.

The American Legion recommends SMOCTA be reauthorized and fully funded.

CONCLUSION

Transition assistance, education, and employment are each a pillar of financial stability. They will prevent homelessness, afford veterans to compete in the private sector, and allow this nation's veterans to contribute their military skills and education to the civilian sector. By placing veterans in suitable employment sooner, the country benefits from increased income tax revenue and reduced unemployment

compensation payments, thus greatly offsetting the cost of TAP training. DOL–VETS requires full funding.

The American Legion looks forward to continue working with the Subcommittee to assist the nation's veterans and to assist in their employment and financial stability. Madam Chairwoman and Members of the Subcommittee, this concludes my testimony.

APPENDIX 1

GAO Reports

The Government Accountability Office recently produced many reports regarding the Department of Labor and the Department of Labor VETS. GAO–07–1096, a report to the Chairman, Committee on Education and Labor, House of Representatives

> GAO recommends that Labor step up action to ensure that all stand-alone offices be affiliated with the one-stop system.

GAO–07–1020

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

GAO–07–907

> GAO recommends that the Secretary of Labor develop an internal review mechanism for all unresolved claims before they are closed and claimants are notified and establish internal controls to ensure the accuracy of data entered into DOL's database.

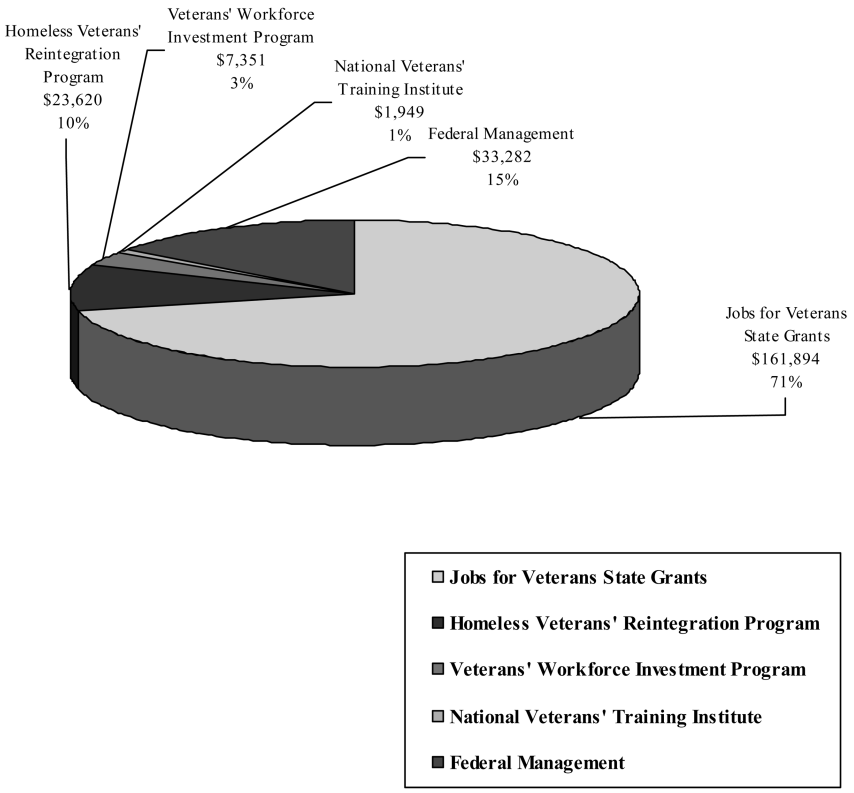
GAO–07–594

> GAO has made a number of recommendations to improve the performance measurement system for the DVOP and LVER programs and to better understand services and their impact for job seekers in the one-stop system, including veterans.

GAO–07–1051T, a testimony before the Subcommittee on Higher Education, Lifelong Learning, and Competitiveness, Committee on Education and Labor, House of Representatives

> GAO reported additional actions that would further improve the workforce system.

FY 2008 Budget Request by Program Activity
Total VETS' Budget: $228,096
($ in thousands)



Source: U.S. Department of Labor, Veterans Employment and Training Service, FY 2008 Congressional Budget Justification.

Prepared Statement of Richard Daley, Associate Legislation Director, Paralyzed Veterans of America

Chairwoman Herseth Sandlin, Ranking Member Boozman, members of the Subcommittee, Paralyzed Veterans of America (PVA) would like to thank you for the opportunity to testify today on the Department of Labor's Veteran's Employment and Training Service (DOL–VETS) and programs under its jurisdiction.

PVA is an organization of veterans who are catastrophically disabled by spinal cord injury or disease. Our members and other individuals who suffer from similar injuries or diseases do not receive proper consideration for employment when applying for a job. This is often due to barriers in the workplace, false perceptions of the potential costs to employers of hiring people with disabilities, and the perceptions many people still have about veterans.

The federal government can play a critical role for veterans, and particularly disabled veterans that are leaving the military in large numbers. The DOL–VETS has created specific programs that provide help for veterans seeking employment. The most important services provided by VETS are done by Disabled Veterans' Outreach Program (DVOP) coordinators and Local Veterans' Employment Representatives (LVER). PVA, along with many other veterans' service organizations, worked for years to have clear performance standards put in place for both DVOP and LVER

staff. In 2002, VETS initiated limited performance measures based on the rates of employment and retention.

Following the enactment of P.L. 107–288, the "Jobs for Veterans Act," VETS began implementing more focused performance measures for DVOP and LVER staff. These changes were meant to emphasize the placement of severely disabled veterans and other veterans facing barriers to employment and to avoid some forms of "cherry picking." Though it is unpleasant to accept, when someone's job is at risk, human nature may cause the employment specialist to select the easy placement, over the one requiring greater effort. The revision of the duties of DVOP and LVER staff in the "Jobs for Veterans Act" and the continuing efforts of VETS to establish meaningful performance standards are essential to reinforcement of the services they provide. PVA welcomes these changes as they are essential to a viable job placement service.

For disabled veterans to successfully enter the job market they must first choose a career path that requires additional, or initial training for new employment skills. This is coordinated through the Department of Veterans Affairs (VA) Vocational Rehabilitation and Employment Program (VR&E). The VR&E counselors working with local DVOP and LVER representatives can improve the seamless transition from military to civilian employment. Many disabled veterans fall into the larger category of 30 percent service-connected disabled and may choose to stay in the career fields that the military has trained them in. The DVOP and LVER can be an important resource for these veterans because they have knowledge of the employment opportunities in that area, some understanding of the veteran's disability, and often have built a relationship with local employers.

PVA remains concerned that the race to simplify, computerize and decentralize the employment system through electronic-based self-service systems and one-stop career service centers might diminish the role of DVOP and LVER staff. We do believe there are some advantages to one-stop veterans' job service offices. The ability of a disabled veteran, who may have difficulty leaving his or her home, to have access to the employment services provided can be a tremendous benefit. However, the advantage of face-to-face interaction between DVOP and LVER staff members and veterans cannot be overstated. It seems that unless there is a paradigm shift, the number of DVOP specialists and LVER staff will be reduced.

We believe the DOL is doing a reasonably good job of implementing the DVOP and LVER programs as required by law. Their primary responsibility is to fund and monitor these programs. Unfortunately Congress has not increased the funding for these programs in many years. Without adequate funding, these programs have struggled to manage an increasing work load, and it has become more difficult to address the needs of new veterans needing assistance. Along with inadequate program funding, the DOL is not appropriated discretionary funding for special projects. Discretionary funds could be used to test pilot programs, or to fund a program that proposes a new attempt to find employment for veterans.

Occasionally, a state falls short of the requirements outlined in their employment service grant. However, this should not be a cause for DOL to request the return of funding. Instead, this would indicate that more oversight is required by the Director for Veterans' Employment and Training (DVET) to provide technical assistance and training at the state level. Removing funding from a state program that is not performing to the required standards does not help that program, and ultimately the veteran looking for work may bear the consequences of this action.

The DOL tracks states' performance by the number of persons entering the workplace. They also track the number of veterans that register with the DVOP program. The DOL does not track the number of veterans that gained employment because of the assistance of the states employment programs. Sometimes these programs could have limited input into the veteran's employment, and sometimes they have no input at all. Perhaps the DOL could conduct a pilot program in several states to follow up with the veterans after they leave the unemployment roles. They could try to determine what influence the state office had in securing that job for the veteran. Although this may be a labor intensive exercise, it may help determine if the states' efforts are producing the results that are intended for veterans.

To address the needs of today's veterans, Congress might consider reimplementing a program similar to the Service Members Occupational Conversion and Training, (SMOCTA) program. Although this program was funded by the Department of Defense, it was administered by the VA and the DOL. This was considered one of the better programs to serve transitioning military personnel. SMOCTA was established during the downsizing of the military for veterans discharged after August 1, 1990, to help those veterans that had limited transferable job skills. A similar program would help many of the younger men and women transitioning from the military today, and those reserve and guard members reentering the workforce.

This program provided assistance in the form of reimbursements to employers who provided training for veterans that led to permanent employment. The program also included funds for assessments, development of training plans, and supportive services for the trainee. The DVOP and LVER staff developed the employment and training plans. Veterans eligible for assistance were those with military occupations that were not transferable; those that were unemployed for a long period of time; and those with a 30 percent or greater service-connected disability.

Chairwoman Herseth Sandlin, Ranking Member Boozman, members of the Committee, I would like to thank you again for this opportunity to express our concerns on this issue. I would be happy to answer any questions you may have.

Prepared Statement of Richard F. Weidman,
Executive Director for Policy and Government Affairs,
Vietnam Veterans of America

Good afternoon, Madame Chairwoman, Ranking Member Boozman, and distinguished Members of this panel. On behalf of our National President, John Rowan, Vietnam Veterans of America (VVA) thanks you for the opportunity to appear here today to express our views on this vital veterans' issue of how well the Local Veteran Employment Representative (LVER) program and the Disabled Veteran Outreach Program (DVOP) is working, particularly for disabled veterans, recently separated service members, and those veterans most at risk of becoming homeless. My name is Rick Weidman, and I currently serve as Executive Director for Policy & Government Affairs for VVA.

Vietnam Veterans of America (VVA) has repeatedly advocated the "wellness" model as the paradigm toward which all of the programs, benefits, and services should be aimed. What this means is that it is the duty of the people of the United States, through our government institutions and with our community resources, to do everything possible to restore the men and women who have placed their lives on the line in the common defense to the highest degree of autonomy and functioning possible following that military service.

Said another way, all of us should be using a "holistic" view of the physiological, neuro-psychiatric, and psycho-social aspects of health of all returning veterans, but particularly disabled veterans. The 'litmus test' of achieving the highest degree of "wellness" possible for veterans of working age is the ability to obtain and sustain meaningful employment.

While VVA still believes that the Nation's health care system for veterans is still under-funded, despite strong increases this year, and that the organizational capacity of the VHA is not yet adequate to meet the full range of legitimate needs of the eligible veterans' population, the simple fact is that we as a Nation ***do*** spend billions every year on health care, readjustment counseling, vocational rehabilitation, educational benefits, PTSD treatment, substance abuse treatment, and numerous other programs designed to assist veterans. However, if the veteran is not assisted to obtain and sustain meaningful employment, then there is no "payoff" for the individual or for the Nation.

To use a football analogy (borrowed from Mr. Boozman!), without the 'points on the board,' it does not matter how many yards in offense one compiles. One can argue that we expend all of our energy in moving the ball eighty plus yards down the field, but have not concentrated enough on how to actually get the ball into the end zone to score. Obtaining meaningful work at a living wage gets us into the end zone for that veteran or disabled veteran, and puts points on the board. So, securing a job is a key component (perhaps THE key component) of helping each veteran achieve the highest degree of autonomy and "wellness" possible, which is (or should be) the explicit goal of every program and service for veterans.

It is because of this centrality of obtaining and securing meaningful employment at a living wage is in the readjustment process, particularly of our newest veterans, that what this panel does is so key to a "pay-off" of all of the rest of the efforts extended by our Nation.

History & Background

The Employment Service was created as a non-statutory entity in 1915, under President Wilson. The United States Employment Service (USES) was created as a statutorily mandated entity in 1933 as part of the Social Security Act, along with the legislation that established unemployment insurance. The Wagner-Peyser Act, as it is commonly known, established "priority of service" for veterans who sought assistance in finding employment. Employers made the argument to the Congress

that if business was going to pay taxes to pay for unemployment checks to former workers, that there needed to be a strong effort to get them back to work, thereby reducing the UI tax rate for the employer.

From the outset of the reconstituted Employment Service, veterans were legally accorded "priority of service." Veteran's organizations made the argument that veterans should be first in line for any such assistance. As this was a mere two years following the World War I veterans' march on Washington, and the spectacle of American troops firing on American veterans on the national Mall, Congress and the President agreed and saw fit to ensure that veterans, who had sacrificed the most, received priority in referral to job openings and for other services.

Creation of the LVER Program

Unfortunately, a mere decade later (and in the middle of World War II), "veterans priority of service" was not working very well at the local level, in many instances. Essentially the Congress found that there was no meaningful quality assurance system to ensure that veterans received their rights to priority. Therefore, in 1944, as part of the set of laws known as the GI Bill, "priority of service" was reiterated, and the Local Veterans Employment Representative (LVER) program grants to the states created, in order to help ensure that priority of service actually happened in each and every office. The theory was that all local employment service office managers were intent on obeying the law, and that where veterans did not receive "priority of service" the LVER would monitor all activity, make the office manager aware of any problems caused by a few "bad apples," and the problem would be corrected. That is why the LVER, by law, was supposed to report directly to the local office manager. While this "fix" helped in many instances, it was still problematic and uneven in how well it functioned.

Also beginning in 1944 and 1945, many cities began to emulate the model first promulgated in Bridgeport, Connecticut, to establish veterans multi-service centers, with VA benefits counselors and other VA services providers, employment service representatives, unemployment claims examiners, and any other available public and private resources all existing under a single roof, in order to coordinate the response of the entire community to welcome home the returning veterans. Most of these had a governing board that were like a model Rotary club, with representatives of the various aspects of the business community, the clergy, political leaders, veterans organizations, civic organizations such as the Elks, labor unions, and other key elements of that particular community. In this way it really was a total response of each community to the returning veterans, and therefore an evolving strategy in each community.

Similarly, the GI Bill provided for farm training, vocational training, and other skills training as well as attending college (which for many was training that led to a better job than they could have ever dreamed of before their service in the war). In fact, more than 51% of the GI Bill usage was for training other than accredited four-year colleges. Many veterans were able to attend college because of the educational benefits and the "52–50" club which allowed them to have $50 unemployment payments (what we today call UCX) for a full year to get themselves settled and to find a college to attend or a program to pursue.

Self Employment & Small Business as a Means to Employment

For many, the VA also administered a program to help veterans establish small business concerns that included direct loans to start their business. This resulted in countless very small businesses, as well as many firms that grew into medium and large companies, all because it was part of a true Nation strategy to assist returning veterans to develop a way to earn a living, either by working for someone else, or by starting his or her own small business. Among many other symbols of this highly successful program was the ubiquitous "Veterans Taxi" found in cities and towns all across America.

In response to continuing problems, a system of "Director, Veterans Employment Services" was created with a Director in each state, who was a Federal employee. One of the problems from the outset was that there was inexact control at the state and local level as to the actual performance of the service delivery staff because all of the employees were state workers who although they were funded by Federal funding were not subject to direct Federal control or accountability. Some of these Directors were very good, while others were not so good. Frankly, the most effective state DVETs were the ones who brought outside political clout to their job that helped them ensure that the state employees at the local Job Service offices did the right thing for veterans. While they were all ostensibly civil servants, the selection process was (and still largely is) highly political. In many states the employment service was not responsive to the needs of Vietnam veterans.

Veteran Community Based Programs

The League of Cities/Conference of Mayors created a network of Community Based Organizations (CBO) in 1974–5 to attempt to deal with this problem in medium sized cities. Some of those, such as the Veterans Outreach Center in Rochester, New York, and the Rhode Island Veterans Assistance Center in Providence, RI, still exist. Other CBOs came into being because the need was great and Vietnam veterans stepped forward to organize and find funding sources to meet the need. Many of the CBOs who are providers of multiple services to homeless veterans and other very low income veterans came into existence this way. These include Swords to Plowshares in San Francisco, Vietnam Veterans of California (formerly Flower of the Dragon), and others. In fact, the community based model works very well to deal with the multiple barriers that many veterans face and must surmount in their quest to obtain and sustain meaningful employment at a living wage.

There were several other efforts to assist returning Vietnam veterans, including the National Alliance of Business (NAB) initiative for veterans using a good deal of Federal money, which had mixed results at best in terms of actually placing veterans, particularly disabled veterans and veterans with barriers to employment into jobs.

Creation of the DASVE Position at Labor

In 1976, Congress statutorily created the position of Deputy Assistant Secretary of Labor for Veterans Employment, in an effort to try and bring some cohesion and accountability to an employment service system that was clearly not working for veterans. Similarly, the Comprehensive Employment & Training Act (CETA) was problematic in regard to any of the funds going to programs to assist veterans. CETA had succeeded the Manpower Development Training Act (MDTA), which in turn had succeeded the Office of Employment Opportunity (OEO). These entities were created to make available cognitive and skill training funds, as well as funds for paying participants while they were being trained in public service jobs. An additional goal of these programs was to circumvent what was perceived as sexist and racist bias in some of the state employment service agencies. However, these entities in many states were not any more open to meeting the needs of Vietnam veterans than the employment services. In response, the Congress enacted what was known as Title II-D of CETA that could only be used for Vietnam veterans. Many states and sub-state entities returned these funds unused rather than let them be utilized for the intended use of assisting younger veterans with problems to surmount their difficulties and secure decent jobs with a future.

(The CETA system itself was replaced by the Job Training Partnership Act (JTPA) in 1982. Despite efforts by the veterans' service organizations, the author, who was then Senator Dan Quayle, refused to include any special provision for veterans.)

Creation of the DVOP Program

As the problems remained with the employment service agencies themselves, the Disabled Veteran Outreach Program (DVOP) was created in 1977 by administrative/Executive action, and was later enacted into law in 1979. The program was created largely as "political cover" for other actions then President Carter wanted to take, but also it was in response to the state employment services (now called workforce development agencies) testifying to Senator Cranston's Committee that they were not placing many Vietnam or disabled veterans because they "could not find them."

In 1981 the Employment & Training Administration (ETA) at the Department of Labor was still ignoring the problems of veterans in securing proper services and job referral and placement in many states, despite there now being a Deputy Assistant Secretary of Labor who was supposed to be able to focus attention of ETA and the U.S. Employment Service on the needs of veterans. Therefore, Senator Strom Thurmond, with the close cooperation of the Honorable G.V. "Sonny" Montgomery took steps to secure an additional modification in the law that created the post of Assistant Secretary of Labor for Veterans Employment & Training. It also established the Veterans Employment & Training Service (VETS) as an entity that is separate from the Employment & Training Administration. Theoretically, the Assistant Secretary for VETS and the Assistant Secretary for ETA are equals. The reality, particularly in the wake of WIA wiping out the legal requirement on the states for "priority of service" to veterans, and the fact that ETA has many Billions in comparison to the millions that VETS is allocated, and the dismantling of many of the accountability mechanisms that had existed prior to WIA and the advent of the One Stops all have contributed to the diminishment of the ASVET and the ascendancy of the Assistant Secretary for Employment & Training.

Enhancements and additional provisions were added to Chapter 41 of Title 38, United States Code almost every year during the eighties and nineties to try and get the State employment services to consistently, in each state, accord proper treatment and services to veterans, particularly disabled veterans.

NVTI

The most important of these enhancements was the creation and funding of the National Veterans Employment & Training Institute (NVTI), currently operated by the University of Colorado at Denver. The VSOs had been pushing hard for this move, as there was little or no substantive training for DVOPs, LVERs, and others within the system, and no place to get such quality training that would improve performance. Creation of NVTI and its utilization had more positive impact than any other step taken during this period. NVTI training remains first rate, and for those who use it, the NVTI Resource Center is just extraordinary.

Passage of WIA

In 1998 the Congress passed the Workforce Investment Act (WIA) that replaced the JTPA as well as most of the Wagner-Peyser Act. WIA was designed to promote, if indeed not force, the creation of the "One Stop Centers" at the service delivery level where all of the workforce development funds and programs, both public and some private, could be found at one central location. Much of the thought and philosophy that drove the various provisions of WIA came directly from GAO reports that were principally the work of Mr. Sigurd R. Nilsen, who was also the leader of the team that performed the work on report, GAO–06–176, "Veterans' Employment and Training Service: Labor Actions Needed to Improve Accountability and Help States Implement Reforms to Veterans' Employment Services." (December 30, 2005)

The primary idea behind the One Stop centers that Mr. Nilsen has been promoting for almost 20 years is that if we just eliminate all of the fetters regarding "special programs" we will eliminate duplicative services, and be able to have more than enough resources to provide better services to all sub-sets of the population. VVA doubts that this is the case in general, and we are absolutely certain, based on much hard evidence, that it certainly is not true for veterans, particularly disabled veterans and other veterans with who require significant assistance. VVA notes that despite the best efforts of the late Senator Strom Thurmond, the amendment he attempted to insert into the WIA bill that would have preserved "priority of service" for veterans, and which contained at least some provisions that would promote accountability, was brushed aside in the rush to eliminate all fetters. With Senator Thurmond's help, we were able to fend off efforts to lift all restrictions in how LVERs and DVOPs could be used by the states.

By 1998 it was clear that "prescriptive" and "proscriptive" solutions would simply not work, for all of the reasons noted above. An extraordinary series of roundtables and semi-formal sessions were held on the other side of the Hill, but with at least some staff participation from this Committee, with all stake holders to try and achieve a results based model that would focus on outcomes, and not on activities that may or may not help a veteran get or keep a job. That legislation would have rewarded real performance with additional funds, but it was ultimately stymied in September of 2000 by the inappropriate lobbying activities of the then Assistant Secretary of Labor for Veterans Employment and Training. His activities were so beyond the pale that a strong bipartisan demand was sent to then Secretary of Labor Alexis Herman demanding that he be fired.

I have attached a copy of the final legislative proposal (H.R. 4765) as an appendix to this statement, as much of that bill is worth re-visiting if we are ever to have a viable system for assisting veterans, particularly disabled veterans, with employment at the Department of Labor.

As VVA testified regarding HR 4765 at the time (2000):

The DVOP and LVER programs operate at the state level through federal grants from VETS. For far too long, VVA has observed a significant disparity in the levels of performance between the varying states. Some states, such as South Carolina, do a great job. Others do not perform as well, and some might appear not to care whether they do a good job or not.

VVA believes that a system of ***rewards and sanctions*** *is necessary to ensure that all states effectively and appropriately use these federal grants, and that the DVOP and LVER programs achieve maximum results.*

Section 3 requires a performance accountability system to be implemented by September 30, 2001, to "measure the performance of the States, political subdivisions of States, regions, and individuals providing veterans' employment and training services." This system will be implemented in a fair manner, and will take into account such factors as the prevailing economic conditions in a state, and will use a "weight-

ed" job placement system that gives credit to DVOPs and LVERs for placing severely disabled veterans into jobs, as well as other veterans with significant barriers to employment. VVA looks forward to the Demonstration Program, effective October 1, 2001 that will develop and implement this system.

Inherent in this "demonstration program" is a system of rewards and punishment. Each state shall submit a five-year strategic plan to the Secretary of Labor, defining how they intend to render services to veterans. Each state will be subject to an annual review by DOL. We firmly believe that the Annual Incentive Grants will be a necessary component of the demonstration program. These grants will be administered based on a state's performance. States that meet minimal performance standards are guaranteed to receive 100% of the annual base DVOP/LVER funding. The incentive grants will be reserved for those states that perform above and beyond the minimum standards.

Section 3 also provides for a limited number of pilot programs for states to contract out veterans employment services for a specified "labor market area." Applicants will be solicited through a competitive process, and all entities awarded such contracts will be held to the same performance and results related measures and incentives as the states. VVA eagerly awaits the implementation of this competitive process, as well as the entire Demonstration Program. In some instances, it is the community-based organizations that can most effectively and efficiently deliver effective assistance to veterans most in need. Furthermore, VVA applauds section 3 for mandating that a State must hold administrative overhead costs to 20 percent.

Jobs for Veterans Act

The Jobs for Veterans Act was passed in response to problems with properly serving returning servicemembers, and in response to the call of VSOs to take steps to restore "priority of service," but to do so to ALL programs funded by or through the Department of Labor, reflecting a much changed reality from the situation in 1933. To some degree, the model was the "Veterans Bill of Rights for Employment Services" which was propagated as an Executive Order in 1988 in New York, and subsequently codified as Chapter 554 of New York State law. The problem with both the JVA and the New York law is that there are no sanctions for ignoring the law. Frankly, money needs to go to those doing a good job, and less to those who do not do a good job.

Please let me note that I cannot emphasize too much that nothing in this statement should be taken as a criticism of DVOPs and LVERs. Some of the finest and most dedicated veterans' advocates (and finest people, period) I have ever had the pleasure and honor of knowing are DVOPs or LVERs. These folks are eclectic, as any large group would be, and some are more skilled and effective than others. However, as a group, I am always impressed by these fine Americans who do often do great work, no matter what they have to do to accomplish the mission, and no matter how much they may be punished for trying to do their job correctly, and despite how poorly they are paid in some states.

Just as there are many individual veteran staff who are doing a great job, there are some states, like South Carolina, North Carolina, South Dakota, North Dakota, and others who have always done a great job for veterans because it is ingrained in their corporate culture by consistently having fine state leadership that is committed to veterans over a long period of time. There are also individual office managers who fully support services to veterans, and who go out of their way to support the DVOPs and LVERs in their area, as well as using other resources to help get the job done.

GAO Report 06–176 had some severe methoDOLogical faults, and therefore draws conclusions based on suspect information. VVA points out that GAO sent out questionnaires to the DVETS and to the Administrators of each of the Workforce Development Agencies, after verifying the instrument. However, they made no attempt to verify any of the information provided. Therefore, their conclusion that the JVA had generally improved services to veterans by the end of 2005 is based on nothing that could be considered rational, substantiated data. Frankly, much of the so-called "data" was merely self justificatory comments. This was, and still is, just silliness.

Similarly, the 2006 GAO report notes that a veteran can receive services from a non-DVOP or non-LVER if they are considered job ready. VVA agrees that this should be the case, given that "priority of service" has been re-established as the law. However, there are so few what is called "Wagner-Peyser" staff left out there, in many instances all veterans are sent to the veteran's staff.

The system is actually even more "broken" today than it was before the passage of the Jobs for Veterans Act in 2002, with even more financial and operational problems. It is still not performance and results oriented in any meaningful way, nor is it meeting the needs of veterans in need of the services it ostensibly provides.

The current measure of "placements" is intellectually dishonest, and a preposterous example of the "post hoc, ergo proper hoc" logical fallacy. Service disabled veterans, particularly those coming home from today's wars, and veterans with significant barriers to employment are even more short-changed today than they were in 2002. VVA urges you to take corrective action now to save the good, but to un-do the damage done by JVA, particularly eliminate part-time positions for DVOPs and sharply limit the number of half-time LVERs. Frankly, if the equivalent of one day a week is actually spent strictly on veterans by these part-timers in some offices it is a lot. Further, the power of the DVETs and their budgets (especially for travel to service delivery sites) need to be restored to the equivalent FTEE level and an amount for travel today that would be equivalent to FY2000.

Part of the issue of the failure of the JVA can be laid squarely at the foot of the current leadership of DOL. The Secretary of Labor put the Assistant Secretary of Labor for ETA in charge of implementing the Jobs for Veterans Act. Given the history of ETA, it should come as no surprise that they are continuing to be derelict in regard to promulgation of regulations implementing the all aspects of the law, particularly the sections having to do with increased accountability. Because the local entities under the WIA set up are primarily controlled by former JTPA entities, who never had any "priority of service" in their programs before, it is the view of VVA that without regulations there is not even a chance of proper and accountable implementation.

Challenges? Accountability Provisions Are Not Implemented

Similarly, the December, 2005 report notes in very large type, "Most JVA Provisions Have Been Carried Out, but not without some Challenges." In fact, ETA and U.S. DOL only implemented the aspects of JVA that reduce oversight and provide greater "flexibility" (e.g., only one on site inspection every five years, new and more general job duties for veterans staff. Some would maintain that this is license to break the law, and not "flexibility.")), while NONE of the provisions that accord veterans "priority of service," improve states accountability for increasing veterans' employment in their state, or even having a plan to make a plan as to how to gather data to monitor what is happening to veterans in a given state. The report does note that 21 states did not have ANY data available more than three years after enactment of JVA, but considers that one of the "some challenges" remaining.

In fact the Department of Labor has moved on all of the provisions that the Workforce Development Agencies wanted, and none of those that those entities did not want in the JVA (but that the VSOs argued hard to include). This should perhaps not be surprising, as there was extensive contact between the Assistant Secretary for ETA and the representatives of those agencies and virtually no contact with the veterans' service organizations.

"Disabled Veterans Employment: *Additional Planning, Monitoring, and Data Collection Efforts Would Improve Assistance"* Report: GAO–07–1020

The report noted above, issued in September 2007 by the General Accountability Office (GAO), focuses on coordination of services between the Vocational Rehabilitation Service at the Department of Veterans Affairs (VA) and the Veterans Employment & Training Service (VETS) at Department of Labor regarding the delivery of services to disabled veterans. What the GAO found was that the Memorandum of Agreement (MOA) between DOL and VA, as vague as it is, was not even being implemented in full. The GAO recommended that a comprehensive, and specific, plan be developed that has long term, as well as short term goals, and benchmarks at every point along the way. There are other recommendations of this GAO report that are well thought out and that VVA would generally endorse.

The most glaring omission in the recent GAO report is that there is no discussion that VETS has very little impact on the behavior of the staff of the state workforce development agency beyond moral suasion and the individual commitment of state officials who run those state agencies and the local one-stop centers.

Further, letting VA now start to use the same specious system of measuring success by checking wage unemployment insurance data files against their participant files is further compounding a terrible problem of dishonesty that Labor is propagating by involving VA in their shenanigans. The current measure of comparing the VETS data base to the reports of wage UI data only measures the individual ingenuity of veterans and the general unemployment vs. employment climate of a given area, not the performance of state workforce development agency staff, whether DVOP, LVER, or other staff to assist people in securing employment.

What Is Needed Now

First and foremost, we need a true national strategy to deal properly with the returning service members. The Employer's Committee, which was touted as the

President's plan, was simply inadequate in concept. It is time for a National Veterans Employment Conference, to assemble the key players and produce a plan that is funded and backed by the Administration as well as this body. (The last truly national veterans' employment conference was held in Buffalo, New York in May, 1991.)

Further, what is needed today is a system that focuses on placement (real placements, not the dishonest nonsense that Labor is currently using) of the highest priority veterans, who are special disabled veterans (especially catastrophically disabled veterans), recently separated veterans and recently de-mobilized members of the National Guard and Reserve, and on veterans who are homeless or "at risk."

We must move to a system that has additional monetary rewards for placements and strong measurable results for veterans, particularly disabled veterans, as opposed to just putting out the same amount of funds whether a state does a good job or a poor job. The entire system be placed on a system of money rewards following performance

We must get away from the notion that this is a "cheap" process, and focus on quality placements for those most in need. The veterans' staff members need to be unleashed from the yoke of the local office managers who in some cases hold them back. As with their agency, they too must be held accountable for measurable performance. The state work force development agencies at the state and local level should have first bid on the funds available, but if the performance is not there then state Directors for U.S. DOL, VETS should be free to contract with other public or private entities that will get the job done.

VVA encourages you to follow up on the GAO Report 05–167, which was requested by Lane Evans, and which found two years ago that there was inadequate coordination between DOD and VA in regard to all aspects of care for seriously disabled returning veterans, but particularly with regard to VA Vocational Rehabilitation. The third player in that mix is clearly the VETS, and it would be fruitful for the Committee to discover whether all of the recommendations of that report have implemented, and how that coordination affects the VA/DOL relationship. VVA would suggest that the Committee take steps to verify any quick answers you receive from DOD or VA regarding these recommendations.

The ASVET has a great concept in the "Disabled Veteran Lifeline Program." The concept is so good that it is worth doing right by authorizing legislation and proper appropriations to fund at least two placement/vocational counselors at every military hospital (perhaps more at Walter Reed Army Medical Center, Brooke Army Hospital, and other facilities with large census of returning wounded veterans.) This program needs to be done right, with Federal staff or contract so that there is clear accountability and quality control. As we are speaking of 50 to 60 FTEE, and the payoff is so potentially great, this is a very inexpensive program.

We must insist on real collaboration and cooperation between DOL–VETS and VA, to include both VA Voc Rehab and the Readjustment Counseling Service (VET Centers) at both the national as well as the state/local level. This written comprehensive plan of action, as recommended by GAO, must be specific, be able to be measured, and have a mechanism for managers to be held accountable for actual improvements in performance.

Further, there must be all out resistance and rejection of the ill-conceived and cynical "WIA–Plus" efforts that surfaced in the last Congress to use veteran program DOLlars for other purposes.

If the states were going to pay attention to the special needs of veterans without continuous careful monitoring and tightly written veteran specific grants, with repercussions for non-compliance, then they would have already done it. (Most states have not.)

The VETS must be restored to the staffing (FTEE) level of at least FY 2000, and their travel budget increased so that every service delivery point can be visited with an on-site visit at least once per year.

Additionally, we need additional employer incentives similar to the veterans' job training act of the early eighties and the successor SMOCTA program that worked so well as a marketing tool for DVOPs and LVERs in the period 1988 to roughly 1991.

As was pointed out last week, there is a significant need for statute changes to provide further latitude in the Montgomery GI Bill that will allow more focus on vocational and apprentice training as well as entrepreneurial training in the formats that adults learn today.

And most importantly, there simply must be a viable national strategy developed to deal with the returning servicemembers from the Global War on Terrorism.

More than one and a half million service members have already rotated through Iraq alone, many of them two or three times. If the Administration will not move

to fashion such a results oriented plan, then we call on you, Madame Chairwoman, and your colleagues on both sides of the aisle and both sides of Capitol Hill, to reach out and call a convocation of public and private entities to put together a real action plan to make a difference, as was done after World War II.

I have here two books that describe what was done at the local level in the majority of American cities that fashioned such results focused efforts after that war, and made a positive difference in the lives of the majority of veterans returning home. One is *The New Veteran,* by Charles G. Bolte 1945, Reynal & Hitchcock, New York; and, the other one is *The Veteran Comes Back,* by Willard Waller, 1944, The Dryden Press, New York. These books describe a community model that was implemented in the majority of big cities as well as small cities and large towns by the end 1945, modeled on what was apparently first done in Bridgeport, Connecticut.

Perhaps what is needed is a "back to the future" scenario where ***Veterans one-stop centers*** are established across the country, with community resources, private resources, and state resources as well as Federal resources focused on the employment needs and elimination of barriers to meaningful employment that each veteran may have.

We must think anew, and then act swiftly, in order not to fail the brave young men and women defending us in military service today, and those who are still recuperating from their wounds who are already home.

Madame Chairwoman, on behalf of all of us at VVA, I thank you and your distinguished colleagues for the opportunity to present our views here today. We would be pleased to answer any questions.

I

106TH CONGRESS
2D SESSION

H. R. 4765

To amend title 38, United States Code, to improve employment and training services provided to veterans and disabled veterans by requiring the use of measurable performance outcomes in an era of electronic-based self services and one-stop career service centers.

IN THE HOUSE OF REPRESENTATIVES

JUNE 27, 2000

Mr. QUINN (for himself, Mr. FILNER, Mr. STUMP, and Mr. EVANS) introduced the following bill; which was referred to the Committee on Veterans' Affairs

---

A BILL

To amend title 38, United States Code, to improve employment and training services provided to veterans and disabled veterans by requiring the use of measurable performance outcomes in an era of electronic-based self services and one-stop career service centers.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS; REFERENCES TO TITLE 38, UNITED STATES CODE.

(a) SHORT TITLE.—This Act may be cited as the "21st Century Veterans Employment and Training Act".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents; references to title 38, United States Code.
Sec. 2. Priority of service for veterans in Federal employment and training programs.
Sec. 3. Modernization of veterans employment and training services.
Sec. 4. Committee to raise employer awareness of skills of veterans and benefits of hiring veterans.
Sec. 5. Sense of Congress commending veterans service organizations.
Sec. 6. Study on economic benefits to the United States of long-term sustained employment of veterans.

(c) REFERENCES TO TITLE 38, UNITED STATES CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

SEC. 2. PRIORITY OF SERVICE FOR VETERANS IN FEDERAL EMPLOYMENT AND TRAINING PROGRAMS.

(a) VETERANS' EMPLOYMENT AND TRAINING ASSISTANCE.—

(1) IN GENERAL.—Chapter 42 is amended by adding at the end the following new section:

"§ 4215. Priority of service for veterans in Federal employment and training programs

"(a) ENTITLEMENT TO PRIORITY OF SERVICE.—A covered person is entitled to priority of service under any qualified employment training program if the person otherwise meets the eligibility requirements for participation in such program.

"(b) ADMINISTRATION OF PROGRAMS AT STATE AND LOCAL LEVELS.—(1) An entity of a State or a political subdivision of the State that administers or delivers services under a qualified employment training program shall—

"(A) provide information and effective referral assistance to covered persons regarding benefits and services that may be obtained through other entities or service providers; and

"(B) ensure that each covered person who applies to or who is assisted by such a program is informed of the employment-related rights and benefits to which the person is entitled under this section.

"(2) Each council, board, or advisory body of a State or a political subdivision of the State that is established in support of a qualified employment training program shall include representation from the veterans community, particularly from veterans service organizations.

"(c) ANNUAL REPORT.—By not later than December 31, 2001, and each December 31 thereafter, the Secretary of Labor, following review and comment by the Advisory Committee on Veterans Employment and Training, shall submit to the Committees on Veterans' Affairs of the House of Representatives and Senate a report. The report

shall evaluate whether covered persons are receiving priority of service and are being fully served by qualified employment training programs, and whether the levels of service of such programs are in proportion to the incidence of representation of veterans in the labor market, including within groups targeted by such programs, if any.

"(d) DEFINITIONS.—As used in this section:

"(1) The term 'covered person' means any of the following individuals:

"(A) A veteran who has a service-connected disability.

"(B) A veteran who served on active duty in the Armed Forces during a war or in a campaign or expedition for which a campaign badge has been authorized.

"(C) The spouse of any of the following persons:

"(i) Any person who died of a service-connected disability.

"(ii) Any member of the Armed Forces serving on active duty who, at the time of application for assistance under this section, is listed, pursuant to section 556 of title 37 and regulations issued thereunder, by the Secretary concerned in

one or more of the following categories and has been so listed for a total of more than 90 days: (I) missing in action, (II) captured in line of duty by a hostile force, or (III) forcibly detained or interned in line of duty by a foreign government or power.

"(iii) Any person who has a total disability permanent in nature resulting from a service-connected disability.

"(iv) A veteran who died while a disability so evaluated was in existence.

"(2) The term 'qualified employment training program' means any work force preparation, development, or delivery program or service that receives federal funding, and includes the following:

"(A) Any such program or service that uses technology to assist individuals to access work force development programs (such as job and training opportunities, labor market information, career assessment tools, and related support services).

"(B) Any such program or service under the public employment service system, one-stop career centers, the Workforce Investment Act of 1998, a demonstration or other temporary pro-

gram, and those programs implemented by States or local service providers based on Federal block grants.

"(C) Any such program or service that is a work force development program targeted to specific groups.

"(3) The term 'priority of service' means, with respect to any qualified employment training program, that a covered veteran shall be given priority over nonveterans of the employment and training services provided under that program notwithstanding any priority list, directive, rule, regulation, or other order from any Department or agency of the United States.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 42 is amended by inserting after the item relating to section 4214 the following new item:

"4215. Priority of service for veterans in Federal employment and training programs.".

(b) EMPLOYMENT OF VETERANS WITH RESPECT TO FEDERAL CONTRACTS.—

(1) IN GENERAL.—Section 4212(a) is amended to read as follows:

"(a)(1) Any contract in the amount of $25,000 or more entered into by any department or agency of the

United States for the procurement of personal property and nonpersonal services (including construction) for the United States, shall contain a provision requiring that the party contracting with the United States take affirmative action to employ and advance in employment qualified covered veterans. This section applies to any subcontract entered into by a prime contractor in carrying out any such contract.

"(2) In addition to requiring affirmative action to employ such qualified covered veterans under such contracts and subcontracts and in order to promote the implementation of such requirement, the Secretary of Labor shall prescribe regulations requiring that—

"(A) each such contractor undertake in each such contract to list all of its employment openings immediately with the appropriate employment service delivery system (as defined in section 4101(7) of this title), including local employment service offices, one-stop career centers under the Workforce Investment Act of 1998, other appropriate service delivery points, or America's Job Bank (or any additional or subsequent national computerized job bank established by the Department of Labor), except that the contractor may exclude openings for positions which

are to be filled from within the contractor's organization and positions lasting three days or less;

"(B) each such employment service delivery system shall give such qualified covered veterans priority in referral to such employment openings; and

"(C) each such employment service delivery system shall provide a list of such employment openings to private entities or organizations under contract with the Secretary under section 4103(e) of this title, and to States, political subdivisions of States, or qualified organizations or entities competing under section 4103(d)(5) of this title to furnish employment and training services under this chapter.

"(3) As used in this section:

"(A) The term 'covered veteran' means any of the following veterans:

"(i) Disabled veterans.

"(ii) Veterans who served on active duty in the Armed Forces during a war or in a campaign or expedition for which a campaign badge has been authorized.

"(iii) Veterans who, while serving on active duty in the Armed Forces, participated in a United States military operation for which an Armed Forces service medal was awarded pur-

suant to Executive Order 12985 (61 Fed. Reg. 1209).

"(B) The term 'qualified', with respect to an employment position, means having the ability to perform the essential functions of the position with reasonable accommodation.".

(2) CONFORMING AND TECHNICAL AMENDMENTS.—Section 4212 is amended—

(A) by striking subsection (b) and redesignating subsections (c) and (d) as subsections (b) and (c), respectively;

(B) in subsection (b), as so redesignated—

(i) by striking "filed pursuant to subsection (b) of this section" and inserting "relating to this section filed pursuant to section 4216 of this title";

(ii) by striking "suitable"; and

(iii) by striking "subsection (a)(2) of this section" and inserting "subsection (a)(2)(B)"; and

(C)(i) in paragraph (1) of subsection (c), as so redesignated—

(I) in the matter preceding subparagraph (A), by striking "subsection (a) of

this section'' and inserting ''subsection (a)''; and

(II) by amending subparagraphs (A) and (B) to read as follows:

''(A) the number of employees in the work force of such contractor, by job category and hiring location, and the number of such employees, by job category and hiring location, who are qualified covered veterans;

''(B) the total number of new employees hired by the contractor during the period covered by the report and the number of such employees who are qualified covered veterans; and''; and

(ii) in paragraph (2) of such subsection, by striking ''paragraph (1) of this subsection'' and inserting ''paragraph (1)''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to contracts entered into on or after the date that is 60 days after the date of the enactment of this Act.

(c) EMPLOYMENT WITHIN THE FEDERAL GOVERNMENT.—

(1) IN GENERAL.—The second sentence of section 4214(a) is amended—

(A) by inserting ", competent" after "effective"; and

(B) by striking "major" and inserting "uniquely qualified".

(2) TECHNICAL AMENDMENTS.—(A) Section 4214(b)(1) is amended by striking "readjustment" and inserting "recruitment".

(B) Section 4214(g) is amended by striking "qualified" the first place it occurs and all that follows through "era" and inserting "qualified covered veterans (as described in section 4212(a) of this title)".

(d) ENFORCEMENT OF VETERANS' EMPLOYMENT RIGHTS AND BENEFITS.—

(1) IN GENERAL.—Chapter 42 as amended by subsection (a)(1), is further amended by adding at the end the following new section:

"§ 4216. Enforcement of veterans' employment rights and benefits

"(a) ASSISTANCE OF SECRETARY OF LABOR.—The Secretary of Labor (through the Assistant Secretary of Labor for Veterans' Employment and Training) shall provide assistance to any person or entity with respect to the requirements of sections 4212 (relating to United States

contracts) and 4215 (relating to federally funded work force programs and services) of this title.

"(b) COMPLAINT.—(1) An individual described in section 4212(a) or in section 4215(a) of this title may file a complaint with the Secretary of Labor if the individual believes that—

"(A) the individual is entitled to rights or benefits under section 4212 or 4215; and

"(B) an entity with obligations under either of such sections has failed to comply or refuses to comply with the provisions of such sections.

"(2) Such complaint shall be in writing, be in such form as the Secretary of Labor may prescribe, include the name and address of the party against whom the complaint is filed, and contain a summary of the allegations that form the basis for the complaint.

"(3) A complaint may only be filed under paragraph (1) within 90 days after the date of a failure or refusal described in paragraph (1)(B).

"(c) INVESTIGATION OF COMPLAINT.—(1) The Secretary of Labor shall promptly investigate the complaint filed under subsection (b). If the Secretary of Labor determines as a result of the investigation that the action alleged in such complaint occurred, that Secretary shall attempt to resolve the complaint by making reasonable ef-

1 forts to ensure that the party named in the complaint
2 complies with the provisions of section 4212 or 4215, as
3 appropriate.

4 "(2) If, within 90 days after the date on which the
5 complaint is filed, the efforts to resolve the complaint are
6 unsuccessful, the Secretary of Labor shall notify the indi-
7 vidual who submitted the complaint of—

8 "(A) the results of the investigation; and

9 "(B) the individual's rights.

10 "(d) ACTION FOR RELIEF.—(1) An individual who
11 receives from the Secretary of Labor a notification under
12 subsection (c) relating to a complaint may request that
13 Secretary to refer the complaint to the Attorney General
14 of the United States. If the Attorney General is reasonably
15 satisfied that the person on whose behalf the complaint
16 is referred is entitled to the rights or benefits sought, the
17 Attorney General may appear on behalf of, and act as at-
18 torney for, the person on whose behalf the complaint is
19 submitted and commence an action for relief for such per-
20 son in any United States district court.

21 "(2) An individual may commence an action for relief
22 with respect to a complaint if that individual—

23 "(A) has chosen not to file a complaint under
24 subsection (b);

"(B) has chosen not to request that the Secretary of Labor refer the complaint to the Attorney General under paragraph (1); or

"(C) has been refused representation by the Attorney General with respect to the complaint under such paragraph.

"(e) REMEDIES.—(1) In any action under this section, the court may award relief as follows:

"(A) The court may require the entity to comply with the provisions of section 4212 or 4215 of this title, as appropriate.

"(B) The court may require the entity to compensate the individual for any loss of wages or benefits suffered by reason of such entity's failure to comply with the such provisions.

"(C) The court may require the entity to pay the individual an amount equal to the amount referred to in clause (ii) as liquidated damages, if the court determines that the entity's failure to comply with the provisions of such section was willful.

"(2) Any compensation under subparagraph (B) or (C) of paragraph (1) shall be in addition to, and shall not diminish, any of the other rights and benefits provided for in such section.

1 "(3) The United States and a State shall be subject
2 to the same remedies, including prejudgment interest, as
3 may be imposed upon any private entity under this sec-
4 tion.

5 "(f) FEES.—In any action or proceeding to enforce
6 a provision of section 4212 or 4215 of this title by an
7 individual under subsection (d)(2) who obtained private
8 counsel for such action or proceeding, the court may
9 award any such individual who prevails in such action or
10 proceeding reasonable attorney fees, expert witness fees,
11 and other litigation expenses.

12 "(g) EQUITY POWERS.—The court may use its full
13 equity powers, including temporary or permanent injunc-
14 tions, temporary restraining orders, and contempt orders,
15 to vindicate fully the rights or benefits of individuals pur-
16 suant to this section.

17 "(h) STANDING.—An action under this section may
18 be initiated only by an individual claiming rights or bene-
19 fits under section 4212 or 4215 of this title, not by any
20 other entity with obligations under such section.

21 "(i) RESPONDENT.—In any such action, only an enti-
22 ty with obligations under section 4212 or 4215, as the
23 case may be, shall be a necessary party respondent.

"(j) INAPPLICABILITY OF STATE STATUTE OF LIMITATIONS.—No State statute of limitations shall apply to any proceeding pursuant to this section.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 42, as amended by subsection (a)(2), is further amended by inserting after the item relating to section 4215 the following new item:

"4216. Enforcement of veterans' employment rights and benefits.".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to complaints filed on or after the date that is 60 days after the date of the enactment of this Act.

(e) ADDITIONAL PERSONNEL.—The Secretary of Labor is authorized to allocate an additional 10 full-time equivalent positions from the Employment and Training Administration to the Veterans' Employment and Training Service to carry out chapter 42 of title 38, United States Code, as amended by this Act.

SEC. 3. MODERNIZATION OF VETERANS EMPLOYMENT AND TRAINING SERVICES.

(a) DEMONSTRATION PROGRAM TO MODERNIZE EMPLOYMENT, TRAINING, AND PLACEMENT SERVICES.—

(1) IN GENERAL.—Chapter 41 is amended by adding at the end the following new section:

"§ 4112. Demonstration program to modernize veterans employment, training, and placement services

"(a) ESTABLISHMENT OF 5-YEAR DEMONSTRATION PROGRAM.—(1) During the five-fiscal-year period beginning fiscal year 2002, the Secretary shall carry out the provisions of this chapter under the demonstration program established under this section to improve and modernize employment, training, and placement services under this chapter. The Secretary shall carry out the demonstration project through the Assistant Secretary of Labor for Veterans' Employment and Training.

"(2) Sums authorized to be appropriated to carry out this chapter under section 4106 of this title shall, for such five-fiscal-year period, be made available only to carry out the demonstration program under this section. In no case may the aggregate amount of funds made available to the Secretary under subsections (a) though (d) of section 4106 of this title for fiscal year 2001 and each succeeding fiscal year be less than the sum of—

"(A) such aggregate amount made available to the Secretary for fiscal year 2000, and

"(B) amounts that, by reason of law or regulation, are attributable to the increases in salaries of individuals providing employment and training serv-

ices under such chapters from fiscal year 2000 up to the fiscal year involved.

"(3)(A) The Secretary shall establish a panel within the Advisory Committee on Veterans Employment and Training under section 4110 of this title comprised of State public employment service officials, including disabled veterans' outreach program specialists and local veterans' employment representatives. Such officials shall advise the Secretary on the development and implementation of the demonstration program under this section with respect to matters arising under the program at local delivery points in the employment service delivery system.

"(B) Representation on the panel of State public employment service officials shall consist of 7 members appointed from among disabled veterans' outreach program specialists, local veterans' employment representatives, State employment service agencies, and other officials that the Secretary determines to be appropriate.

"(b) ESTABLISHMENT OF PERFORMANCE STANDARDS AND OUTCOMES MEASURES.—(1) By not later than September 30, 2001, the Assistant Secretary of Labor for Veterans' Employment and Training shall establish and implement a comprehensive performance accountability system to measure the performance of veterans employment and training staff (as defined in paragraph (3)) to

provide accountability of such staff to the Secretary for purposes of subsection (c), and to determine compliance by State public employment service agencies with the provisions of this chapter and chapter 42 of this title.

"(2) Such standards and measures shall—

"(A) be consistent with State performance measures applicable under section 136(b) of the Workforce Investment Act of 1998;

"(B) include the core indicators of performance described in subclauses (I) through (III) of section 136(b)(2)(A)(i) of that Act; and

"(C) be appropriately weighted to provide special consideration for placement of (i) veterans with barriers to employment, such as special disabled veterans, and disabled veterans, and (ii) veterans who enroll in readjustment counseling under section 1712A of this title.

"(3) In this section, the term 'veterans employment and training staff' means an individual providing services required under this chapter who is an employee of a State, a political subdivision of a State, in a region, of the Veterans' Employment and Training Service, or an individual under a contract to provide those services.

"(c) GRANT PROGRAMS.—Under the demonstration program, the Secretary shall make grants to States as follows:

"(1)(A) From the applicable percentage (described in subparagraph (C)) of the aggregate amount of sums appropriated under subsection (a)(2) for a fiscal year, the Secretary shall make grants to States to provide veterans employment, training, and placement programs and services through employment service delivery systems in the State. Such grants shall include sums for the reasonable expenses of individuals providing such services for training, travel, supplies, and costs of attendance at the National Veterans' Employment and Training Services Institute established under section 4109 of this title. A grant under this paragraph is hereinafter in this section referred to as a 'base grant'.

"(B) The Secretary shall determine the amount of the base grant to a State based on (i) the funding requirements for veterans employment, training, and placement services demonstrated by the State on the application submitted under subsection (d), and (ii) the amount of funds made available to the State

under section 4102A(b) to the State in years preceding the demonstration program.

"(C) The applicable percentage referred to in subparagraph (A) is—

"(i) for fiscal year 2002, 95 percent,

"(ii) for fiscal year 2003, 92.5 percent, and

"(iii) for each of fiscal years 2004 through 2006, 90 percent.

"(2)(A) For each fiscal year under the demonstration program, from amounts remaining in the aggregate amount of sums appropriated under subsection (a)(2) after the application of paragraph (1), the Secretary shall make grants to a State, political subdivisions of the State, or qualified organizations or entities to enter into contracts with the Secretary to carry out employment, training, and placement services. A grant under this paragraph is hereinafter in this section referred to as an 'incentive grant'.

"(B)(i) The amount of a incentive grant made under subparagraph (A) shall be determined by the Secretary based on the measures of performance under subsection (b) of employment, training, and placement services furnished in each State. An incentive grant may only be made to a State that the

1 Secretary determines has met a minimum standard
2 of performance (established by the Secretary) under
3 such measures.

4 "(ii) Subject to clause (iii), in determining the
5 amount of an incentive grant to a State, the Sec-
6 retary shall (I) provide greater sums to those States
7 which the Secretary determines furnished, during
8 the preceding fiscal year, the highest quality employ-
9 ment, training, and placement services based on
10 measures of performance, and (II) consider factors
11 such as prevailing economic and unemployment con-
12 ditions that affect performance of individuals pro-
13 viding employment, training, and placement services
14 in the State.

15 "(iii) In no case may the amount of an incen-
16 tive grant under this paragraph be less than the dif-
17 ference between the amount of a State's base grant
18 as calculated in accordance with paragraph (1)(C)
19 and the amount of the State's base grant as would
20 be calculated without regard to that paragraph.

21 "(C) In addition to amounts authorized to be
22 appropriated to carry out this chapter, there are au-
23 thorized to be appropriated annually to the Sec-
24 retary $10,000,000 to make incentive grants under
25 this paragraph.

1 "(d) APPLICATION.—(1) A State shall prepare and
2 submit to the Secretary an application at such time, in
3 such manner, and containing such assurances and infor-
4 mation as the Secretary may require, including in the ap-
5 plication for fiscal year 2002 a proposal for a 5-year plan
6 that describes the manner in which the State shall furnish
7 employment, training, and placement services under the
8 demonstration program.

9 "(2)(A) Subject to subparagraphs (B) and (C), a
10 State may include in its application under paragraph (1)
11 for a base grant for a fiscal year a proposal to establish
12 within the State a pilot program under which the State
13 may enter into a contract with organizations or entities
14 to carry out employment, training, and placement services
15 within a designated labor market area of the State in that
16 fiscal year.

17 "(B) A proposal under subparagraph (A) shall in-
18 clude a description of the organization or entity, the num-
19 ber (if any) of qualified disabled veterans and qualified
20 veterans employed by the organization or entity, and pro-
21 posals (if any) to employ such veterans to provide employ-
22 ment, training, and placement services under the contract.

23 "(C)(i) A State may not submit more than three pro-
24 posals described in subparagraph (A).

"(ii) The Secretary may not approve proposals submitted by more than 10 States.

"(3) The Secretary shall approve an application submitted under this subsection that contains the assurances and information that the Secretary requires.

"(e) TERMS AND CONDITIONS OF GRANTS.—(1) The distribution and use of funds under a grant under subsection (c)—

"(A) shall be subject to such terms and conditions as the Secretary may establish,

"(B) shall be subject to the continuing supervision and monitoring of the Secretary, and

"(C) shall not be governed by the provisions of the Workforce Investment Act of 1998, the Wagner-Peyser Act, or any other law, or any regulations prescribed thereunder, that are inconsistent with this section.

"(2) Not more than 20 percent of the funds received by a State under a base grant in a fiscal year may be used for administrative purposes in providing the employment, training, and placement services required under this section.

"(3) Each base grant shall contain a provision requiring the recipient of the funds to comply with the provisions of this section.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 42 is amended by inserting after the item relating to section 4214 the following new item:

"4112. Demonstration program to modernize veterans employment, training, and placement services.".

(b) FLEXIBILITY IN STAFFING.—

(1) REPEAL.—Effective October 1, 2001, sections 4102A, 4103, 4103A, 4104, and 4104A are repealed.

(2) PROVISION OF FLEXIBILITY.—Chapter 41 is amended by inserting after section 4102 the following new section:

"§ 4103. Employment, training, and placement service personnel

"(a) ESTABLISHMENT OF POSITION OF ASSISTANT SECRETARY OF LABOR FOR VETERANS' EMPLOYMENT AND TRAINING.—(1) There is established within the Department of Labor an Assistant Secretary of Labor for Veterans' Employment and Training, appointed by the President by and with the advice and consent of the Senate, who shall formulate and implement all departmental policies and procedures to carry out (A) the purposes of this chapter, chapter 42, and chapter 43 of this title, and (B) all other Department of Labor employment, unemployment, and training programs to the extent they affect

1 veterans. The employees of the Department of Labor ad-
2 ministering chapter 43 of this title shall be administra-
3 tively and functionally responsible to the Assistant Sec-
4 retary of Labor for Veterans' Employment and Training.
5 "(2)(A) There shall be within the Department of
6 Labor a Deputy Assistant Secretary of Labor for Vet-
7 erans' Employment and Training. The Deputy Assistant
8 Secretary shall perform such functions as the Assistant
9 Secretary of Labor for Veterans' Employment and Train-
10 ing prescribes. The Deputy Assistant Secretary shall be
11 a veteran.
12 "(B) No individual may be appointed as a Deputy
13 Assistant Secretary of Labor for Veterans' Employment
14 and Training unless the individual has at least five years
15 of continuous service in the Federal civil service in the
16 executive branch immediately preceding appointment as
17 the Deputy Assistant Secretary. For purposes of deter-
18 mining such continuous service of an individual, there
19 shall be excluded any service by the individual in a
20 position—
21 "(i) of a confidential, policy-determining, policy-
22 making, or policy-advocating character;
23 "(ii) in which the individual served as a non-
24 career appointee in the Senior Executive Service, as

1 such term is defined in section 3132(a)(7) of title 5;
2 or
3 "(iii) to which the individual was appointed by
4 the President.
5 "(b) ADDITIONAL FEDERAL PERSONNEL.—(1) The
6 Secretary shall assign to each State a representative of
7 the Veterans' Employment and Training Service to serve
8 as the Director for Veterans' Employment and Training,
9 and shall assign full-time Federal clerical or other support
10 personnel to each such Director. Full-time Federal clerical
11 or other support personnel assigned to Directors for Vet-
12 erans' Employment and Training shall be appointed in ac-
13 cordance with the provisions of title 5 governing appoint-
14 ments in the competitive service and shall be paid in ac-
15 cordance with the provisions of chapter 51 and subchapter
16 III of chapter 53 of title 5.
17 "(2) The Secretary may also assign as supervisory
18 personnel such representatives of the Veterans' Employ-
19 ment and Training Service as the Secretary determines
20 appropriate to carry out the employment, training, and
21 placement services required under this chapter, including
22 Assistant Directors for Veterans' Employment and Train-
23 ing.
24 "(3) The Secretary shall assign to each region for
25 which the Secretary operates a regional office a represent-

ative of the Veterans' Employment and Training Service to serve as the Regional Administrator for Veterans' Employment and Training in such region. A person may not be assigned after October 9, 1996, as such a Regional Administrator unless the person is a veteran.

"(c) PREFERENCE FOR QUALIFIED VETERANS IN SUPERVISORY POSITIONS.—The Secretary shall, to the extent practicable, appoint qualified veterans as supervisory personnel.

"(d) AUTHORITY TO EMPLOY CERTAIN STATE EMPLOYMENT SERVICE OFFICIALS.—A State may employ such disabled veterans' outreach program specialists and local veterans' employment representatives as the State determines appropriate and efficient to carry out employment, training, and placement services under this chapter.

"(e) REQUIREMENT ON THE SECRETARY TO PROMPTLY ESTABLISH ONE-STOP EMPLOYMENT SERVICES.—By not later than 18 months after the date of the enactment of 21st Century Veterans Employment and Training Act, the Secretary shall provide one-stop services and assistance to eligible veterans and eligible persons under this chapter electronically by means of the Internet, as defined in section 231(e)(3) of the Communications Act of 1934, and such other electronic means as facilitates the delivery of such services and assistance.".

(2) CONFORMING AMENDMENTS.—(A) The last sentence of section 4106(a) is amended to read as follows: ''Each budget submission with respect to such funds shall include a separate listing of the amount for the National Veterans' Employment and Training Services Institute together with information demonstrating the compliance of such budget submission with the funding requirements specified in the preceding sentence.''.

(B) Section 4107(c)(2) is amended by striking ''under sections 4103A and 4104 of this title;'' and inserting ''under section 4103 of this title;''.

(C) Section 4107(c)(5) is amended by striking ''(including the need'' and all that follows through ''representatives)''.

(3) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 41 is amended—

(A) by striking the items relating to sections 4102A, 4103, 4103A, 4104, and 4104A, respectively, and

(B) by inserting after the item relating to section 4102 the following new item:

''4103. Employment, training, and placement services personnel.''.

(4) EFFECTIVE DATE.—The amendments made by this subsection take effect on December 1, 2000,

and shall apply to appointments made on or after that date.

(c) RULE OF CONSTRUCTION.—The repeals made by subsection (b) shall not be construed to—

(1) require the Secretary of Labor or a State to terminate personnel employed under those sections in effect on the date of the enactment of this Act,

(2) terminate job training intensive services and placement services furnished to veterans under chapter 41 of title 38, United States Code, and

(3) affect the aggregate amount of Federal funds made available to carry out that chapter.

(d) REPORT.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Labor shall submit to Congress a report containing the Secretary's recommendations with respect to the matters described in paragraph (2) in order to provide the best possible employment and training services to meet the needs of veterans in the 21st century, taking into consideration methods and delivery systems for job training intensive services and placement services in effect by reason of the Workforce Investment Act of 1998 and availability

of employment and training services through the Internet and other electronic means that facilitate the delivery of such services and assistance. The Secretary shall consult with State agencies as the Secretary determines appropriate in the preparation of the report.

(2) MATTERS DESCRIBED.—Recommendations of the Secretary with respect to the matters referred to in paragraph (1) include the following:

(A) Recommendations for revised duties of Directors and Assistant Directors for Veterans' Employment and Training established under section 4103 of title 38, United States Code.

(B) Recommendations for revised titles and duties of—

(i) disabled veterans' outreach program specialists established under section 4103A of such title, as in effect on the date of the enactment of this Act, and

(ii) local veterans' employment representatives established under section 4104 of such title, as in effect on such date.

(e) INCLUSION OF INTENSIVE SERVICES.—

(1) DEFINITION.—Section 4101 is amended by adding at the end the following new paragraph:

"(9) The term 'intensive services' means local employment and training services of the type described in section 134(d)(3) of the Workforce Investment Act of 1998.".

(2) CONFORMING AMENDMENTS.—(A) Section 4102 is amended by striking "job and job training counseling service program," and inserting "job and job training intensive services program,".

(B) Section 4106(a) is amended by striking "proper counseling" and inserting "proper intensive services".

(C) Section 4107(a) is amended by striking "employment counseling services" and inserting "intensive services".

(D) Section 4107(c)(1) is amended by striking "the number counseled" and inserting "the number who received intensive services".

(E) Section 4109(a) is amended by striking "counseling," each place it appears and inserting "intensive services".

(g) ADDITIONAL VETS DUTY TO IMPLEMENT TRANSITIONS TO CIVILIAN CAREERS.—Section 4102 is amended by striking the period in the last sentence and inserting "including programs carried out by the Veterans' Employment and Training Service to implement all efforts to ease

the transition of servicemembers to civilian careers that are consistent with, or an outgrowth of, the military experience of the servicemembers.''.

(h) MODERNIZATION OF EMPLOYMENT SERVICE DELIVERY POINTS TO INCLUDE TECHNOLOGICAL INNOVATIONS.—Section 4101(7) is amended to read as follows:

''(7) The term 'employment service delivery system' means a service delivery system at which or through which labor exchange services, including employment services, are offered in a manner consistent with the provision of such labor exchange services under the Workforce Investment Act of 1998.''.

(i) INCREASE IN ACCURACY OF REPORTING SERVICES FURNISHED TO VETERANS.—(1) Section 4107(c)(1) is amended by striking ''and eligible persons who registered for assistance with'' and inserting '', eligible persons, and servicemembers transitioning to civilian careers who registered for assistance with, or who are identified as veterans by,''.

(2) Section 4107(c)(2) is amended—

(A) by striking ''the job placement rate'' the first place it appears and inserting ''core indicators of performance (described in subsection (b)(1)''; and

(B) by striking ''the job placement rate'' the second place it appears and inserting ''such core indicators of performance''.

(3) Section 4107(c)(4) is amended by striking ''sections 4103A and 4104'' and inserting ''section 4212(d)''.

(4) Section 4107(c) is amended—

(A) by striking ''and'' at the end of paragraph (4);

(B) by striking the period at the end of paragraph (5) and inserting ''; and''; and

(C) by adding at the end the following new paragraph:

''(6) a report on the operation during the preceding program year of the financial incentives program for outstanding employment services under section 4112(c)(3) of this title, including an analysis of aggregate amount of incentives distributed to each State and the rationale for such distribution.''.

(5) Section 4107(b) is amended to read as follows:

''(b) Not later than December 1 of each year, the Secretary shall report to the Committees on Veterans' Affairs of the Senate and the House of Representatives on the performance of States and organizations and entities carrying out employment, training, and placement services under this chapter, as measured under subsection (b) of

section 4112 of this title. In the case of a State that the Secretary determines has not met the minimum standard of performance (established by the Secretary) to qualify for an incentive grant under subsection (c)(2) of such section, the Secretary shall include a complete analysis of the extent and reasons for the State's failure to meet that minimum standard, together with the State's plan for corrective action during the succeeding year.''.

SEC. 4. COMMITTEE TO RAISE EMPLOYER AWARENESS OF SKILLS OF VETERANS AND BENEFITS OF HIRING VETERANS.

(a) ESTABLISHMENT OF COMMITTEE.—There is established within the Department of Labor a committee to be known as the President's National Hire Veterans Committee (hereinafter in this section referred to as the ''Committee'').

(b) DUTIES.—The Committee shall establish and carry out a national program to do the following:

(1) To furnish information to employers with respect to the training and skills of veterans and disabled veterans, and the advantages afforded employers by hiring of veterans with such training and skills.

(2) To facilitate employment of veterans and disabled veterans through participation in America's

1 Career Kit national labor exchange, and other
2 means.
3 (c) MEMBERSHIP.—(1) The Secretary of Labor shall
4 appoint 12 individuals to serve as members of the Com-
5 mittee, of whom 9 shall be appointed from among rep-
6 resentatives nominated by organizations described in sub-
7 paragraph (A) and of whom 3 shall be appointed from
8 among representatives nominated by organizations de-
9 scribed in subparagraph (B).
10 (A) Organizations described in this subpara-
11 graph are the following:
12 (i) The Ad Council.
13 (ii) The National Committee for Employer
14 Support of the Guard and Reserve.
15 (iii) Veterans' service organizations that
16 have a national employment program.
17 (iv) State employment security agencies.
18 (v) State departments of veterans affairs.
19 (vi) Military service organizations.
20 (B) Organizations described in this subpara-
21 graph are such business, small business, civic
22 groups,S and labor unions as the Secretary of Labor
23 determines appropriate.
24 (2) The following shall be ex officio, nonvoting mem-
25 bers of the Committee:

(A) The Secretary of Veterans Affairs.

(B) The Secretary of Defense.

(C) The Assistant Secretary of Labor for Veterans Employment and Training.

(D) The Administrator of the Small Business Administration.

(3) A vacancy in the Committee shall be filled in the manner in which the original appointment was made.

(d) ADMINISTRATIVE MATTERS.—(1) The Committee shall meet at least quarterly.

(2) The Secretary of Labor shall appoint the chairman of the Committee.

(3)(A) Members of the Committee shall serve without compensation.

(B) Members of the Committee shall be allowed reasonable and necessary travel expenses, including per diem in lieu of subsistence, at rates authorized for persons serving intermittently in the Government service in accordance with the provisions of subchapter I of chapter 57 of title 5 while away from their homes or regular places of business in the performance of the responsibilities of the Committee.

(4) The Secretary of Labor shall provide staff and administrative support to the Committee to assist it in carrying out its duties under this section. The Secretary

shall assure positions on the staff of the Committee are filled by the following individuals:

(A) Staff of the Assistant Secretary of Labor for Veterans' Employment and Training under section 4102A of title 38, United States Code.

(B) Directors for Veterans' Employment and Training under section 4103 of such title as in effect on the date of the enactment of this Act.

(C) Assistant Director for Veterans' Employment and Training under such section as in effect on such date.

(D) Disabled veterans' outreach program specialists under section 4103A of such title as in effect on such date.

(E) Local veterans' employment representatives under section 4104 of such title as in effect on such date.

(5) Upon request of the Committee, the head of any Federal department or agency may detail, on a nonreimbursable basis, any of the personnel of that department or agency to the Committee to assist it in carrying out its duties.

(6) The Committee may contract with and compensate government and private agencies or persons to carry out the information campaign under subsection

(b)(1) without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

(e) REPORT.—Not later than December 31, 2001 through 2003, the Secretary of Labor shall submit to Congress a report on the activities of the Committee under this section during the previous fiscal year, and shall include in such report data with respect to placement and retention of veterans in jobs attributable to the activities of the Committee.

(f) TERMINATION.—The Committee shall terminate 60 days after submitting the report that is due on December 31, 2003.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Labor from the Employment Security Administration account in the Unemployment Trust Fund $3,000,000 for each of fiscal years 2001 through 2003 to carry out this section.

SEC. 5. SENSE OF CONGRESS COMMENDING VETERANS SERVICE ORGANIZATIONS.

It is the sense of Congress that—

(1) veterans service organizations are to be commended for the continued assistance the organizations provide veterans; and

(2) veterans service organizations should provide job placement assistance to veterans who are job-ready by making personal computers available with access to electronic job placement services and programs available at local posts and through other means.

SEC. 6. STUDY ON ECONOMIC BENEFITS TO THE UNITED STATES OF LONG-TERM SUSTAINED EMPLOYMENT OF VETERANS.

(a) STUDY.—The Secretary of Labor shall enter into a contract with an appropriate organization or entity to conduct a study to quantify the economic benefit to the United States attributable to the provision of employment and training services under chapter 41 of title 38, United States Code, in assisting veterans attain long-term, sustained employment. Such study shall include analyses on the impact of such employment on Federal, State, and local tax generated by reason of such employment, the contributions of such employment on the domestic gross national product, and such other indictors of the impact of such employment on the economy of the United States.

(b) REPORT.—A condition of the contract under subsection (a) shall be that the organization submit to the Secretary of Labor a report on the study conducted by

1 the organization not later than 18 months after the date
2 on which that Secretary enters into such contract.
3 (c) AUTHORIZATION OF APPROPRIATIONS.—There
4 are authorized to be appropriated to the Secretary of
5 Labor $1,000,000 to carry out the provisions of this sec-
6 tion, such sums to remain available until expended.

○

Prepared Statement of Hon. Charles S. Ciccolella,
Assistant Secretary for Veterans' Employment and Training,
U.S. Department of Labor

Madam Chairwoman and Members of the Subcommittee:

I appreciate the opportunity to appear before you today to talk about veteran employment grant programs of the Department of Labor's Veterans' Employment and Training Service (VETS). The Department is grateful for the interest of the Committee on these very important issues for veterans, especially for those veterans returning from the Global War on Terror who are interested in returning to a productive career.

VETS' mission is to provide veterans and transitioning servicemembers with the resources and services to succeed in the 21st Century Workforce by maximizing their employment opportunities, protecting their employment rights and meeting labor market demands with qualified veterans. Our charter is a direct reflection of the nation's commitment to meet the employment, training and job security needs of those who serve in military uniform.

The enactment of the Jobs for Veterans Act (JVA), P.L. 107–288, in November 2002 has resulted in significant improvements in the provision of employment services to veterans and is showing a positive impact on the employment outcomes of veterans. We are completing the fourth year of implementing the law, and we have seen major improvements. My testimony today will describe some of those accomplishments.

Overall, the JVA has provided opportunities to maximize the flexibility of the states to provide employment assistance to veterans, while simultaneously requiring states to be more accountable for performance outcomes. The JVA redefined the roles of the Disabled Veterans' Outreach Program (DVOP) and Local Veterans' Employment Representative (LVER) staff and redefined the federal-state relationship as a partnership. Under the JVA, states are required to submit grant applications to VETS for DVOP/LVER funding, which VETS allocates to states in proportion to the number of veterans seeking employment in a state. These grant allocations also take into account the workload the states assume through the Transition Assistance Program (TAP) employment workshops.

Since much of the interface with the Department of Veterans Affairs' (VA) Vocational Rehabilitation and Employment (VR&E) service is through the workforce investment system, at this point I would like to briefly discuss that relationship. VR&E and VETS continue to work in partnership, along with State Workforce Agencies (SWAs), on behalf of VR&E job ready veterans who are referred to and registered with the State Workforce Agencies for intensive employment services.

Our partnership to increase the employment opportunities and placement in suitable employment of service-disabled Chapter 31 veterans is defined in a formal Memorandum of Agreement (MOA), and the results continue to improve. That positive working relationship has also carried over into other initiatives and strengthened cooperation and coordination with VETS' state partners.

The JVA has provided the states with greater flexibility to adapt their programs to the unique needs of local areas where veterans need jobs and employers are seeking capable applicants in exchange for improved accountability. Our outcome data, which includes the Entered Employment Rate and the Employment Retention Rate, indicates that we are making progress in helping veterans secure employment.

During Program Year (PY) 2003, which ended on June 30, 2004 and encompassed the first year of implementation, the Entered Employment Rate was 57% for veterans and 53% for disabled veterans. At the end of PY 2005, outcomes for veterans and disabled veterans showed an increase in each category—to 61% for veterans and to 56% for disabled veterans, and, for the quarter ending March 2007, the Entered Employment Rate for veterans was 60% and 56% for disabled veterans. The Employment Retention Rate for PY 2003 was 79% for veterans and 77% for disabled veterans. Two years later, at the end of PY 2005, the retention rate for veterans increased one percentage point. For the quarter ending March 2007, their retention rates were 79% and 78%, respectively. This comparison of outcome data demonstrates the JVA is having a positive impact, and we hope to see more improvement in the future.

Since implementing the JVA we have:

- Issued specific guidance to states redefining the responsibilities of the DVOP specialists and LVER staff;
- Developed training programs that support the JVA by:
  - Addressing the new provisions of the law;
  - Incorporating the changes in DVOP and LVER responsibilities;

- Emphasizing the integration of DVOP specialists and LVER staff in One-Stop Career Centers to carry out the JVA requirement that services be integrated with the state employment service delivery system; and
- Disseminating a framework to apply veterans' priority of service to programs funded by DOL.
- Trained 11,935 participants (including state, federal and Veterans Service Organization staff) in 363 classes held between November 2002 and September 2007;
- Published regulations implementing the JVA-required state grant funding formula and applied this new methodology to calculate state grant allocations for FY 2004, FY 2005, FY 2006, and FY 2007 and to estimate those allocations for FY 2008.
- Adopted new outcome-based performance measures.

I will now discuss actions we have taken in conjunction with the implementation of the JVA and recommendations made by the Government Accountability Office (GAO) concerning performance reporting.

DVOP and LVER responsibilities

The JVA redefined the roles of the DVOP specialist and LVER allowing for a more general and flexible application. Both positions can now be appointed by the state on a half-time or full-time basis as the state determines appropriate. The DVOP specialist is primarily responsible for providing intensive, one-on-one services to the individual veteran with priority placed on the disabled veteran. The LVER's emphasis is on providing employment assistance to the veteran, as well as the bigger picture of facilitating employment, training, and placement services to veterans throughout the workforce system. The LVER also assists in reporting on the character of services provided to veterans and state workforce agencies' compliance with laws, regulations and policies regarding services to veterans. We implemented these initiatives with the full participation of our stakeholder groups, including National Association of State Workforce Agencies, state workforce agency management staff, state veterans program managers, DVOP specialists, and LVER staff.

Training

To implement the JVA, we instructed the National Veterans Training Institute (NVTI) to conduct initial orientation sessions for all states, to redesign the employment specialist training courses and to provide readily available information online, 24 hours a day. These sessions were attended by DVOPs, LVERs, local office managers, and other state workforce agency officials as well as VETS' staff and were hugely successful.

The Veterans Services Orientation course was redesigned to provide an overview of the law and reflect the new roles and responsibilities of the LVER staff and DVOP specialists. The Case Management course was redesigned to focus on the provision of intensive services by DVOP specialists. A new course, Promoting Partnerships for Employment, was specifically built around the new roles and responsibilities of the LVER in the workforce system. This course focuses on applying labor market information, working closely with agency partners, learning to be the veterans' representative for office partnerships, informing other staff on the requirements under JVA, and developing a public relations plan.

With the changes and new curriculum development, from November 2002 to September 2007, NVTI has conducted 363 classes with a total of 11,935 participants.

Funding criteria

State grant allocations to fund DVOP and LVER staff are determined using a formula that is based on each state's relative share of the total number of veterans in the United States who are seeking employment. States indicate how veterans will receive priority of service within that state in both the state plan and the annual update to the state plan.

Monitoring

As part of the JVA implementation, the Department and VETS implemented a comprehensive performance accountability system. During the year, states submit quarterly manager's reports on services to veterans that describe how well the state is achieving its performance goals, and how veterans' priority of service is observed with regard to intake, job referral, and other One-Stop Career Center activities. VETS State Directors also conduct assessments, which are focused on technical assistance and needed training, and reflect a stronger emphasis on the partnership between the state and VETS.

Performance measurement

In order to measure the outcomes associated with veterans served by the One-Stop Career Center system, VETS identified two outcome measures:

- Entered Employment Rate;
- Employment Retention Rate.

These two measures are applied to the outcomes achieved by all veterans and to the outcomes achieved by disabled veterans, producing a total of four measures for which performance targets are negotiated with each state workforce agency. The target levels negotiated for these four measures vary among the states but they provide the baseline by which federal and state partners develop strategies to improve employment outcomes for veterans.

In addition to the negotiated performance targets, VETS also adopted the Entered Employment Rate and the Employment Retention Rate for veterans and disabled veterans as Departmental performance targets in the Department of Labor (DOL) Strategic Plan.

To provide a further indicator of performance, VETS initiated a program of state Grant Based Performance Measures for outcomes associated with the services provided specifically by DVOP specialists and LVER. Since PY 2004, these measures have been negotiated with each state, and they incorporate numerous data elements directly related to the provision of services.

The attachment to my testimony lists these performance measures. We recommend to states that they be used in developing DVOP and LVER performance plans.

GAO Review of the JVA Performance Measures

GAO recommended that VETS consolidate all performance measures for the DVOP and LVER programs, including those for disabled and recently separated veterans. The current approach to grant-based measurement for the Jobs for Veterans State Grants separately assesses the outcomes experienced by disabled veterans who are served by DVOP specialists, and recently separated veterans who are served by LVER staff. DOL recognizes that this approach omits significant "cross-program" outcomes achieved by disabled veterans who are served by LVER staff, and recently separated veterans who are served by DVOP specialists, as documented by GAO.

In implementing this recommendation, DOL will convene a working group composed of programmatic and measurement experts to thoroughly consider the implications of realigning the measurement of grant-based outcomes on the basis of the combined activities of DVOP specialists and LVER staff. The group also will consider how to include "Average Earnings" as a measure of grant based performance, as suggested in the body of the GAO report.

GAO also recommended that VETS implement a weighted system for the DVOP and LVER performance measures that takes into account the difficulty of serving veterans with barriers to employment. DOL previously exerted an intensive effort to develop a system for weighting grant-based outcomes and issued guidance intended to lead to application of weighted measurement. That guidance was suspended, in part because workforce professionals in the field found application of the weighting to be unreasonably complex, and in part because the current reporting system offers limited options to support the implementation of weighted measurement.

However, the DOL working group previously mentioned will study the issue of weighted performance measures and evaluate how the framework for grant-based performance measurement for PY 2008 can be realigned to assess outcomes achieved by veterans who are served by DVOP specialists and LVER staff. In addition to this, DOL's proposed Workforce Investment Streamlined Performance Reporting (WISPR) System is expected to be implemented in PY 2008. DOL is confident that the specificity of the results to be reported through WISPR, and the application of those results in light of the lessons learned from prior experiences, will prove helpful to DOL's efforts to successfully implement weighted measurement.

PART

During 2005, the DVOP/LVER program was evaluated using the Office of Management and Budget's Program Assessment Rating Tool (PART). The program was rated as moderately effective, the second highest ranking. I believe that the PART review has provided us with information that we can use to improve program performance, both at the national level and at the grass-roots level where veterans are served.

Madam Chairwoman, the Department of Labor takes very seriously the mandate of the Jobs for Veterans Act and believes we have made major accomplishments in its implementation. I assure you we will work diligently to address, and where appropriate, take corrective action to fulfill this Congressional mandate.

Veterans Workforce Investment Program

VWIP grants support efforts to ensure veterans' lifelong learning and skills development in programs designed to serve the most-at-risk veterans, especially those with service-connected disabilities, those with significant barriers to employment, veterans who served on active duty in the armed forces during a war or in a campaign or expedition for which a campaign badge has been authorized, and recently separated veterans. The goal is to provide an effective mix of interventions, including training, retraining, licensing and certification, and support services that lead to long term, higher wage and career potential jobs.

Services provided by grantees include customized case management services with employment-focused case management services coordinated with local DVOP specialists and LVER staff. The DVOP specialists and LVER staff act as a liaison to the VWIP grantees and connect veteran participants with DOL's nationwide network of One-Stop Career Centers. An important emphasis in this activity is on recently separated veterans in support of the Secretary's goal of a Competitive Workforce. VETS will continue to promote initiatives in high demand occupations such as healthcare, education, community services, construction, information technology, and other growth industries including trucking, security, oil and natural gas rigging, hotel management, and food preparation and services.

The requested funding level for VWIP for FY 2008 is $7,351,000. We plan to serve 3,835 veterans through twelve competitively selected grantees. We estimate that this will result in 2,655 veterans entering employment for an entered employment rate of 69%, with a 90-day retention rate of 83% and a 180-day retention rate of 71%.

As we testified at an earlier hearing, VETS intends to include, as part of the workforce investment activities funded by Veterans' Workforce Investment Program funds for Program Year 2008, the identification of barriers to licensure and certification for transitioning servicemembers, and we encourage potential grantees to apply for competitively awarded grants to address this issue.

Additional Actions Taken by VETS

VETS has initiated a series of actions to provide enhanced services to veterans through DOL's Recovery and Employment Assistance Lifelines (REALifelines) Advisor[1], the Uniformed Services Employment and Reemployment Rights Act (USERRA), and an expansion of the TAP Employment Workshops. VETS developed and implemented REALifelines, a program that provides person-to-person employment assistance for those returning veterans from the Global War on Terror who are wounded or injured.

Additionally, VETS has improved the quality of services to veterans and reservists under the USERRA and Veterans' Preference through improved investigator training; expanded veteran and employer outreach efforts; publication of new, easy to understand, common sense USERRA regulations; and through improved quality control by establishing senior investigators at the regional offices.

Finally, VETS has increased its capacity to provide the TAP Employment Workshops to 170,000 participants through the expansion of workshops at overseas locations and restructuring of the TAP Employment Workshops to emphasize the critical areas of resume preparation, interviewing techniques, and emphasis of the services available at the One-Stop Career Centers.

The Subcommittee's hearing invitation letter posed several questions. Our response to those questions is attached as Attachment 2.

As always, we stand ready to work with you and your staff. That concludes my statement and I would be happy to answer any questions.

Attachment 1
VETS' PERFORMANCE MEASURES

Public Labor Exchange Outcome Measures

- Entered Employment Rate—All Veterans
- Employment Retention Rate—All Veterans

[1] REALifelines helps wounded and injured servicemembers and veterans access valuable online resources and contact information for one-on-one employment assistance to help them transition into the civilian workforce.

- Entered Employment Rate—Disabled Veterans
- Employment Retention Rate—Disabled Veterans

Grant Based Outcome Measures

DVOP Performance Elements

- All Veterans
  1. Entered Employment Rate Following Staff-Assisted Services
  2. Employment Retention Rate
- Disabled Veterans
  3. Entered Employment Rate Following Staff-Assisted Services
  4. Employment Retention Rate

LVER Performance Elements

- All Veterans
  5. Entered Employment Rate Following Staff-Assisted Services
  6. Employment Retention Rate
- Recently Separated Veterans
  7. Entered Employment Rate Following Staff-Assisted Services
  8. Employment Retention Rate

Attachment 2
RESPONSES TO THE SUBCOMMITTEE'S QUESTIONS

- How does your agency ensure proper implementation of the DVOP/LVER programs?

  Response: The JVA required that DOL establish a comprehensive performance accountability system. This has been established with the following components:

  a. Five year state plan with annual modifications: This plan, devised by each state and reviewed and approved by the DOL, established targets for entered employment and retained employment for all veterans and disabled veterans.
  b. Quarterly reporting by the states: Both a Managers Report from each One-Stop Career Center and a Technical Report at the state level is submitted. In addition, each state reports through the Labor Employment Reporting System their performance in entered employment and retained employment.
  c. State assessment tool: The states provide an assessment of 50% of their One-Stop Career Centers on an annual basis. The DOL State Director then conducts a validation of 20% of those submissions.

- Have any states lost their funding for failing to meet their obligations? Under what circumstances would a state lose its funding?

  Response: States have not lost their Jobs for Veterans State Grants as a result of failing to meet performance goals. VETS believes that it employs the tools necessary to achieve the desired results. These tools include:

  a. Placing a temporary hold on quarterly allocations motivates non-reporting states to take steps to ensure timely reporting.
  b. When a state is identified as a high-risk grantee, VETS' field staff provides technical assistance in the form of coaching, collaboration and encouraging state-to-state networking to help the state remedy any deficiencies.
  c. We have also found that one of the best incentives is disclosure. Publicizing performance improvements by posting the results states have attained provides an incentive to sustained performance as well as a competitive challenge to other States to bring up their levels of performance.
  d. Corrective Action Plans are employed as necessary to address performance and other deficiencies within a state. By accompanying Corrective Action Plans with the delivery of technical assistance, VETS assures that state grantees are given every opportunity to succeed and that employment services for veterans are maintained at the highest possible level.

- Are part-timer DVOP/LVER meeting the needs of rural and urban area veterans?

  Response: Many rural areas have a half- or full-time DVOP specialist or LVER staff person who provides services to their local veterans. In those instances where the state determines there are not enough veteran clients to justify a

part time DVOP specialist or LVER staff person, priority services are provided to veterans by Wagner-Peyser or other One-Stop Career Center staff.

Many One-Stop services are available to veterans via the Internet. The CareerOneStop portal (www.CareerOneStop.org) provides an array of services electronically, including:

- America's Service Locator (www.servicelocator.org) provides local office information on more than 22,000 local locations, including 3,500 One Stop Career Centers;
- America's Career InfoNet (www.acinet.org) provides information on occupations, training required for those occupations, and financial assistance available; and
- Career Voyages (www.CareerVoyages.gov), a career information tool providing in depth information on high growth occupations.

Many states have utilized Workforce Investment Act and Wagner-Peyser funds to supplement these nationally-funded electronic tools.

Veterans and transitioning military personnel can call 1–877–US–2JOBS or TTY: 1–877–899–5627 toll-free to locate the nearest One-Stop Career Center.

Many One-Stop Career Centers provide services over the telephone.

- How does your agency track its performance measures?

Response: VETS tracks the performance measures described through the use of the Department of Labor's Labor Exchange Reporting System. This is a reporting system for those programs administered under the Wagner-Peyser Act and the JVSG. State agencies report the employment outcomes and services provided to job seekers.

- Can you provide the Subcommittee a status of actions taken, in addition to those mentioned in GAO Report 07–594?

Response: VETS has initiated a series of actions to provide enhanced services to veterans.

a. Initiated REALifelines, a program that provides person-to-person employment assistance for those returning veterans from the Global War on Terror who are wounded or injured.
b. Increased capacity to provide the Transition Assistance Program Employment Workshops to 170,000 participants, expanded workshops at overseas locations, and restructured the TAP Employment Workshops to emphasize the critical areas of resume preparation, interviewing techniques, and emphasis of the services available at the One-Stop Career Centers.
c. Established, in conjunction with VA, three working groups under the MOA. The goal of each work group is to improve the quality of employment services and suitable job placements for veterans with disabilities enrolled in the VR&E program. Each work group has an established list of roles and responsibilities directing their efforts.
d. Improved quality of services to veterans and Reservists under the Uniformed Services Employment and Reemployment Rights Act (USERRA) and Veteran's Preference through more and better investigator training, expanded veteran and employer outreach efforts, publication of new, easy to understand, common sense USERRA regulations, and improved quality control through establishing senior investigators at the regional offices.

Statement of Larry Temple, President,
National Association of State Workforce Agencies,
and Executive Director, Texas Workforce Commission

NASWA welcomes the opportunity to submit testimony regarding performance of employment and training services for veterans. Our underlying goals for veterans' services at NASWA are to work to improve program performance by: building on our partnership with USDOL–VETS; improving the productivity of state's DVOP and LVER staff; promoting flexible service delivery options for states; and seeking appropriations needed to serve veterans from ongoing conflicts. We respectfully submit the following statement regarding services for this most deserving population.

Summary of NASWA Views

NASWA and USDOL–VETS Partnership

- NASWA and USDOL–VETS continue a strong partnership to improve service for veterans and most recently collaborated on an annual conference focused on service for veterans. NASWA and the National Governors' Association (NGA) are honored to serve as members of the Advisory Committee on Veterans Employment, Training, and Employer Outreach working with USDOL–VETS on improving services.

Performance in Serving Veterans

- Established performance standards for veterans' employment services have been met and continue to improve. NASWA supports highly productive DVOP and LVER staff and the training they receive at National Veterans Training Institute.

Part-Time DVOPs and LVERs Work for Veterans

- The ability to hire or assign part-time DVOPs (per P.L. 107–288) has greatly benefited veterans by allowing states to stretch their limited budgets to more offices, covering larger areas and ultimately serving more veterans. The authority to hire half-time DVOPs or LVERs is especially important in serving veterans in small population, large geographical states.

Appropriations for VETS' Programs Should Reflect Demand

- Congress should appropriate an additional amount for the DVOP and LVER programs proportionate to the increase in the number of veterans requiring service upon return from ongoing conflicts and to adjust for inflationary pressures.

Chairman Herseth Sandlin, Ranking Member Boozman, and Members of the Subcommittee, on behalf of the National Association of State Workforce Agencies (NASWA), I thank you for the opportunity to share states' perspectives on the value of employment and training services for our Nation's veterans. Our foremost goal is to serve and help veterans. To achieve this, we continue to: build on our partnership with the U.S. Department of Labor (USDOL) Veterans' Employment and Training Service (VETS); improve the productivity of our Disabled Veterans' Outreach Program (DVOP) and the Local Veterans' Employment Representatives (LVER) staff; promote flexible service delivery options for states; and seek appropriations needed to serve veterans returning from ongoing conflicts.

The members of our Association constitute the state leaders of the publicly funded workforce investment system vital to meeting the employment needs of veterans through the DVOP and LVER programs. The mission of NASWA is to serve as an advocate for state workforce programs and policies, a liaison to federal workforce system partners, and a forum for the exchange of information and practices. Since 1973, NASWA has been a private, non-profit corporation, financed by annual dues from member state agencies.

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

NASWA and USDOL–VETS Partnership

NASWA and the U.S. Department of Labor (USDOL) Veterans' Employment and Training Service (VETS) have built a strong partnership founded on the common goal of improving services for veterans. Most recently, NASWA worked with USDOL–VETS to focus its annual conference on service to veterans including workshops on priority of service for veterans, assisting veterans' transition to civilian employment and partnering with veterans service organizations. NASWA is looking forward to working with USDOL–VETS in the development of regulations to clarify implementation of veterans' priority of service in the workforce system. NASWA and the National Governors' Association (NGA) are honored to serve as members of the Advisory Committee on Veterans Employment, Training, and Employer Outreach working with USDOL–VETS on improving services.

Performance

For the latest available data on performance covering Program Year 2005 (July 1, 2005–June 30, 2006), each target was reached and in most cases exceeded. The percent of veteran job seekers employed in the first or second quarter following registration increased by two percentage points to 62 percent in program year 2005, exceeding the target by three percentage points. The percent of veteran job seekers still employed two quarters after initial entry into employment with a new employer remained steady at 81 percent, matching the established target. The percent of disabled veteran job seekers employed in the first or second quarter following registration increased by one percentage point to 57 percent, two percentage points above the target. The percent of disabled veteran job seekers still employed two quarters after initial entry into employment with a new employer increased to 80 percent, up one percentage point from program year 2004 and the program year 2005 target.

NASWA is committed to improving service for veterans by strengthening the productivity of DVOP and LVER staff. The Veterans Benefits, Health Care, and Information Technology Act of 2006 (P.L. 109–461) directs the Secretary of Labor to establish and maintain guidelines for use by states in establishing the professional qualifications for the DVOP and LVER positions. NASWA supports this approach to give states the latitude under guidelines to establish their own qualifications and hiring standards. The establishment of guidelines would ensure states' DVOP and LVER representatives are properly skilled while enabling them to function within each state's structure.

NASWA supports the recently approved requirement that all DVOPs and LVERs attend training at the National Veterans Training Institute (NVTI) within three years of being designated as a DVOP or LVER. NVTI is an invaluable resource to provide such professional development for DVOPs and LVERs. NVTI estimates an additional $1 million per year is required to fulfill the requirement to train all DVOPs and LVERs in the core courses as required. NASWA supports additional appropriation at a level sufficient for NVTI training to meet the requirements to provide training for all DVOPs and LVERs as soon as possible after their hire date.

Part-Time DVOPs and LVERs Work for Veterans

The Jobs for Veterans Act (P.L. 107–288) provides greater flexibility for the VETS, states, and the DVOP and LVER staff in serving veterans. The ability to hire or assign part-time DVOPs has greatly benefited states by allowing them to stretch their limited resources to more offices, covering larger areas and ultimately serving more veterans. The clarification of the definition of part-time DVOPs and LVERs with enactment of the Veterans Benefits, Health Care, and Information Technology Act of 2006 to ensure they serve veterans no less than half-time is beneficial in ensuring veterans are the top priority.

Flexibility in assigning DVOP and LVER staff allows states to tailor programs to meet the unique needs in each state and local area, while instituting standards to ensure consistently high quality programs are available to veterans across the nation. The ability to hire or assign DVOP or LVER staff for half-time positions is especially valuable in small population, large geographic states. This allows veteran specialists to be assigned to more offices and reduces the amount of time required for travel in covering a large geographic area.

NASWA recommends that any future legislation preserve the states' flexibility, as provided under JVA, to determine how best to integrate LVER and DVOP programs into state employment service delivery systems.

VETS' Program Appropriations

States believe a reduction to the annual grant for any reason will impact the level of quality service for veterans negatively. Annual appropriation levels for the DVOP and LVER programs are inadequate. The DVOP and LVER programs should be authorized to spend annual grants for multiple years rather than a single year to allow long-term planning for managing and staffing the programs. The funding cycle should be changed to a program year to enable continuity in planning services for veterans and to be consistent with other workforce development programs, including the Workforce Investment Act (WIA).

Maintaining high levels of performance in serving our veterans is a shared function of states and USDOL–VETS. States and USDOL–VETS negotiate performance standards and work together to meet them. A judgment made to reduce funding as a result of performance would make the states' goal of improving performance more challenging and penalize the veteran population. Should a state be in danger of not meeting performance measures, technical assistance should be provided by VETS to assist in correcting any deficiencies. Maintaining high levels of performance is the top priority of every state.

State allocations under the DVOP and LVER programs have increased by approximately $3.9 million in eight years. This amount represents on average only about a one year's increase due to inflation. Congress should appropriate an additional amount for the DVOP and LVER programs proportionate to the increase in the number of veterans requiring service upon return from ongoing conflicts and to inflation every year. Further, the veteran's workforce investment program (VWIP), the program dedicated to training for veterans, has been flat-funded for over 5 years. Last year's VWIP appropriation of only $7.5 million serves limited areas in only 12 states.

State allocations are based on the state's population of veterans seeking employment in the state. Though small state veterans populations may not be as large as large population states, small states must make the same accommodations to serve veterans throughout a large and diverse area. Inevitably small population states require additional funds throughout the year to maintain the service levels established in their annual plans. NASWA appreciates the availability of contingency funding, including exigency and 5th quarter funding, but believe veterans would be better served if adequate allocations are provided at the beginning of a funding cycle. NASWA recognizes the large number of veterans in heavily populated states requires a commensurate number of workforce system staff to provide high quality services. NASWA supports minimum funding levels adequate for small states to ensure they can maintain high quality services too. Ultimately, an increase in Congressional appropriation for the DVOP and LVER programs would help to alleviate this issue.

The Jobs for Veterans Act (JVA) requires states to submit to the Secretary of Labor, "a plan that describes the manner in which states shall furnish employment, training, and placement services required under this chapter for the program year." NASWA members believe the annual plan required by the Jobs for Veterans Act will be greatly improved by moving the funding for these programs from a fiscal year to a program year funding cycle.

By transitioning funding to a program year (July 1 to June 30) and aligning it with most other employment and training programs, the plans state workforce agencies submit to USDOL Veterans Employment and Training Service (VETS) will reflect future program year services based on actual outlays. Funding on a program year supports integrating VETS-funded programs into WIA one-stop career center systems and planning and performing on the same cycle as other one-stop partners.

Thank you for the opportunity to address these important issues.

Statement of Justin Brown, Legislative Associate, Veterans of Foreign Wars of the United States

MADAM CHAIRWOMAN AND MEMBERS OF THIS COMMITTEE:

On behalf of the 2.3 million members of the Veterans of Foreign Wars of the U.S. (VFW) and our Auxiliaries, I would like to thank you for your invitation to submit testimony on the Disabled Veterans Outreach Program (DVOP) specialists and Local Veterans Employment Representatives (LVER).

The men and women of our military are leaving our military in large numbers. The cause for their departure is often the prospect of one more deployment for an already battle weary troop. Though these men and women have served honorably, this does not mean they are ready to enter the civilian workforce, yet the core of positive transition is stable employment or education opportunities.

A November 5th Military.com poll illustrates the need for greater assistance for recently departed service members. Of 4,442 military or veteran respondents; eighty-one percent of transitioning military personnel surveyed revealed that they do not feel fully prepared to enter the job market. Of those who feel unprepared: seventy-two percent of respondents feel unprepared to negotiate salary and benefits, seventy-six percent report inabilities to effectively translate their military skills to civilian terms, and fifty-seven percent are unsure of how to network professionally. While our service members may possess the skills to perform the job and the discipline to see work through to completion, they lack the confidence and the knowledge to market their own strengths.

The survey also included 287 recruiters and hiring managers from small- to large-size businesses which demonstrated a need for increased employer outreach and education. The survey results of this population stated that sixty percent of hiring managers and recruiters reported favorable attitudes toward employing veterans, yet many face difficulties recruiting and hiring from this talent pool. Sixty-one percent reveal they do not have a complete understanding of the qualifications ex-serv-

icemembers offer. Sixty-four percent feel that veterans need additional assistance to make a successful transition into the civilian job-seeking market, with twenty-seven percent citing the need for stronger interviewing skills. Fifty-three percent of employers spend two percent or less of their recruitment advertising budget on targeted military hiring. Due to employers' lack of understanding and undervaluing veterans as employees many do not seek out these extraordinary Americans.

Disabled Veterans' Outreach Program Specialists

According to the Department of Labor (DOL), Disabled Veterans Outreach Program (DVOP) specialists provide intensive services to meet the employment needs of disabled veterans and other eligible veterans, with the maximum emphasis directed toward serving those who are economically or educationally disadvantaged, including homeless veterans, and veterans with barriers to employment. DVOP specialists are actively involved in outreach efforts to increase program participation among those with the greatest barriers to employment which may include but should not be limited to: outplacement in Department of Veterans' Affairs (DVA) Vocational Rehabilitation and Employment Program offices; DVA Medical Centers; routine site visits to Veterans' Service Organization meetings; Native American Trust Territories; Military installations; and, other areas of known concentrations of veterans or transitioning service members. The case management approach, taught by the National Veterans' Training Institute, is generally accepted as the method to use when providing vocational guidance or related services to eligible veterans identified as needing intensive services.

Local Veterans' Employment Representatives

According to DOL, Local Veterans' Employment Representatives conduct outreach to employers and engage in advocacy efforts with hiring executives to increase employment opportunities for veterans, encourage the hiring of disabled veterans, and generally assist veterans to gain and retain employment. LVER staff conduct seminars for employers and job search workshops for veterans seeking employment, and facilitate priority of service in regard to employment, training, and placement services furnished to veterans by all staff of the employment service delivery system.

VETS

The mission statement for VETS is to provide veterans and transitioning service members with the resources and services to succeed in the 21st century workforce by maximizing their employment opportunities, protecting their employment rights and meeting labor-market demands with qualified veterans today.

As Per the request of this Subcommittee, we have addressed the following four questions.

1. Do you believe DOL is properly implementing the DVOP/LVER programs with the states?

The VFW believes the Department of Labor has little oversight, and no useful performance measures for the quality of implementation or success of the programs in any particular state. The *Jobs for Veterans Act,* Public Law (P.L.) 107–288, eliminated the requirement for DOL to review all workforce centers annually which greatly reduced Federal oversight of these programs that already lack in performance measures. Also, the Assistant Secretary for Veterans' Employment and Training Service (VETS) cut funds allocated for oversight and created policy that allowed for only 10 percent of one-stop centers to be reviewed. In brief, the DVOP/LVER programs have largely been ceded to the authority of the states with exception to funding. The VFW strongly discourages the movement toward funding with no accountability. The VFW believes that the DOL needs oversight; however, we need to create measures that allow proper oversight and evaluation of DOL. Until this occurs the VFW believes veterans will continue to have programs that may, or may not, work. Currently there is no way of knowing that these programs are, or are not, effective regardless of what state they are in.

2. Under what circumstances should states lose their funding for failing to meet their obligations?

Until DOL is held accountable for their actions, the VFW believes that DOL will have a hard time justifying the cutting of a particular state's funding. The VFW believes that a complete review of standards needs to be conducted. The U.S. Government Accountability Office (GAO) has cited multiple occurrences in which DOL has not conducted necessary oversight. One example is that the DOL has not conducted

an impact evaluation, as required under *Workforce Investment Act,* to assess the effectiveness of the one-stop services in which LVERs and DVOPs operate. The VFW believes the impact study needs to be conducted as does an impact survey of the effectiveness of the DVOP and LVER program. When the study is finished DOL and the VA need to create performance measures that hold the states accountable.

Assuming legitimate performance standards were created, the VFW would not support any cuts in the overall funding of the program. However, the VFW would support funds being redirected if individual states were not performing or were failing to meet necessary standards of assisting veterans.

The VFW believes that states ought not to misuse or waste funding that is intended to help veterans find employment. If this does occur, VFW supports the funds being redirected to programs that have proven effective in creating opportunities for veterans. However, there must be some mechanism for states that lose funding to be able to receive the funding should they make changes beneficial for the purpose of implementing a veteran employment program that will meet the minimum standards as outlined by DOL. The bottom line is the individual states need incentive to keep veterans employment programs providing a quality service.

3. Are part-time DVOPs/LVERs meeting the needs of rural and urban area veterans?

The VFW's experience has been that Veterans Affairs (VA) Employment Coordinators, DVOPS, and LVERS, primarily serve veterans in close proximity to their physical location of employment offices, regardless of whether they are full-time or part-time DVOPs or LVERs. In many cases, the VFW has been told that close proximity between a veteran and those servicing the veteran, increases the likelihood of employment due to the establishment of personal relationships between the DVOP/LVER and the veteran. This offers a form of favoritism that could further decrease a rural veteran's chance of employment.

The VFW advocates for the necessity of a qualitative study to be conducted in every state to assess the necessity of outreach employment services for rural veterans. Such a study would give the individual states information that would better assist them in resource utilization. Overall the rural veteran population stands at around twenty-three percent. However, there is a great deal of information that we do not know in regards to that demographic. Also, are the military members that joined from a rural location returning to the same locale, or are they relocating to metropolises? To answer these questions as a whole would likely create a false depiction of the realities on the ground; which is why the studies should be conducted on a state by state basis, in order to assure vast amounts of veterans are not slipping through the cracks.

4. What is your organization's position on how the DOL tracks its performance measures?

According to GAO reports, dating back to 1999, DOL/VETS have completed no oversight that actually assesses the benefit of the LVER/DVOP programs. In his recent testimony before the Committee, the Assistant Secretary of VETS, stated "the enactment of the *Jobs for Veterans Act,* P.L. 107–288, in November 2002 has resulted in significant improvements in the provision of employment services to veterans and is showing a positive impact on the employment outcomes of veterans." The VFW wonders what these positive impacts are, and how are we, and Congress, supposed to substantiate such claims? The VFW would like to see a program that performs for veterans, and is not just titled as a veterans program. The lack of meaningful oversight, and impact studies, has left the DOL to its own devices for nearly a decade. While the VFW does not question the intentions of any parties, we also wish to see a veterans program do what it is supposed to do. Without such measures and studies, no entity, not even the DOL, can substantiate that the programs are indeed working as planned. The VFW's purpose in highlighting these issues is the worry that the program may not be working. If this is indeed the case we would be able to make changes if we knew what the problems were. However, the information available lacks quantitative data, and only leaves all entities, including DOL, with more questions, and more assumptions.

Other Areas of Concern to the VFW

The VFW strongly believes that interagency cooperation between DOL/VETS and the VA needs to increase at all levels. In order for a uniform and coherent employment and training program to be established, it will require long-term goals on the national, state, and local level. The VFW believes that it is the responsibility of DOL and VA to establish such a program that will provide comprehensive measures of performance. The fact that the organizations have failed to implement such meas-

ures leads the VFW to believe that the programs may not be performing as is being testified to Congress. However, this is no reason to impede the creation of such measures. Without comprehensive measures, DOL/VETS, and the VA cannot assess or enhance their service to our nation's veterans.

Information sharing is crucial for VA and DOL/VETS to increase interagency cooperation. DOL/VETS ought to provide the VA with employment information, so that they can be aware of the employment status of veterans who are receiving vocational rehabilitation. The VA ought to provide DOL/VETS with information in regards to the veterans' disabilities. This would make the DVOPs and LVERs more capable of finding suitable employment, or making the proper accommodations for the veteran, to increase successful placement both for the employer and the veteran employee. However, this information need only be provided for these purposes and clear criteria needs to be drawn up by DOL/VETS, and the VA, for the implementation of such. Clearly, there would be personal information that would not be necessary for employment, and much of the information sharing would be at the discretion of the veteran.

According to Veterans' Affairs, tonight there will be 1,500 veterans from OEF/OIF walking the streets. In our opinion, both DOL/VETS, and VA, need to step it up, collaborate, and be innovative in their efforts. America and its veterans need a change in the way their veteran employment programs are being managed; this is not to say there are not individuals working very hard to ensure the best for our men and women who have traded their boots for sneakers. We would like to thank those men and women. However, there needs to be increased accountability, and measures that actually measure the causative effect DVOPs and LVERs are having on employment. If the Military.com poll is any indicator, employers and veterans either do not know about the services available to them, or they are not sufficient.

Chairwoman Sandlin, Ranking Member Boozman, members of the committee, on behalf of the VFW, I would like to thank you for allowing us to submit testimony on this very important issue. I would be happy to answer any questions you may have.

Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
Washington, DC.
October 30, 2007

Ronald F. Chamrin
Assistant Director
Economic Commission
The American Legion
1608 K Street, NW
Washington, DC 20006

Dear Mr. Chamrin:

Please review and respond to the enclosed hearing questions by the close of business on November 30, 2007. These questions are in reference to our House Committee on Veterans' Affairs Subcommittee on Economic Opportunity hearing on "VETS DVOP/LVER Program" on October 25, 2007.

In an effort to reduce printing costs, the Committee on Veterans' Affairs, in cooperation with the Joint Committee on Printing, is implementing some formatting changes for material for all full committee and subcommittee hearings. Therefore, it would be appreciated if you could provide your answers consecutively on letter size paper, single-spaced. In addition, please restate the question in its entirety before the answer.

Due to the delay in receiving mail, please provide your response to Ms. Orfa Torres by fax at (202) 225–2034. If you have any questions, please call (202) 225–3608.

Sincerely,

Stephanie Herseth Sandlin
Chairwoman

American Legion
Washington, DC.
November 28, 2007

Honorable Stephanie Herseth Sandlin, Chair
Subcommittee on Economic Opportunity
Committee on Veterans' Affairs
U.S. House of Representatives
335 Cannon House Office Building
Washington, DC 20515–6335

Dear Chair Herseth Sandlin:

Thank you for allowing The American Legion to participate in the Subcommittee hearing on "VETS DVOP/LVER Program" on October 15, 2007. I am pleased to respond to your specific question concerning that hearing:

In your testimony you state that DVOP/LVER staff receives training with in the first 3 years, yet you suggest for this training to be mandated with in the 1st year. Can you submit your recommendation for the record?

The American Legion is proud to list its recommendations for improving veterans' employment by training Disabled Veterans' Outreach Program (DVOP) Specialists and Local Veterans' Employment Representatives (LVER).

Training for DVOPs/LVERs under state jurisdiction

The National Veterans' Employment and Training Services Institute (NVTI) provides training to Federal and State Government employment service providers in competency based training courses. P.L. 109–461 stipulates that newly hired DVOPs/LVERs must attend the NVTI to be trained for their position within 3 years of hiring.

NVTI has provided several thousand training sessions for State Employment Security Agency staff, Veterans' Employment and Training Service (VETS) staff, DOD staff, and Department of Veterans Affairs' (VA's) Vocational Rehabilitation staff. NVTI provides standardized training for veterans' advocates providing employment and training services. The positive impact on the quality of services provides veterans with well-trained vocational specialists across the country.

Unfortunately, newly hired individuals can retain their position for 2.5 years before they are required to begin training to ensure that graduation is within the 3-year hiring period. Newly-hired employment specialists, without the benefit of NVTI training, may be ill-prepared to properly assist veterans seeking meaningful employment or facing significant barriers to employment.

To close this loophole, The American Legion recommends that newly-hired DVOPs/LVERs personnel must be trained at NVTI within the first year of employment and supports that all untrained DVOP/LVER staff within 3 years of hiring at the time of enactment of new legislation must be trained within 1 year.

TITLE VI—EMPLOYMENT AND TRAINING MATTERS

SEC. 601. TRAINING OF NEW DISABLED VETERANS' OUTREACH PROGRAM SPECIALISTS AND LOCAL VETERANS' EMPLOYMENT REPRESENTATIVES BY NVTI REQUIRED.

38 USC 4102A.

(a) TRAINING REQUIRED.—Section 4102A(c) is amended by adding at the end the following new paragraph:

"(8)(A) As a condition of a grant or contract under which funds are made available to a State in order to carry out section 4103A or 4104 of this title, the Secretary shall require the State to require each employee hired by the State who is assigned to perform the duties of a disabled veterans' outreach program specialist or a local veterans' employment representative under this chapter to satisfactorily complete training provided by the National Veterans' Employment and Training Services Institute during the three-year period that begins on the date on which the employee is so assigned.

"(B) For any employee described in subparagraph (A) who does not complete such training during such period, the Secretary may reduce by an appropriate amount the amount made available to the State employing that employee.

"(C) The Secretary may establish such reasonable exceptions to the completion of training otherwise required under subparagraph (A) as the Secretary considers appropriate.".

(b) SUBMISSION OF EMPLOYEE TRAINING INFORMATION REQUIRED.—Section 4102A(c)(2)(A) is amended—

(1) by redesignating clause (iii) as clause (iv); and

(2) by inserting after clause (ii) the following new clause (iii):

"(iii) For each employee of the State who is assigned to perform the duties of a disabled veterans' outreach program specialist or a local veterans' employment representative under this chapter—

"(I) the date on which the employee is so assigned; and

"(II) whether the employee has satisfactorily completed such training by the National Veterans' Employment and Training Services Institute as the Secretary requires for purposes of paragraph (8).".

38 USC 4102A note.

(c) APPLICABILITY.—Paragraph (8) of section 4102A(c) of title 38, United States Code, as added by subsection (a), and clause (iii) of section 4102A(c)(2)(A) of such title, as added by subsection (b), shall apply with respect to a State employee assigned to perform the duties of a disabled veterans' outreach program specialist or a local veterans' employment representative under chapter 41 of such title who is so assigned on or after January 1, 2006.

(Government Printing Office, [DOCID: f:publ461.109] [[Page 120 STAT. 3403]] Public Law 109–461 109th Congress, Approved December 22, 2006. LEGISLATIVE HISTORY—S. 3421 (H.R. 5815))

The American Legion reaffirms continued support of full funding of the National Veterans' Training Institute and advocate full funding and staffing for the Veterans' Employment and Training Service and its effective programs.

Thank you once again for all of the courtesies provided by you and your capable staff. The American Legion welcomes the opportunity to work with you and your colleagues on many issues facing veterans and their families throughout this Congress.

Sincerely,

Ron Chamrin, Assistant Director
National Economic Commission

Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
Washington, DC.
October 30, 2007

Richard Daley
Associate Legislation Director
Paralyzed Veterans of America
801 18th Street, NW
Washington, DC 20006

Dear Mr. Daley:

Please review and respond to the enclosed hearing questions by the close of business on November 30, 2007. These questions are in reference to our House Committee on Veterans' Affairs Subcommittee on Economic Opportunity hearing on "VETS DVOP/LVER Program" on October 25, 2007.

In an effort to reduce printing costs, the Committee on Veterans' Affairs, in cooperation with the Joint Committee on Printing, is implementing some formatting changes for material for all Full Committee and Subcommittee hearings. Therefore, it would be appreciated if you could provide your answers consecutively on letter size paper, single-spaced. In addition, please restate the question in its entirety before the answer.

Due to the delay in receiving mail, please provide your response to Ms. Orfa Torres by fax at (202) 225–2034. If you have any questions, please call (202) 225–3608.

Sincerely,

Stephanie Herseth Sandlin
Chairwoman

Paralyzed Veterans of America
Washington, DC.
November 16, 2007

The Honorable Stephanie Herseth Sandlin
Chairwoman
Subcommittee on Economic Opportunity
335 Cannon House Office Building
Washington, DC 20515

Dear Chairwoman Herseth Sandlin:

Thank you for the opportunity to address questions raised by my testimony on October 25, 2007 before the Subcommittee on Economic Opportunity. I have included my responses and would be happy to answer any additional questions you or Members of the Subcommittee may have.

Sincerely,

Richard Daley
Associate Legislation Director

Questions From The House Committee On Veterans' Affairs
Subcommittee on Economic Opportunity
Hearing October 25, 2007
Rich Daley
Paralyzed Veterans of America

Question 1: You state that your members and other individuals who suffer from similar injuries or diseases do not receive proper consideration for employment when applying for a job. What can be done so that they do receive proper consideration?

Answer: The employer must be informed that employing a veteran with a disability will not cost any additional expense over the candidate without a disability. Many employers have a preconceived idea that hiring disabled workers may affect their cost for employees insurance or their workman's compensation premiums. Traditionally the disabled employee does not have an effect on these costs.

Some employers may have the idea that the disabled worker may not be as dependable with getting to work, or may take more time off from work because of their disability. Disabled workers are as reliable or in many cases have a better attendance record than nondisabled.

The role of educating the employer is the job for the local Disabled Veterans Outreach Program (DVOP) and the Local Veterans Employment Representative (LVER). Part of their responsibility is to perform outreach in their community or geographic territory and meet with the employers. By networking with the employers the DVOP can learn specific skills that an employer needs and the training that would be required by the disabled veteran. The DVOP must be out "selling" the potential of hiring the disabled veteran. Every placement takes much more individual hands on customizing, than a typical placement of a nondisabled worker. After the placement of the disabled veteran the local veterans' employment representative may follow up for six to twelve months to insure the success of the placement. If there is not adequate funding for the DVOP, and LEVR, the outside travel and networking is usually eliminated resulting in an inside office worker.

Question 2: Is there sufficient funding for VETS?

a. What do you consider an appropriate funding level for VETS?

Answer: In preparing my testimony the information that I used confirmed that DOLs last increase for VETS was in the FY 2003 budget. Any additional funds in yearly budgets since that date have been insignificant. It would be difficult to conduct any program today with a budget from 2003. The work load for the local veterans employment representatives has increased with the OEF/OIF veterans returning home, many looking for their first full time employment opportunity.

Without sufficient funding some states have resorted to half time funding for the DVOP and LVER positions. State employees working in this situation can find their work load evolve into a 60/40% division, with the veterans work receiving the 40%, since the work load of the regular employment workforce will be greater. In the half time veterans representatives position, the necessary paper work will be completed, but the equally important outreach in the community may be eliminated.

A community may not have the population that would require a full time veterans representative. Employment specialists that have years of experience, agree that it is better to have the veterans representative travel in from another office one or two days a week keeping their focus on veterans employment, rather than dividing the day by state worker part time, veterans representative part time.

Question 3: You state that if a state falls short then the Director for Veterans' Employment and Training (DVET) should provide more oversight. What type of oversight should the DVET provide to the state?

Answer: The DOL–VETS program should be adequately funded to a level similar to FY 2003. The DVET must have the budget to travel throughout their assigned area to work with the DVOPs and LVERS. They must have the latest training to share with the state employment worker.

The DVET could encourage the state to conduct veterans' job fairs. Currently some states conduct veterans job fairs each year at multiple locations throughout the state. Some states that have conducted aggressive "hire vets" campaigns may find them discontinued with the change of a Governor and his Executive Branch. The DVET could encourage the inactive state to become more active perhaps enlisting the resources of the DOL staff in Washington.

At a recent veterans job fair in Tampa, Florida (Nov. 14, 2007) that was coordinated by the state employment services and Military Officers Association of America (MOAA), over 550 veterans had the opportunity to talk with approximately 40 employers that were represented. Many of the attending veterans scheduled future interviews and perhaps received an employment offer.

The DVET should encourage the DVOP specialists to become involved with the disabled veteran early in the process. In some locations the DVO will start visiting the veteran while they are in the VA facility to discuss employment opportunities and the required rehabilitation and training needed to perform those fields. This helps to focus the veteran on employment and returning to civilian life after their rehabilitation.

Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
Washington, DC.
October 30, 2007

Rick Weidman
Executive Director for Policy and Government Affairs
Vietnam Veterans of America
8605 Cameron Street, Suite 400
Silver Spring, MD 20910

Dear Mr. Weidman:

Please review and respond to the enclosed hearing questions by the close of business on November 30, 2007. These questions are in reference to our House Committee on Veterans' Affairs Subcommittee on Economic Opportunity hearing on "VETS DVOP/LVER Program" on October 25, 2007.

In an effort to reduce printing costs, the Committee on Veterans' Affairs, in cooperation with the Joint Committee on Printing, is implementing some formatting changes for material for all Full Committee and Subcommittee hearings. Therefore, it would be appreciated if you could provide your answers consecutively on letter size paper, single-spaced. In addition, please restate the question in its entirety before the answer.

Sincerely,

Stephanie Herseth Sandlin
Chairwoman

Questions from the House Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
Hearing on VETS DVOP/LVER Program
October 25, 2007

1. If the Government Accountability Office (GAO) were to revisit the study done on VETS. What recommendations would you make for a second report?
2. What should be the proper funding level for VETS?
3. You state that ETA is derelict in the promulgation of regulations implement the law. Can you give us examples of where ETS is derelict?
4. Do you agree with the revision of the duties for Disabled Veterans Outreach Program (DVOP) and Local Veteran Employment Representative (LVER) staff?

[THE SUBCOMMITTEE DID NOT RECEIVE A RESPONSE FROM MR. WEIDMAN.]

Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
Washington, DC.
October 30, 2007

Honorable Charles S. Ciccolella
Assistant Secretary
Veterans' Employment and Training Service
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, D.C. 20210

Dear Secretary Ciccolella:

Please review and respond to the enclosed hearing questions by the close of business on November 30, 2007. These questions are in reference to our House Committee on Veterans' Affairs Subcommittee on Economic Opportunity hearing on "VETS DVOP/LVER Program" on October 25, 2007.

In an effort to reduce printing costs, the Committee on Veterans' Affairs, in cooperation with the Joint Committee on Printing, is implementing some formatting changes for material for all Full Committee and Subcommittee hearings. Therefore, it would be appreciated if you could provide your answers consecutively on letter

size paper, single-spaced. In addition, please restate the question in its entirety before the answer.

Due to the delay in receiving mail, please provide your response to Ms. Orfa Torres by fax at (202) 225–2034. If you have any questions, please call (202) 225–3608.

Sincerely,

Stephanie Herseth Sandlin
Chairwoman

Questions from the House Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
Hearing on VETS DVOP/LVER Program
October 25, 2007

1. What is the appropriate funding level for VETS?

Response: The appropriate funding level for the Veterans' Employment Training Service (VETS) allows the agency to carryout its statutorily mandated functions, while emphasizing the highest priority programs. Since the beginning of the Global War on Terror, VETS has placed a priority on the transition to civilian employment for separating servicemembers and on the provision of employment services for the severely injured and wounded. As a result, the Agency has emphasized the Transition Assistance Program (TAP) and the REALifelines (RLL) program. For those veterans that do not fall within the TAP or RLL programs' services, we believe that the increased emphasis on priority of service for veterans in the One-Stop Career Centers, in conjunction with the existing Disabled Veterans' Outreach Programs (DVOP) and Local Veterans' Employment Representatives (LVER) programs, allows the states to provide employment services to those veterans. The funding level requested in the President's FY2008 budget is appropriate to fund these priorities as well as all statutory mandates.

2. According to a GAO study on *Veterans' Employment and Training Service,* DOL has no method of gauging the extent to which priority of service for veterans has been implemented in various employment programs, despite Jobs for Veterans Act (JVA) requirement that DOL include this information in its annual report to Congress. Do you agree with this claim?

a. Why have you not implemented this requirement?

Response: The Department of Labor (DOL) does not agree with this claim. DOL has been using three methods for assessing priority of service. The first is measuring the participation rate for veterans in each of the principal DOL employment and training programs, as well as the overall participation rate of veterans across all these programs. This overall program participation rate is higher than veterans' rates of representation in the civilian labor force. This suggests that the veterans' priority has led to high participation. This measurement is included in VETS' Annual Report to Congress.

The second method relates to the monitoring procedures currently applied by VETS and by the Department's Employment and Training Administration (ETA). VETS' procedures include the analysis of quarterly monitoring reports for every state, the submission of annual self-assessments by each State Workforce Agency (SWA), and program monitoring reviews at selected One-Stop Career Centers each year. The ETA procedures include periodic reviews at the state and local level. Both agencies monitor priority of service and, in response to a prior Government Accountability Office (GAO) report, VETS and ETA recently piloted joint monitoring reviews of the SWAs in five states. VETS and ETA found that this produced greater consistency and broader coverage in the monitoring of priority of service.

VETS and ETA recently implemented a third approach to assessing priority of service, by awarding a contract to provide an analysis of existing approaches to implementing priority of service in DOL programs and to explore strategies for evaluating the implementation of priority of service in greater depth.

We believe the combination of these methodologies and the information that will be produced by them will provide a robust and reliable approach for assessing priority of service.

Looking ahead, ETA is also proposing an integrated reporting system called WISPR. In its proposed format, WISPR will collect information on registrants for DVOP LVER and the Wagner Peyser Employment Service programs, at a minimum.

The latter serves approximately 13 million individuals per year. It should be noted that this data is not currently being collected, but by doing so, the Department of Labor will be able to analyze the proportion of Veterans who register *and* go on to receive a service versus the proportion of Non-Veterans who register *and* go on to receive a service. If approved, this data will add yet another dimension to DOL's ability to gauge priority of service.

a. Why have you not implemented this requirement?

Response: DOL implemented the priority of service requirement shortly after the priority of service provision was enacted in the Jobs for Veterans Act late in 2002. Early in 2003, DOL issued general policy guidance on priority of service and, later in 2003, DOL issued specific policy guidance for each major employment and training program.

With the enactment of Public Law 109–461 late in 2006, the Secretary of Labor is required to publish regulations on priority of service by December 2008. A work group has been convened and draft regulations are currently under development. DOL is confident that the resulting regulations will embody the policy guidance required to achieve full implementation of priority of service and will be accompanied by improved sources of information for assessing its implementation.

3. How are DOL–VETS funded? Explain the Wagner-Peyser Act and how that applies to funding DVOP/LVER?

Response: Amounts appropriated to VETS for the Jobs for Veterans State Grants are funded indirectly from the federal unemployment tax. As required by the Jobs for Veterans Act of 2002, allocations to the states are based upon the number of veterans seeking employment in that state as a percentage of veterans seeking employment in all states.

The Wagner-Peyser Act of 1933 laid the ground work for employment services for America's job seekers, which have benefited veterans over the last seventy-five years. The Wagner-Peyser Act funds also derive from the federal unemployment tax and are allotted to State Workforce Agencies by the Employment and Training Administration using a formula that takes into account State Workforce Population Estimates and local area unemployment statistics.

In the workforce system, the public labor exchange is operated as part of the One-Stop Career Center system. The Jobs for Veterans State Grants are one of several state grant programs that provide employment related services, including Wagner-Peyser and Workforce Investment Act formula grants. One-Stop partners, including staff funded under the Wagner-Peyser Act, provide priority of service to veterans. DVOP specialists and LVER staff assist the One-Stop Career Center to serve veterans, but do not supplant the office's general responsibility to provide employment and training-related services to all job seekers, including veterans. In fact, the Wagner-Peyser Employment Service program served over 1,151,000 veterans and eligible persons over the past year, about nine percent of the total participants served. The DVOP Program provides case-management and intensive services to veterans most in need of services or those veterans with barriers to employment. In partnership with Wagner-Peyser funded staff, LVER staff serve veterans and help to meet the workforce needs of the business community though outreach and field visitation.

4. How many positions outside of the central office are lost each year due to inflation of salaries and stagnant funding of state grants?

Response: The Jobs for Veterans State Grant funds DVOP and LVER positions in the State Workforce Agencies. It does not fund federal VETS positions at the national, regional, or state levels. A comparison of DVOP specialists and LVER staffing was drawn between the position levels in fiscal year FY 2007 and FY 2003, the year before the Jobs for Veterans State Grants were implemented. Based upon the funding, the states were able to support 271 fewer positions funded in FY 2007 than in FY 2003.

5. If DOL–VETS could receive full funding at the full authorized levels, what would that equate to?

Response: The Jobs for Veterans Act of 2002 does not establish an authorization for DVOP and LVER positions. DOL submits a request for the amount estimated to be necessary to support VETS' activities and states provide an estimate of the number of veterans' employment representatives and services that the states can support based upon their estimated allocation.

Two VETS programs currently have authorized levels: the Homeless Veterans Reintegration Program (HVRP) at $50 million, and the Veterans' Workforce Investment Program (VWIP) that has a reservation of no less than $7.3 million.

6. The VWIP program is highly successful in that the average staff member has a higher level of education, training, and specialized tools to assist veterans. How much would it require funding a VWIP in each state or in those with high concentrations of veterans?

Response: To provide a Veterans' Workforce Investment Program (VWIP) award in each state, it would cost approximately $26 million. This estimate is by derived by assuming that the current average VWIP grant amount ($500,000) is awarded to each of the 50 states plus the District of Columbia and Puerto Rico.

7. What is the average budget for a DVOP/LVER to conduct outreach or to travel to visit veterans outside their offices?

Response: The design of the Jobs for Veterans State Grants provides states with the flexibility to operate in a manner they deem appropriate to best serve the veteran population and in a manner that maximizes their respective resources, in accordance with the Jobs for Veterans Act of 2002. This highly evolved system of operation provides the best possible use of resource allocation for each state considering each unique economic situation, the needs of their veterans' population and the resources available to provide services at an optimal level.

Outreach is conducted by LVER staff members for the purpose of establishing employer relationships that are conducive to the creation of job opportunities for veterans, and to market the well trained and skilled labor pool of veterans. Outreach to the community, employers and businesses, includes encouraging employers to consider veterans as a meritorious labor source on a priority basis.

Without taking into consideration each state's methodology for developing such travel projections, VETS estimates that on a national level, the average projection for DVOP/LVER staff to conduct outreach is $1,400.

8. In regards to state imposition of probationary periods, how many DVOP/LVERs do not receive training within the first year?

Response: Pursuant to Public Law (Pub.L.) 109–461, Jobs for Veterans' State Grantees were required to provide information in their FY 2008 annual modification requests identifying the dates DVOP specialists and LVER staff were appointed and received core training through the National Veterans' Training Institute (NVTI). We have defined core training as the Labor and Employment Specialist (LES) course and Case Management course for DVOP specialists, and LES and Promoting Partnerships in Employment course for LVER staff. DVOP specialists and LVER staff appointed since January 1, 2006, are required to complete this core training within three years of the date of appointment. Monitoring this required training is an area of special interest that our State Directors of Veterans Employment and Training review in state implementation plans and during State Workforce Agency assessments.

Based upon the most recent quarterly reports from the states, 433 out of 609 DVOP and LVER staff appointed since January 1, 2006, have not completed NVTI training. Since the requirement is that they complete training within the first three years of employment, we have not asked the states to provide information on attendance at training in the first year.

9. What are the figures for referrals that states receive from the VA to DVOP/LVER programs for placement?

Response: In FY 2006, the VA's Vocational Rehabilitation and Employment (VR&E) referred 6,658 individuals. Of that number, 5,801 were registered in the SWA systems, and there was a resulting entered employment rate of 87%. The FY 2007 figures are still being compiled.

Following a meeting with the committee's staff, a new Memorandum of Agreement (MOA) was signed between VA's VR&E Service and VETS. This has led to a new level of collaboration and cooperation between VETS and VR&E. The MOA established three working groups who are charged with developing performance measures, curriculum development and joint training, and data collection and analysis. The working groups have developed a demonstration project to be implemented at eight mutually agreeable sites to implement best practices/standardized procedures that outline/evaluate the proposed model for collaboration. The project start date is scheduled for January 28, 2008.

10. Which states are doing a good job in limiting their overheads and providing resources?

Response: Under the governing regulations (29 CFR part 97) and OMB circulars (A–102 and A–87) state workforce agencies develop cost allocation plans consistent with accepted accounting practices. They can develop an indirect cost rate proposal to cover their centralized costs and other administrative costs that benefit all pro-

grams or develop a cost allocation plan that lays out their costing methodology. These plans are subject to approval by either the relevant Federal agency providing the most Federal funds to a state or a DOL cost negotiator from the Department's Division of Cost Determination. Each state can account for different items of cost such as travel, computer equipment and telephones as either direct or indirect, and as either program or overhead, costs depending on the nature of the expense.

States incorporate their approved rates and cost allocation plans into their Jobs for Veterans State Grant proposals. VETS' field staff reviews their plans and assists them to successfully achieve their plans and stay within approved cost items.

Attachment 1 indicates the percentage of grant funds utilized by each state for administration and other expenses compared to the percentage of funds supporting salaries, benefits, and travel. VETS understands the complexity of this issue and is willing to brief you and your staff further.

Attachment 1
Jobs for Veterans' State Grants
Administrative Cost Overview

(DATA OBTAINED FROM FY2007 ANNUAL FUNDING MODIFICATION SF 424A)

State	% of Grant Funds Supporting Personnel Salaries, Benefits, Travel	% of Grant Funds for Administration and Other Expenses
AK	82.05%	17.95%
AL	79.87%	20.13%
AR	75.21%	24.79%
AZ	72.41%	27.59%
CA	70.35%	29.65%
CO	80.91%	19.09%
CT	70.31%	29.69%
DC	77.49%	22.51%
DE	72.91%	27.09%
FL	51.90%	48.10%
GA	74.28%	25.72%
HI	75.17%	24.83%
IA	70.54%	29.46%
ID	73.84%	26.16%
IL	70.95%	29.05%
IN	78.48%	21.52%
KS	67.81%	32.19%
KY	68.96%	31.04%
LA	84.40%	15.60%
MA	74.20%	25.80%
MD	76.37%	23.63%
ME	73.20%	26.80%
MI	74.84%	25.16%
MN	76.54%	23.46%
MO	72.74%	27.26%

State	% of Grant Funds Supporting Personnel Salaries, Benefits, Travel	% of Grant Funds for Administration and Other Expenses
MS	65.16%	34.84%
MT	66.84%	33.16%
NC	75.87%	24.13%
ND	71.12%	28.88%
NE	63.23%	36.77%
NH	80.57%	19.43%
NJ	78.62%	21.38%
NM	74.97%	25.03%
NV	69.61%	30.39%
NY	76.78%	23.22%
OH	67.42%	32.58%
OK	73.73%	26.27%
OR	76.08%	23.92%
PA	81.60%	18.40%
PR	87.48%	12.52%
RI	57.92%	42.08%
SC	75.97%	24.03%
SD	59.93%	40.07%
TN	72.93%	27.07%
TX	72.82%	27.18%
UT	75.57%	24.43%
VA	73.71%	26.29%
VI	90.54%	9.46%
VT	69.25%	30.75%
WA	67.72%	32.28%
WI	68.92%	31.08%
VW	70.38%	29.62%
WY	73.74%	26.26%
National Average:		**26.71%**

11. Is a follow up program implemented by the DOL feasible?

Response: Follow-up on program exiters is a key component of all the veterans' employment programs for which VETS is responsible, but the way in which follow-up is implemented varies according to each program's service delivery approach.

In the Homeless Veterans' Reintegration Program (HVRP), the Veterans' Workforce Investment Program (VWIP) and the REALifelines (RLL) Program, follow-up is implemented for two purposes: to provide guidance, encouragement and support to job seeking veterans during and after program participation; and, to determine whether these veterans achieved the desired outcomes of entry to employment and retention in employment.

In the Jobs for Veterans State Grants, personal follow-up is implemented solely to guide, encourage and support the job seeking veterans during and after program participation. Their outcomes are determined through other channels. An example

of this type of follow-up occurs as part of the intensive services provided by DVOP specialists. Intensive services involve the provision of various types of assistance during program participation, as well as during the early stages of entry to employment and retention in employment. However, the outcomes are determined based on the collection of wage record data, as discussed in the response to the following question.

12. Does using wage record data a good enough measure outcomes?

Response: DOL is confident that wage record data represent the best available source of information on the outcomes of veterans for the purpose of program reporting. The Congress has indicated its preference for reporting program outcomes that are based on wage record data in both the Workforce Investment Act (Section 136) and the Jobs for Veterans Act (38 U.S.C. 4102A(f)(2)(A)).

The data source is further enhanced by the Wage Record Interchange System (WRIS) which has been developed to facilitate the interstate exchange of wage data between participating states for the purpose of assessing and reporting on state and local performance. The primary benefit is that DOL and it grantees get a more robust picture of the effectiveness of their programs by tracking individuals who may get served in one state but find employment in another. VETS' confidence in the accuracy of wage record data is reinforced by the agency's own experience reporting outcomes for the DVOP/LVER program before the implementation of wage record data collection. Under the prior approach, reported outcomes were much lower overall and the variation in reported outcomes among states was much greater.

However, VETS does not place exclusive reliance on reported program outcomes from wage record data in managing and assessing the DVOP/LVER program. Rather, VETS relies on multiple lines of evidence and significantly supplements reported program outcomes by emphasizing continuous improvement through the annual performance cycle, which consists of planning, monitoring and technical assistance, and the independent perspectives afforded by studies and evaluations conducted under contract by experts in various fields.

13. How much would it cost to make part time DVOPs full time?

Response: It would take about $5 million to convert the current 101 half-time DVOP specialists the states planned to support in FY 2008 to full-time status. However, such a move would also run counter to the basis of the funding formula. Further, the authorizing legislation allows states the flexibility to appoint part-time staff.

14. How many referrals does the DOL receive from VA for placement of staff in DVOP/LVER?

Response: In FY 2006, the VA's VR&E referred 6,658 individuals. Of that number, 5,801 were registered in the SWA systems, and there was a resulting entered employment rate of 87%. The FY 2007 figures are still being compiled. Please see the response to question nine for additional information.

15. The Chairwoman requests the DOL to provide information on which states are recognized as having successful DVOP/LVER programs.

Response: Employment and employment retention rates are measured against the negotiated measures of each outcome for veterans, disabled veterans, transitioning servicemembers, and recently separated servicemembers. In the near future, average earnings may be included in the measured outcomes for veterans. These outcomes are measured on a rolling four-quarter basis, since employment retention and wage measurements are calculated over a period of time following their last service.

Attachment 1 indicates the results of measures reported through the One-Stop Career Center system which includes the combined integrated efforts of all State Workforce Agency staff including the DVOP specialist, LVER and Wagner-Peyser Program staff.

16. Provide information to the Subcommittee on how many DVOP/LVER receive training with in the first year, state by state.

Response: As discussed in the response to Question #8, VETS has been tracking the DVOP specialists and LVER staff appointed or assigned since January 1, 2006, to ensure that they complete training within the first three years of service. We do not have data on the number of state employees who completed training in their first year, but our most recent report shows that a total of 176 staff hired after January 1, 2006, have satisfactorily completed NVTI training within the first 21 months since the law took effect. Attachment 2 shows a count of the courses completed between January 1, 2006 and September 30, 2007.

One-Stop Performance Outcomes By State Source:
ETA 9002 D Qtr Ending June 30, 2007
(Reported as of 10–18–2007)

State	Veteran EER*	Veteran ERR**	Disabled Veteran EER*	Disabled Veteran ERR**
Alabama	61%	80%	57%	78%
Alaska	51%	73%	45%	69%
Arizona	51%	76%	46%	74%
Arkansas	67%	79%	63%	79%
California	52%	78%	49%	78%
Colorado	62%	81%	59%	81%
Connecticut	59%	76%	49%	76%
Delaware	53%	73%	47%	78%
District of Columbia	61%	75%	52%	78%
Florida	59%	79%	54%	78%
Georgia	63%	78%	59%	77%
Hawaii	46%	75%	45%	71%
Idaho	68%	79%	61%	77%
Illinois	62%	83%	57%	82%
Indiana	66%	83%	59%	83%
Iowa	68%	83%	61%	81%
Kansas	71%	84%	69%	85%
Kentucky	65%	79%	58%	77%
Louisiana	24%	67%	25%	64%
Maine	59%	83%	53%	83%
Maryland	63%	82%	60%	82%
Massachusetts	54%	73%	46%	72%
Michigan	53%	74%	47%	70%
Minnesota	56%	82%	51%	80%
Mississippi	54%	25%	46%	24%
Missouri	62%	77%	55%	77%
Montana	69%	83%	67%	82%
Nebraska	62%	82%	57%	81%
Nevada	71%	80%	67%	80%
New Hampshire	63%	74%	58%	73%
New Jersey	56%	79%	47%	76%
New Mexico	54%	74%	51%	75%
New York	57%	80%	55%	79%
North Carolina	56%	75%	53%	75%
North Dakota	68%	86%	51%	84%

One-Stop Performance Outcomes By State Source:
ETA 9002 D Qtr Ending June 30, 2007—Continued

State	Veteran EER*	Veteran ERR**	Disabled Veteran EER*	Disabled Veteran ERR**
Ohio	40%	82%	38%	81%
Oklahoma	71%	84%	68%	82%
Oregon	62%	84%	51%	80%
Pennsylvania	61%	83%	54%	81%
Puerto Rico	33%	0%	23%	0%
Rhode Island	58%	81%	47%	67%
South Carolina	69%	81%	65%	80%
South Dakota	63%	83%	51%	80%
Tennessee	59%	76%	57%	76%
Texas	66%	84%	62%	84%
Utah	71%	86%	66%	86%
Vermont	61%	73%	50%	79%
Virginia	68%	83%	65%	80%
Virgin Islands	44%	64%	0%	20%
Washington	70%	84%	64%	85%
West Virginia	65%	82%	56%	80%
Wisconsin	64%	86%	61%	86%
Wyoming	62%	77%	59%	75%
National Average	**59%**	**79%**	**55%**	**78%**

* EER = Entered Employment Rate
** ERR = Employment Retention Rate