

DRAFT LEGISLATIVE CONCEPTS FOR 21ST CENTURY VETERANS' EMPLOYMENT AND TRAINING LEGISLATION, H.R. 364, DRAFT LEGISLATIVE CONCEPTS FOR MISCELLANEOUS VA EDUCATION PROGRAMS, AND H.R. 625

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

FIRST SESSION

OCTOBER 28, 1999

Printed for the use of the Committee on Veterans' Affairs

Serial No. 106-26



U.S. GOVERNMENT PRINTING OFFICE

64-096CC

WASHINGTON : 2000

For sale by the U.S. Government Printing Office
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402

ISBN 0-16-060680-2

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625**

THURSDAY, OCTOBER 28, 1999

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

The subcommittee met at 9 a.m. in room 340 of the Cannon House Office Building, the Honorable Jack Quinn, chairman of the subcommittee, presiding.

Present. Representatives Quinn and Filner.

Mr. QUINN (presiding). Good morning, everybody, and welcome to our hearing. We had a change of room very briefly, so I'd like to welcome everybody here to today's hearing on Draft Legislative Concepts for Potential 21st Century Veterans' Employment and Training Legislation.

Also on H.R. 364 on Select Veterans' Education Issues and on H.R. 625, so we have a whole group of issues this morning.

Our purpose is for the subcommittee to listen and to learn basically, particularly in this era of the Work Force Investment Act. We want to get solid advice before we introduce legislation to create what we hope is a world class employment and training system for veterans into the new century.

Veterans deserve no less, as do the dedicated staff across the country who furnish these services. The draft legislative concepts on which the committee will take testimony emerged from many sources including the following.

First and foremost, ranking member Bob Filner's previously-introduced legislation which has been very helpful. The Congressional Transition Assistance Commission, the Department of Labor. We'll hear from them in a few moments. Our Subcommittee on Oversight's July hearing on the Department of Labor Veterans' Strategic Planning Process. We also included the Independent Budget and also the Vice President's National Performance Review. Our subcommittee's September 9 hearing on credentialing and licensing, which we finished in the fall. And also from the General Accounting Office.

Because of the magnitude of the employment and training issues the subcommittee is considering this morning, we've scheduled a number of expert witnesses from across the country to give testimony.

We are delighted to have all of you with us.

I would suggest, and I mentioned this to Mr. Filner, we take an informal approach this morning with our witnesses, so that we can work through some of the many issues and learn as much as possible.

In any case, I'd like to remind everybody that, as we begin, before we yield and get to our colleague, Mr. Bob Ney, in any case, please limit your oral statements to about 5 minutes for everyone that's here.

We all know that your full statement will be entered into the record.

We shall take testimony on H.R. 625 as I mentioned, and on various education concepts as well. And the subcommittee certainly welcomes our witnesses who will testify on those matters.

I also want to begin by apologizing on behalf of the subcommittee, particularly to the Departments of Labor and Veterans Affairs for our inability to give our witnesses the usual 3 weeks advance notice of today's hearing. It's challenging enough to get documents together and coordinate your testimony, and we appreciate it a great deal.

Lastly, before I turn to Bob, I want to mention, in light of the growing concern about VA's duty-to-assist veterans in filing claims for benefits, I've asked the Staff to consult with the VA and also the VSOs on the issue and the meaning of a "well-grounded claim."

The subcommittee will hear testimony on this issue early next session.

Bob, I yield to you before we get to Mr. Ney.

OPENING STATEMENT OF HON. BOB FILNER

Mr. FILNER. Thank you, Mr. Chairman. I just want to add my welcome, first of all, to all of you as we have the final hearing of our first session.

As you pointed out, we've had a very busy year with nine legislative and oversight hearings. The person responsible for preparing the Democratic members is our Staff Director, Jill Cochran.

With the Chair's permission, I would like to point out this is her last hearing because her retirement is coming in December.

Jill, if I may, Mr. Chairman, has spent 25 years on the Hill helping veterans, supposedly helping Congress people. (Laughter.)

But she's really helping veterans, and Jill, we just want to thank you. For a quarter of a century, you were a legendary staff member to a legendary chairman, Mr. Sonny Montgomery, and you will be remembered, as he will, of course, for your contribution to the development of the Montgomery GI Bill.

Jill has also played a key role in the development of the TAP program, the Transition Assistance Program for separating servicemembers, so they could ease their transition from military to civilian employment.

She has also worked closely in updating the reemployment rights for veterans' programs to assure that jobs would be there when our Reserves returned from active duty.

She's had a great interest in vocational rehab programs for disabled veterans, and one of her real great loves is working with issues affecting homeless veterans.

That just mentions a few of the things that she has worked on. She's gotten awards from every major and minor veteran group in the Nation.

She has worked for such Congress people as Bill Hoeffner, Tim Penny, Sonny Montgomery, Maxine Waters, Tom Daschle, I assume, when he was here, now Senator of course.

We could talk about Jill's accomplishments all day but she is more than just a staff member who does professional work. I think we know her to be a warm, caring, sometimes funny and totally charming individual. She really cares about her work on this committee. She has brought us all into a commitment to our veterans in a way that is going to live on after she retires.

She just cares a lot about our Nation's veterans. She's done a lot for them.

And I just want to thank you for 25 years of service to them. (Applause.)

Mr. QUINN. Thank you, Bob. Thanks very much.

And Jill, from our side, my personal comments for the record. I also want to thank you. I think, as we've said so many times, Bob, we try to keep this subcommittee and the full committee as unpolitical as possible. And your work has done a great deal to help us do that.

I also want to say, for the record, that I came to the committee and the subcommittee, having not been a veteran, and certainly not served in this capacity in the previous job.

Jill, but not only have you helped us and provided us with information, but you've taught me, believe it or not, to learn how to care for people, as Bob Filner points out, and that's important to me, no matter what jobs we have.

And I will say in closing, before we get to our first panel, you're lucky your retirement doesn't take a vote of this subcommittee because I don't think we'd let you go.

Thank you very much.

Mr. FILNER. Let me add just a couple more words.

I guess it's fitting that we have this, our last hearing, on a subject that Jill has worked incredibly hard on. That is veterans' employment programs. And I thank the Chairman for the word "teaching." She has taught all of us.

Again, I'm glad that we are focusing on employment assistance. We know from Title 38 that we have a national responsibility to assist veterans in their efforts to find and maintain stable permanent employment.

We have heard the Transition Commission, in its report, stress that employment is the dominant concern for most veterans who are making the transition to civilian life, and that a veteran with a suitable job is a veteran in a position to create solutions to the problems associated with a new life as a civilian.

So I think it is our clear responsibility to provide the tools necessary to maximize opportunities for those veterans seeking jobs.

I'm pleased that we are looking, Mr. Chairman, at H.R. 364, the Veterans' Employment and Training Bill of Rights. I introduced this bill in the 104th Congress, reintroduced it in this Congress.

I believe that service-disabled veterans and veterans who served in combat areas have *more* than earned the right to be first in line for federally-funded employment and training programs.

This would be a new right to priority of service that is not now available to veterans, and would be in addition to current law which requires priority of service in local employment service offices.

In addition, I believe that veterans must be represented on State and local boards established in support of employment training programs.

I also believe that veterans who feel that their rights to affirmative action in hiring have been violated by federal contractors should have an effective appeals process available to them.

The legislation we are considering today would accomplish this and other important goals, and I hope we take some action in this session.

I would like to add, because I think it's important, that significant changes to the structure and staffing of our Veterans' Employment Programs must be made only after a great deal of thought and thorough discussion of which this hearing is a part.

I don't think any of us want to do anything that will reduce the number of our already-overburdened DVOPs and LVERs. You all know what that means. If you don't, ask Jill. (Laughter.)

And I certainly won't support such an effort. My goal is to give these men and women the support they need to do their best job on behalf of our clients. So, as we look forward to the testimony today, and I thank our colleague, Mr. Ney, for being hear with us, let us look at how we can make a big difference in the lives of our veterans, even with small improvements, whether that be education provisions or in job priorities.

So I'm looking forward to this morning's proceedings.

Mr. QUINN. Thank you, Bob. I appreciate your help on this and your legislation and others that we'll be looking at will be helpful.

We have an ambitious morning ahead of us. Let us get to our first witness on panel number 1, Bob Ney of Ohio, a colleague of ours and former member, I believe here on the Veterans' Affairs Committee. We appreciate your work then and your support during the year. Bob.

STATEMENT OF HON. ROBERT W. NEY, A REPRESENTATIVE IN CONGRES FROM THE STATE OF OHIO

Mr. NEY. Thank you, Mr. Chairman, and also to our other members and Staff.

I know you have an important hearing on a very important subject, so I'll be as brief as I can.

Thank you for allowing me the opportunity to testify today before the subcommittee regarding the bill, the Veterans' Education Benefits Equity Act of 1999.

First, I would like to say this legislation is what I consider non-controversial and does have the support of the Department of Veterans Affairs.

I've enclosed a copy of their letter. Also, without objection, I will also enclose some letters from a couple of other universities.

Mr. QUINN. Without objection, so ordered.

(See pp. 72-75.)

Mr. NEY. In past years, the Department of Veterans Affairs approved an exemption from Executive Order 120202 from Ohio University because the University uses the extended break to conserve energy by closing residence halls and academic buildings.

Unfortunately, the VA ruled that the energy crisis was over and Ohio University no longer is qualified for the exemption.

What the VA didn't realize is that the closing is not because of an energy crisis, but the University simply conserves energy since they produce all their energy internally within the University.

So the Department of Veterans Affairs reversed itself on a long-standing policy issue and eliminated a December veterans' educational benefit payment to approximately 360 eligible veterans who are students at OU.

The problem now exists for veterans because of OU's extended break which is between fall and winter quarter, and it runs from the day prior to Thanksgiving until the day after New Years, which averages about 40 days or 6 weeks of down time.

OU is one of only a few public universities that take such a lengthy break from classes within its academic year. The VA has a policy which suspends benefits under the Montgomery GI Bill to veterans if they experience a break of more than 30 days between enrollments.

So this means that if veterans are going to be paid for the month of December, they must be enrolled. However, the University is offering a few (four to six) classes trying to help out the veterans, but the choices are too few to accommodate most of the veterans' academic program needs.

Furthermore, I believe that if veterans have completed the fall quarter courses and have registered for winter courses, they have verified a commitment to continuous status.

So, Mr. Chairman, basically, you know, they're in a box. It relates, and I don't pretend to understand it 100 percent, but it relates to the energy issue and why OU closes down. But that's not the reason they close down.

So 360 people who are veterans are stuck and are losing their benefits.

I also have a letter from the VA which, if I could, submit to the record, they have testified before the Senate Veterans' Affairs Committee on a number of bills including Senate Bill 555 which does basically the same thing.

It's really tough for the 360 some veterans.

I'll be glad to answer any questions.

[Written statement of Congressman Ney, with attachments, appears on p. 70.]

Mr. QUINN. Bob, not necessarily a question, but I'd just say a comment. Thank you for bringing this problem to our attention. I

just talked with the counsel here, and Bob Filner and I have had a chance to look at that.

We're going to talk to Staff here later today and with Bob Stump, Chairman of the full committee, to see if possibly there isn't something we could do before we adjourn in this next week or two if it's possible.

I know you've offered legislation before, but we'll work closely with your Staff to see if we can't do something before we finish up.

Mr. NEY. Thank you, and thank you on behalf of the veterans at OU.

Mr. QUINN. Thanks very much.

Before we call the second panel, I just want to note for the record that some organizations will be submitting testimony for the record today. They're not here.

They include the Texas Work Force Commission, the California Department of Veterans Affairs, Disabled American Veterans, Vietnam Veterans of America, AMVETS, Resource Consultants, Incorporated, Hire Quality, Incorporated, and Ivy Tech State College.

Let us move to panel two now.

Our friend, Al Borrego will be joining us as well as Celia Dollarhide, friends of the subcommittee, both testified before.

We're glad to see you both here with us again this morning.

As we said earlier, your full testimony and information will be submitted for the record.

You both know how this goes. We've got some light bulbs there for you. If you'd keep it to 5 minutes or so, we'd appreciate it.

Al, do you want to begin, from the Department of Labor?

It's all yours.

STATEMENT OF ESPIRIDION "AL" BORREGO, ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT AND TRAINING, U.S. DEPARTMENT OF LABOR

Mr. BORREGO. Thank you, Chairman Quinn, Congressman Filner, for giving me the opportunity to testify on issues related to H.R. 364.

In coming here today, I represent not only the Veterans' Employment and Training Service, but all the employment and training resources of the Department of Labor that are available to veterans.

Secretary Herman has made it clear throughout the Labor Department that veterans' issues are America's issues. She is committing resources from throughout the Department to make sure that veterans achieve a fair opportunity to take advantage of our growing economy.

She understands that veterans not only have special needs, but that they are also a group that can make special contributions to all employers, employers who need a qualified, motivated, educated, and drug-free work force to compete in the global economy.

This is why I can say with confidence that no Secretary of Labor has been a stronger advocate for veterans than Alexis M. Herman.

In the main, the Department supports those concepts in H.R. 364 that will improve the programs and services available to veterans.

We support policies that will give veterans better access to training programs and employment services.

We support systems that will improve the way we gather data and develop program measures.

We support using the most sophisticated technology to help veterans find good, career-building jobs.

But, please, in the name of improvement, don't redesign what is not broken, don't undermine the dedicated efforts of federal and state staff working to serve all our Nation's veterans.

Many of the concepts underlying parts of this hearing rely on information presented by the Transition Commission, information that is now outdated, has been incorrectly analyzed, or is just plain wrong.

We cannot draft good laws based on bad information, yet somehow this inaccurate data has been repeated so many times, it's taken on the aura of truth.

For instance, Draft Concept C repeats a misconception that only two percent of veterans use the job service.

In reality, data from the Bureau of Labor Statistics and the Employment and Training Administration, data supplied to the Commission, showed that more than 14 percent of all veterans in the work force use the Public Labor Exchange System.

Another misconception is that only 12 percent of veterans registering with the Job Service entered employment. In reality, over 25 percent of veterans registering for service obtained employment.

This includes hard-to-serve veterans like the special disabled, the homeless, and other veterans with barriers to employment.

And these figures do not include those veterans who got jobs through our transition assistance program work shops or the federal contractor program or America's job bank because these veterans often do not register with the employment service.

And what about those States which find jobs for less than ten percent of veterans applying for services, but still meet vets performance standards.

We could find only one such State, Rhode Island, and veterans are still placed at a rate more than twice that of non-veterans.

That leaves 49 States which are meeting and exceeding their legislative mandate under Title 38.

I'm not satisfied with a 98 percent success rate. Like you, I want it to be 100 percent and we will achieve it.

I'm also greatly concerned with Draft Bill 1, Draft Concept B, which would dramatically reduce the veteran population eligible for priority services from the public employment system.

It would exclude Vietnam era veterans, Desert Storm veterans, older veterans who face technological unemployment or under employment, and veterans who, like many of their civilian counterparts, are changing jobs in mid-career to improve their lives and the lives of their families.

The Labor Department now serves 15 million working veterans. The proposed legislation would reduce that number to two million.

What do we say to the other 13 million men and women who honorably served their country?

Working together, I know we can make real improvements in the lives of our Nation's veterans. We can do this because Vets is an integral part of the Department of Labor's team that is creating the employment and training system of the 21st century.

The enactment of the Work Force Investment Act provides an unprecedented opportunity for major reforms that will result in a reinvigorated, integrated work force.

To ensure that America has the work force it needs to prosper in the new millennium, veterans must be fully integrated into the programs and policies driving the Nation's public employment and training system.

Secretary Herman is on record as saying she is convinced that VETS can best serve all of America's veterans by continuing to be an active and respected member of the Labor Department team. I agree.

Veterans have unselfishly done their duty to bring peace and stability around the world. We can make the coming century one of prosperity and employment security for them here at home.

The key to continued growth is to make sure that every veteran has the opportunity to share in our abundance. It may be one of our greatest challenges but it's also our greatest opportunity.

I look forward to working with the committee.

Thank you for this opportunity.

[Written statement of Mr. Borrego, with attachment, appears on p. 76.]

Mr. QUINN. Thank you, Al, and I'd ask Celia to go forward before we have any questions. I know I have one or two points that just need some clarification on your statement. Celia.

STATEMENT OF CELIA P. DOLLARHIDE, DIRECTOR, EDUCATION SERVICE, VETERANS' BENEFITS ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS

Ms. DOLLARHIDE. Good morning.

Mr. Chairman and members of the subcommittee, thank you for the opportunity to testify today on H.R. 625, a bill to authorize the Department of Veterans Affairs to continue payment of monthly educational assistance benefits to veterans enrolled at educational institutions during periods between terms if the interval between such periods does not exceed 8 weeks.

We also appreciate the opportunity to comment on certain draft legislative concepts under consideration to enhance VA educational assistance programs.

Specifically, my testimony today will address the need to expand the work study program, the need to simplify approval criteria, the problem with Montgomery GI Bill eligibility with regard to Officer Candidate School graduates, and improved eligibility criteria for the Survivors' and Dependents' Educational Assistance program.

H.R. 625 would extend the length of the break between school terms for which VA could continue payment of monthly educational assistance benefits to 8 weeks.

Currently, the law allows VA to pay only for intervals between terms that do not exceed a full calendar month.

This allows the student whose enrollment is essentially continuous to receive uninterrupted education payments from VA and removes the necessity for the veteran to attempt to find a job, in some cases a second job, to cover subsistence expenses during the interval.

We have no objection to H.R. 625, realizing of course that the pay-as-you-go (PAYGO) requirements of the Omnibus Budget Reconciliation Act of 1990 would apply.

Considering the work-study expansion issue, veterans and school officials have indicated that with the ever increasing costs of education, veteran students have a real need for greater access to resources that can supplement their Montgomery GI Bill benefits.

This proposal would permit work-study students to assist veterans enrolled at educational institutions with paperwork related to their participation in federal financial loan and grant programs, work at institutions in jobs related to their programs of education, work at State veterans' institutions and nonprofit service organizations that provide community assistance and support to veterans and servicemembers, and work at State approving agencies.

We would welcome consideration of a statutory amendment to expand the work study program as described. This program would be subject to PAYGO requirements.

The next issue is simplified approval criteria. The legislative proposal would permit educational institutions to obtain approval for their courses from the State approving agency based on meeting State licensing requirements and other administrative requirements such as those from a State board of regents, rather than the requirements listed in Title 38 if the State requirements would result in courses of equal or better quality.

Currently, educational institutions in those States which have introduced strict requirements for institutions offering degree and non-degree programs must comply with essentially two sets of rules, assuring in the process that they accommodate the slight variation in requirements.

Enactment of this initiative would ease the paperwork and recordkeeping burden on schools.

The next proposal is to allow servicemembers to retain eligibility if they are discharged during their initial service period to receive a commission.

Frequently, enlisted servicemembers are selected to attend Officer Training or Officer Candidate School. After completing these schools, they are discharged in order to accept a commission.

If the discharge occurs before completion of the minimum period of active duty needed to establish Montgomery GI Bill eligibility, current law considers this a break in service. Therefore, the newly-commissioned officer becomes ineligible for education benefits.

In the interests of equity, this should be changed. Subject to PAYGO requirements, we support this proposal.

The final legislative initiative is to improve eligibility criteria for the Survivors' and Dependents' Educational Assistance program. This proposal would allow a veteran's claim for a 100 percent service-connected disability rating, and a surviving spouse's claim for Dependency and Indemnity Compensation to be considered a claim for educational benefits for the veteran's children.

This would be an equitable solution for designating an appropriate effective date for awarding retroactive Dependents' Educational Benefits when there is significant administrative delay in establishing the criteria on which entitlement to such benefits are based.

We understand the unfortunate position in which a child seeking Dependents' Educational Assistance may be placed. Accordingly, we believe fairness dictates that consideration should be given to legislation to correct this situation.

Although we see merit to your proposal, we would suggest it be limited to children who've reached age 18 and were in school while the claim for Dependency and Indemnity Compensation or a determination of total service-connected disability was still pending.

Of course, this proposal would be subject to PAYGO provisions.

Mr. Chairman, this concludes my testimony.

I would be pleased to reply to any questions you may have.

[Written statement of Ms. Dollarhide appears on p. 85.]

Mr. QUINN. Thank you, Celia, and thank you for the technical assistance which we will need and we will look forward to talking to you about it.

And we did hear—I know I did—subject to PAYGO, subject to PAYGO, subject to PAYGO a few times. Thank you very much.

And we did say we're going to try to proceed somewhat informally here today because of the nature of the hearing.

Al, I need just a little bit of help. In your remarks, I think our intention here in the beginning is to, as we mentioned, enhance what we have, and Celia used the same word a couple of times.

But you mentioned in your testimony, at least in the summary a couple of times, that you see some instances where we're going to limit our scope to get to some of these veterans.

Can you talk about that a little bit?

Mr. BORREGO. How we limit services, how the bill would limit services to veterans?

Mr. QUINN. Yes.

Mr. BORREGO. A couple of instances.

For one, when you talk about changing the roles of DVOPs and LVERs, the case manager part of that, that was based on, as I recall, an assumption from the Transition Commission that reduced the eligibility to 4 years, and that reduced the numbers of DVOPs and LVERs.

And based on that, clearly I don't think that that would enhance it.

Mr. QUINN. Thank you very much. Bob?

Mr. FILNER. Just a couple of quick questions. I want to make sure that we have everybody testify at a reasonable time today.

On changing the eligibility for the Officer Candidate School attendees, I don't think it was ever the intent of Congress that folks have to make a choice between becoming officers or maintaining their eligibility.

But CBO has said to us it would cost around \$2 million a year to change that. And you have estimated well under that.

Ms. DOLLARHIDE. Exactly.

Mr. FILNER. Do you know why there's a difference in the cost estimates?

Ms. DOLLARHIDE. We have not had a chance to talk to CBO to ascertain what their assumptions are. Basically, we're talking about those few enlisted personnel who go in and complete officer training school so that they are discharged to receive the commission before their initial obligatory service has been completed.

So that would be those few who enter OCS very early in their military career. And I think that may be the difference between our figures and CBO's.

Mr. FILNER. You might just try to reconcile these for years for us or we will engage in a practice used to a great extent this year—directed scoring. We'll just take the one that we like the best and use that for whatever we want.

I know how much you care about and are committed to the programs. You know of some of the critique of them.

We'll hear there have been studies, and we'll probably hear today that the DVOPs and the LVERs spend maybe too much time with people who are already job ready, and would find jobs in any case.

What do you think about that kind of critique—that there's not enough time spent on those who really need the help in finding employment?

Mr. BORREGO. When veterans are job ready, it means that they are very good at the work that they do. That once they are hired, they can do the work and they'll be superb at it.

What's left out of that is that those veterans don't know how to get jobs because you have to write a resume that will get you an interview, and do an interview that will get you the job. And that's a skill that many of us don't have, because we don't spend that much time looking for work.

So it's very appropriate that they spent their time working with Job Ready. That's the highest payoff, teaching them how to do resumes, working with them on resumes, and interview skills.

So clearly, having our DVOPs and LVERs work with job-ready has the biggest payoff. We still do case management for those that have barriers to being able to get a job, so for those with barriers, we're doing case management. We have classes, we're working on it.

But I think the number one duty is working with job-ready veterans.

Mr. FILNER. I guess the problem sounds like a misinterpretation or a different interpretation of the terminology.

That is, if somebody hears the word job-ready, their first thing is, well, why do we have to spend any money dealing with them, they're job-ready.

But you're saying that job-ready refers to their ability to do the job as opposed to their ability to get the job and know how to do this?

Mr. BORREGO. Yes.

Mr. FILNER. We might want to have some terminology that will allow us to better explain that to folks who critique this effort that you have.

Mr. BORREGO. Good suggestion.

Mr. FILNER. Thank you both for your commitments to our young men and women.

Mr. QUINN. Thank you, Bob.

Thank you.

We'll move to our third panel, and we'll invite our witnesses to step forward.

Mr. Robert Gross, Mr. Ronald Drach of Transition Commission fame, Dennis Beagle, Michael Blecker and James Hartman.

There's some New York people represented here this morning. That's good news.

[Pause.]

Mr. QUINN. We are going to proceed I think in order, if it's okay with you gentlemen, per the listing on the announcement for the hearing this morning.

So Mr. Gross, you'll begin, and then Mr. Drach, Mr. Beagle, Mr. Blecker and Mr. Hartman, if that's okay with everybody.

Here again, we're asking if you could keep your oral comments today to about 5 minutes or so.

Everything written becomes part of the record and useful to the full committee and Staff as we look at the issues this morning.

Sir, please begin.

**STATEMENT OF ROBERT C. GROSS, PRESIDENT, INTERSTATE
CONFERENCE OF EMPLOYMENT SECURITY AGENCIES**

Mr. GROSS. Thank you, Mr. Chairman.

It is a pleasure to testify before this subcommittee.

My name is Robert Gross. I'm the Executive Director of the Utah Department of Workforce Services and currently serve as President of the Interstate Conference of Employment Security Agencies, or ICESA.

ICESA is the national association of State officials responsible for workforce security and workforce development issues and services.

We administer both the Nation's employment service, as well as veterans' employment and training programs, unemployment insurance laws, labor market information, and in almost all States, we're responsible for the job training or workforce development programs.

In many States also we're responsible for coordinating workforce-related services in one-stop centers, and we play an important role in welfare-to-work programs.

A few of us, including my own State of Utah, also administer our State's welfare TANF and foodstamp programs.

Our members are the lead officials in implementing the Workforce Investment Act which Congress passed in August of 1998.

We have followed, with great interest, the work and final report of the Congressional Commission on Servicemembers and Veterans Transition Assistance.

Many of the draft legislative comments on which you have asked us to comment are contained in the report. While I cannot speak for all of our members on each of the draft concepts, I do have several general comments that I would offer in terms of our program's programmatic and policy perspectives on veterans' employment services.

First and foremost, let me say that ICESA members wholeheartedly agree with Transition Commission Chairman Principi that employment is the most important piece of the successful transition for servicemembers leaving the military today.

One of the most successful programs that we've heard about in previous testimony in which our veterans' staff participate are the Transition Assistance Program workshops.

Another exciting initiative that is just getting off the ground are the pilots being conducted in several States on veterans employment civilian credentialing requirements for military job skills.

The proposed legislative concept that would extend the Montgomery GI Bill benefits to cover the costs of tests required by occupational licensing appears to be one way to assist servicemembers in making their transition into the workforce.

I think it's fairly safe to say that a great deal has changed since the passage of Title 38. Most importantly, the public workforce service delivery system has significantly changed and is currently undergoing many other changes, most recently evidenced by the adoption, as I've mentioned, of the Workforce Investment Act in 1998.

Essentially, that Act has rewritten the Job Training Partnership Act, but it's also had a larger purpose in looking at the approximately 163 various employment and training-related programs to attempt to bring some semblance of order into the administration of those programs on a State-to-State basis.

The goals and objectives of the Workforce Investment Act are as follows:

- To provide a more coordinated, customer-friendly, locally-driven workforce development system;

- To provide individual choice through a vouchering system;

- To provide a strong role for our Local Workforce Investment Boards and the private sector;

- And finally to provide for State and local flexibility in Workforce Development programs.

The DVOP and LVER programs are inherent within the State employment service system and therefore that system is the backbone of the emerging workforce investment and our one-stop system.

Under the Workforce Investment Act, it is envisioned that the DVOP and LVER programs will be delivered through this One-Stop array of services.

One of the basic tenets of the new law is the methodology in which services are now delivered. It's done in a three-tier approach to provide services to job seekers.

At the first level, there is what we refer to as a self-service informational and core service level in which we provide various access to informational tools. We do some initial assessing of job skills and abilities, and some initial job search and job placement.

In this arena, in this first tier of services, we have or we deal with many job seekers who we deem to be job ready or almost job ready.

In the second tier, we provide intensive services such as comprehensive and specialized skills assessment, the development of individual employment plans, group counseling, career planning, and short workshops on job search, resume building, and so on.

And finally in the third tier of services under the new Act, we provide training services, which is a much different concept than the old one-size-fits-all methodology.

In the initial first tier, one of the things that becomes of increasing importance is the type of informational tools available electronically.

The first tier of services, both self-service and those including informational tools, has raised new issues for veterans' employment service providers.

As has been previously stated, many job seekers and veterans simply need access to good information so that they can make informed choices in their employment search, skills upgrading, and hiring decisions.

The use of the Internet has vastly improved the public workforce's ability to reach a much broader customer base.

America's Job Bank, which is the public workforce system's Internet-based job bank, is the largest job bank currently on the Internet with over a million job openings and 400,000 resumes.

One of the draft legislative concepts calls for a sustained DOL national marketing effort directed at employers. We believe that, as a result of a marketing initiative that ICESA has currently been using about America's Job Bank, many of these marketing initiatives can be consolidated.

Finally, let me just mention that in terms of performance standards, the current performance standards that we use do not do an adequate job of measuring performance in terms of the services that we provide to veterans. While they provide some data, we simply, in this Internet-based job search environment, need to do a much better job in terms of measuring the real performance or outcome levels which our service providers achieve on dealing with veterans and their issues.

We believe that because of these significant changes in our public workforce system, and the new Act, the advances in technology, and so on, all of these speak to a need for change in Title 38 and the related regulations and policies.

Thank you.

[Written statement of Mr. Gross appears on p. 90.]

Mr. QUINN. Thank you very much. Mr. Drach.

STATEMENT OF RONALD W. DRACH, PRESIDENT, R.W. DRACH CONSULTING

Mr. DRACH. Thank you, Mr. Chairman.

It's indeed an honor and a privilege to be here with you again this morning to talk about these concepts and to talk about H.R. 364.

Initially, I was going to stick only to my recommendations but Mr. Borrego's testimony begs for some response.

First of all, I'm happy to hear Mr. Borrego give some current data that the Commission did not have before at the time we made our recommendation and made our report.

But I want to talk about the 25 percent Mr. Borrego indicated placement rate.

Now excuse me for using a sports metaphor, but if you're a football quarterback, and you complete 25 percent of your passes, you're not going to have a job very long. You know that somebody is waiting behind you that may be a little bit better, and that creates some competition, and that's going to make that quarterback strive for something a little bit better than just 25 percent of completed passes.

And that's what we have, 25 percent completed employment placements.

As indicated by Mr. Gross, the performance standards have long been a sore point. Mr. Borrego said something like 98 percent of the States are in compliance. Well, if a State places two percent of its non-veterans and places 2.1 percent of its veterans, they're in compliance because they've exceeded the replacement rate for the non-veteran population.

Mr. Borrego also mentioned about diminishing services by implementing some of the Commission's recommendations. I have to point out that the Title 38 does not say that DVOPs and LVERs exclusively serve veterans. The Employment Service serves veterans. Everybody in the Employment Service is supposed to pick up the slack and served veterans.

So by changing some of these ideas and making some shifts, in and of itself, is not going to diminish services. It's up to the Employment Service as to whether services are diminished. I'm not sure they can be diminished much, much more.

On that very point, there's been some discussion about the role of DVOPs and LVERs and what their titles should be.

From what I understand, Mr. Borrego's position is the status quo is fine.

I would suggest that the Chairman and ranking members of both the House and Senate Veterans' Affairs Committees jointly send a letter to the Secretary of Labor asking for her views in writing on those positions and duties.

Take that response, along with the GAO study and the Transition Commission recommendations, and use that as a basis to draft legislation that should be considered and further debated.

I already mentioned competition. I think you could come up with a standard. I'm not sure what that standard would be, it would be somewhat arbitrary. But take a standard and look at those States who don't meet that standard and immediately ask the Secretary to compete within those States with the job services to veterans.

The National Marketing Program outline in Draft Concept D is something that is very similar to the idea that the Commission had, and I would certainly recommend that you consider following that and also take a look at the Commission's recommendation in establishing a veterans' employment network, which is in the Commission Report starting on page 60 of the report.

I also support the concept of allowing the veteran to use his or her MGIB eligibility on an accelerated basis to obtain necessary training or require license or certification. I think that's a really, really good idea.

What can I say about abolishing the current residency requirement? I can only hope that I live long enough to see that happen.

This House has passed legislation to that effect on several occasions only to have it die in the Senate, and I would hope the Senate's opposition to this would not deter you in your efforts to pass it again and send it back over again, and hopefully sooner or later it will pass and become law, and there will no longer be a residency requirement which makes absolutely no sense.

Just because I live somewhere does not make me qualified to do a job somewhere.

The work study program, even though it's not an employment per se, I do want to say that I certainly think that's a good idea.

But I want to add a second recommendation that's not in any of the concepts and that's dealing with vocational rehabilitation. Currently under voc rehab, a disabled veteran, as part of his or her training program, may enter into an unpaid work experience program.

Right now, the only hosts are State and local governments and federal government. I would recommend that that be expanded, similar to your idea along the work study program, to veteran service organizations, nonprofit organizations, and others who are serving veterans.

And I'd also suggest, because VA has now changed one of its positions, they have a new position called Vocational Rehabilitation Counselor, I would recommend that you amend Section 3115 of Title 38 U.S. Code to add Vocational Rehabilitation Counselor after Counseling Psychologist.

I also recommend in 364, that in talking about priority of services in all programs, that the language "funded in whole or part with federal funds" be added to that so that there's no question in people's minds that we're talking about any moneys that go to the States for employment programs that would give priority of services to veterans.

I'd also recommend including recently separated veterans in this section, which I do believe is one area that Mr. Borrego and I agree on.

Applicant flow data. In looking at the Federal Contractor Job Listing Program and its current report, EEOC, when they do a compliance review of employers covered under the Executive Order, they not only look at how many people are employed and the different categories, they look at the applicant flow data.

It's not good enough to know that they hired ten people in a particular covered category without knowing how many applied in those categories.

So if you hire ten and only twelve applied, you did pretty good, but if you hired ten and 1,000 applied, you didn't do too good. So without that applicant flow data, I believe that any data could be partially skewed, and not give you a true picture.

I agree with changing readjustment to recruitment in the VRA. I've long advocated that. And I see the red light is on, so I will stop at that.

I'll be happy to answer any questions.

Thank you very much.

[Written statement of Mr. Drach appears on p. 95.]

Mr. QUINN. Thank you, Ron.

We could probably spend the whole morning, believe me. Thank you for rushing through that, but we appreciate all the stuff that you put in there.

Dennis Beagle, you're next.

May I also say to anybody who has not visited us before, the bells that you are hearing is only a call to the House floor. We're going into session at 10 o'clock, and we don't expect votes for quite some time, so while they are making some noise up there, we'll let them go ahead and make some noise.

Dennis, I also want to welcome you as a Western New Yorker, not only from New York State, Mr. Hartman representing New York State, but certainly from my area of Western New York, Buffalo and Williamsville, while I think you're out of my Congressional District, I know you've had an opportunity to talk about some of the things here this morning with my Staff and I appreciate that help and advice a great deal, and also appreciate your making the trip here to be with us this morning.

Please begin.

STATEMENT OF DENNIS A. BEAGLE, EXECUTIVE BOARD MEMBER, NEW YORK STATE PUBLIC EMPLOYEES FEDERATION

Mr. BEAGLE. On behalf of Western New York PEF members, greetings Congressman Quinn, and we thank you for the opportunity to be able to come down and testify this morning before the panel.

Looking at H.R. 364, essentially PEF does support this initiative to give priority service to disabled combat veterans and spouses.

However, we do question eliminating the priority service to Vietnam era veterans, and also other veterans transitioning into the civilian sectors. So we would ask that you look at that.

Looking at Draft Bill 1, Concept A, the priority service. Again, we support this initiative but turning to Draft Bill 1, Concept B, the Public Employees' Federation opposes replacing the DVOP and LVER programs with case managers and facilitators.

We recommend enhancing the programs with incentives and technical innovations, but let's not kill the program.

Regarding Draft Bill 1, Concept C, competing the Veterans' Employment Service, PEF feels that this might confuse a national program aimed at common goals.

You need a standard program nationwide and by outsourcing to private groups and having certain states, localities, and all different types of entities administer these programs, I think it's going to confuse the veteran and confuse the programs and also confuse the employers.

With the new one-stop and with the Wagner-Peyser programs, there is no need, in my opinion, to either outsource or remove the DVOP and LVER programs.

So again, let's keep veterans assisting veterans. Let's keep the DVOP and LVER programs.

We do support the Potential Solution Number 1, that would enhance some of the services in support to the DVOP/LVER programs.

PEF looked at Draft Bill 1, Draft Concept D, the marketing concept. We really agree with that. We need the help. Anything that Congress can do to help market the program, we support.

And we certainly support expanding the Montgomery GI Bill to include financial assistance.

One suggestion might be that Congress might go further by providing some form of federal credentialing to those veterans to have comparable skills that would be acceptable in the private sector in public life.

Draft Bill 2, in the Draft Concept, use of the Internet, it sounds like a great idea. The idea of a virtual job fair sounds pretty exciting.

We do urge some caution relative to some of the so-called virtual job service and virtual one-stop centers because we just feel that there's no substitute for personal service.

And we certainly feel that these automated and technology-based services can enhance the programs but we feel that maybe some amalgamation of the technology based with the personal service might be the best answer.

And then finally, looking at Draft Bill 3, the Draft Concept of the pilot test of competed versus non-competed, we just don't agree with this at all because we found in the past that organizations that are not under the control of the Congress and the States will tend to cherry-pick applicants. They'll tend to work with those applicants that are most easily placed in order to get placement statistics and/or training statistics, and they would tend to ignore those candidates that might be more difficult to place.

So we do not agree with this type of a concept of competing or having any kind of a placement race for some of these outsourced services.

In conclusion, PEF strongly supports legislation that enhances the DVOP and LVER programs and we would certainly hope that Congress will pass those incentives.

Thank you very much.

[Written statement of Mr. Beagle appears on p. 100.]

Mr. QUINN. Thank you, Dennis. I appreciate it. Mr. Blecker.

**STATEMENT OF MICHAEL BLECKER, EXECUTIVE DIRECTOR,
SWORDS TO PLOWSHARES, SAN FRANCISCO, CA**

Mr. BLECKER. Thank you.

It is indeed an honor to be allowed to testify here.

My concern is with the needs of low-income veterans. I've been working with them through a nonprofit, community-based organization, Swords to Plowshares, since 1976.

It's a concept of vets helping vets, a very hands-on, high-support kind of program because that's what low-income veterans with multiple barriers need.

We see about 1,200 veterans a year, either homeless or at risk of being homeless. You need a service provider who has (a) accessibility, (b) rapport, (c) hands-on support, (d) linkages, and you have to be deeply integrated with all of the other community providers. Clients have to know who you are, they have to respect what you do, and you have to have a good working relationship with the community.

We provide support services. We have a contract with the San Francisco Department of Public Health to do that. In fact, we are considered a community mental health clinic because we're located in the city center area. That's what accessibility is all about, being right there where the veterans are.

We also provide housing. Fortunately, HUD funding has allowed us to provide housing. We have seventy units of housing and we're going to have 100 more at the Presidio of San Francisco. This is a big step up for veterans. The Presidio is a decommissioned mili-

tary base, an attractive, peaceful environment that is very different from the Tenderloin district in San Francisco, where low-income housing tends to be.

We've also tried to get involved in public policy because we feel it's important for operators to shape the public policy that affects our services.

The issue of priority service is very important for low-income veterans. I'll say right away the bill (H.R. 364) does not cover veterans with significant barriers to employment. They are not eligible.

The new Workforce Investment Act does provide new eligibility criteria under Section 168, which was Title 4(c) under JTPA. Under the new law, veterans with significant employment barriers are considered, quote, covered veterans for purposes of those benefits. So I think that's very important.

Mr. QUINN. Excuse me, Mike. Could you help us with that later on, and make sure if we're going to get that terminology a little bit.

Mr. BLECKER. Great. I'd be happy to do that, certainly.

Veterans tend to be underserved by non veteran-specific providers, whether you're talking about health care, employment training, or housing. It's really a well-established fact. Providers tend to believe that veterans are a federal problem. You have the VA, they take care of veterans. Even when the VA's not involved significantly in housing or employment and training, they still assume that.

And so veterans tend to be underserved.

The JTPA system has underserved veterans for years. The JTPA system is not the most friendly system. I just wanted to bring this little visual aid. This is called the client service manual. It's nearly 150 pages of instructions and forms. One form alone requires you to ask a veteran 94 questions before you can even determine whether you can help him, or whether he qualifies under the JTPA system.

That's not the kind of service that's accessible. And the new Workforce Investment Act doesn't promise to be much better.

I think the WIA calls for something like 17 separate performance standards. That's going to turn veterans off, it's not going to really help them. It's not going to make services accessible. You really need a vets helping vets approach.

One of our issues with the DVOP program and LVER program is that the most needy veterans have trouble getting through the security guards to even get help, to be honest with you. They just can't even get in there.

You need community-based services to reach that population, and the community-based service agencies have been forced to get their employment training dollars from HVRP, \$3.1 million nationally, or from Title 4(c) which is \$7 million nationally, or to try to compete for general JTPA funds which they find very hard to gain in competition.

So many vet CBOs have been forced to get money from HUD and try to stretch that kind of money to provide some employment training.

So I think that competing out will only help those veterans who have 100 percent unemployment rate, 100 percent unemployment rate. And I'm not willing to give up as those veterans. I think

there's lots of years left they have to be productive and dignified. Employment training is the key for that and that system needs to be opened up dramatically.

I want to make a few comments about the Federal Contractor Compliance issue.

Having worked with employers under for the JTPA system for the last 18 years, I know that employers are not going to come to the table eagerly. You really need to provide incentives for employers to get involved in this system, and the best way to provide incentives is in the procurement stage, especially federal DOD contractors.

It's much like when you're developing on public land, and you require the developers to come forward with a hiring requirement and they get bonus points to be awarded the contract. It's a similar principle.

That's where your leverage is. Your leverage is not trying to enforce, after the fact, very vague affirmative action goals. It's much better at the procurement stage.

And so I really recommend the Transition Commission's analysis, findings, and recommendations contained in the report.

Thank you.

[Written statement of Mr. Blecker appears on p. 104.]

Mr. QUINN. Thank you very much. Mr. Hartman.

STATEMENT OF JAMES H. HARTMAN, NEW YORK STATE DIRECTOR FOR VETERANS' EMPLOYMENT AND TRAINING, U.S. DEPARTMENT OF LABOR

Mr. HARTMAN. Mr. Chairman and members of the subcommittee—I don't know if I need this but—for the recording? Okay, thank you.

Mr. Chairman, members of the subcommittee, I truly want to thank you and the other members of your committee for this opportunity to address draft legislative concepts for the 21st century with Veterans' Employment and Training.

It is not often that a member of the field staff of my agency has a chance to address the members of the Congress.

So on behalf of my fellow State directors in this country, let me stress to you how really grateful we are to have this opportunity.

I've been with my agency since 1977 and was appointed to the position of New York State Director in 1987. During these past 22 years, I have seen the Congress and several Administrations answer the call of our Nation's veterans for help, and I'm most pleased today, as we go into the next century, that I can tell my fellow veterans in New York, they still have a voice in Washington, and that no matter how many years have come and gone since they've served their country, they have not been forgotten.

There are several issues you have brought for in your draft legislative concepts that I wish to address today but none I believe more important than those surrounding the services provided by our local veterans' employment representatives and disabled veterans outreach program specialists.

Your concept paper often quotes findings of previous studies done by the General Accounting Office and those of the Congressional

Commission on Service Members and Veterans' Transition Assistance.

A consistent theme from both bodies is that LVER and DVOP spend most of their time working with job-ready veterans, veterans who they believe can find their own jobs through use of computer-assisted job search, such as America's Job Bank.

I believe this finding is misleading and wrong in its conclusion.

I cannot overstate how important it is for your committee to thoroughly understand the ramifications of this finding as it is central to the many recommendations the Transition Commission made.

And therefore, I would argue that if their findings are suspect, then it would follow that their recommendations should be revisited.

Firstly, their finding that the LVERs and DVOPs spend most of their time working with job-ready veterans cannot be disputed. This is in fact what they were trained to do. Find qualified veterans and refer them to jobs.

Non-job ready veterans have always been referred to other support agencies, such as Department of Veterans Affairs, VET Centers, and to other State and local agencies.

Where I believe the GAO and the Transition Commission got confused on this issue is that LVERs and DVOPs, for the last 8 to 10 years, have been trained to be case managers of veteran applicants.

With this case management process, they do work with veterans who have barriers to employment, such as those that have a problem lifting.

But all the veterans that the LVERs and DVOPs work with on a daily basis are supposed to be job ready, but in need of mediated services.

This leads us to the Commission finding that most of these veterans do not need mediated services.

Mr. Chairman, my years of reviewing veteran applicant files in over 60 job offices in New York State tells me a different story. From this experience, I've concluded that for the majority of veterans we register for service, the job service is their last stop, not their first.

Before coming in to see one of our LVER and DVOP Staff, they have already exhausted other avenues to find jobs through their aunts and uncles, neighbors, friends, the newspapers, and yes, the Internet.

When they finally come to see us, they are in trouble.

A case in point. This past August I visited our Schemerhorn Street office in Brooklyn. As an aside, the last time I looked at national statistics, our Schemerhorn Street office had more veterans intake in a given year than 14 other States in this country.

This office has a resource room, has many computers and staff to help them use it, yet many were willing to wait upwards of an hour to see a job developer.

Mr. Chairman, why would these applicants wait that long if they could find their own job?

The answer is simply this. They need help, help from someone who knows the employer community, help from someone who can

lend them a friendly ear in a time of great stress, and help from someone that talks their language, like an LVER and DVOP.

As a personal aside, Mr. Chairman, when the Commission Report came out, I wondered how in the world they came up with this conclusion that most veterans can find their own jobs. So I called one of the staff members of the Commission. I said what kind of evidence do you have that would support that.

And this is a quote:

He said it was an educated assumption.

Excuse me.

Well, this primary finding led to the Commission recommendation which is now presented in your legislative concept paper to revamp the LVER and DVOP program by restructuring their title and function duties including the potential for consolidating such positions.

Do I support this recommendation of the Commission? No.

Before any attempt is made to restructure the LVER/DVOP programs, we should first make a concerted effort to find out more about the veterans who are registering for service.

Why did they lose their job?

Is there a need for them to be retrained?

Do they have enough money to carry them through for an extended period of unemployment?

It's those issues that we need to address.

I agree with the Commission, that the LVER and DVOP positions were created based on the needs of veterans at the time the legislation was developed and may not be appropriate for today's environment.

But I also suggest that it makes sense to me that we should structure our services based on an analysis of our clients' needs rather than an assumption that a certain process or perhaps a virtual hyperlink will e of benefit to them.

Once we compile this information, then I believe we could make some informed decisions. It might turn out to the case that LVERs and DVOPs duties should vary from State to State. I simply do not believe that we have enough information about our veteran customers at this time to make that decision or to even pilot test a potential solution.

Mr. Chairman, I spent a great deal of testimony talking about the LVER and DVOP situation. I just would briefly like to talk, if I may, about a couple of the other things in the recommendation.

First of all, your potential solution number 1 to provide a financial plan to reward States for good performance has my, and I believe my fellow State directors', full support.

However, I would like your committee to consider combining potential solution 1 with "HVAC Potential Solution 2" in this way.

We directors, for years, have felt that we never had a carrot or a stick to use in our States regarding our programs. But whereas your solution 1 gives us the carrot, your solution number 2 would not be much of a stick, especially in New York.

I'll try to put this in perspective.

My office is located in the State Labor Department Building in Albany, New York. I administer each year \$10 million in LVER/DVOP grant moneys. For most of us, Mr. Chairman, that's a lot of

money, especially for me who grew up on the East Side in Buffalo, that's a lot of money.

But in my State, our State labor department processes over \$6 billion in different programs every year, and our \$10 million, quite frankly, Mr. Chairman, pales in comparison.

Now perhaps I might suggest this to you. Maybe it would be more effective to use a non-financial sanction, such as publication in a newspaper if there's a deficiency.

In addressing the issue of competition, the Commission rightly points out that we have a number of grant programs that are competitively awarded for targeted populations such as our homeless veterans grants.

However, when it comes to the concept of contracting out our LVER/DVOP moneys, which are used to serve the general veterans' population, I cannot imagine a scenario where our veterans would receive even close to the same level of service they are receiving now in the large system.

Even though the vast majority of veterans that register are served by our LVER/DVOP staff, many are also served by the general office staff of the Job Service as well.

When all the States come on line under the Workforce Investment Act and the One-Stop Service Centers are established, there will be a number of partner agencies that our veterans can turn to for help.

If we contract out, we would simply separate ourselves from that system. And to use an old adage, Mr. Chairman, I believe that would be penny wise and pound foolish.

Finally, Mr. Chairman, I would like to address an issue of deep concern to many of us, and this is the apparent skills gap that many of our veterans have.

A couple of weeks ago they had a major job fair in Albany. The local newspapers covered the event and commented on the low turnout of unemployed workers. They even stated that employers were fighting over applicants that showed up.

Yet I know we have hundreds of unemployed veterans and the general population in our files.

What then is the problem?

I know the Secretary of Labor has expressed her concern about the skills gap in this country and I believe our veterans might have a significant skills gap.

Mr. Chairman, once again, on behalf of the many veterans we serve each year in New York, and my fellow State directors throughout the country, I once again want to thank you for this opportunity, and to use an old Buffalo saying, Mr. Chairman, we're talking proud having you as our leader.

[Written statement of Mr. Hartman appears on p. 109.]

Mr. QUINN. Thank you, Jim.

Thank you to all of the witnesses at the table. I started making notes and I don't know where to begin, believe me. I just said to Darryl, and I said to Mr. Filner, who had to leave to make a statement over in Transportation—he's coming back in just a few minutes—I think we'd like to lock you all in a room for a few hours and get some of these ideas.

I'm sure the one-size-fits-all old way of doing things, you are absolutely right on target that something has to be done. Writing to the Secretary of Labor to get some more involvement here is the same kind of thing you're talking about that's so important.

Mr. Beagle, this whole thing got started for me because I thought that we had some veterans who had been certified or licensed or should be because of the work they'd done in the service before they separated out, and should be able to go directly to a job somewhere.

And they are probably coming to us as a last resort, not a first stop.

So I'm not certain I have any questions for you except to say that the things you're saying at the table this morning are music to our ears, and we're going to need some help from you in the months ahead.

We began this morning by saying we're a little informal and this is the first work-through on this, and it really is. I don't think we're necessarily ready to go forward with any bill today, tomorrow, or the next day.

But I'd simply like to conclude by saying, thank you for coming here to give us this information, and I just suggested to Darryl, and will to Bob, that maybe we need a workshop kind of atmosphere rather than a hearing atmosphere to get some of these ideas together, to have some discussion going back and forth with the people that will finally advise us on this, and I don't mean to suggest that we bring everybody back to Washington.

I don't know how we'd do that, but I'd like to at least consider some kind of a workshop session for you, for us, to bring some of these ideas together, and I will get back to you on how and when we do that.

Certainly I think Bob Filner and I would like to sponsor that. Where, when, how, I'd like to talk about with Staff and with some of you, but there's too many good ideas here to not get you back again, so we'll get back to you with information and I want to say thanks again for coming today.

We'll move to panel 4.

Christopher Brennan will be accompanied by George Moriarty, and Mr. McCutchen is also going to be with us this morning, a small panel of four.

I apologize. The same hearing Mr. Filner's at I supposed to be at, so we're going to take turns here, and when he returns, I'm going to step out for just a minute or two to get some testimony. It happens to be on Amtrak and railroads this morning, which is important.

We've already said, and I appreciate you all at the table to try to keep your oral presentation to about 5 minutes or so, and then we'll have some time for comments and questions when we're finished.

Mr. Brennan, would you like to begin, please?

STATEMENT OF MR. CHRISTOPHER J. BRENNAN, DEAN OF BUSINESS AND WORKFORCE DEVELOPMENT, MIDDLESEX COMMUNITY COLLEGE, accompanied by MR. GEORGE J. MORIARTY, EXECUTIVE DIRECTOR, THE CAREER PLACE

Mr. BRENNAN. Thank you very much.

It's an honor and a privilege for me to be here for the testimony and to represent a community college.

As you know, the community colleges are very involved with workforce development nationally with the support that President Clinton has provided, and I think community college is kind of a bipartisan issue that's supported on both sides of the House.

My name is Christopher Brennan, I'm the Dean of Business and Workforce Development at Middlesex Community College. Middlesex is one of 15 community colleges in Massachusetts. We have a campus in Lowell, a city famous for its industrial heritage and home of the late senator and presidential candidate, Paul Tsongas.

Our other campus is in Bedford, home of Hanscom Air Force Base. That happens to be a suburban area that's a high tech highway similar to the silicon valley in California, the Bedford location, so we have the advantage of the urban and suburban populations.

The college serves approximately 4,000 day students and 3,000 evening and weekend students for a total of almost 7,000 students altogether.

Middlesex has achieved an enviable distinction in the field of workforce development. The Business and Workforce Development Division, which I head, provides on-site education and training for over 100 employers in our region.

We operate on a fee-for-service basis so we have a very entrepreneurial spirit.

Last year, we garnered almost a million dollars in fee-for-service that's brought in as revenue to the college to support our other services.

Out of a total budget of approximately \$20 million, about \$1 million is garnered through this workforce development fee-for-service operation.

From its partnerships with local employers, such as Raytheon and Bell Atlantic to its industry-approved programs in technical writing and health careers, the college has trained hundreds of individuals to meet the needs of local employers and to help fuel the continued growth of OU regional economy.

As many of you know, the strength of the economy often is with the skilled worker. And you talked about that skill gap. So the tie-in of the economic development with the community college and with job training is a key aspect.

Middlesex is especially proud of its role in helping veterans comprehensively to gain the education and training they need to compete for jobs. Through our enrollment services office, we provide veterans with maximum access to all the classes and services offered by the college.

In addition, the college certifies veterans' participation in educational activities, enabling them to receive their full share of GI Bill benefits.

We also implement a State tuition waiver program which allows veterans to pay only the fees of participation and no tuition. I don't

know how many other States have that kind of program, but it's interesting.

Mr. QUINN. Chris, let me just interrupt you for a minute.

Do you know what that costs the State?

Mr. BRENNAN. I don't have a figure. We could get you that through the Board of Higher Education.

Mr. QUINN. Would you mind, and have it get back to the subcommittee?

Mr. BRENNAN. It's another nice benefit for the veterans to have available to them.

Mr. QUINN. I should say so.

Mr. BRENNAN. The fee structure is legitimately about half of the cost. Sometimes people think the fees are a minimal cost, but it's not just a service fee. But still it's a real benefit for the veterans.

I can get you more information on that.

Mr. QUINN. At your convenience, please. Thank you.

Mr. BRENNAN. Finally, we have developed a strong partnership with the vocational rehabilitation program. That was mentioned earlier this morning. So that veterans who are eligible and able to obtain the services through the voc rehab are supported in their participation in higher education.

As you know, many of the high skill jobs now require more of an education than quickly short-term training. So I think there's an advantage to having a veteran participate in a certificate program for a full year for sometimes an associate degree.

So it's nice to have the educational benefits as well as training emphasis.

To get to the subject of the One-Stop Career Centers, we have the privilege of Darryl visiting us in the summer. And we were really thrilled to be seen as kind of a model.

In 1996, the college became involved in the emerging One-Stop Career initiative through some demonstration moneys through the Secretary of Labor's office when Robert Wright was there as Secretary of Labor.

Massachusetts took a unique approach when the career centers were launched in 1996 with a competitive model, with a privatized kind of model. The State chose three regions to sponsor the pilot centers that would be selected through a competitive bid process.

As a natural extension of its role in workforce development, Middlesex competed for and was awarded one of seven grants to manage a One-Stop Career Center.

Today, Massachusetts is expanding that model to 30 Centers with more of a local collaborative model where agencies are working together, so it's not quite as bid-oriented and competitively-oriented, it's more of a collaborative model of the various organizations working together as they move under the Workforce Investment Act.

The Career Place opened its doors on January 27, 1997 as one of the pioneers of the new, One-Stop Career Center initiative.

The federal government created the Career Center initiative to correct some of the deficiencies of a confusing and often conflicting system of publicly-financed programs, each with its own separate rules and regulations.

In Massachusetts, for example, workforce development assistance spanned 21 separate programs administered by no less than four different departments.

This fragmented job training system worked poorly for both the job-seeker and the employer. We see, as a community college, that the employer is a customer as well as the person receiving services. Career Centers offers job-seekers and employers a streamline approach to career and workforce development. We focus on customer service, state-of-the-art technology, universal access, and one point of entry.

By focusing on the needs of the customer and by providing high-quality services, Career Centers are able to achieve outstanding results.

I know I'm close on my time, but if I could just add a couple of quick things.

I think the Career Place and the Career Center that we operate has the best of both worlds. We have—and George Moriarty will talk more about this—we have a veterans' representative at our location. He's funded through the Federal/State governments, and he works at our location. He's co-located with us.

So he can provide that advocacy and the support for the veteran and he is a former veteran. At the same time, they get access to all the services that we have to provide.

We have a staff of 30 people there at the One-Stop. There's no way this one gentleman can provide all those variety of services for the veterans, so it's kind of a generalists-specialist approach.

He's the advocate and the specialist on the veterans, but all of our other staff can also serve the veterans.

Secondly, a comment I would make is that—and some of the other speakers talked about this—I wouldn't want to overdo that technological emphasis. You know, I think there's a place for the technology and we have it within our Center, and George will talk about that and the virtual job fair.

But you need that people connection. If you look at any study or skill competencies, and it's my job as a Dean, I'm always looking at the new curriculum and the new skill competencies, to see the need for the soft skills, that the person going out into the job market really needs those soft skills.

Well, you can't get that without a people/people contact. You know, as long as there's a job interview involved with closing the deal on a job, you're going to need some personal contact there. So I'd be a little bit careful about the pendulum swinging to a total technological basis.

Thirdly, I want to emphasize the need for local services. As our famous Congressman Tip O'Neil used to say, all politics is local. Well, to me, to a certain extent, all employment is local. You do work within a certain labor market and a certain area there, and I don't think there's as much movement across the country to find jobs as people think there is.

I think these national marketing efforts and the National Job Bank is a good idea, but to me, it's only one resource. Most people have a certain colloquialism, and they travel within 20 to 25 miles of their home base. So I think you have to keep that local base, that local employment aspect.

And finally, I love your idea of a workshop approach. We'd be very, very happy to return to Washington, or host you in Massachusetts, or whatever, to participate in that kind of brainstorming.

We have a lot of that kind of productive brainstorming at the campus through the leadership of our President, Carole Cowan. She really is a, she's not a micro-manager, she looks for advice from the deans and the other managers. So we'd be thrilled to be part of your workshop approach and continue our dialogue with Darryl and the other folks.

Thank you very much.

Mr. QUINN. Thank you, Chris, thanks very much.

Mr. Moriarty, you want the floor for a minute or two before we go to Mr. McCutchen?

Mr. MORIARTY. Sure.

STATEMENT OF GEORGE J. MORIARTY

Mr. MORIARTY. Thank you very much.

My name is George Moriarty. I am myself a veteran, a 4-year veteran in the U.S. Navy, but I'm here today actually as the Executive Director of the Career Place, which is One-Stop Career Center.

We are located in Woburn, Massachusetts. If you're not familiar with that, if you would follow some of the home runs that were hit by the Yankees over and out of Fenway Park and let the ball travel about 18 miles, you would have landed in Woburn. And unfortunately, they hit too many of them.

I want to talk very briefly, though, about the One-Stop Career Centers. We do provide services to about 10,000 individuals in the 20 city and town area that we serve through the One-Stop Career Center, since we've been open in the last 2½ years.

A great number of those are actually veterans who get services through our program there.

Mr. QUINN. About how many, do you know?

Mr. MORIARTY. We served about 1,800 to 1,900 veterans out of that group over the years. Last year alone we served over 600 veterans and we were able to job-place about 47 percent of the veterans that were served through our Center.

We are very fortunate that we have a partnership with the Job Service, the Massachusetts Job Service, through the veterans' representative DVOP that is there with us, Mr. Paul Reynolds who himself was a veteran in the U.S. Air Force 24 years of service and a former prisoner of war.

He spends a great deal of time working with the veterans. In fact, he would have been here with us today, but he decided he'd rather stay back there and provide services to the veterans.

So there's a very strong commitment at our Career Center, not only because of my own experience as a veteran, and Mr. Reynolds' experience as a veteran, but also our strong partnership with the State in trying to ensure that veterans get good services.

One of the things we're very concerned about, though, is we want to make sure that as veterans get the services, it's in the context of a Career Center that really provides universal access. As Chris mentioned earlier, it provides good technological resources for the veterans. We have a strong set of workshops and library resources for veterans.

So they get a number of services that all of our customers walking in the door get, so it's a very, very strong environment for the veterans as they come through.

And as the Workforce Investment Act becomes a reality next year, as the One-Stop Career Centers are becoming more and more of a central part of employment and training, I would urge the committee to look very closely at One-Stops and how they can be a good environment for veterans' services.

Whether or not the competitive model should be pursued is something that this committee will honestly have to look at. I think what's most important are what are the basic principles that any model is pursuing.

One of the principles that we pursue is we look very much for customer satisfaction. We want to ensure that the individuals who are getting services, and especially veterans, are getting the best services they can get to meet their needs as they define it through the guidance that we give them.

And as Mr. Brennan mentioned earlier, we believe in using the technology, such as the America's Job Bank, which we have been using for several months, but we also believe that the one-on-one contact can never be underestimated. It's so vital for individuals who need to get those kinds of services.

We also place very high performance standards for ourselves. We are concerned about these multiple performance standards that, more than anything, confuse things. I think it needs to be kept simple.

That you need to know who is being served, how many are getting jobs, what kind of jobs are they getting, and going back to the customer service, are they getting the jobs that they want and they need so that their particular needs are being met.

We think the One-Stop Career Centers provide an ideal environment for veterans' services. We would like to see that more and more One-Stops involved in veterans' services, develop good programs and ensure that the needs of the veterans are being met.

And again, as the Workforce Investment Act comes on line next year in a fuller way, you'll see more emphasis on the One-Stop Career Centers, and we hope that the committee will look very, very closely at that and look at ways that the employer community, through the One-Stops, can become a much more active partner in helping veterans get jobs because, as Mr. Brennan also said earlier, we look to employers as a very important part of what we do.

It's not just the focus on the individual but focus on the employers coming in and making sure that we meet their needs which are then congruent with the needs of individuals who are trying to find jobs.

And I would also reiterate that we would welcome any opportunity to work further with our colleagues here and with the committee, as you move forward, trying to look at some of the options for providing better services for veterans.

[Written joint statement of Mr. Brennan and Mr. Moriarty appears on p 112.]

Mr. QUINN. Thank you, George, thanks very much. And the employers are customers as well, as you said earlier.

Thanks. Mr. McCutchen.

**STATEMENT OF WOODROW C. MCCUTCHEN, PRESIDENT,
ASSOCIATION OF SMALL BUSINESS DEVELOPMENT CENTERS**

Mr. McCUTCHEN. Mr. Chairman, let me begin by thanking you and other members of the committee for holding this hearing today and inviting me to testify.

My name is Woodrow McCutchen and I'm the President of the Association of Small Business Development Centers.

The ASBDC represents the State and regional directors and host institutions of the Small Business Development Center network which operates over fourteen hundred centers in each of the States and territories of this country.

The program was established in 1980 and is authorized under Section 21 of the Small Business Act. The SBDC program has approximately 4,000 service providers who make available small business management and technical assistance to roughly 600,000 small business men and women and pre-venture clients annually.

We believe that addressing the business management and technical assistance needs of our veterans is a central component of our program. In recent years, the SBDC network has served approximately 45,000 veterans annually, and this figure is determined by those who self-identify and represents between seven and eight percent of our clientele.

We feel that the overall number of veterans that we serve is unquestionably larger because many of our clients do not self-identify themselves as veterans.

Men and women who serve in our Nation's armed forces and return to civilian life are anxious for a smooth and productive transition. The primary focus of many veterans' transition programs is to assist veterans in finding employment. With that in mind, I think it is important for us to recognize where job opportunities exist in our economy.

Recent statistics compiled by the SBA in studies all the way back to David Birch, will verify the fact that small firms, meaning those with fewer than 500 workers, employ 53 percent of the private workforce, account for 47 percent of sales and 51 percent of the private sector GDP.

In 1996, small businesses produced an estimated 64 percent of the 2.5 million new jobs created in our economy.

Why are these statistics important? Well, a study just conducted by the Kauffman Center indicates that approximately one in twelve Americans or 16 million Americans are right now trying to start a business of their own.

Various studies have been conflicting on whether veterans are more likely to own businesses than non-veterans. There is evidence that older veterans are more likely to become entrepreneurs than younger veterans.

According to the Bureau of Census, veterans own about four million of the approximately 22 million small businesses in America today. And the Commission on Service Members and Veterans' Transition Assistance concludes that the interests of servicemembers in entrepreneurship appears to be no less than that of the general population.

Shall we make an assessment that we can assume that one in twelve veterans would see entrepreneurship as a viable career alternative for them.

Last month, the ASBDC convened a meeting of veterans and military associations to discuss ways that our program could better serve the needs of our Nation's veterans. The meeting was convened jointly with Jerry Solomon, who has long experience with the SBDC program in New York.

There was consensus at the meeting that DOD's Transition Assistance Program could be greatly improved by increasing the emphasis on entrepreneurship as a career alternative for veterans.

The report of the Commission on Service Members and Veterans' Transition Assistance stressed the need for strengthening transition assistance.

One of our recommendations is to make the transition assistance available before separation, at least a year before separation or 2 years before retirement.

As the State Director of the Maryland SBDC, I personally conducted a number of transition assistance presentations. And in some cases, we had people in the room who were less than a month away from separation.

Well, by that time, most of the decisions have already been made. So we think that providing this kind of information with the much longer lead time is a much more effective way of doing that.

Entrepreneurial education resources are available through the SBDCs and SBA that can be utilized by military personnel who are still stationed on ships or remote bases. These educational materials teach business management, writing business plans, business finance, marketing, et cetera.

We at the ASBDC believe the SBDC program, working in cooperation with the Department of Defense, could provide a unique and valuable service to many existing military personnel in preparing them for successful careers after they leave the service.

I'd also like to point out that the Small Business Administration recently announced a new Veterans' Business Outreach Program authorized by Section 708 of the Small Business Reauthorization. Of the four grants that were awarded, two went to SBDCs and the third one went to a joint program that has an SBDC as its core operating component.

We've also been discussing with officials at the Office of Small and Disadvantaged Businesses at the Veterans' Administration the concept of establishing a number of small business incubators for veteran-owned businesses. We've been told that there are a number of facilities, some that are not being used, that might be available to house these incubators, and we think that this idea is very, very commensurate with the idea of a One-Stop facility for providing services to veterans.

I'd like to conclude by again expressing my appreciation for the opportunity of appearing before this committee today.

I've sought to give you some information about the SBDC program, and to describe our commitment to serving the veteran population.

We welcome the opportunity to work with members of the subcommittee and the Staff in exploring ways to bring to fruition these

ideas and ideas you may have about how the SBDC program can assist in assuring that our Nation's veterans are fully integrated into the economic system that their service sustains.

And again, I appreciate the opportunity to be here.

[Written statement of Mr. McCutchen appears on p. 117.]

Mr. QUINN. Thank you, Woodrow, thanks very much.

Let me first congratulate all three of you on the two projects you bring to us this morning. They both sound highly successful and probably models for the rest of us to learn about.

Woodrow, on the transition assistance work that you've done, was it in Maryland?

Mr. MCCUTCHEN. Yes.

Mr. QUINN. And at a base—where?

Mr. MCCUTCHEN. Yes. Of the 57 State programs, I would guess that at least 35 of them provide presentations at the Transition Assistance workshops at the bases in their States.

Mr. QUINN. At the bases.

And you are absolutely right. A month or two before separation is, you know, it's like talking to kids in the 12th grade about the problems with drugs and alcohol.

Mr. MCCUTCHEN. Absolutely.

Mr. QUINN. It's too late.

So I honestly believe we should be talking 6 months or 12 months, at some point in time to get that started. We'll talk some more with others, DOD.

And I attended a job fair earlier this year in Virginia, where we talked about matching up military people as they were getting ready to leave, and I asked some of the customers who were there, who are our veterans, our service men and women who were going to be separated, they didn't know who that guy was, and I, you know, I just asked how far out the process began. Was it 1 month or 2 months.

And they were saying it's about 6 or so.

Then I asked if they thought the paperwork was okay and was it helpful, was it not helpful.

I just was there for a snapshot of half a dozen people so it's not a good scientific survey or anything like that. But I will say this to you. I think the sooner we can start the better.

It's tough to tell in retirement years whether it should be 2 years or even for certain, when someone knows they're going to retire, but you're probably right, probably about 2 years out for that.

Thank you for those comments, and gentlemen, best wishes for you in Massachusetts.

I'd like to come out there and chase a couple of those home run balls down myself.

Mr. MORIARTY. We'd welcome to have you out there, sir.

Mr. QUINN. Thank you very much, I appreciate it.

Let's move to Panel Five.

And we're going to send out the Capitol Police to find Mr. Filner in the next few minutes. Maybe he took the Amtrak train over there to Rayburn.

Joseph Andry and John Hall and Effi Baldwin will be joining us at the table now for Panel Number 5.

We mention again, and we're going to, the way that you're—Joe, the way that you're listed, you'll be first, and second, third, we'll move across the table according to my scorecard here, if that's okay with everybody else.

And would mention if we could keep our remarks to about 5 minutes or so. Anything that you've provided us will become part of the full record and the documentation from the hearing this morning.

Please begin.

STATEMENT OF MR. JOSEPH ANDRY, DIRECTOR, VETERAN SERVICE DIVISION, OHIO BUREAU OF EMPLOYMENT SERVICES

Mr. ANDRY. Thank you, Mr. Chairman and members of the subcommittee, for this opportunity to be here and present testimony on House Bill 364.

I am presently the Director of the Veterans' Services Division at the Ohio Bureau of Employment Services. We have taken and done a lot of innovative things.

I noticed with some of the testimony prior to this, as far as whether or not, you know, that the LVERs and DVOPs spend most of their time on job-ready veterans.

I would have to say that it was also mentioned that Wagner-Peyser Staff or the ES staff, Employment Service Staff, they're the ones that generally see the veterans first, and if there are any type of barriers or anything like that, they're referred to the VET Rep, who has to do a further assessment to determine what the barriers are, and then come up with an action plan in order to eliminate those barriers and make the veteran job-ready for referral.

Mr. QUINN. Do you know, for example, what the amount of time is that that takes? I hate to interrupt you on this, but I'll forget it if I don't ask you now.

Mr. ANDRY. It can vary. It depends on the individual and what type of problems they have.

Mr. QUINN. Months, years, weeks?

Mr. ANDRY. Oh, you mean the entire process.

Well, it could just be a matter of maybe getting child care. However, it could also mean that the person is an ex-felon or maybe had a drug or alcohol problem and has to go through a program for 1 or 2, 3 months before they can come back and actually be referred on a job.

Mr. QUINN. So we can't necessarily say or put a time limit on some of these cases because depending on what the problems you encounter, would make it more difficult.

I just get concerned that it's a bureaucratic slowdown too often, and not one that needs to have time. We've talked about this before with the homeless situation in our veterans and how that's not just a homeless problem, it's usually a veteran with a number of problems, and they do need to be community-based and it needs a collective solution.

But I shudder to think sometimes it's us, it's that three inches of paper we saw earlier, so at some point I am always trying to get the Staff to quantitatively say a time period, but you point out correctly that that sometimes can't be.

Thanks.

And I took your time so we'll add some on at the end.

Mr. ANDRY. No problem, Mr. Chairman.

Some of the other things that we look at in Ohio, we have a responsibility, because of the National MOU between DOL and the VA and the State to Chapter 31 veterans in Ohio. What we've developed is the Veterans' First Team. That team is comprised of a disabled veteran, a counseling psychologist, maybe a rehab service manager, and an LVER/DVOP or what we call a VERO, a Veterans' employment rep on campus.

That VERO is assigned to that individual from the time they start the program until they're done. If there is any need that has to be taken care of to minimize the interruption of a program or the possibility of them never completing it, the VEROCs are responsible for taking care of those needs.

So the individual goes through the program, graduates and gets employed. This last year—we've had this in place for a year—we had 254 placements. Presently, there's 1,500 disabled veterans in the VR&C program in Ohio.

And I'd like to point out to you, Mr. Chairman, that this has been a collaborative effort between the VA, the Department of Labor, the service contractors and LVER/DVOPS.

We recently received the Hammer Award for the concept.

We also talked about the TAP program and recently separated. In Ohio, we have Wright-Paterson Air Force Base, and also the U.S. Coast Guard. We have four individuals that covered TAP.

Back in 1992, I was appointed to the Governor's Task Force on Military Transition and after examining the TAP program, what we have done is taken and expanded that as far as every DVOP and LVER in the State of Ohio is trained as a facilitator to do TAPs.

One of the interesting things about it is, since 1993, 6,900 veterans and their spouses have gone through the program, and of those that have completed it, I believe it's 3,800 that have obtained employment within 90 days of completion of the program.

And it's a pretty successful program and it really helps everybody. We don't limit it. Anybody's who is registered in Ohio as far as veterans and their spouses, because we can't forget the spouse either. A lot of times, they're trailing spouses. That can put a real hardship on families that are transitioning out of the service.

Another program that we have is a licensing and certification program. In Ohio, we've been doing it for the last year, we developed a crosswalk between military and civilian requirements for different occupations.

We had chosen the CDL, stationary engineering, metal working, information technology, and we also got into airframe and power plant mechanics or A and P licenses.

Since April, 27 veterans received their commercial drivers licenses. We've had some success stories—one success story was a disabled veteran who was homeless and an ex-felon at the Chillicothe VA Medical Center. Got him over there, he went to an VR&C counselor that identified his barriers.

They got a hold of the out-stationed DVOP who was in there and they got together with other organizations within the community

and were able to have the individual with a CDL from California and transferred it to Ohio.

He got temporary tags for his car, and gas and a month for car insurance, I believe it was, for \$128, and in 2 days they were able to get this individual a job. And he's making \$12.50 an hour. Can't beat it.

They also talked about the electronics like the AJB. We have an electronic system that our customers can register not only in person, but on-line.

And what's happened is that we found out that their registration wasn't automatically given to someone. They didn't always understand everything they were looking for at home sites on the home page and everything.

So what we've done is develop a system by zip code where they'd be referred to a VET rep who could follow up and explain all the special services and things like that.

One of the things that we did find is that you might have a million hits on a page, but for yourselves here in Congress, a million hits really doesn't mean anything when it comes down to what's going on and what's actually happening.

One of the things that would be, I think, very beneficial to veterans and those military personnel who oversee those things is for them to be able to contact a person one-on-one. Automation is fine, and I agree with the gentlemen earlier, you have to have that nose-to-nose and belly-to-belly communication, the human factor.

Mr. QUINN. Thank you very much. I've got to move to Mr. Hall now, then Ms. Baldwin will finish. Mr. Hall.

STATEMENT OF MR. JOHN HALL, DISABLED VETERANS' OUTREACH PROGRAM, NEW YORK DEPARTMENT OF LABOR

Mr. HALL. Thank you, Mr. Chairman, for giving me the opportunity to testify before this subcommittee today and members as well.

I am a U.S. Air Force veteran from the Vietnam era. I was discharged in 1969 with 50 percent disability. Since then, in 1977, I started to work for the New York State Department of Labor at implementation of the DVOP program.

Since 1977, I have seen this program go through an amazing metamorphosis. We came up from a bumbling bunch of veterans representatives and now we can gladly say that we are experts on veterans' employment issues and well-organized veteran specialists.

I would like to make a comment in reference to veterans' programs or the DVOP transition emerging in terms of contracts to other agencies.

I see that as a problem because the uniqueness in the DVOP/LVER program at present is that we have no bars to servicing veterans, although our primary goal is to service disabled veterans, special disabled veterans, and disabled veterans in particular. And we do service all other veterans as well.

My concern with the contract is that usually, I know through my experience, usually service providers do have an entry requirement into certain programs, meaning a veteran would have to have, or must fall within a certain category.

They are either dealing specifically with employment, or they are either dealing specifically with training, or they are dealing specifically with job readiness preparation whereas the uniqueness of the DVOP/LVER program is that, we have covered all of those areas since 1977.

We have established, and we have in place now a nationwide network system which comes into play as a valuable tool because many jobs in the area, especially in New York City, have transferred to different other States.

So rather than to have that veteran take a chance, go to another State and become homeless, we use that resource pool in order to contact DVOPs or LVERs from other States to make sure that we understand what the likelihood of becoming employed in that area is.

Because we have in New York State, New York City in particular, I know in the area that I work in, in the Harlem area, we are surrounded by some of the largest shelters in the country. Maybe you've heard of the Wards Island Shelter which was intended to house a maximum of 700 men, and now it runs a capacity well in excess of 1,200.

So on a periodic basis, I do make visits out there to identify veterans. Even though they have a well-organized veterans' program within that facility, they still do not have the expertise that we've been trained with. And I do give credit, especially to our State Director of Veterans' Employment and Training, James Hartman, for his careful guiding us through how to obtain the expertise.

I don't think that can ever be traded for anything else. I don't know of any other program that does what we do, and because we can lend our expertise to other agencies, they in turn refer what they classify as difficult cases back to us.

So at times, we do become the last resource and we will never turn away a veteran regardless of what the situation is. As long as he is classified by the Government as a veteran, we will deal with the situation in one respect or another. We will come up with some alternative plan, if necessary.

We have assisted disabled veterans in particular by personally going over to employers, speaking with them to ensure that the word "disability" is something that they should not be afraid of.

Many incarcerated veterans we deal with. We have an excellent networking system in the State of New York. If a veteran is about to be discharged, who has served time, or about to go on parole, rather than to empty him or her into the streets without any direction, one of our DVOPs or LVERs in the upstate area will call one of us, whoever is occupying that area of jurisdiction at the time—

Mr. QUINN. Mr. Hall, if I can just interrupt you for one second. That bell does mean something. The earlier ones didn't.

I've just been called to a vote on the House floor, and I have about 15 minutes to walk over there and cast a vote.

So what I'd like to do is ask you to stop for a minute. I do want to get to Ms. Baldwin to give her her 5 minutes to get on the record anything she'd like to add from the Arizona and of things here, and then I'm going to have to leave to go over and we'll recess just for a short period of time to get me over to vote before I come back.

Thanks for understanding, Mr. Hall. Ms. Baldwin.

STATEMENT OF MS. EFFI BALDWIN, LOCAL VETERANS' EMPLOYMENT REPRESENTATIVE, ARIZONA DEPARTMENT OF ECONOMIC SECURITY-JOB SERVICE

Ms. BALDWIN. Thank you, Mr. Chairman, members of the subcommittee.

I've been a local veterans' employment representative for the State of Arizona for 4 years. However, my experience with the DVOP and LVER programs started about 6 years ago when I was participating in an undergraduate program in Washington.

A fellow student let me know about a part time position that I might be interested in called the Work Study Program which, since I discharged from the military in Europe, I had not had access to the Transition Assistance Program, so I wasn't aware of that.

And what I had the opportunity and the experience of was meeting with an individual who was a veterans' representative that had an unparalleled camaraderie from the very beginning.

I was not just a female, I was not just an African-American seeking assistance, I was a veteran who volunteered to serve in the military.

From that day forward, it kind of swayed my educational goals as well as my desire to work in the Veterans' program.

I continued on to get my master's degree. I was really interested in family counseling, but I changed it to career counseling so that I could definitely go into the Veterans' program and have a solid background.

We're not just placing veterans, there's a holistic component we don't look at when individuals go into a job service office. It's not that they just lost a job. There's other things to consider.

A lot of times, individuals who are deemed—and I've heard this word a lot of times today—job-ready; Job-ready means you have viable skills and experience to back it up. It does not mean that you are continuously interested in doing that job.

You may have individuals who are getting out of the military with 10, 15, 20 years of experience, but they are in transition in their life and they need to make some choices.

There needs to be an assessment that happens. Someone needs to provide that. When we're looking at a global economy, a lot of us here in this room may not be aware of some of the trends in the marketplace. Typically, individuals are not familiar with their industry or the employers associated with their industry.

They're not familiar with how to look for a job. There's a hidden job market which accounts for 85 percent of your jobs. America's Job Bank, true they have a million jobs that have been posted, but the reality is 85 percent of your jobs are not.

Where are those jobs and how do you find them?

Those are things that people do not know, especially those who have not looked for a job for 10, 12, or 20 years. Things have changed a little bit. So those are things that we need to consider.

There's also writing effective resumes, completing applications, and those things may appear to be simple, but if you speak to a lot of employers off the record, they will tell you that typically the quality of the application, the quality of the resumes, may not be beneficial in assisting them in matching the skills of a potential employee with that of the worker that they have.

So those are some of the things that we look at and we assist the veteran with.

Those are things that I do not believe maybe a contractor doing that position would be able to do. There are things that you have to look at, that we don't do our jobs because of the money. There's not a monetary component that we benefit from doing it. We benefit because we know this individual is a veteran, like ourselves, and when we help them, we're helping ourselves and we're helping everyone else too.

So those are things that we like to consider major points in our job. It's something that we enjoy doing.

There are a lot of things that come about when we're talking about assisting job-ready individuals. It may be assisting them with learning about other opportunities. It could be increasing their service-connected disability rating which they may not have known they were capable of doing.

Letting them know about State vocational rehabilitation, VA vocational rehabilitation, the Job Training Partnership Act, which is going to change into the Veterans' Workforce Investment Program, these are things that are constantly changing that people are not aware of.

And that we, as DVOPs and LVERs, have to assist them in doing. There's also a component of the marketing, so to speak.

I've had the opportunity to do pre-release programs in a State and a private prison. We don't want them to hit the street and then have to look for work. We start before that.

I've had the opportunity to work with homeless programs and their job search system. There's a lot of things out there that the veteran chooses to do. It's not written in stone that we have to do those things. Those are things that we choose to do because it's in the best interest of the veteran applicant, and we have their best interests at heart.

So you become creative in ways of how can I find veterans that need assistance, and what can I do for them on a personal note, because that's a real person sitting across from you, saying I need your help.

Thank you.

Mr. QUINN. So it's clear that the person-to-person is still necessary. I think that's unanimous here today. I hear you.

Thank all three of you for making the trip here. That goes for everybody who's in the room today.

Every one more panel to get through.

I am going to just recess here for about 10 or 15 minutes to get me over to the Capitol. I understand it's only one vote, so we should be back here in about 10 minutes, and we have our last panel to go through.

Thank you.

[Recess.]

Mr. QUINN. We're back, gentlemen. Thanks for waiting. Thanks for your patience. It was about 2 or 3 minutes longer than I had planned because I was looking for Mr. Filner.

I said to Mr. LaHood, who serves on the subcommittee and the full committee, and I saw him on the floor. He is not able to be

over, but I was talking to him, while we were voting, about the hearing so far today.

And I mentioned this to Darryl yesterday. For my first hearing in the year 2000, whenever it will be, the VSOs are first on the list, guys. I don't know, Bob Stump will probably kick me out of Congress or something. I'm breaking Sonny Montgomery's rule or something. I don't know what I'm doing. So I've been talking about it. When we start up in January or February, whenever, we're going to reverse them, not every week, but we're going to change them around a little bit every once in a while.

You were very, very patient and what you have to say is very important to us, as always.

Who do I have starting off?

Jim Hubbard, I got you beginning for us. You want to start today?

Then I've got Phil, and the other Jim, and then Larry, you're fourth on my list, so let's follow what's been passed out to me, okay.

Jim go ahead, please.

STATEMENT OF MR. JAMES B. HUBBARD, DIRECTOR, NATIONAL ECONOMIC COMMISSION, THE AMERICAN LEGION accompanied by MR. PHILIP WILKERSON, DEPUTY DIRECTOR, VETERANS AFFAIRS AND REHABILITATION, THE AMERICAN LEGION

Mr. HUBBARD. Thank you, Mr. Chairman.

For the record, the previous panel included Effi Baldwin, an LVER from Arizona.

Let the record show that she is the winner of the American Legion LVER of the Year Award for 1998-1999. (Applause.)

Mr. QUINN. Too modest to say that yourself.

If you were an elected official, you would have started with that. (Laughter.)

It probably would have said for 1998, 1999 and 2000, if they're one of those guys running for office.

Congratulations.

Great. Thanks, Jim.

Mr. HUBBARD. If you walk in her office, you'll see her plaque on the wall. She's proud of it and we're proud of her.

Mr. QUINN. You should be, we all are.

Mr. HUBBARD. Thank you, Mr. Chairman, for holding this hearing. I will jump about a little bit here as I go down through what's relevant and what we have a position on, based on our statement.

With respect to priority of service for veterans and federal employment and training programs, we concur with H.R. 364. We believe it will correct some of the problems associated with the current statute, which is outdated.

As the world changes, so should the veterans' employment training service.

With respect to DVOP and LVER positions and their duties, the way people pursue jobs when they leave the service hasn't changed, especially for veterans. And we don't think it's changed much since 1945.

Those who didn't serve, the high school classmates of these people that never left home or the community, really have a leg up on veterans who come back.

LVERs and DVOPs serve as a link between the veterans and the community. They help them rebuild their network, and they can reintroduce the veteran into the local workforce.

Without the personal touch, more veterans will fall through the cracks. Different veterans, like different people, have different needs.

This human factor provided by LVERs and DVOPs is the critical difference. If you take that human factor away, the unemployability problem is exacerbated.

With respect to financial incentive programs for State employment security agencies, we have provided some rather detailed recommendations in our statement. Let it be said right here and now that we support this concept.

In terms of competing employment services for veterans, we oppose that. Some States have had some experience with the concept of contracting out services provided. In all cases, services have been degraded to the point where no meaningful employment help is provided in return for the tax dollars spent.

If you put a for-profit entity, which deals in volume, in charge of placing disabled veterans or those with barriers to employment, the suitable employment guarantees that nobody will benefit.

There's an additional problem with the concept of competition. The Veterans' Employment Training Service makes up about 15 percent of the labor exchange which is funded by Wagner-Peyser.

If VETS funded portion of the system is carved away and put on its own in a competitive bid process, it can no longer use office space, supplies, equipment, information technology, telecommunications gear, and so forth. Ultimately, this will be more expensive than the system that we have right now.

We would recommend that the subcommittee meet with LVERs and DVOPs who have been privatized. You'll discover their viewpoint toward veterans is different. Their role is to manufacture job orders for the company by that I mean contractor and to place job-ready veterans for profit.

Ask them how they handle veterans with employment barriers.

With respect to DOL National Marketing Program, the American Legion fully supports an effort to market veterans to employers. Such a program will help solve the problem outlined above where employers seem to think that veterans should not be hired because of some propensity for violence. And believe it or not, that belief still exists out there in the world.

We fully support the use of the Montgomery GI Bill benefits or any subsequent legislation to pay for tests for licensing or certification.

We note that CBO looks at this to probably cost \$1 to \$2 million a year for several years. In the context of the surpluses exceeding \$1 billion or so for the past year or maybe \$100 billion, depending on which press release you've read recently, a million or two is a paltry sum.

And I also believe that this investment should be viewed as an investment, not money spent. If you pay somebody the cost of a

test, and they get the job, they will ultimately become a taxpayer who pays higher taxes. Therefore, that's a return on investment.

Concerning the use of Internet technology to meet veteran job search needs. I was a little troubled by the information sheet which was provided because it seemed to question the Government's role in providing labor market information and job placement services and job training. And then it questions the effectiveness of these functions by stating that they were created in a different era. Then a rethinking of the role of the government is suggested based on something the Transition Commission published in its report.

This subcommittee held a hearing on September 9 at which members heard compelling testimony on the barriers faced by 80,000 to 90,000 veterans every year who are trained by the military in a civilian skill. These veterans are then not able to use this skill because of some governmental credentialing authority refuses to recognize the training. This will remain an issue until the government sorts out the problem.

How dare anybody, including the Commission, question the necessity of the government to get involved in these issues, no matter how long ago the system was designed?

No entity is equipped to provide labor market information except the government. That's why we have a Bureau of Labor Statistics. No entity except government is equipped to provide job placement services to veterans who never had a civilian job and who are behind their peers in the labor market. No entity except government is equipped to provide the necessary changes to military training curriculums so they can meet civilian standards.

We don't have a problem with leveraging technology to provide services but virtual job fairs and virtual employment service offices, virtual one stop service centers and the transforming the jobs of LVERs and DVOPs based on virtual concepts isn't going to work until employers, the Department of Defense, the VA, and the Congress recognize that veterans are real, not virtual people. They didn't come off some virtual battlefield or out of some virtual tank. There is no one-size-fits-all formula.

Let me comment very briefly on the pilot test of competed versus non-competed employment. I've addressed this earlier in my testimony.

The sole desire of companies to make money for their owners will focus on placing job-ready veterans first. This process is called creaming and it leaves those veterans that are not properly job-ready, that lack necessary job skills, lack necessary civilian credential, leaves them behind.

Their country will not properly serve these people after they perform service for their country.

Mr. Chairman, I'll be happy to answer any questions.

Mr. QUINN. Thanks. Phil.

STATEMENT OF PHILIP WILKERSON

Mr. WILKERSON. Thank you very much, Mr. Chairman. We appreciate this opportunity to comment on several of the concepts set forth in H.R. 625. H.R. 625 would authorize the continued payment of monthly GI education benefits for a period of up to 8 weeks.

We believe this amendment is necessary and appropriate to reflect the changing times that schools do, in fact, schedule their terms of semesters. It would benefit those who intend to continue their education, but have financial needs during the periods of the break.

With regards to the change in eligibility criteria for those enlisted members on active duty who are discharged to accept a commission, we believe that the idea to make this one period of active duty is similarly appropriate. We don't believe that Congress really intended to deny this valuable educational benefit to some of the Nation's finest individuals. We believe the law should be changed to reflect their needs as well.

Concerning the initiative to expand the VA work study program, the parameters of this type of approved work should be expanded to include assisting veterans involved with other federal program, working with State and nonprofit organizations, to assist veterans and servicemembers.

This would make available to those individuals wishing to opportunity to work part time and support of their continued higher education.

Comment was also requested on the proposal to allow a veteran's claim for a one hundred percent service-connected disability or a surviving spouse's DIC claim to be considered as a claim by the veteran's child for Chapter 35 benefits.

The American Legion believes an amendment to the current law is necessary and appropriate. This would allow the retroactive benefit payments to the date the child began their program of education, rather than the current 1-year limitation on such retroactive payments.

The American Legion believes, in closing, Mr. Chairman, that the program of education for veterans is a great resource to this country. The Nation already has a lot of time and money invested in them during their period of military service and we believe that that valuable resource should not be wasted.

Thank you.

[Written statement of The American Legion appears on p. 120.]

Mr. QUINN. Thank you, Phil.

I want to note before we go to Jim that the Vietnam Veterans of America were going to meet with us today, but they submitted for the record, they couldn't get over here.

And I also want to make note that, without any hearing objection, I want to enter Mr. Evans' statement in the record today. Lane Evans is not able to be here and his statement becomes part of the record.

[Written statement of Honorable Lane Evans appears on p. 67.]

Mr. QUINN. Thank you. Jim.

STATEMENT OF JAMES N. MAGILL, DIRECTOR, NATIONAL EMPLOYMENT POLICY, VETERANS OF FOREIGN WARS OF THE UNITED STATES

Mr. MAGILL. Thank you.

First of all, I would like to state that the VFW does support the two bills, H.R. 364 and H.R. 625.

Inasmuch as you have my statement, and we do support the vast majority of the concepts, we'd like to take just a few minutes to voice where we do have concerns.

First of all with providing priority for veterans, we do support that draft proposal. However, in our travels around to job fairs and everything else, we're finding that one of the major concerns of people that are soon to be released is a job. They need to find a job.

So therefore, we would suggest that you may, in the definition for the concept, that you do include a recently-released veterans.

Also with the attendant duties of the DVOPs and LVERs, we do see the potential for a case management. However, we would like to reserve judgment for the consolidation of the DVOPs and LVERs at this time.

Also, with respect to Draft Bill Number 2, I share the concerns that were voiced earlier when you talked about virtual. That does have a problem with us. I think that you need to have that one-on-one, and I think that's been brought up here before, so I don't have to elaborate on that.

With Draft Bill Number 3, there've been many points, both pro and con, we've heard today.

We also, at this point, would also like to see more details in that pilot project. In my 25-27 years working in the Hill and working for the Veterans of Foreign Wars, if I've learned anything, it's been that there is nothing more permanent than a temporary program in the government.

So therefore we would really like to find the nuts and bolts of this before we commit, at this particular time.

Mr. QUINN. That's like the guy—excuse me, Jim—the Congressman who's in favor of term limits, and he agrees to stay here as long as he has to to get them. (Laughter.)

Mr. MAGILL. Exactly.

We would very much welcome your invitation to a workshop environment. I think that would be extremely beneficial where we could spend an extended period of time. There has been a lot of good ideas, there's been a lot of controversy here, and we would certainly enjoy being a part of that.

In closing, if I could, I'd like to associate my remarks with respect to the pending retirement of Jill. I came here just about the same time that Jill did, and she was extremely helpful to me when I started working on the Hill and has been a continual source of information and help, so the VFW, and I'm sure I'm speaking for everybody else, you will be missed very, very much.

This concludes my statement.

[Written statement of Mr. Magill appears on p. 126.]

Mr. QUINN. Thank you very much. Larry.

STATEMENT OF LARRY D. RHEA, DIRECTOR OF LEGISLATIVE AFFAIRS, NON COMMISSIONED OFFICERS ASSOCIATION OF THE UNITED STATES OF AMERICA

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

As a Veterans' service organization, as far as the noncommissioned officers is concerned, it doesn't matter what order we appear in the lineup, whether we're the first panel, the last panel, or whether we're the last witness on the last panel, as long as you in-

clude us in the lineup and a spot in the batter's box, we're grateful, and we're thankful for that opportunity this morning, very, very much.

I thank you for including our entire statement, in the hearing record, and I want to just make brief remarks on one or two things.

I'm not here to support or endorse the Transition Commission by any means. I think, though, in fairness, they did provide us a very thoughtful, insightful document and certainly they have stimulated an awful lot of thought and emotion, probably none more so than in the area of veterans' employment and training.

And I guess if I could criticize that report on one thing, it would be this. It was when they used the terminology, replace the DVOPs and LVERs with case managers and employment facilitators.

In my estimation, that probably was a poor choice of words on their part because rather than wholesale elimination of the DVOP and LVER program, the Non Commissioned Officers Association looked at that recommendation this way. We saw that as meaning a refocus of what those positions are doing. And in the emotion of the things that have been talked about here, I think in a lot of respects, we're talking past each other, in either supporting certain notions or in defending certain positions.

I think almost to a person here this morning all of us have agreed that one-on-one is important. I think all of us pretty much, the previous witnesses, have stated that some veterans, whether they meet the ambiguous term, job-ready, or not, some veterans, even job-ready veterans, need one-on-one attention.

And that is consistent with what our experience has been as far as DVOPs and LVERs for many years. They have told us they need increased opportunities and more time to devote to case management. It is consistent with what they have told us, as far as the importance and the need to reach out to employers and facilitate job opportunities for veterans.

So I guess what I'm trying to say here, I don't care what we call these positions. Call them DVOPs, call them LVERs, call them case managers, or call them employment facilitators.

I think what we need to be focusing on is the type of help that these veterans need and the way we structure the positions that we have out there to fulfill those needs. The title of the job means nothing—the duties of the positions is what's important.

So in a lot of respects, we've said the same things, as far as what we're shooting for, but we're talking past ourselves in the midst of the conversation and we're not seeing the trees for the forest.

I certainly would want to say this too, and it hasn't been commented on, and I want my comments to certainly reflect that. NCOA believes we have not yet recognized, or we're overlooking the tremendous possibilities of a national outreach program to veterans.

And in that process, I don't think we've fully realized the potential that that National Committee for Employer Support of the Guard and Reserve has in that endeavor.

That's an organization that exists in all 50 States, all territories, and it's comprised of prominent civilians, most are employers, they are businessmen and women. Most of them are veterans, but the

fact is all of them support a strong national defense and they are on our side on this issue.

That is a resource, rather than reinvent a wheel here, we should be encouraging the Secretary of Labor, through the Department of Defense, to work with that organization. And here again, whether we call them DVOPs, whether we call them LVERs, or something else, we should leverage these positions in our employment facilitation efforts with the resource that already exists.

And I can't, they are all influential people and they're on our side.

In closing, I just want to extend my salutes to Mr. Filner on the Priority of Service Bill. The best recommendation we could make to you is approve it by the subcommittee, get it to the full committee, get it passed there, get it to the floor, get it voted on, and let us go to work on something similar over in the Senate.

It's long overdue, and the provisions in that bill that would put some teeth in it are absolutely essential to everything else that we're trying to do here.

Thank you, Mr. Chairman.

[Written statement of Mr. Rhea appears on p. 129.]

Mr. QUINN. Thank you, Larry, and thank you all for your written testimony as well as your own observations here.

One advantage to being toward the end of the witnesses or the panels is that you have the benefit of what's been said. That's why that workshop idea struck me as being an opportunity to talk to each other, not past each other, and we're going to work on that.

I'll talk to Staff and we'll certainly accept any suggestions any of you all have in that regard over these next few weeks, looking forward to the next step in this.

And I don't have any questions for the panel, and I want to thank everybody for being here.

And want to end—I don't know what they let you do, Jill, when you started, but I'm going to let you gavel this to a close today so we can all get out of here for lunch. (Applause.)

[Whereupon, at 11:45 a.m., Thursday, October 28, 1999, the subcommittee was adjourned.]

APPENDIX

I

106TH CONGRESS
1ST SESSION

H. R. 364

To amend title 38, United States Code, to provide for a Veterans' Employment and Training Bill of Rights, to strengthen preference for veterans in hiring, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 19, 1999

Mr. FILNER introduced the following bill; which was referred to the
Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to provide for a Veterans' Employment and Training Bill of Rights, to strengthen preference for veterans in hiring, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Veterans' Employment
5 and Training Bill of Rights Act of 1999".

1 **SEC. 2. VETERANS' EMPLOYMENT AND TRAINING ASSIST-**
2 **ANCE.**

3 (a) **IN GENERAL.**—Chapter 42 of title 38, United
4 States Code, is amended by adding at the end the follow-
5 ing new section:

6 **“§ 4215. Veterans' Employment and Training Bill of**
7 **Rights**

8 “(a) **ENTITLEMENT TO PRIORITY OF SERVICES.**—A
9 covered person is entitled to priority of services under any
10 qualified employment training program if the person oth-
11 erwise meets the eligibility requirements for participation
12 in such program.

13 “(b) **ADMINISTRATION OF PROGRAMS AT STATE AND**
14 **LOCAL LEVELS.**—(1) An entity of a State or a political
15 subdivision of the State that administers or delivers serv-
16 ices under a qualified employment training program
17 shall—

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

22 “(B) ensure that each covered person who ap-
23 plies to or who is assisted by such a program is in-
24 formed of the employment-related rights and bene-
25 fits to which the person is entitled under this sec-
26 tion.

1 “(2) Each council, board, or advisory body of a State
2 or a political subdivision of the State that is established
3 in support of a qualified employment training program
4 shall include adequate representation from the veterans
5 community, particularly from veterans service organiza-
6 tions.

7 “(c) ANNUAL REPORT.—By not later than December
8 31, 2000, and each December 31 thereafter, the Secretary
9 of Labor, following review and comment by the Advisory
10 Committee on Veterans Employment and Training, shall
11 submit to the Committees on Veterans’ Affairs of the
12 House of Representatives and Senate a report. The report
13 shall evaluate whether covered persons are receiving prior-
14 ity of services and are being fully served by qualified em-
15 ployment training programs, and whether the levels of
16 service of such programs are in proportion to the incidence
17 of representation of veterans in the labor market, includ-
18 ing within groups targeted by such programs, if any.

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

20 “(1) The term ‘covered person’ means any of
21 the following individuals:

22 “(A) A veteran who has a service-con-
23 nected disability.

24 “(B) A veteran who served on active duty
25 in the Armed Forces during a war, in a cam-

1 paign or expedition for which a campaign badge
2 has been authorized.

3 “(C) The spouse of any of the following
4 persons:

5 “(i) Any person who died of a service-
6 connected disability.

7 “(ii) Any member of the Armed
8 Forces serving on active duty who, at the
9 time of application for assistance under
10 this section, is listed, pursuant to section
11 556 of title 37 and regulations issued
12 thereunder, by the Secretary concerned in
13 one or more of the following categories and
14 has been so listed for a total of more than
15 90 days: (I) missing in action, (II) cap-
16 tured in line of duty by a hostile force, or
17 (III) forcibly detained or interned in line of
18 duty by a foreign government or power.

19 “(iii) Any person who has a total dis-
20 ability permanent in nature resulting from
21 a service-connected disability.

22 “(iv) A veteran who died while a dis-
23 ability so evaluated was in existence.

24 “(2) The term ‘qualified employment training
25 program’ means any work force preparation, devel-

1 opment, or delivery program or service that is feder-
2 ally funded, in whole or in part, and includes the fol-
3 lowing:

4 “(A) Any such program or service that
5 uses technology to assist individuals to access
6 work force development programs (such as job
7 and training opportunities, labor market infor-
8 mation, career assessment tools, and related
9 support services).

10 “(B) Any such program or service under
11 the public employment service system, one-stop
12 career centers, the Workforce Investment Act of
13 1998, a demonstration or other temporary pro-
14 gram, and those programs implemented by
15 States or local service providers based on Fed-
16 eral block grants.

17 “(C) Any such program or service that is
18 a work force development program targeted to
19 specific groups.”

20 (b) CLERICAL AMENDMENT.—The table of sections
21 at the beginning of chapter 42 of such title is amended
22 by inserting after the item relating to section 4214 the
23 following new item:

“4215. Veterans’ Employment and Training Bill of Rights.”

1 **SEC. 3. EMPLOYMENT OF VETERANS WITH RESPECT TO**
2 **FEDERAL CONTRACTS.**

3 (a) IN GENERAL.—Section 4212(a) of title 38,
4 United States Code, is amended to read as follows:

5 “(a)(1) Any contract in the amount of \$25,000 or
6 more entered into by any department or agency of the
7 United States for the procurement of personal property
8 and nonpersonal services (including construction) for the
9 United States, shall contain a provision requiring that the
10 party contracting with the United States take affirmative
11 action to employ and advance in employment qualified cov-
12 ered veterans. This section applies to any subcontract en-
13 tered into by a prime contractor in carrying out any such
14 contract.

15 “(2) In addition to requiring affirmative action to
16 employ such qualified covered veterans under such con-
17 tracts and subcontracts and in order to promote the imple-
18 mentation of such requirement, the Secretary of Labor
19 shall prescribe regulations requiring that—

20 “(A) each such contractor undertake in each
21 such contract to list all of its employment openings
22 immediately with the appropriate local employment
23 service office, other appropriate service delivery
24 points, or America’s Job Bank (or any additional or
25 subsequent national computerized job bank estab-
26 lished by the Department of Labor), except that the

1 contractor may exclude openings for positions which
2 are to be filled from within the contractor's organi-
3 zation and positions lasting three days or less; and

4 “(B) each such local office or other service de-
5 livery point shall give such qualified covered veterans
6 priority in referral to such employment openings.

7 “(3) As used in this section:

8 “(A) The term ‘covered veteran’ means any of
9 the following veterans:

10 “(i) Disabled veterans.

11 “(ii) Veterans who served on active duty in
12 the Armed Forces during a war or in a cam-
13 paign or expedition for which a campaign badge
14 has been authorized.

15 “(iii) Veterans who, while serving on active
16 duty in the Armed Forces, participated in a
17 United States military operation for which an
18 Armed Forces service medal was awarded pur-
19 suant to Executive Order 12985 (61 Fed. Reg.
20 1209).

21 “(B) The term ‘qualified’, with respect to an
22 employment position, means having the ability to
23 perform the essential tasks of the position with rea-
24 sonable accommodation.”.

1 (b) CONFORMING AND TECHNICAL AMENDMENTS.—

2 Section 4212 of such title is amended—

3 (1) by striking subsection (b) and redesignating
4 subsections (c) and (d) as subsections (b) and (c),
5 respectively;

6 (2) in subsection (b), as so redesignated—

7 (A) by striking “filed pursuant to sub-
8 section (b) of this section” and inserting “relat-
9 ing to this section filed pursuant to section
10 4216 of this title”;

11 (B) by striking “suitable”; and

12 (C) by striking “subsection (a)(2) of this
13 section” and inserting “subsection (a)(2)(B)”;
14 and

15 (3)(A) in paragraph (1) of subsection (c), as so
16 redesignated—

17 (i) in the matter preceding subparagraph
18 (A), by striking “subsection (a) of this section”
19 and inserting “subsection (a)”; and

20 (ii) by amending subparagraphs (A) and
21 (B) to read as follows:

22 “(A) the number of employees in the work force
23 of such contractor, by job category and hiring loca-
24 tion, and the number of such employees, by job cat-

1 category and hiring location, who are qualified covered
2 veterans; and

3 “(B) the total number of new employees hired
4 by the contractor during the period covered by the
5 report and the number of such employees who are
6 qualified covered veterans.”; and

7 (B) in paragraph (2) of such subsection, by
8 striking “paragraph (1) of this subsection” and in-
9 sserting “paragraph (1)”.

10 (c) **EFFECTIVE DATE.**—The amendments made by
11 this section shall apply with respect to contracts entered
12 into on or after the date that is 60 days after the date
13 of the enactment of this Act.

14 **SEC. 4. EMPLOYMENT WITHIN THE FEDERAL GOVERN-**
15 **MENT.**

16 (a) **IN GENERAL.**—The second sentence of section
17 4214(a) of title 38, United States Code, is amended—

18 (1) by inserting “, competent” after “effective”;
19 and

20 (2) by striking “major” and inserting “uniquely
21 qualified”.

22 (b) **TECHNICAL AMENDMENTS.**—(1) Section
23 4214(b)(1) of such title is amended by striking “readjust-
24 ment” and inserting “recruitment”.

10

1 (2) Section 4214(g) of such title is amended by strik-
2 ing “qualified” the first place it occurs and all that follows
3 through “era” and inserting “qualified covered veterans
4 (as described in section 4212(a) of this title)”.

5 **SEC. 5. ENFORCEMENT OF VETERANS' EMPLOYMENT**
6 **RIGHTS AND BENEFITS.**

7 (a) IN GENERAL.—Chapter 42 of title 38, United
8 States Code, as amended by section 2, is further amended
9 by adding at the end the following new section:

10 **“§ 4216. Enforcement of veterans' employment rights**
11 **and benefits**

12 “(a) ASSISTANCE OF SECRETARY OF LABOR.—The
13 Secretary of Labor (through the Assistant Secretary of
14 Labor for Veterans' Employment and Training) shall pro-
15 vide assistance to any person or entity with respect to the
16 requirements of sections 4212 (relating to United States
17 contracts) and 4215 (relating to federally funded work
18 force programs and services) of this title. In providing
19 such assistance, the Secretary may request the assistance
20 of existing Federal and State agencies engaged in similar
21 or related activities and utilize the assistance of volun-
22 teers.

23 “(b) COMPLAINT.—(1) An individual described in
24 section 4212(a) or in section 4215(a) of this title may file

1 a complaint with the Secretary of Labor if the individual
2 believes that—

3 “(A) the individual is entitled to rights or bene-
4 fits under section 4212 or 4215; and

5 “(B) an entity with obligations under either of
6 such sections has failed to comply or refuses to com-
7 ply with the provisions of such sections.

8 “(2) Such complaint shall be in writing, be in such
9 form as the Secretary of Labor may prescribe, include the
10 name and address of the party against whom the com-
11 plaint is filed, and contain a summary of the allegations
12 that form the basis for the complaint.

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

16 “(c) INVESTIGATION OF COMPLAINT.—(1) The Sec-
17 retary of Labor shall promptly investigate the complaint.
18 If the Secretary of Labor determines as a result of the
19 investigation that the action alleged in such complaint oc-
20 curred, the Secretary shall attempt to resolve the com-
21 plaint by making reasonable efforts to ensure that the
22 party named in the complaint complies with the provisions
23 of section 4212 or 4215, as appropriate.

24 “(2) If, within 90 days after the date on which the
25 complaint is filed, the efforts to resolve the complaint are

1 unsuccessful, the Secretary of Labor shall notify the indi-
2 vidual who submitted the complaint of—

3 “(A) the results of the investigation; and

4 “(B) the individual’s rights.

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

16 “(2) An individual may commence an action for relief
17 with respect to a complaint if that individual—

18 “(A) has chosen not to file a complaint under
19 subsection (b);

20 “(B) has chosen not to request that the Sec-
21 retary of Labor refer the complaint to the Attorney
22 General under paragraph (1); or

23 “(C) has been refused representation by the At-
24 torney General with respect to the complaint under
25 such paragraph.

1 “(e) REMEDIES.—(1) In any action under this sec-
2 tion, the court may award relief as follows:

3 “(A) The court may require the entity to com-
4 ply with the provisions of section 4212 or 4215 of
5 this title, as appropriate.

6 “(B) The court may require the entity to com-
7 pensate the individual for any loss of wages or bene-
8 fits suffered by reason of such entity’s failure to
9 comply with the such provisions.

10 “(C) The court may require the entity to pay
11 the individual an amount equal to the amount re-
12 ferred to in clause (ii) as liquidated damages, if the
13 court determines that the entity’s failure to comply
14 with the provisions of such section was willful.

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

19 “(3) The United States and a State shall be subject
20 to the same remedies, including prejudgment interest, as
21 may be imposed upon any private entity under this sec-
22 tion.

23 “(f) FEES.—In any action or proceeding to enforce
24 a provision of section 4212 or 4215 of this title by an
25 individual under subsection (d)(2) who obtained private

1 counsel for such action or proceeding, the court may
2 award any such individual who prevails in such action or
3 proceeding reasonable attorney fees, expert witness fees,
4 and other litigation expenses.

5 “(g) EQUITY POWERS.—The court may use its full
6 equity powers, including temporary or permanent injunc-
7 tions, temporary restraining orders, and contempt orders,
8 to vindicate fully the rights or benefits of individuals pur-
9 suant to this section.

10 “(h) STANDING.—An action under this section may
11 be initiated only by an individual claiming rights or bene-
12 fits under section 4212 or 4215 of this title, not by any
13 other entity with obligations under such section.

14 “(i) RESPONDENT.—In any such action, only an en-
15 tity with obligations under section 4212 or 4215, as the
16 case may be, shall be a necessary party respondent.

17 “(j) INAPPLICABILITY OF STATE STATUTE OF LIMITA-
18 TIONS.—No State statute of limitations shall apply to
19 any proceeding pursuant to this section.”.

20 (b) CLERICAL AMENDMENT.—The table of sections
21 at the beginning of chapter 42 of such title, as amended
22 by section 2, is further amended by inserting after the
23 item relating to section 4215 the following new item:

“4216. Enforcement of veterans’ employment rights and benefits.”.

24 (c) EFFECTIVE DATE.—The amendments made by
25 this section shall apply with respect to complaints filed

1 on or after the date that is 60 days after the date of the
2 enactment of this Act.

3 **SEC. 6. ADDITIONAL PERSONNEL.**

4 The Secretary of Labor is authorized to allocate an
5 additional 10 full-time equivalent positions from the Em-
6 ployment and Training Administration to the Veterans'
7 Employment and Training Service to carry out chapter
8 42 of title 38, United States Code, as amended by this
9 Act.

○

106TH CONGRESS
1ST SESSION

H. R. 625

To amend title 38, United States Code, to authorize the Secretary of Veterans Affairs to continue payment of monthly educational assistance benefits to veterans enrolled at educational institutions during periods between terms if the interval between such periods does not exceed eight weeks.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 8, 1999

Mr. NEY (for himself, Mr. BROWN of Ohio, Mr. KASICH, Mr. KUCINICH, Mr. PORTMAN, Mr. REGULA, Mr. SAWYER, and Mrs. JONES of Ohio) introduced the following bill; which was referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to authorize the Secretary of Veterans Affairs to continue payment of monthly educational assistance benefits to veterans enrolled at educational institutions during periods between terms if the interval between such periods does not exceed eight weeks.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Veterans Education
5 Benefits Equity Act of 1999".

1 **SEC. 2. REVISION OF EDUCATIONAL ASSISTANCE INTERVAL**
2 **PAYMENT REQUIREMENTS.**

3 (a) **IN GENERAL.**—Subclause (C) of the third sen-
4 tence of section 3680(a) of title 38, United States Code,
5 is amended to read as follows:

6 “(C) during periods between school terms where
7 the educational institution certifies the enrollment of
8 the eligible veteran or eligible person on an individ-
9 ual term basis if (i) the period between such terms
10 does not exceed eight weeks, and (ii) both the term
11 preceding and following the period are not shorter in
12 length than the period.”.

13 (b) **EFFECTIVE DATE.**—The amendment made by
14 subsection (a) shall apply with respect to payments of edu-
15 cational assistance under title 38, United States Code, for
16 months beginning on or after the date of the enactment
17 of this Act.

Honorable Bob Filner
Subcommittee on Benefits Hearing on
Veterans Employment and Training Legislation
And Draft Legislative Concepts for VA
Education Programs
October 28, 1999

I want to welcome all of you to the Benefits Subcommittee's final hearing for the 1st session of the 106th Congress. We have had a very busy year. The Subcommittee has held nine legislative and oversight hearings -- beginning the year with a review of the Administration's proposed fiscal year 2000 budget for the Department of Labor's Veterans Employment and Training Service. And this morning, we are ending the legislative year with a hearing devoted to veterans' employment programs.

Our focus on employment assistance for America's veterans is entirely appropriate. As stated in title 38, we have a national responsibility to assist veterans in their efforts to find and maintain stable, permanent employment. Additionally, in its final report to Congress, the Transition Commission stressed that employment is the dominant concern

for most veterans making their transition to civilian life -- and that a veteran with a suitable job is a veteran in a position to create solutions to most of the problems associated with life as a civilian. I believe it is our clear responsibility to provide the tools necessary to maximize opportunities for job-seeking veterans.

I am particularly pleased that H.R. 364, the Veterans' Employment and Training Bill of Rights Act of 1999, is included on today's agenda. I first introduced this legislation as H.R. 3938 in the 104th Congress and reintroduced it as H.R. 167 in the 105th Congress. I believe that service-disabled veterans and veterans who serve in combat areas have more than earned the right to be first in line for federally-funded employment and training programs, such as the programs established under the Workforce Investment Act (WIA). This would be a new right to priority-of-service that is not now available to veterans and would be in addition to current law which requires priority-of-service in local employment service offices. Additionally, I believe that veterans must be represented on state and local boards established in support of employment

training programs such as the WIA-related programs. I also believe that veterans, who feel that their rights to affirmative action in hiring have been violated by federal contractors, should have an effective appeals process available to them. H.R. 364 would accomplish these and other important goals -- and I hope my colleagues will agree with me that we should take real action on this measure during the 106th Congress.

I want to add at this point -- because I think it's an important point to make -- that significant changes to the structure and staffing of our veterans' employment programs must be made only after a great deal of thought and thorough discussion. I don't think any of us want to do anything that will reduce the number of our already over-burdened D-VOPs and L-VERs. I certainly would never support such an effort. My goal is to give these men and women the support they need to do the best possible job on behalf of their veteran clients.

I am also pleased that we are discussing several low-cost education provisions this morning. Although we were unable to get any major GI Bill-

related legislation out of Committee this year, I felt it was important that we set aside at least part of today's hearing in order to review these less costly -- but important -- amendments. We may determine that we do not support all of these initiatives, but even small improvements can make a big difference in the lives of our veteran students.

We have many excellent witnesses waiting to testify this morning, and I look forward to hearing their views and comments.

Honorable Lane Evans**Opening Statement -- Subcommittee on Benefits****October 28, 1999**

Thank you, Mr. Chairman, for scheduling today's hearing. We all know that getting a good education and pursuing a career that is satisfying are two major components of a well-lived life. Today we are discussing aspects of the programs that are provided by a grateful Nation to America's veterans - - and are designed to enhance the ability of our former servicemembers to achieve their life goals following honorable military service. These programs are the veterans' employment programs administered by Department of Labor's Veterans' Employment and Training Service and the Montgomery GI Bill, administered by the Department of Veterans Affairs.

For the record, I am very interested in the concepts included in Draft Bills 1 and 2. I am a cosponsor of H.R. 364, the Veterans' Employment and Training Bill of Rights Act of 1999, and cosponsored the similar bills Bob Filner introduced in the 104th and 105th Congresses. Additionally, I strongly support a cooperative effort with the Secretary of Labor to evaluate the roles and functions of the veterans' employment specialists. Changes in the number and responsibilities of these important positions must be made very carefully and only after consensus is reached in the veteran community.

I have some concerns about Chairman Stump's draft bill 3 and certainly want to see actual bill language related to this concept.

I look forward to hearing from our witnesses this morning. The issues we are considering today are significant, and your advice and guidance will be very important to us.

Thank you, Mr. Chairman.

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Congress of the United States
House of Representatives
Washington, DC 20515-3518

COMMITTEE
BANKING AND FINANCIAL
SERVICES
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE ADMINISTRATION
DEPUTY WHIP

Statement of

Congressman Robert W. Ney
Before the
Subcommittee on benefits
October 28, 1999

Chairman Quinn and Members of the Committee:

Thank you for allowing me the opportunity to testify today before the Subcommittee on Benefits regarding my bill, the Veterans Education Benefits Equity Act of 1999, HR 625. First, I would like to say that this legislation is non-controversial and does have the support of the Department of Veterans' Affairs. I have enclosed a copy of their letter stating that they would not have any objection to HR 625.

In past years, the Department of Veteran's Affairs (VA) approved an exemption from Executive Order 12020 for Ohio University because the University uses the extended break to conserve energy by closing residence halls and academic buildings. Unfortunately, the VA ruled that the energy crisis was over and Ohio University no longer is qualified for the exemption. What the VA did not realize is that this closing was not because of an energy crisis, but the University simply conserves energy since they produce all the energy within the campus facility.

The Department of Veterans Affairs (VA) reversed itself on a long-standing policy issue and eliminate a December veterans educational benefit payment to approximately 360 eligible veterans who are students at Ohio University (OU). This problem now exists for veterans because of OU's extended break between fall and winter quarter which runs from the day prior to Thanksgiving until the day after New Years, which averages about 40 days or six weeks of down time. OU is one of only a few public universities that takes such a lengthy break from classes within its academic year. The VA has a policy which suspends benefits under the Montgomery GI Bill to veterans if they experience a break of more than

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30 days between enrollment periods.

This means that if veterans are going to be paid for the month of December, they must be enrolled. However, the University is now offering a few (4 - 6) classes during the break, but the choices are too few to accommodate most veterans' academic program needs. Furthermore, I believe that if veterans have completed the fall quarter courses and have registered for winter courses, they have verified a commitment to continuous status and should be eligible for continuous benefit payments.

For these reasons, I introduced the VETERANS EDUCATION BENEFITS EQUITY ACT of 1999. This bill will authorize the continued payment of monthly educational assistance benefits to veterans enrolled at educational institutions during periods between semesters or quarters if the interval does not exceed six weeks. This legislation will also correct this problem for veterans around the country who attend an educational institution that also has a break between classes of over 30 days.

It is not reasonable to punish veterans by withholding their December benefits when they do not have the option of enrolling in course work between the fall and winter quarters that is appropriate to their academic programs. The VETERANS EDUCATION BENEFITS EQUITY ACT of 1999 will right this wrong and help veterans who are trying to better their lives by completing college.



THE UNDER SECRETARY OF VETERANS AFFAIRS FOR BENEFITS
WASHINGTON, D.C. 20420

JUN 23 1999

The Honorable Robert W. Ney
House of Representatives
Washington, DC 20515-3518

JUN 28 1999

Dear Congressman Ney:

This is in reply to your letter concerning H.R. 625, the Veterans' Education Benefits Equity Act of 1999, which would authorize benefits for an interval if the interval does not exceed eight weeks.

Current law allows the Department of Veterans Affairs (VA) to pay only for intervals between terms that do not exceed a full calendar month. The purpose for paying benefits during term breaks is to allow the student whose enrollment is essentially continuous to receive uninterrupted educational assistance from VA. This removes the necessity for the veteran to attempt to find a job (in some cases, a second job) to cover subsistence expenses during the interval. We recognize that veterans who receive benefits during a long interval will exhaust their entitlement at a faster rate and, accordingly, we do have some concern about this proposed extension. Nevertheless, we believe that responsible students will carefully consider this use of entitlement when making a decision to accept benefits during breaks in their school terms.

On May 20, the Secretary of Veterans Affairs testified before the Senate Veterans' Affairs Committee on a number of bills, including S. 555, the Veterans' Education Benefits Equity Act of 1999, which would pay benefits as long as the interval does not exceed eight weeks. The Secretary indicated that VA had no objection to this bill.

I appreciate your continuing efforts to improve benefits for our Nation's veterans.

Sincerely yours,

Joseph Thompson



FEB 24 1999

Methodist Theological School in Ohio

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February 19, 1999

The Honorable Bob Ney
1024 Longworth H.O.B.
Washington, DC 20515

Dear Congressman Ney:

I support your commendable effort to lengthen the period of time institutions of higher education may close between regular terms without endangering the uninterrupted distribution of educational benefit funds to student veterans.

It is unfortunate that the existing out-dated law has such a potentially harmful effect on student veterans, especially when the remedy (your House Bill) will not cost the taxpayers a thing. Students need to receive their educational benefits on an uninterrupted schedule during the school year to avoid being placed in a position where they can't meet living expenses.

I can't imagine why anyone would oppose your effort to change the law.

Sincerely,


Susan M. Lamphere
Registrar



Bowling Green State University

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MAK 03 1999

February 24, 1999

The Honorable Bob Ney
1024 Longworth H.O.B.
Washington, DC 20515

Dear Honorable Ney:

We support your commendable effort to lengthen the period of time institutions of higher education may close between regular terms without endangering the uninterrupted distribution of educational benefit funds to student veterans.

It is unfortunate that the existing out-dated law has such a potentially harmful effect on student veterans, especially when the remedy (your House Bill) will not cost the taxpayers a thing. Students need to receive their educational benefits on an uninterrupted schedule during the school year to avoid being placed in a position where they can't meet living expenses.

We can't imagine why anyone would oppose your effort to change the law.

Sincerely,

Rebecca K. McOmber

Rebecca K. McOmber
Registrar

Gene E. Palmer

Gene E. Palmer
Director of Student & Information Services
VA Certifying Official

RKM/GEP/pc



Kim Goldenberg, President

February 26, 1999

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MAR 12 1999

The Honorable Robert Ney
1024 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Ney:

On behalf of Wright State University, I write to support your efforts to extend the time period in which a veteran may be out of school between semesters or quarters and continue to receive G.I. Bill education benefits without interruption.

I am pleased to note that this problem does not exist for veterans at Wright State University. However, the fact that the Veterans Administration punishes some veterans by discontinuing their benefits because the time period between grading periods does not conform with the arbitrary time periods established by the Veterans Administration is a disservice to those who served this country.

Any veteran who has completed one grading period and has expressed an intent to continue in school by pre-registering for the next grading period should not be denied benefits, or suffer an interruption in their benefits because of an institution's scheduling of grading periods. The test for the continuation of payments between grading periods should be evidence of the student's intent to continue classes uninterrupted from grading period to grading period.

The length and occurrence of a higher education institution's grading periods, and subsequently the length of time between consecutive grading periods should be determined by the institution, not as a result of Veteran Administration regulations. I commend you for your efforts concerning this issue.

Sincerely,



Kim Goldenberg
President

KG/ms

Testimony of
 Espiridon 'Al' Borrego
 Assistant Secretary for Veterans' Employment and Training
 U.S. Department of Labor
 before the
 Benefits Subcommittee of
 the Veterans Affairs Committee
 U.S. House of Representatives

October 28, 1999

Mr. Chairman and Members of the Subcommittee:

I appreciate the opportunity to address the subcommittee on veterans employment and training including those raised by the Report of the Congressional Commission on Servicemembers and Veterans Transition Assistance (Transition Commission or Commission).

Potential 21st Century Veterans' Employment and Training Legislation

Let me start by bringing a message from the Secretary of Labor: Veterans' issues are America's issues. The veterans' population represents more than 14 million working Americans. The Department of Labor's Veterans Employment Training Service (VETS) works to ensure that the employment and training system of the 21st century serves this population. Because of the Secretary's proactive attitude toward veterans' issues, we have been a full partner in the implementation of the Workforce Investment Act (WIA) and are committed to ensuring full access to employment opportunities for our Nation's veterans.

First, I want to clear the air on what has been said about VETS and correct the misinterpretations of data and the incorrect perceptions used by the Transition Commission to make its recommendations. The second part of my testimony responds item by item to the draft concepts put forth by the Subcommittee.

Regarding the Substance of the Transition Commission Report

The Subcommittee's presentation of so many concepts, problems and proposed solutions presents me with a considerable challenge. Because the Commission's findings run through many of the Subcommittee's concepts, I will first present the facts as we see them. Much of my effort will be directed at correcting the misinformation relied upon by the Commission in concluding that the employment system is broken, and needs to be replaced. Many of the Commission's findings regarding employment have been used to diminish the very dedicated work of VETS and state Disabled Veteran Outreach Program (DVOP) and Local Veterans Employment Representative (LVER) staff. It is very fortunate that you will have before you shortly an experienced representative of the DVOP/LVER programs.

I am most concerned by the Commission's recommendation to limit employment services to veterans who are disabled or who have barriers to employment, and maintain veterans' priority only for other veterans within four years of separation from the military. This recommendation was based on the apparent misconception that most veterans are "job ready" and therefore do not need the assistance of a DVOP or LVER. As a result of these incorrect assumptions, the Commission has recommended unwarranted changes to the DVOP and LVER programs, including making DVOP and LVER grants competitive.

In Draft Concept C, the Subcommittee cites the Transition Commission's claim that only two percent of veterans use the Job Service. It is clear to me that far more than two percent of veterans use these services. Unfortunately, the Commission has simply misinterpreted data that was provided to them. Data (from ETA's Form 9002) for PY 1996 (which is the Program Year the Commission used) indicates that 2,035,000 veterans and other eligibles were registered with the public labor exchange system. The BLS data for calendar year 1997 (which includes half of PY 1996) reflected that there were 14,250,000 veterans in the civilian workforce. Thus,

approximately more than 14 percent of the veterans in the workforce used the public labor exchange system in PY 1996, far more than the two percent cited by the Commission.

DVOPs and LVERs compare favorably with private sector employment firms specializing in assisting veterans. On September 9th, representatives of Hire Quality, a private sector employment firm which assists only veterans, testified before this Subcommittee that of the veterans who use their services, 65 percent are referred to employers. They further testified they thought about one-third of those referred get jobs, although they had no hard data to support this estimate. This means that less than 22 percent of the veterans who seek Hire Quality's services get jobs. In comparison, for program year 1997, more than 25 percent of all veterans registered at the state job service offices got jobs, including those harder to serve veterans, such as the disabled, the homeless, and other veterans with barriers to employment. In addition, many other veterans were referred to training and other supportive services that will make them job-ready in the future.

This "employment office" based data alone negates the judgments and conclusion made by the Commission that the system is broken.

The Subcommittee also repeats the Commission misconception that nine states had an employment placement rate of less than ten percent, yet still met the VETS' performance standard. These data do not present the full picture.

The actual standard that VETS uses for States' performance is "entered employment." When this performance measure, required under WIA, is used, the picture becomes clearer. ETA Form 9002 records States' entered employment figures. Using this form for PY 1996, the year the Transition Commission used, we could find only one State with an entered employment rate less than ten percent which still met VETS' entered employment performance standard (Title 38, Section 4107(b)): Rhode Island, with an entered employment rate of 8.9 percent for veterans, and 4.2 percent for non-veterans. What the Commission chooses not to cite is that 49 States met the ultimate standard of Title 38, which is that veterans will do better than non-veterans.

As we reported on page 7 in our response to the Commission report, "...these [entered employment] figures fail to capture all the veterans who found employment as a result of assistance from the job service. Many States track their 'entered employment' data by using unemployment insurance employer wage records. However, this means of measurement fails to include veterans who are referred to a job and hired in another state." The location and size of Rhode Island suggests that it is likely that many of its residents got jobs in surrounding States.

Furthermore, the employment system "entered employment" rates do not include individuals who went through Transition Assistance Programs (TAPs) (taught primarily by DVOPs and LVERs) and were able to get their own jobs without going through the local employment office. Statistics show that TAP graduates find jobs faster than non-TAP graduates. The "employment office" statistics also fail to include veterans who obtain employment through the Federal Contractor Program since many of these veterans do not register with the employment service. For PY 1997, the employment office placed 51,895 veterans in federal contractor jobs; of the veterans placed, 16,259 were Vietnam era and 2,642 were special disabled, while federal contractors reported through the VETS-100 that they had, in fact, hired 109,715 Vietnam era and 14,161 special disabled veterans. The employment office numbers also do not show veteran hires through the America's Job Bank (AJB).

**Regarding Draft Bill 1, *Draft Concept A*
Priority of Service for Veterans in Federal Employment and Training Programs**

The subcommittee is seeking ways to provide priority service for those veterans who need additional employment and training services because they are making the transition to civilian life, or who have a service-connected disability or other barriers to employment, through all federally-funded employment and training programs, not just the Wagner-Peyser funded public employment service. The subcommittee's proposed solution is H. R. 364, The "Veterans'

Employment and Training Bill of Rights.” As you know, the Department of Labor has for some time advocated the principle of “fair share” for veterans in Federal programs. The Department has met this commitment in the past through the Job Training Partnership Act (JTPA). With regard to this specific provision of H.R. 364 as well as the bill’s other provisions, the Department will be forwarding detailed comments to the Subcommittee shortly.

Regarding Draft Bill 1, “Draft Concept B – Disabled Veteran Outreach Program (DVOP) Specialist and Local Veterans Employment Representative (LVER) Positions and Attendant Duties”

I consider this to be the worst recommendation of the Commission – limiting employment services to disabled veterans, veterans with barriers, and all other veterans to within four years after separation.

The concept paper includes the following phrase from the Commission report: “A new Veterans Case Manager to provide job-seeking skills, job development, and referral services to disabled veterans, veterans facing employment barriers, and recently separated veterans.” We cannot support this proposal because it would exclude most veterans from any priority for employment services. Under current law, more than 15 million men and women who served honorably in the armed forces of the United States are entitled to priority in Wagner-Peyser funded employment services. The Commission recommends reducing the population of eligible veterans to those who are disabled or who have barriers to employment, but limits all other veterans to those separated within four years. At most, this would result in a reduced group of only about two million veterans eligible for employment services. The Commission argues that this group includes those most in need “because of the high unemployment rate among recently separated personnel.”

But this argument ignores the fact that for 1998, 47 percent of all unemployed veterans were aged 45-64, and almost 80 percent were 35 and over. This large group of veterans will feel the brunt of any such service restrictions. This recommendation also raises concerns about the millions of veterans who have been out for more than four years: Vietnam-era and Persian Gulf veterans, and those who are getting out of college. It would deny priority to older working veterans who face corporate downsizing, base or plant closings, or technological displacement. In this era of incredible technological change, when the average worker will change jobs many times in a lifetime, when millions work in jobs not even thought of ten years ago, the denial of priority for reemployment services would be harmful and unfair.

The subcommittee cites two of the Commission findings quoted here which are based on data taken out of context from our reports and reports done by the General Accounting Office (GAO).

“Although the DVOP and LVER programs were created separately for different purposes, there is, in fact, little difference in the day-to-day customer service provided by the staffs of these programs: DVOP and LVER staff spend most of their time on two tasks: intake and assessment and job referral.” Transition Commission Report, p. 58.

The GAO reported in 1997 that DVOP staff spent 62 percent of their time on the 73 percent of their clients who were job ready. Similarly, LVER staff reported spending 67 percent of their time on the 80 percent of their clients who were job ready. Transition Commission Report, p. 52.

We ask that these corrections be noted, as follows: the report that DVOP specialists and LVERs interchangeably provide services to job-ready veterans from 62 and 67 percent of their time does not adequately address the functions of the DVOP or LVER. Appropriate attention must be placed on (1) the functions in which they engage the other 38 and 33 percent of their workweek; and (2) the kinds of support they give to job-ready veterans that is unique to the DVOP or LVER. Such functions as community involvement, monitoring the listing of jobs by federal contractors, functional supervision of other staff serving veterans, and filing reports which include their analysis of the quality and character of services provided by the office, are unique to the LVER. Outreach, case management services provided to disabled and homeless veterans at outstationed locations, and targeted job development with employers on behalf of specific veterans and

disabled veterans characterize the DVOP specialist. The group orientation, VA coordination of vocational rehabilitation and counseling (VR&C), and computer training services for job-ready veterans will permit more intensified services to be provided for the hardest to place and is time well spent.

A more concise representation of DVOP/ LVER efforts is contained in Attachment 1, an excerpt of the relevant GAO discussion of these numbers which were not included in the Commission's report.

The Subcommittee also includes a **"Potential Solution: Require the Secretary of Labor to submit a report to the Committees on Veterans' Affairs within 120 days of enactment providing the Secretary's recommendations on the title and functional duties of DVOPs and LVERs, including the potential for consolidating such positions."**

Any evaluation of the functions of these DVOPs and LVERs should be based on the needs of all eligible veterans and not the reduced group advocated by the Commission. Moreover, the labor exchange system is undergoing the most dramatic restructuring in many years. Enactment of the WIA is changing the traditional employment office. While there will be an opportune time to evaluate the DVOPs and LVERs, this period of WIA transition is certainly not that time.

In any event, the problems listed by the Commission do not correlate with the recommendation that the Commission made. Much of the basis for the Commission data was the GAO study done in 1997 where 96 percent of DVOPs and LVERs responded to the survey form. The real message of the data collected (Attachment 1) indicates that the system is working and not broken as the Commission determined. The relevant text of the GAO study is used by the Commission to discredit DVOPs and LVERs even though the GAO does not. In Attachment 1, the table and the text derived from the table state: *"Representative of their different job duties, DVOP specialists' third most time-consuming activity was outreach activities to locate and assist veterans, while LVER staff reported that functionally supervising the provision of veterans' services within their local employment service office was the third most time-consuming activity."* The most time of either category of personnel is spent on *job search and referral* and the second is *intake and assessment*. Without adequate intake and assessment, veterans cannot be determined to be job ready.

As previously stated, the Commission's recommendation is still based on the original employment office concept which is undergoing change as the result of the WIA. VETS assures the Committee that, as the WIA is implemented, the same DVOPs and LVERs will be striving to continue doing essentially the same functions, as well as learning about and educating their new WIA partners, because without their presence and oversight of Wagner-Peyser funded staff, and contact with the veteran, no one will know if the veteran is job ready.

Let me say as emphatically as I can that job ready means having skills to do a job. It does not mean that the individual has job-hunting skills: the ability to communicate effectively through a resume resulting in an interview. And the interview skills to get the job. Most often the veteran will have marketable skills, but does not have a competitive resume that employers will find compelling, or is unprepared for an interview. These are prerequisites to the electronic system. Without these job-hunting skills, it does not matter how job-ready veterans are -- they will not get jobs. That is why it is critical that DVOPs and LVERs continue to work with job ready veterans. It is this work that has led to veterans having an unemployment rate one percentage lower than that of non-veterans.

**Regarding Draft Bill 1, Draft Concept C
Financial Incentive Program for State Employment Security Agencies and/or
Authorization to Compete Veterans' Employment and Training Services Under Certain
Circumstances**

Developing a competitive incentive initiative with weighted measures (more points for veterans who have more barriers) is feasible and would do much to enhance the current system.

Unfortunately, the **Potential Solution 2** that would *"Provide the Secretary of Labor the authority to compete services currently provided by DVOPs and LVERS for non-performing states after two years"* is not an acceptable alternative for the Department of Labor. The subcommittee's basis for this potential solution is two-fold--the Commission's findings, rebutted in the beginning of this testimony, and the Executive Summary of the Independent Budget for FY 2000, which recommends that Congress consider an alternative means of delivering employment services for veterans through a competitive bidding process.

VETS is prepared to respond to underperforming states with a team of VETS state directors and assistant state directors to develop a corrective action plan. This plan could be supported by the local Veterans Organizations (VSOs) and those VSOs who have endorsed the contracting option. Therefore, we believe, even if legislated, this option would never need to be implemented.

The issue is not competition, or privatization. DVOP and LVER operations are not self-contained programs but are part of, and dependent upon, the state public labor exchange system. The state employment system, an approximately \$1 billion system, is one of the required partners under WIA. The job listings and federal contractor job listings go to this state employment system. It is this system that contains the labor exchange infrastructure. This is funded by the Department using Federal unemployment taxes. Furthermore, VETS is unique in that we have split committees: Labor, Education, and Health and Human Services for appropriations, and Veterans' Affairs for authorization.

Title 38 authorizes that veterans are provided priority of services in the public labor exchange system. Title 38 further authorizes funds to hire veterans who serve as DVOPs and LVERS -- who are required to work in the public labor exchange system -- to augment the services to

veterans provided by that system. Currently, of the approximately 500,000 jobs obtained for veterans through the public labor exchange system, one-third are by the employment system (not DVOPs and LVERS), one-third are by DVOPs, and one-third are by LVERS.

If we compete the DVOP and LVER programs, we would lose veterans' priority of service in the entire workforce investment system. Title 38 gives to the LVER the job of oversight of veterans' priority of services in the entire public labor exchange system. We would have to pull out of the workforce investment system all of the people that Title 38 authorizes to augment services for veterans. The labor exchange infrastructure would remain with the workforce investment system under the jurisdiction of the Labor committees. A duplicate labor exchange infrastructure (e.g., a separate management structure; buildings, equipment, hardware, software systems, reporting systems, etc.) would have to be developed for veterans. In addition, Title 38 would have to be fundamentally changed to allow DVOPs and LVERS to work outside the public labor exchange system. Employment system staff are required by law to be public employees. Bringing in an outside, private sector individual to be part of a public employment system staffed by public employees would create its own set of problems. As currently structured under Title 38, competing the DVOP and LVER programs outside the public labor exchange system is not feasible.

Regarding Draft Bill 1, "Draft Concept D -- Sustained DOL National Marketing Program Directed at Employers"

The Department also agrees that veterans should be marketed to employers looking for responsible, dependable, hard-working, dedicated, skilled workers. We agree that the Department should facilitate the employment of transitioning service members and veterans through the Department's America's Career Kit website. We do not agree that a commission costing the taxpayers millions of dollars a year should be established to direct the marketing activities. VETS believes that the best way to market veterans is on a retail level - to include marketing efforts in our pilot programs as we are doing with ProVet, for example.

VETS actively seeks opportunities to speak to employer audiences -- most recently in September in Seattle at a convention of hundreds of federal contractors, sponsored by the Office of Federal Contract Compliance Programs. I have met with Microsoft Corporation representatives, Lucent Technology human resource personnel, and with Cisco Systems officials about the benefits of hiring veterans. VETS staff and I have met with CompTIA, a group of 7,500 information technology companies, and the parties are developing a pilot program that will lead transitioning service members into employment with member companies. Publicity gained from an event announcing a grant to the PowerComm Foundation in Boston, supported by PowerComm, a leading utility company in the Northeast, has led several other utility companies in the area to call VETS and ask how they can hire qualified veterans.

The Department believes that in this era of tight budgets, the best use of marketing money is direct support of programs, rather than a new, costly marketing commission and blanket advertising.

**Regarding Draft Bill 1, *Concept E*
Montgomery GI Bill Usage for Tests for Licensing or Certification**

VETS supports *Concept E* subject to the PAYGO requirement of the Omnibus Budget Reconciliation Act of 1990. As a practical matter this approach would help bring recently separated military personnel into skilled careers more quickly by using the MGIB to fill skills gaps.

**Regarding Draft Bill 1, *Draft Concept F*
State Residency Requirements for DOL/VETS [State] Directors and Assistant Directors of Veterans Employment and Training**

On the issue of State Residency, I have taken no position in the past.

**Chairman Stump's Draft Bill 2 -
Draft Concept - Use of Internet Technology to Meet Veteran Job-Search Needs**

VETS welcomes all new ideas that enhance the employability of veterans and those soon to be separated from the military. However, we do not know if the timetables contained in the subcommittee's concept paper are appropriate, or whether resources for such an application would be available.

I have met with General Sikora of the Resource Consultants, Inc. who is very knowledgeable in this field and I will continue to work with him and other experts to look into this very promising possibility.

**Chairman Stump's Draft Bill 3 -*Draft Concept*
Pilot Test of Competed Versus Non-Competed Employment and Training Services to Veterans**

In presenting the Commission's recommendation to replace the DVOP/ LVER program, the subcommittee suggests pilot programs to compare competed and non-competed programs. However, the competition concept presents some very substantial structural problems, as fully addressed in response to **Potential Solution 2**.

Because of these factors, developing a successful competitive pilot would be very difficult.

Updating VETS Reporting Requirements

It would be very helpful to have VETS reporting requirements updated to meet the mandates of the Government Performance and Results Act (GPRA) and the WIA. Some of the existing reporting requirements are no longer relevant because of systemic changes in the public labor exchange system and the implementation of the WIA which made many of the reporting

requirements of Title 38, Section 4107(c) obsolete. When Title 38 was last revised in 1988, the state job service office was the primary deliverer of employment and training services to veterans. Veterans who used the system registered at the local office. Now, veterans get jobs through electronic job banks (like America's Job Bank), transition assistance programs, and federal contractors, and do not necessarily register with the local Job Service office. Title 38, Section 4107 mandates that VETS report on veterans who register and receive services at the local job service office.

In addition, many of the definitions of service no longer exist within the state employment service agencies as they once did. An example is counseling. Most of the States no longer have counselors in all offices and these functions are being accomplished by the LVERs and DVOPs through case management. Additionally, several of the placement standards no longer reflect the requirements of WIA.

Conclusion

In conclusion, VETS is on track toward fulfilling its mission of ensuring full access to employment opportunities for our Nation's veterans. We continue to work with our Executive branch partners, including VA, DOD, and HUD. We have revised our Strategic Plan with input from the GAO. The Department has further contracted with John Mercer, considered to be the "Father of GPRA," to review our plan to assure that we meet the expectations of the Congress. Over the past year, we have often met with Committee staff to discuss and resolve licensing and certification issues, as well as other matters of interest to the Committee. We will continue to develop and implement our strategic plan in the hope of better serving our country's veterans, particularly the homeless.

I want this Subcommittee to know that the Secretary of Labor believes VETS to be her link to more than 14 million veterans across our great Nation. Through VETS, she and this Congress can help ensure veterans' full integration into America's labor force.

Thank you for your attention and I look forward to our continued discussions.

ATTACHMENT 1

In order to put the data taken from the GAO Report in the context that the GAO reported, VETS submits the following direct quote of the GAO/HEHS-98-7 Report "VETERANS' EMPLOYMENT AND TRAINING ... Services Provided by Labor Department Programs, dated October 1997

"DVOP AND LVER STAFF DUTIES AND ACTIVITIES

Although the authorizing legislation lists many job duties for DVOP and LVER staff serving veterans, DVOP and LVER staff reported spending the majority of their time on two duties. Most clients served by DVOP and LVER staff need minimal assistance, but DVOP and LVER staff spend relatively more time with clients needing extensive services like case management. DVOP and LVER staff work with employers, veterans' organizations, federal agencies, and community-based organizations to match veterans with jobs and training opportunities. For example, as a part of networking efforts with other veterans' employment services, DVOP and LVER staff work with VR&C clients to find employment opportunities, and some participate in TAP activities for separating service members.

FEW ACTIVITIES PREDOMINATE

According to our survey, the two duties that both DVOP and LVER staff spent the most time on were (1) job search and referral and (2) intake and assessment. (See table 2.)

Table 2 Activities on Which DVOP and LVER Staff Spent Most of Their Time, as of April/ May 1997

<i>(Numbers in percent) Activity</i>	<i>DVOP</i>	<i>LVER</i>
<i>Job search and referral</i>	<i>71.7</i>	<i>76.7</i>
<i>Intake and assessment</i>	<i>55.3</i>	<i>61.7</i>
<i>Outreach activities to locate and assist veterans</i>	<i>23.6</i>	<i>2.8</i>
<i>Job development for a specific veteran</i>	<i>18.9</i>	<i>16.6</i>
<i>Vocational guidance (labor market information)</i>	<i>16.5</i>	<i>20.2</i>
<i>Veterans' counseling (choice, change, adjustment)</i>	<i>15.9</i>	<i>13.6</i>
<i>Referral to other services for a veteran's specific needs</i>	<i>15.9</i>	<i>12.0</i>
<i>Individual case management (case file)</i>	<i>14.9</i>	<i>7.5</i>
<i>Employer outreach (such as federal contractors, federal/state/local government, private industry)</i>	<i>13.8</i>	<i>13.3</i>
<i>Coordinate and/or facilitate the TAP workshops</i>	<i>7.9</i>	<i>3.0</i>
<i>Coordinating with VA on VR&C clients</i>	<i>6.3</i>	<i>1.3</i>
<i>Networking within the local community on behalf of veterans</i>	<i>6.0</i>	<i>5.2</i>
<i>Career counseling</i>	<i>4.5</i>	<i>3.4</i>
<i>Monitoring and reporting on veterans' services</i>	<i>2.0</i>	<i>15.2</i>
<i>Functionally supervising the provision of veterans' services within the local employment services office</i>	<i>1.3</i>	<i>24.2</i>
<i>Developing apprenticeship and on-the-job training opportunities</i>	<i>0.6</i>	<i>0.7</i>
<i>Educating employment service staff on services to veterans</i>	<i>0.4</i>	<i>3.5</i>

Source: GAO survey of DVOP and LVER staff.

Representative of their different job duties, DVOP specialists' third most time-consuming activity was outreach activities to locate and assist veterans, while LVER staff reported that functionally supervising the provision of veterans' services within their local employment service office was the third most time-consuming activity. Even though job search and referral was reported by both DVOP and LVER staff as the activity on which they spent the most time, they reported that

they would like to have more time for this activity. The DVOP and LVER staff also reported that they needed more time for employer outreach and individual case management. Additionally, DVOP and LVER staff reported spending about 83 percent of their time on their top three activities. In response to our survey, more than half of DVOP and LVER staff provided unsolicited comments. Several comments related to needing more time to perform certain duties. For example, one respondent commented that he is often "spread too thinly" to do an adequate job in case management and must concentrate on serving the walk-in traffic because the local employment office staff has dwindled as a result of budget reductions. Another respondent offered a similar comment regarding time for employer outreach; he noted that, because of office downsizing, he was unable to visit employers and had to rely on the telephone to perform outreach. Another respondent stated that it is a struggle to get the necessary time for outreach activities because the local office manager wants the staff in the office attending to veterans. Additionally, although the law specifies that DVOP specialists provide assistance to veterans exclusively and VETS' policy requires that LVER staff (except for half-time LVER staff) serve veterans exclusively, DVOP and LVER staff—about 8 percent of the sampled respondents—noted that they were required to provide employment services to nonveterans. (See app. LX for a content analysis of a sample of DVOP and LVER survey comments.) “

Statement of
Celia P. Dollarhide
Director, Education Service
Veterans Benefits Administration
Department of Veterans Affairs
Before the
House Committee on Veterans' Affairs
Subcommittee on Benefits
October 28, 1999

Mr. Chairman and Members of the Subcommittee, thank you for the opportunity to testify today on H.R. 625, a bill to authorize the Department of Veterans Affairs (VA) to continue payment of monthly educational assistance benefits to veterans enrolled at educational institutions during periods between terms if the interval between such periods does not exceed eight weeks. We also appreciate the opportunity to comment on certain draft legislative concepts under consideration to enhance VA educational assistance programs. Specifically, my testimony today will address proposals to: expand the work study program; simplify approval criteria for courses; allow service members to retain Montgomery GI Bill (MGIB) eligibility if they are discharged to receive a commission; and modify eligibility criteria for the Survivors' and Dependents' Educational Assistance (DEA) program. VA's views on H.R. 625 and the concepts follow. With regard to all of them, however, let me note up front that the Administration cannot provide its position without first reviewing a specific legislative proposal and estimating its costs. Regarding those that would be subject to the pay-as-you-go (PAYGO) requirement of the Omnibus Budget Reconciliation Act of 1990, as you know, we would need to work with you to identify necessary offsets for proposals we were to support.

First, I would like to discuss our views on H.R. 625. As previously indicated, this measure would extend the length of the break between school terms for which VA could continue payment of monthly educational assistance benefits. Those individuals affected would have to be enrolled at educational institutions that certify enrollment on a term basis, and the school terms both preceding and following the break could not be shorter than the break period itself.

Current law allows VA to pay only for intervals between terms that do not exceed a full calendar month. The purpose for paying benefits during term breaks is to allow the student whose enrollment is essentially continuous to receive uninterrupted educational assistance from VA. This removes the necessity for the veteran to attempt to find employment to cover subsistence expenses during the interval. We recognize that veterans who receive benefits during a long interval will exhaust their entitlement at a faster rate and, accordingly, we do have some concern about this proposed

extension. Nevertheless, we believe that veteran students will act responsibly and carefully consider this use of entitlement when making a decision to accept benefits during breaks in their school terms. Thus, subject to the PAYGO requirements of the Omnibus Budget Reconciliation Act of 1990, VA has no objection to this proposal. We estimate that this provision, if enacted, would result in additional budget costs of \$2.45 million for Fiscal Year 2000 and \$13.38 million over the period Fiscal Years 2000 through 2004.

Next, I would like to speak to the work-study expansion proposal. We hear from veterans and school officials alike that, with the ever increasing costs of education, some veterans have a real need for greater access to resources that can supplement their MGIB benefits.

Currently, VA work-study participants are limited by statute in the type of work they can perform. For instance, they may work at their educational institutions but are restricted to preparing and processing documentation for VA. While this limitation may have been needed when enacted, it now appears to be an impediment both to these veterans' program participation and their provision of services to other veteran students. For some time now, demand for work-study jobs on campus has greatly exceeded the limited supply of positions available for engaging in purely VA paperwork activity. Further, a need exists for student services for veteran students that goes beyond merely processing VA education benefit paperwork. Veteran students may need help in finding and applying for other sources of supplemental financial aid, yet the law precludes VA work-study participants from furnishing assistance beyond that related to VA. This frustrates both the work-study participant and veteran students seeking help.

Mr. Chairman, we believe it is in keeping with the purposes of the VA work study program that veteran work-study students be provided this additional educational assistance allowance for performing services that do not merely narrowly relate to VA activities but that broadly help other veterans. Consequently, we would welcome consideration of a statutory amendment permitting VA work-study students to: assist veterans with all paperwork related to their participation in Federal programs; work at educational institutions in jobs related to their programs of education; work at State veterans institutions and nonprofit service organizations that provide community assistance and support to veterans and service members; and work at State Approving Agencies (SAAs). We note, however, that we would need to evaluate any specific legislation to determine any effects on other Federal work-study participants. Furthermore, these proposals would be subject to the PAYGO requirements of the Omnibus Budget Reconciliation Act of 1990. Because we have not had the opportunity

to review any specific legislation, we do not yet have an estimate of the budget costs of such changes.

The next issue I would like to address is the proposal for simplified approval criteria for courses. The legislative initiative would permit educational institutions to obtain approval for their courses from the SAA based on meeting State licensing requirements, rather than the requirements listed in title 38, specifically 38 U.S.C. 3675 and 3676. The Secretary of Veterans Affairs would have to determine that the State requirements would result in courses of equal or better quality.

Since the GI Bill course approval provisions first became law, several States have introduced strict licensing requirements for educational institutions offering degree and/or non-degree programs. These requirements are similar, though not identical, to the approval requirements in title 38. As a result, educational institutions must comply with two essentially similar sets of rules, assuring, in the process, that they accommodate the slight variation in requirements.

It seems to us that enactment of this initiative would ease the paperwork and recordkeeping burden on schools. It would also make approval easier for those States in which the SAA and State licensing board both report to the same State official. (PAYGO provisions would not apply to this provision since it is cost neutral.)

The next initiative I want to discuss would allow service members to retain eligibility if they are discharged during their initial service period to receive a commission. We recognize that enlisted service members often are selected to attend Officer Training School or Officer Candidate School. Upon completion of these schools, they are discharged in order to accept an immediate commission as an officer. If the discharge occurs before completion of the minimum period of active duty needed to establish MGIB eligibility, the service member is ineligible for education benefits. This proposal would allow the two periods of active duty to be considered as one, thus, allowing these individuals to remain eligible for the MGIB program.

We believe the circumstances under which such individuals are discharged clearly are not comparable to those for which educational assistance is denied an individual who prematurely terminates an initial obligated period of service without meeting minimum qualifying service requirements and without any further active duty commitment. Rather, an individual's completion of Officer Candidate or Officer Training School and subsequent discharge to accept a commission further the military's interests and, in our view, are consistent with the nature and extent of active duty service for

which MGIB benefits equitably should be allowed. Consequently, subject to the PAYGO requirements of the Omnibus Budget Reconciliation Act of 1990, we would support this initiative allowing retention of MGIB eligibility in such cases. To the extent that this proposal was consistent with the one in S. 1402, we estimate that it would result in budget costs of \$137,000 in Fiscal Year 2000 and a total of \$719,000 over the period Fiscal Years 2000—2004.

Finally, I would like to discuss the legislative initiative for modified eligibility criteria for the Survivors' and Dependents' Educational Assistance (DEA) program. This proposal would allow a veteran's claim for a 100 percent service-connected disability rating and a surviving spouse's claim for Dependency and Indemnity Compensation (DIC) to be considered a claim for DEA for the veteran's children.

It would appear the concern here is to propose an equitable solution for designating an appropriate effective date for awarding retroactive DEA benefits when there is significant administrative delay in establishing the criteria on which entitlement to such benefits are based.

This concern is illustrated by the case of a surviving spouse who files a claim for Dependency and Indemnity Compensation (DIC) and must wait more than a year for a final agency decision on service connection for the veteran's death. If it is decided that the veteran's death is service-connected, VA will generally award DIC benefits from the date the veteran died. When the child, however, subsequently seeks DEA benefits from the date of the veteran's death, he or she may be paid retroactively only for training pursued not more than 1 year before the date of the child's DEA claim. (38 U.S.C. § 5113).

As this Subcommittee indicates, the Court of Appeals for Veterans Claims has held that a child must file his or her DEA claim independent of the surviving spouse's DIC claim. *Pfau v. West*, 12 Vet.App. 515 (1999); *Ersparmer v. Brown*, 9 Vet.App. 507 (1996). Therefore, when a child waits for disposition of the DIC claim before filing the DEA claim, he or she may not be able to receive payment for training undertaken in the interim. A parallel situation exists when the child wishes to claim DEA and the veteran's claim for disability compensation is unresolved. The DEA claim must be independent of the veteran's claim for a 100 percent service-connected disability rating.

We do not disagree with the court's analysis of current law. Yet, we must acknowledge that a child seeking DEA assistance may be placed in a difficult position because the child's claim of entitlement necessarily derives from the status of the

veteran's claim for permanent and total service-connected disability or the surviving spouse's DIC claim. If VA has not decided or has denied the parent's compensation or DIC claim due to failure to establish the requisite service connection, it may be too much to expect the child, nevertheless, to appreciate the need to file a timely claim in order to preserve his or her rights. Accordingly, we believe it is appropriate to consider amendatory legislation that would provide certain children a reasonable measure of relief in such circumstances.

We would suggest, however, that it be limited to children who reached age 18 and were in school while the claim for DIC or 100 percent service-connected disability rating was still pending. Any such proposal also would be subject to the PAYGO requirements of the Omnibus Budget Reconciliation Act of 1990. Although we have not yet had the opportunity to review any specific legislation, we would expect budget costs on the order of \$1 million over the period Fiscal Years 2000—2004.

Mr. Chairman, that concludes my testimony. I would be pleased to reply to any questions you or Members of the Subcommittee may have.

TESTIMONY BY
ROBERT C. GROSS
PRESIDENT
INTERSTATE CONFERENCE OF EMPLOYMENT SECURITY AGENCIES

DRAFT LEGISLATIVE CONCEPTS FOR
POTENTIAL 21ST CENTURY
VETERANS' EMPLOYMENT & TRAINING LEGISLATION

HOUSE VETERANS' AFFAIRS SUBCOMMITTEE ON BENEFITS

OCTOBER 28, 1999

My name is Robert C. Gross. I am Executive Director of the Utah Department of Workforce Services and President of the Interstate Conference of Employment Security Agencies (ICESA). ICESA is the national organization of state officials responsible for workforce security and workforce development services. We administer the nation's employment service, veterans' employment and training programs (Disabled Veteran Outreach Program (DVOP)/Local Veteran Employment Representative (LVER)), unemployment insurance laws, labor market information programs and, in almost all states, job training or workforce development programs. In most states, we are also responsible for coordinating workforce development one-stop centers, and play an important role in welfare-to-work services. A few of us, including my state, also administer our state's welfare TANF (Temporary Assistance for Needy Families) program. Our members are the lead officials in implementing the Workforce Investment Act which Congress passed in August 1998.

It is a pleasure to be asked to testify before this subcommittee. We have followed with great interest the work and final report of the Congressional Commission on Servicemembers and Veterans Transition Assistance. ICESA's Board of Directors was pleased that the Commission's Vice-Chair, Kim Wincup, was able to attend our meeting in March 1998, and as a result of that meeting, six state officials were invited to testify before the Commission on the public labor exchange and how veterans' employment services are delivered at the state and local level.

Many of the draft legislative concepts on which you have asked us to comment are contained in the Transition Commission's Report. While I cannot speak for all of ICESA's members on each of the draft concepts, I do have several general comments that represent our membership's programmatic and policy perspectives on veterans' employment services in our dynamic workforce system.

First and foremost, ICESA's members wholeheartedly agree with Transition Commission Chairman Anthony Principi that employment is the most important piece of a successful transition for servicemembers leaving the military today. One of the most successful programs in which our veterans' staff participate are the Transition Assistance Program (TAP) workshops that are held on the military bases for separating servicemembers and their families. TAP

informs members of the various programs and benefits available to assist in their transition and prepares them to search for post-service employment.

The Transition Commission calls for increasing the funding for the TAP program--funding appropriated to the Department of Defense--to \$88 million annually (approximately double the current funding level), and extending the timeframe for providing individual preparation counseling. ICESA supports this recommendation; however, we suggest that some of these funds should be directed to the Department of Labor to support the work that our workforce system staff provide at these workshops. In addition, for the purposes of reporting services provided to veterans under federal law, servicemembers within six months of discharge should be counted as veterans. Currently services provided in the TAP workshops are not reportable performance outcomes, because the individuals in these workshops are not considered veterans.

Another exciting initiative that is just getting off the ground are the pilots being conducted in several states on veterans' employment and civilian credentialing requirements for military job skills. I understand that this subcommittee conducted a hearing on this initiative last month and heard from VETS Assistant Secretary Al Borrego on the status of several state pilots that involve our agencies, the employment and training community, employers and unions, and federal and state licensing agencies to see if we can make the certification and licensing process work for rather than against veterans. We believe that initiatives such as these will greatly help servicemembers transition more easily into the civilian workforce. The proposed legislative concept that would extend Montgomery GI Bill benefits to cover the costs of tests required by federal, state, or local governments or accrediting organizations for occupational licensing appears to be one way to assist servicemembers in this transition, and we believe the concept merits further discussion and review by all interested parties.

Several of the draft legislative concepts proposed by the subcommittee appear to attempt to address some of the criticism articulated by the Transition Commission about the current veterans' employment and training service delivery system. In its report, the Transition Commission states that it "does not believe that servicemembers' and veterans' employment services, as they are now constituted, organized, and delivered, will be adequate or effective for helping servicemembers and veterans find jobs in the 21st century." The Commission further states that "current program design and service delivery methods are rooted in the practices of half a century ago when a veteran job seeker would go to a government agency that would then try to find the veteran a job."

I think it is safe to say that a great deal has changed since Title 38, which is the federal statutory basis for the DVOP and LVER programs, was enacted. Most importantly, the public workforce service delivery system, through which these programs are delivered, is undergoing one of the most dramatic changes in the history of the system with the enactment of the Workforce Investment Act (WIA) of 1998.

Passage of the Workforce Investment Act of 1998 capped a nearly seven-year bipartisan effort to streamline and consolidate the "myriad of federal job training and employment programs." The General Accounting Office (GAO) reported that there were 163 job training and employment programs and that the result was often confused and unsatisfied customers. GAO said that there

were too many targeted programs that often worked at cross-purposes. While WIA did not consolidate all 163 programs, it did rewrite federal statutes governing job training programs (formerly known as the Job Training Partnership Act--JTPA), employment services, adult education and literacy and vocational rehabilitation.

The goals and objectives of WIA are as follows:

- Provide a more coordinated, customer-friendly, locally-driven workforce development system;
- Codify the one-stop career center system approach that is already well underway in many states;
- Provide individual choice through the use of Individual Training Accounts (vouchers) for training;
- Establish a performance accountability system;
- Provide a strong role for Local Workforce Investment Boards and the private sector;
- Provide for state and local flexibility; and,
- Recognize the importance of customer-friendly, local labor market information.

WIA specifies three funding streams for: 1) adult employment and training; 2) dislocated workers; and, 3) youth. In addition, while funding for employment services (Wagner Peyser Act funding) is maintained as a separate funding stream, these core employment services are to be integrated and/or linked with the workforce investment system. Why is this important? Because the DVOP and LVER programs are built upon the state employment service system and, therefore, are the backbone of the emerging workforce investment/one-stop system. Under WIA, it is envisioned that the DVOP and LVER programs and services will be delivered through this new system.

The Workforce Investment Act also includes several provisions amending the Wagner Peyser Act to strengthen the current labor market information system which is seen as critical to providing job seekers and employers with useful information so they can make informed career and business decisions. Over the last year, a great deal of progress has been made among the state workforce agencies and the Department of Veterans' Affairs in providing labor market information to VR&C clients before they make decisions on training programs for new careers. This is just one of many ways in which collaborative efforts between the two agencies and at the state and local levels are working.

One of the basic tenets of the new workforce investment/one-stop system is the establishment of a three-tier approach to providing services to jobseekers and employers. At the first level are the self-service/informational and core services of the system such as access to the various information tools, initial assessment of job skills and abilities, job search and placement assistance. For those individuals who need additional help, the second tier provides intensive services such as comprehensive and specialized skills assessment, development of an individual employment plan, group counseling and career planning, and short workshops on job search. The final tier is training services for those individuals who, after a comprehensive assessment is done, are determined to be in need of training in one or more areas.

The first tier of services, self/service and informational tools, has raised new issues for veterans' employment service providers. Many customers simply need access to good information so that they can make informed choices in their employment search, skills upgrading or hiring decisions. The use of the Internet has vastly improved the public workforce system's ability to reach a broader customer base--both employers and job seekers. America's Job Bank, the public workforce system's Internet-based job bank is the largest job bank on the Internet with over one million job openings--far surpassing other job banks like Monster.com and Hotjobs. In addition, America's Job Bank has a talent/resume bank of over 400,000 resumes and career information on emerging and demand occupations.

We wholeheartedly agree with many of the issues/problems highlighted in Chairman Stump's proposal for the use of Internet technology to meet veterans job search needs. Many veterans and servicemembers are job ready and simply need access to job leads. Others (especially transitioning servicemembers) may be job ready, but are stationed overseas or in remote locations within the United States.

We believe that America's Job Bank and the other Internet-based tools that have been developed in partnership with the U.S. Department of Labor and the state workforce agencies are excellent resources to meet the needs of this population of veterans and transitioning servicemembers. In fact, a few years ago, several of my colleagues attended many of the Department of Defense job fairs in Germany and the Far East in which America's Job Bank was introduced to the separating servicemembers. We believe that many other workforce services such as remedial skills education and occupational skills training and job preparedness training are ripe for development on the Internet. With additional resources, these tools can continue to be enhanced for all customers.

One of the draft legislative concepts calls for a sustained Department of Labor national marketing program directed at employers. In partnership with the Department, ICESA recently embarked on a national marketing campaign for America's Job Bank that is aimed at both employers and jobseekers. As part of this plan, complementary state materials will be made available to states to help market this national tool and leverage the campaign resources. We believe that this campaign will greatly assist in raising employers' awareness of the public workforce system. Instead of developing a separate marketing campaign, we believe the marketing strategies and materials for targeted constituencies, such as veterans, should be built on this successful initiative.

One of the challenges of this new information age is an understanding that the traditional performance measures that have been used for our programs do not take into account this new way of doing business. Specifically, the Transition Commission references national and state performance data that show small numbers of veterans receiving services from the Employment Service and VETS-funded programs and small numbers obtaining permanent employment in some states.

Our members agree that we should strive to continuously improve our program performance. At the same time, we believe it is important for this subcommittee to understand the magnitude of

services being provided to both veterans and non-veterans via self-service and information tools. These services are not being captured at this time because of the outdated performance measures and because many electronic systems do not require people to provide identifying information. This issue is not just one that affects the veterans' program. With the increased use of the Internet and the increased reliance on partnerships within the one-stop center system, it is very hard to measure success using traditional measures.

ICESA has been working with the Department of Labor--both the Employment and Training Administration and the Veterans' Employment and Training Services--to help define more useful performance measures that more accurately reflect the types of services being provided and the success of these services.

In our comments to USDOL/VETS on their 1999-2004 Strategic Plan, we expressed concern that while the plan accurately pointed out that the labor exchange environment will continue to change at a fast pace, especially in the area of self-help resources, the specific increases in outcomes called for in the plan made no mention of this new labor exchange environment, but instead proposed increases in the more traditional person-to-person services that will require additional resources which are not likely to be available.

Last but not least, I would be remiss if I failed to point out that funding for the DVOP and LVER programs is significantly below the level called for under the statutory formula. I realize that this committee's jurisdiction does not include program funding; however, as you continue deliberations on these and other proposals, I hope that you will factor into your discussions the funding needs of the system.

ICESA's members believe the significant changes in our public workforce system, including implementation of the Workforce Investment Act and advances in technology and one-stop, customer-driven services, coupled with the dramatic cuts in funding for the public employment service and the DVOP and LVER programs, all speak to the need for changes in Title 38 and related regulations and policies. These changes include the need to look at DVOP and LVER positions and their attendant duties to keep pace with the changing workplace and needs within that workplace. It is important to provide greater flexibility for states in this area. ICESA would welcome the opportunity to work with this subcommittee, along with the Department of Labor and veterans' service organizations, to develop these changes.

Thank you for the opportunity to testify. I would be happy to answer any questions.

**STATEMENT OF
RONALD W. DRACH
before the
SUBCOMMITTEE ON BENEFITS
COMMITTEE ON VETERANS AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
October 28, 1999**

Mr. Chairman and Members of the Subcommittee:

It is a pleasure to appear before you today to discuss draft legislative concepts for potential 21st Century Veterans' Employment and Training legislation and H.R. 364. I have reviewed the documents and wish to offer the following comments and recommendations. Because some of these issues are not specific to the recommendations of the Commission on Servicemembers and Veterans Transition Assistance (Transition Commission), some of my comments may not reflect the views of the Commissioners of the Transition Commission.

Draft Bill 1

Draft Concept A

Priority of Service for Veterans in Federal Employment and Training Programs

H.R. 364 covers this issue of priority of service. Please refer to my comments on that bill.

Draft Concept B

**Disabled Veteran Outreach Program (DVOP) Specialist and Local Veterans
Employment Representative (LVER) Positions and Attendant Duties**

Perhaps the Transition Commission's recommendation to replace the current DVOP and LVER programs with a new Veterans Case Manager and Veterans Employment Facilitator position was the most contentious employment recommendation the Commission made.

Data show that in spite of a statutory mandate to provide case management services, it is not happening. Requiring the Secretary of Labor to submit a report on their recommendations on what the title and functional duties of these positions should be, puts the issue on the table.

RECOMMENDATION – The Chairmen and Ranking Members of the House and Senate Veterans Affairs Committees jointly send a letter to the Secretary of Labor asking for her views. Her response, the GAO study and the Transition Commission recommendation should form the basis for draft legislation to be considered and debated.

Draft Concept C

**Financial Incentive Program for State Employment Security Agencies and/or
Authorization to Compete Veterans' Employment and Training Services Under
Certain Circumstances**

I continue to be intrigued with the Secretary of Labor's disagreement with the Transition Commission's "figures". Has the Secretary provided the Veterans Affairs Committees with the correct or clarifying data? It bears repeating that the Commission used official Department of Labor data available and current as to that time.

Providing "rewards" to states, and certain non-federal staff is an idea worth pursuing. Perhaps a system could be developed on a "weighted" scale whereby extra weight or "points" could be added for achievements in serving certain populations e.g., disabled veterans or homeless veterans or others with barriers to employment. The "flexibility" of rewards is also worth pursuing.

Prior to any "rewards" a system of assessing the quality and quantity of services currently being provided needs reviewed. Realistic performance standards must be developed so as to avoid someone receiving a "reward" without really making any significant improvement.

An alternative option is to "compete" services currently being provided by DVOPs and LVERs. Competition creates innovations and new initiatives. If a state or other entity has no competition, there is little incentive to do more than what is minimally required. By contrast, if a state or other entity is not guaranteed funding, but must compete, they will have more incentive to do well. Currently there is no competition for funds to operate the DVOP and LVER programs. A state is virtually assured of getting the funding if they want it.

Current law requires the Secretary of Labor to provide funds "for use in each state, directly or by grant or contract" (Emphasis mine). The law does not require "for use by each state". I believe existing law allows for competition and should be used when appropriate. When DVOP was first established in 1977 one state refused the funding and the program was "contracted".

RECOMMENDATION – The Congress mandate the Secretary of Labor immediately "compete" employment services in states that have a consistently poor record of providing services to veterans. A standard for poor performance must be established aside from the current "performance standards" which are easy for a state to meet.

Draft Concept D

Sustained DOL National Marketing Program Directed at Employers

This draft concept recognizes the information revealed to the Transition Commission from a national survey of employers. One of the questions asked was, "If you wanted to hire a veteran, do you know who to contact"? Of the employers who responded 57% did not know whom to contact. When asked, "Whom would you contact"? Only 25% of the employers who "knew who to contact" would contact job service offices, while 49% said they would contact the VA.

Even if employers wanted to make a concerted effort to hire veterans, the survey reveals 57% did not know who to contact, and half of those who "knew" would contact the VA. I believe we know what would happen in most cases if an employer contacted the VA toll free number to seek veteran applicants.

RECOMMENDATION – A National Marketing Program as outlined in this draft concept should be pursued. As part of that review, Congress should consider the recommendation of the Transition Commission in establishing a Veterans' Employment Network (VEN) (discussion of that recommendation begins on page 60 of the Commission's report).

Draft Concept E

Montgomery GI Bill Usage for Tests for Licensing or Certification

The problem of licensing and certification has received considerable attention and action over the last several years. Progress is being made. It is, and deserves to be, a high priority for the Assistant Secretary of Labor for Veterans Employment and Training. At the time of the Transition Commission's deliberations, only 48.7% of eligible beneficiaries used the Montgomery GI Bill (MGIB). This was based on fiscal year 1997 data.

The cost of obtaining additional civilian training and/or the testing process for licensure and certification can be a costly proposition. Sometimes too costly for a recently separated veteran. The lack of that license of certification may be the only barrier standing between the veteran and a good paying career job.

RECOMMENDATION – Allow the veteran to use his/her MGIB eligibility on an accelerated basis to obtain the necessary training or testing to obtain the required license or certification. The veteran would use one month of eligibility based on the current MGIB monthly benefit for the total authorized and spent, i.e., for every \$440.00 received, one month of eligibility would be used.

Draft Concept F

State Residency Requirements for DOL/VETS [State] Directors and Assistant Directors of Veterans Employment and Training

There are so many reasons the residency requirement is restrictive, unfair, limits competition, and bars upward mobility for qualified Assistant Directors, DVOPs and LVERs that a separate hearing could be justified on that issue alone. By imposing a state residency requirement we are denying certain individuals the right to determine where he or she wishes to live and pursue their occupation. Residency has absolutely no bearing on an individual's qualifications or ability to do a job. These positions are the only federal jobs requiring such a residency requirement.

It denies the Assistant Secretary the ability to choose the best-qualified candidate, because the best-qualified candidate may not even be considered. Countless LVERs and DVOPs have been denied the opportunity to apply for and be considered for these positions unless the vacancy occurs in their state of residency. Countless Assistant [State] Directors have missed opportunities for the same reason.

RECOMMENDATION – Abolish the current residency requirement. The House of Representatives has passed legislation to this effect on several occasions. I strongly urge you to do it again and send it to the Senate.

Draft Bill 2 – Chairman Stump*Draft Concept***Use of Internet Technology to Meet Veteran Job-Search Needs**

The Chairman is to be commended for his vision and desire to try new approaches. We know some of the old approaches don't work. There is absolutely no question that times are changing and we need to think about maximizing technology to serve the needs of job-seeking veterans. In so doing several factors need to be considered.

- Meeting the needs of unemployed and underemployed veterans is a national responsibility (section 4100, title 38, U.S.C.)
- Current and future technological systems have to build in priority of services to veterans (however those veterans may be defined)
- Not every job seeking veteran who is "job ready" will have access to the technology and/or the knowledge to use it effectively
- There will always be a need for one on one services
- Any system has to be user friendly for both the veteran and the employer
- A downturn in the economy (recession) could change the whole way technology is used by job seekers and employers

I don't purport to be a knowledgeable witness on time frames but would like to offer some comments. I do believe the time lines are basically reasonable. However, if we continue to mandate new programs and initiatives, all of which are certainly worthwhile, without additional staff, we run the risk of VETS having so many things to do they won't be able to anything right. We could be setting them up for failure.

Additionally, I believe before VETS implements any of the proposals; an assessment must be made of their success during the "pilot program" portion. Following successful completion of the pilots, VETS should report back to Congress on its findings and outcomes. Following a review of those findings and outcomes, Congress should again take up the issue of implementing them.

Draft Bill 3 – Chairman Stump*Draft Concept***Pilot Test of Competed Versus Non-Competed Employment and Training Services to Veterans**

One of the oppositions that has been expressed to "competing" employment services to veterans is that any private service would "cream" and work only with the easy to place. By so doing it would appear that the contractor is doing superior work compared to the existing system. By following the Chairman's suggestion, you would mitigate against "creaming". A "weighted" point system could also be used for comparison, e.g., extra "points" could be given for certain hard to place categories: disabled veterans, homeless veterans, those with less education and others with barriers to employment. These factors should be incorporated into any pilot project of this nature.

Fall 1999 Draft Legislative Concepts**Expanded work study**

This concept would expand "work" opportunities that veterans could perform while undertaking a program of education under the Montgomery GI Bill (MGIB). I believe this is a most noteworthy initiative. The idea of expanding work study programs to other entities would open up opportunities and provide these veterans "work experience" that will be meaningful in their job search following completion of their education. I urge specific language be included that permits this expansion to veterans' Community Based Organizations, Veterans Service Organizations, veterans homeless projects, employment service offices (working with DVOPs and LVERs), and the Department of Labor's VETS' offices.

I also urge this Committee to consider expanding the current unpaid work experience program for disabled veterans pursuing a program under VA vocational rehabilitation.

There currently exists authority for a disabled veteran pursuing a vocational rehabilitation program to use government facilities for on-the-job training or work experience at no or nominal pay as part of the disabled veteran's vocational rehabilitation program. This authority is contained in title 38, U.S.C. section 3115 (CFR 38, section 21.299), and states in part "The facilities of any agency of the United States (or of any State or local government receiving Federal financial assistance) may be used to provide training or work experience at no or nominal pay as all or part of the veteran's program of vocational training. The counseling psychologist and case manager must determine that the training work experience is necessary to accomplish vocational rehabilitation and providing such training or work experience is in the best interest of the veteran and the Federal government" (emphasis mine). This program is designed to enhance the disabled veteran's employability.

RECOMMENDATION – Include in any future legislative considerations an extension of this authority to include, "employers" or "hosts" similar to the work-study program, e.g., non profit organizations, veterans service organizations, community based organizations and others as deemed appropriate by the case manager, vocational rehabilitation counselor, or counseling psychologist.

RECOMMENDATION – Amend section 3115, 38 U.S.C. to add "vocational rehabilitation counselor" after "counseling psychologist".

H.R. 364

SEC. 2. VETERANS' EMPLOYMENT AND TRAINING ASSISTANCE.

This section adds a new Section 4215 Veterans' Employment and Training Bill of Rights to title 38, U.S. Code. I support the provision that would provide priority of service to covered persons in any qualified employment training program. I also support the provision that requires the inclusion of adequate representation from the veterans' community, particularly from veterans service organizations (VSO).

The Secretary of Labor is required to provide an annual report to the House and Senate Veterans Affairs Committees on the success of the priority of service requirement for these employment programs. As a former Chairman of the Secretary's Advisory Committee on Veterans Employment and Training (ACVET), I am pleased that ACVET will be involved in the development of this report. This effort will help the Congress conduct its appropriate oversight role to help assure its intent is met.

Under "DEFINITIONS" a "covered person" includes "A veteran who has a service-connected disability." I support this provision as I believe all disabled veterans should be covered and not just those with a certain percentage of disability.

Recently separated veterans experience higher unemployment rates for some period following discharge than their non-veteran counterparts. Special employment service efforts may be helpful to these individuals in making their transition from military to civilian life.

RECOMMENDATION – Consider adding the following language at the end of section 4215(a) "...funded in whole or part with federal funds"

RECOMMENDATION – Include recently separated veterans in this section. A recently separated veteran is someone who has been consistently defined as someone who is within four years of discharge.

SEC. 3. EMPLOYMENT OF VETERANS WITH RESPECT TO FEDERAL CONTRACTS.

I have long advocated that all disabled veterans be eligible for affirmative action with federal contractors under section 4212 of title 38, U.S. Code. This proposed amendment would change the definition of disabled veteran as a "covered veteran" to "Disabled veterans". I support this change.

The amendment also defines "qualified" as "...having the ability to perform the essential tasks of the position with reasonable accommodation." This is generally intended to protect disabled veterans who may be denied employment because they can't perform all duties of the position because of their disability. This is also in keeping with the intent of the Americans with Disabilities Act (ADA). This is a very important provision and should be maintained.

RECOMMENDATION – In order to maintain consistency with the ADA, "essential tasks of the position" should be changed to "essential functions of the job". Employers have a working knowledge of the ADA requirements and this should help clarify Congressional intent.

The contractor-reporting requirement is proposed to be amended. These are good changes. However, when the Equal Employment Opportunity Commission (EEOC) conducts a compliance review or investigates a complaint they review applicant flow data. These data give a better picture than just how many are in the work force or how many have been hired. For a realistic assessment of a contractor's effort, applicant flow data will show how many applied and how many were hired. Knowing only the number hired could be misleading if it is disproportionately low to the number who filed, but at the same time the number hired, standing alone, could be misleading.

RECOMMENDATION – Add language that would require contractors to report the number of individuals who applied for vacancies and how many of them were qualified covered veterans.

SEC. 4. EMPLOYMENT WITHIN THE FEDERAL GOVERNMENT.

I support the proposed amendments to section 4214. I have long supported changing "readjustment" to "recruitment". "Readjustment" has a negative connotation as if there is a problem with the individual and he/she must "readjust". "Recruitment" has a positive connotation. When someone "recruits" they are looking for desirable individuals. In making this change you also retain the "VRA" acronym which has a positive image. The VRA is probably the most successful employment program for veterans. Federal agencies and departments are familiar with that term.

SEC. 5. ENFORCEMENT OF VETERANS' EMPLOYMENT RIGHTS AND BENEFITS.

Veterans are a unique segment of our population. They are the only group in the Nation that "earned" their status and are also the only group that is a product of the federal government. By virtue of that service they deserve certain rights and benefits that a grateful nation wishes to bestow upon them. But it is not enough to just have rights and benefits. There must be a mechanism to enforce and protect those rights. Section 5 will do that.

COMMENT – Because a complaint must be filed within 90 days of an alleged violation, the office of the Assistant Secretary of Labor for Veterans Employment and Training must initiate an aggressive public information and outreach effort so covered veterans are aware of their rights and remedies.

SEC. 6. ADDITIONAL PERSONNEL.

Section 6 "authorizes" the Secretary of Labor to "...allocate an additional 10 full-time equivalent positions from the Employment and Training Administration to the Veterans Employment and Training Service..." "Authorizing" is permissive language and provides no guarantee that it will happen.

RECOMMENDATION – "is authorized" be changed to "is required".

Mr. Chairman, that concludes my statement and I will be happy to respond to any questions.

**Testimony of
Dennis A. Beagle
Executive Board Member**

New York State Public Employees Federation (PEF), AFL-CIO
An affiliate of Service Employees International Union (S.E.I.U.)
And American Federation of Teachers (AFT)

Mr. Chairman and Members of the Veterans' Benefits Subcommittee:

Thank you for allowing me to testify on H.R. 364, the Veterans' Employment and Training Bill of Rights, as well as Draft Bills 1, 2, and 3 pending before your subcommittee.

In H.R. 364, we appreciate your addressing the critical employment needs of our disabled and combat veterans and their spouses. Enforcing priority of service to these worthy Americans will enhance their employability and can direct resources toward their needs. We would, however, question the effect of eliminating priority of service to Vietnam-era veterans and other veterans who delayed their career plans to serve their country in peacetime, including current personnel transitioning to civilian life.

Regarding Draft Bill 1, Draft Concept A, Priority of Service for Veterans in Federal Employment and Training Programs, the Public Employees Federation supports enhancement of employment and training services to the targeted veterans groups in all relevant federally funded programs.

Turning to Draft Bill 1, Draft Concept B, DVOP/LVER Positions and Attendant Duties, PEF opposes replacing the DVOP and LVER programs with a case manager and facilitator concept. We recommend enhancing these programs with incentives and technical innovations addressed in other parts of the draft initiatives, rather than discarding the programs.

Regarding Draft Bill 1, Draft Concept C, Potential Solution 2, which in effect supports "competing" veterans' employment and training services, PEF feels that this concept will fragment and confuse a national program aimed at common goals. Veterans returning to the workforce need a standard program of assistance in all 50 states under a uniform administration. If some programs are outsourced and others are administered by states, localities, or other entities, a very confusing array of options will confront our veterans. It is important that the veterans' service work side-by-side with the One-Stop/Wagner-Peyser programs to share resources and job opportunities. By not outsourcing, we can let veterans continue to serve veterans.

Right now, Congress and the federal administration control the process. By privatizing, or outsourcing services, you surrender your control to special interest groups, whose motivation is profit, not the wellbeing of our returning veterans. I suggest that some form of internal competition and sharing of positive results among the providers will provide the incentive to do better for our veterans. In fact, we support your Potential Solution Number 1 that moves in this direction.

PEF looked at Draft Bill 1, Draft Concept D, Sustained DOL Marketing Program Directed at Employers, and we strongly support this innovative concept of marketing veterans to employers. Likewise, PEF supports Draft Bill 1, Draft Concept E, Montgomery GI Bill Usage for Tests for Licensing or Certification. We support financial assistance to returning veterans to cover the costs of testing for state and local licensing requirements. This will alleviate the financial disincentive taking licensing exams in areas where veterans have already acquired skills. We would hope that the committee might go further by providing some form of federal credentialing in areas of compatible skills.

Concerning Draft Bill 2, Draft Concept, Use of Internet Technology to Meet Veteran Job-Search Needs, we support certain parts of this initiative, and urge caution in others. The idea of enhancing the job search for remote service members using technology is innovative and creative. The idea of a "virtual" job fair sounds exciting. On the other hand, we urge caution in developing "virtual" job service and one-stop service centers, as we feel that there is no substitute for personal service. We feel that an automated or technology-based job placement program may work well for those with highly marketable skills, but personal service will be

Page two of two
Testimony of Dennis A. Beagle
Public Employees Federation

needed on a continuing basis for the majority of the transitioning veteran population. Perhaps some amalgamation of initial "virtual" programming followed-up by personal contact when the veteran returns to civilian life may make some sense.

Finally, we looked at Draft Bill 3, Draft Concept, Pilot Test of Competed Versus Non-Competed Employment and Training Services to Veterans, and concluded that the results of such a test are not indicative of quality of service. We have found in the past that competing services tend to "cherry-pick" the very best candidates, and the ones easiest to work with, and ignore the more difficult candidates. The DVOP/LVER personnel, as well as Wagner-Peyser workers are required to treat all job seekers alike, while possibly spending more time with those least likely to find initial success. By forcing some quantitative track meet in a placement and training race, we reduce our veteran population to a numbers game. We urge the continuation of a compassionate service that will treat all of our returning veterans with the dignity to which they are entitled.

Thank you for your interest in our views and your work on the vital issues that affect our veteran population.



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October 21, 1999

U.S. House of Representatives
Committee on Veteran's Affairs
335 Cannon House Office Building
Washington, DC 20515

To Whom It May Concern:

In accordance with the requirements for testimony before the committee, I am enclosing a resume in lieu of a curriculum vitae as suggested by the committee staff.

I hereby state that neither I, nor the New York State Public Employees Federation, is a recipient of any Federal grants or contracts relevant to the testimony to be given on October 28, 1999 before the Subcommittee on Benefits in connection with Veteran's Employment and Training legislation.

Sincerely,

Dennis A. Beagle
Executive Board Member

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NEW YORK STATE DEPARTMENT OF LABOR (1971 - present)

Twenty-eight years of service to business and the public through assignments at seven Department of Labor offices in the Division of Safety and Health and Job Service Division. Responsibilities have included:

- Advise business owners and managers regarding public safety issues
- Enforce New York State code rules at places of public assembly, amusement rides
- Educate local employers regarding employment services, tax credits, and training programs
- Develop job orders with local businesses
- Screen, refer, reference check, and place job candidates
- Educate the public regarding available state employment services
- Train and motivate social service recipients to locate employment

PUBLIC EMPLOYEES FEDERATION (1979 - present)

Twenty years as a member and leader of PEF. Recent responsibilities include:

- Member, Executive Board
- Department of Labor statewide Labor-Management Committee, Co-Chair
- Chair, DOL Local Labor-Management Committee
- Former Chair, PEF Ethics Committee
- Council Leader, Division 221
- Member regional Political Action Committee
- Member SEIU- WIA Workgroup and SEIU One -Stop Discussion Group
- Pay Equity, Scholarship, and numerous other committees, both as chair and member

MILITARY SERVICE (1963 - 1994)

Served 20 years in the New York State Army National Guard and 11 years in the United States Army Reserve. Responsibilities included:

- As Lieutenant Colonel, USAR, assigned to Pentagon final four years of military service as Chief of the Army Reserve liaison to Federal Emergency Management Agency (FEMA).
- Evaluated projects for Desert Shield/Desert Storm for the Pentagon
- Instructor - Advanced Officer Courses
- Unit Commander, Co B 2nd Bn 108th Infantry, New York Army National Guard
- Numerous US Army and New York Army National Guard commendation medals

EDUCATION

- Bachelor of Arts, State University of New York at Buffalo
- Graduate, U.S. Army Command and General Staff College

“A REPORT FROM THE FRONT”

Statement by Michael Blecker

**Swords to Plowshares
San Francisco, California**

**before the
Subcommittee on Benefits
Committee on Veterans Affairs
U.S. House of Representatives**

October 28, 1999

Mr. Chairman and Members of the Subcommittee:

I offer my Curriculum Vitae as support for my credibility as an authority on the problems of veterans and those who provide them with services. My statement will address the following major points —

- (1) The need to expand eligibility to include veterans "with significant barriers to employment" as part of any proposed legislation that concerns employment and training (E&T) benefits.
- (2) The importance of "competing-out" veteran-specific Wagner-Peyser funds.
- (3) The need to provide meaningful incentives for Federal contractors to hire veterans.

AN UNDERSERVED POPULATION

Swords to Plowshares has provided E&T assistance to veterans in need in San Francisco since 1974. Throughout our twenty-five history we have employed a holistic, vets-helping-vets approach toward our ultimate goal of securing the veteran a decent job. We have always been accessibly located in the inner city and currently see approximately 1200 veterans yearly. Eight out of ten are homeless when they come to our drop-in center, and all are deeply impoverished. Most suffer such problems as alcoholism and/or substance abuse, and/or mental illness (including PTSD). Recently we are seeing an increasing number with Hepatitis C and HIV maladies.

These veterans are not seen initially by our E&T unit but, rather, our Support Services Unit. At this stage the major need is to stabilize them and somehow get them housed. The dearth of residential treatment beds or other suitable housing resources is a significant problem. Swords' own housing stock consists of 70 units of transitional housing located in a single-room-occupancy hotel and several group homes. However, since there is a homeless veteran population of 4000, it takes about 10 weeks to go from the bottom of our waiting list to the top.

Those vets who have 30 days of stable housing and 45 days of sobriety are assessed by our E&T case managers as to their job-related needs and barriers. As one might guess, ours is a population with multiple barriers to employment. It starts with a lengthy bout of unemployment and spotty work history. The majority of our E&T clients served during the Vietnam war and, hence, their ages average 48 to 55. As already noted, many have a record of substance abuse and/or alcoholism. Over 50% are members of racial minorities. In the highly competitive job market of the San Francisco Bay Area such characteristics amount to significant employment barriers.

Yet each year our E&T unit places approximately 200 veterans in jobs with a starting wage between \$9.00 and \$10.00 per hour. Unfortunately in an expensive locality like San Francisco such a starting wage barely amounts to a livable one. However it does represent significant progress for the veteran and still signals the greatest opportunity for the veteran's full reintegration into society. This is the reason E&T has remained the centerpiece of our service provision and the cornerstone of our mission as an agency.

To restate the obvious, in order to secure meaningful employment & training opportunities for those veterans who are saddled with significant employment barriers, a provider must first be an accessible one with the capability of securing a full range of supportive services to include housing. Swords To Plowshares as a veteran-specific community based organization (CBO) owes its success in alleviating suffering and securing meaningful employment and training opportunities to its accessibility and vets-helping-vets client rapport, and its integration into the service-provider community.

The resources that allow us to do our work have come increasingly from HUD via McKinney funds and the State of California's JTPO. The latter has generously

overmatched its \$750,000 JTPA Title IV(C) grant with approximately \$10 million. As a result of the State's investment there are effective veteran-specific CBOs throughout the state providing E&T assistance to a difficult-to-serve veteran population whose needs would otherwise go unmet.

PRIORITY OF SERVICE

Section 4215, of H.R. 364, the Veterans' Employment and Training Bill of Rights, authorizes "covered" veterans to receive service priority "under any qualified employment training program." This entitlement is very important because, as the Transition Commission notes, "categorical veterans' employment programs comprise only a small portion of Federal job training funding."

As demonstrated by the Independent Budget and our own experience in competing in the local community, veterans are perceived as being a Federal problem and are dramatically underserved at the state and local level by non-veteran-specific providers. One needn't look any further than the JTPA Title (A) adult programs administered by the SDAs. Even taking into consideration the shrinking pot of money in this program, there is an abysmally small number of veteran-specific CBOs receiving grants. Hence the records show that veterans have been one of the two most underserved groups in the system.

Implementing and enforcing the entitlement is necessary if it is to be a meaningful benefit. H.R. 364 does require the Secretary of Labor to report back to Congress annually. However statistics in a report to Congress do not equate with action at the local level. Based on our 25 years of experience, the local service delivery systems — be they health services, housing services, or E&T services — are remarkably burdened and are inclined to screen out clients who are perceived to have other services available. State and local agencies, like the general public, assume that the VA takes care of vets. This is true even in areas like E&T and housing which, of course, the VA does not offer veterans on any meaningful level. The facts demonstrate that veterans are dramatically underserved in proportion to their need by the mainstream public health system, employment and training system, and public housing resources.

A real question is "Who" will provide the necessary monitoring of state and local qualified employment training programs? At the local level the involvement and interest on the part of veterans service organizations is nonexistent. The Workforce Investment Act does require representation on the State Board and in California we are fortunate that a veteran very experienced in the community-based model of service delivery services has been selected. However this is not the case with the local WIA boards.

Coverage under the entitlement provisions should include those veterans with significant employment barriers. They are not covered in H.R. 364. Despite our record-breaking low unemployment rates, for those veterans with significant barriers the rate remains 100%. Please note that in partial recognition of this need, Section 168, Veterans' Workforce Investment Programs, formerly Title IV(c) of JTPA, includes "veterans who have significant barriers to employment" along with service-connected disabled, war-time, and recently separated veterans.

The Transition Commission recognized the importance of prioritizing veterans with employment barriers for E&T services and included this category of veterans in their own recommendations.

COMPETING-OUT VETERAN-SPECIFIC WAGNER-PEYSER FUNDS

Past performance has shown that a community-based, support-service enriched, vet-helping-vets model has, by far, the best chance to make a difference in the lives of those veterans burdened with significant employment barriers. The current One Stop Models are doomed to fail this population of veterans unless veteran CBOs are part of the service continuum. In the first place hard-to-serve vets are unlikely to get past the

security guards in many of the planned centers. This is a population where trust and rapport must first be established; it requires substantial hands-on assistance.

The Transition Commission recognized this need when it recommended reengineering DOL Veterans' Employment and Training Service (VETS) Programs. Essentials to enable veterans to become job-ready include case management services like assessment, job development, job-search assistance, tracking/monitoring, referral to training services, and referral to supportive services. Those are the very services that are provided by most CBOs, including Swords. Wagner-Peyser public employment services should focus funding on these very activities. Were CBOs allowed to compete for case-management funds, such activities would be readily integrated with the vast array of other support services an agency like Swords can offer the veteran. It's difficult to imagine a more efficient leveraging of Federal money.

Unfortunately, Swords and other vet CBOs have been left with inadequate E&T funding options. VETS HVRP has averaged barely \$3 million nationally, despite achieving a remarkable service and placement success with homeless veterans. The other Federal E&T sources for CBOs are Title IV(C) from the State and Title II(A) from the SDAs. Swords has been a successful II(A) program operator since JTPA's inception in 1982. However like all the other local providers, we have seen our funding reduced. Ten years ago we received \$225,000; today our grant is \$68,000.

Funding under WIA will undoubtedly be even less than it has been under JTPA. This is part of the ugly truth that Federal E&T assistance to urban areas has been reduced 70% since 1980. Moreover JTPA has been a bureaucratic nightmare, requiring a mountain of paperwork even to access (The JTPA Client Forms Handbook Reference Manual contains over 150 pages!). Such a system is an obvious turn-off, especially to homeless veterans who are required to amass an enormous amount of documentation. Likewise, a service provider is forced to expend a great deal of time and money maintaining a management information system, as opposed to focusing on client services. As a member of the San Francisco WIA Transition Team, I foresee that WIA may turn out to be even worse.

Just this past week in San Francisco the Private Industry Council announced some \$6 million in Welfare To Work Formula Grants to local service providers. Be assured that less than 1% of those receiving services from these grants will be veterans. The obvious reason for this is that veterans comprise a very small percentage of former AFDC recipients, who continue to be the primary population targeted for such funds. I raise this not to denounce such Federal funding as unfair but to place in perspective the extremely limited funds available to provide E&T services to low-income veterans.

Competition among employment and training services to veterans is surely a healthy and long-overdue concept. The accomplishments of HVRP have established what can be done with a paltry amount of Federal E&T dollars. These agencies, many of whom are vet CBOs, are deeply integrated with their local service communities and therefore able to leverage resources to an extraordinary degree. Were this service community given the opportunity to compete for a meaningful level of funding, those vets most in need would benefit.

EMPLOYMENT OF VETERANS BY FEDERAL CONTRACTORS

The Transition Commission in its report to Congress addressed this as "Issue II. G — Provide Incentives for Federal Contractors to Hire Veterans." As a member of the Commission, and especially as an E&T provider, I support wholeheartedly the analysis, findings, and recommendations contained in the report. Regrettably, H.R. 364 repeats the errors of the past by devising a program that is "complaint driven, rather than compliance oriented. The objective is to create an incentive through the competitive award process for contractors to want to routinely hire veterans ... to earn points in the evaluation of future contract proposals."

It's difficult to imagine that the complaint provision contained in the Bill is likely to influence the hiring behavior of federal contractors, since, as noted by the Commission, "a requirement to take affirmative action is not the same as a requirement to hire. Nor does it provide the same protections and benefits as a civil rights statute. Essentially, affirmative action requirements, as contained in H.R. 364, are so ambiguous as to make enforcement very difficult.

Clearly, H.R. 364 does not do the trick in getting Federal contractors to do the right thing. The provision of incentives, as discussed in the Transition Commission report, needs to be incorporated in future legislation.

Mr. Chairman, we thank you for the opportunity to present our views on the above matters to you and your distinguished colleagues. We thank you for your leadership to meet the vital needs of veterans.

Testimony of
James H. Hartman
New York State Director
for Veterans Employment and Training
United States Department of Labor

Before

The United States House of Representatives
Committee on Veterans' Affairs
Subcommittee on Benefits
The Honorable Jack Quinn, Chairman

October 28, 1999

Mr. Chairman and Members of the Subcommittee:

Thank you and the other members of your committee for this opportunity to address your "draft legislative concepts for potential 21st Century Veterans' Employment and Training legislation."

It is my intent to provide the Subcommittee with the benefit of my experience about a job and agency I truly care about.

I have been with my Agency since 1977 and was appointed to the position of New York State Director in 1987. During these past 22 years I have seen the Congress and several Administrations answer the call of our Nation's veterans for help and I am most pleased today that as we head into the next century, I can tell my fellow veterans in New York that they still have a voice in Washington and that no matter how many years have passed since their service to this Country, they have not been forgotten. I can also tell them that you asked for my testimony on the basis of my experience and it is that experience that I bring to you.

There are several issues you have brought forth in your "draft legislative concepts" that I wish to address today but none I believe more important than those surrounding the services provided by our Local Veterans Employment Representatives (LVERs) and the Disabled Veterans Outreach Program Specialists (DVOPs) Grant staff. Your concept paper often quotes findings of previous studies conducted by the General Accounting Office and those of the Congressional Commission on Servicemembers and Veterans Transition Assistance. A consistent theme from both bodies is that, "LVER and DVOP staff spend most of their time working with 'job ready' veterans; veterans who the Commission believes could find their own jobs through use of computer assisted job search such as America's Job Bank." My experience makes me believe that this finding is misleading and wrong in its conclusion. Again based on my experience, I can not understate how important it is for your Committee to thoroughly understand the ramifications of this finding, as it is central to many of the recommendations the Transition Commission made and therefore I would argue that if their findings are suspect, then it would follow that their recommendations should be revisited.

Firstly, their finding that LVERs and DVOPs spend most of their time working with job ready veterans can not be disputed. That is in fact what they were trained to do: find qualified veteran applicants and refer them to jobs. Non-job ready veterans have always been referred to other support agencies such as the Department of Veterans Affairs' VET Center program or to state and local agencies that assist persons with problems such as substance abuse. Where I believe the GAO and the Transition Commission got confused on this issue is that our LVERs and DVOPs for the last 8 - 10 years have been trained to be Case Managers of veteran applicants. Within this case management process they do work with veterans that have barriers to employment, such as a veteran who has a disability that might prevent him/her from performing heavy lifting, but all of the veterans that our LVERs or DVOPs work with on a daily basis are supposed to be job ready but in need of mediated services. This leads us to the Commission finding that most of these veterans do not need mediated services.

Mr. Chairman, my years of reviewing veteran applicant files in the over 60 Job Service offices in New York State tells me a different story. From this experience, I have concluded that for the majority of the veterans we register for service, the Job Service is not their first stop, it's their LAST! Before coming into see one of our LVER and DVOP staff they have already exhausted other avenues to find a job including their aunts and uncles, neighbors, friends, the newspapers, and yes, the Internet. When they finally come in to see us, they are in trouble. A case in point: this past August I visited our Schermerhorn Street office in Brooklyn. As an aside, the last time I looked at national statistics, our Schermerhorn street office registered more veterans in a given year than 14 other states in this Country. This office has a resource room, has many computers with people to help them use it, yet many were willing to wait upwards of an hour to speak to a job developer. Mr. Chairman, why would these applicants (I personally shook the hands of four veterans waiting in line) come out on one of the worst days in August to get help, if it is true that they can find their own job? The answer is they know they need help; help from someone who knows the employer community, help from someone who can lend them a friendly ear in time of great stress, and for our veterans, help from someone that "talks their language" such as our LVERs and DVOPs.

This primary finding led to the Commission recommendation, which is now presented in your legislative concept paper, to revamp the LVER and DVOP programs by "restructuring their title and functional duties, including the potential for consolidating such positions." Do I support the recommendation of the Commission vis-a-vis the creation of a new Veterans Case Manager position and a new Veterans Employment and Training Facilitator? No!

Before any attempt is made to restructure the LVER and DVOP programs we should first make a concerted effort to find out more about the veterans who are registering with us for service, e.g., why did they lose their jobs; is there a need for them to be retrained based on the current labor needs in their area; what are their financial obligations at home (do they have enough money in savings to see them through an extended period of unemployment); what is the minimum salary they must have to make ends meet (at least on a temporary basis) etc.

I suggest this as a first step as I agree with the Commission that the LVER and DVOP positions were created based on the needs of the veterans at the time the legislation was developed and may not be appropriate in today's environment. But, I also suggest this as a first step because it makes sense to me that we should structure our services based on an analysis of our clients needs rather than an assumption that a certain process, or perhaps a virtual hyperlink will be of benefit to them. Once we compile this information, then I believe we could make some informed decisions. It might turn out to be the case that the duties of our LVERs and DVOPs should vary from state to state. I simply do not believe we have enough information about our veteran customers at this time to make that decision or to even pilot test a potential solution.

Mr. Chairman, I spent a great deal of testimony discussing my views on the Commission findings regarding our LVER and DVOP programs as they relate to the veteran customers they serve because I believe a resolution of the issues involved in this area would be extremely important to any future legislation you would propose after the first of the year. However, I would like to take some time to give you my views on some of the other proposals in your draft concept paper.

First of all, your "potential solution 1" to provide a financial incentive plan to reward states for good performance has my, and I believe my fellow State Directors, full support. However, I would like your committee to consider combining potential solution 1 with "HVAC Potential Solution 2" in this way: We Directors have for years felt that we never had a carrot or a stick to use in our States regarding performance in our programs. But whereas your solution 1 gives us the carrot, your solution 2 would not be much of a stick, especially in our larger states. To try and put this in perspective, my office is located in the State Labor Department Building in Albany New York. I administer each year approximately \$10 million in LVER/DVOP grant monies. \$10 million is a lot of money to most of us, especially to a man who grew up on the east side of Buffalo such as myself. But, in my state, veterans get much more because of the commitment of VETS, veterans, and the State as a whole. Using a club instead of working with particular states that fall behind in their performance will cost us more than the grant money.

In addressing the issue of competition, the Commission rightly points out that we have a number of grant programs that are competitively awarded for targeted populations such as our homeless veterans grants which are quite successful. However, when it comes to the concept of contracting out LVER/DVOP monies which are used to serve the general veterans' population, I can not imagine a scenario where our veterans would receive even close to the same level of service they are receiving now in the larger system. Even though the vast majority of veterans that register currently with the State Job Service System are initially served by our LVER/DVOP staff, many are served by the general office staff of the Job Service as well. When all the states come on line under the Workforce Investment Act and the One-Stop Service Centers are established, there will be a number of partner agencies that our veterans can turn to for help when they register for service. If we contract out, we would be separated from WIA and the larger system it provides. To use an old adage, in my view this would be "penny wise and pound foolish."

Finally, Mr. Chairman, I would like to address an issue of deep concern to many of us and that is an apparent skills gap that many of our veterans may have in today's job market. A couple of weeks ago, there was a major Job Fair held in Albany New York. The local newspapers covered the event and commented on the low turnout of unemployed workers. They even stated that employers were fighting over the few applicants that showed up. Yet, I know we have hundreds of unemployed workers in our Job Service files. What then is the problem? I know the Secretary of Labor has expressed her concerns about the skills gap in this Country and my worry is that this gap maybe even worse for our veterans. In a recent conversation I had with representatives of America's Job Bank, which as an aside is physically located in my building in Albany, they may be able to help us, at least electronically, analyze the situation. If in the final analysis we find out that there is a serious skills gap amongst the veterans who are seeking our services, then I'm sure you would agree that we will need to take some steps to alleviate the situation.

On behalf of myself, the many veterans we serve each year in New York, and my fellow State Directors throughout our Country, I once again truly thank you for this opportunity. To use an old Buffalo saying Mr. Chairman, "We're Talkin' Proud" having you as the leader of the Subcommittee and we look forward to supporting your efforts in the future.



THE CAREER PLACE

**Committee on Veterans Affairs
Subcommittee on Benefits**

**Testimony from
Mr. Christopher J. Brennan
Dean of Business and Workforce Development
Middlesex Community College
and
George J. Moriarty, Executive Director, *The Career Place***

October 28, 1999

Testimony from
Mr. Christopher J. Brennan
Dean of Business and Workforce Development
Middlesex Community College
and
George J. Moriarty, Executive Director, *The Career Place*

October 28, 1999

Good morning. My name is Christopher Brennan. I am the Dean of Business and Workforce Development at Middlesex Community College. Middlesex is one of 17 community colleges in Massachusetts. We have a campus in Lowell, a city famous for its industrial heritage and home of the late senator and presidential candidate, Paul Tsongas. Our other campus is in Bedford, home of Hanscom Air Force Base. The College serves approximately 4,000 day students and 3,000 evening and weekend students for a total enrollment of 7,000 students.

Middlesex Community College has achieved an enviable distinction in the field of workforce development. The Division of Business and Workforce Development, which I head, provides on-site education and training to over 100 companies in our region. We operate on a fee-for-service approach, which means employers pay for the services we offer. From its partnerships with local employers such as Raytheon and Bell Atlantic to its industry-approved programs in technical writing and health careers, the College has trained hundreds of individuals to meet the needs of local employers and to help fuel the continued growth of our regional economy.

Middlesex Community College is especially proud of its role in helping veterans to gain the education and training they need to compete for jobs. Through our enrollment services office, we provide veterans with maximum access to all the classes and services offered by the College. In addition, the College certifies veterans participation in educational activities, enabling them to receive their full share of G.I Bill benefits. We also implement the tuition waiver program for state colleges, which allows veterans to pay only the fees and no tuition. Finally, we have developed a strong partnership with the vocational rehabilitation program, so that veterans who are eligible are able to obtain the services and support they need to participate fully in higher education.

In 1996, the College became involved in the emerging one-stop career center initiative. Massachusetts took a unique approach when career centers were launched in 1996. The State chose three regions to sponsor pilot centers that would be selected through a competitive bid process. As a natural extension of its role in workforce development, Middlesex Community competed for and was awarded one of seven grants to manage a One-Stop Career Center. Today, the State of Massachusetts is expanding from the original model to over 30 centers, with locally controlled boards overseeing a collaborative structure within each career center.

The Career Place opened its doors on January 27, 1997 as one of the pioneers of the new one-stop career center initiative. The federal government created the career center initiative to correct the deficiencies of a confusing and often conflicting system of publicly financed programs, each with its own separate rules and regulations. In Massachusetts, workforce development assistance spanned 21 separate programs administered by no less than four different departments. The job training system worked badly for both the job-seeker and the employer.

Career centers offer job-seekers and employers a streamlined approach to career and workforce development. We focus on customer service, state-of-the-art technology, universal access, and one point of entry. By focusing on the needs of the *customer* and by providing high quality services, career centers are able to achieve outstanding results.

I would like to introduce my colleague, George Moriarty, who will speak briefly about *The Career Place*.

Mr. Chairman, I want to thank you and the Subcommittee on Benefits for this opportunity to testify regarding the legislative concepts before you, and, in particular, about *Draft Concept C*, which offers potential solutions to improve employment and training services for veterans.

I am appearing before the Subcommittee today in my capacity as the Executive Director of *The Career Place*, a one-stop career center located in Woburn, Massachusetts, a suburb 15 miles north of Boston, in the heart of the Bay State's high technology region. As Dean Brennan mentioned, Middlesex Community College is the parent organization of *The Career Place*. This relationship affords us an essential connection to local employers. We are also fortunate that Dr. Carole Cowan, the president of Middlesex Community College, is a leader in Massachusetts around the convergence of education and workforce development. Through her efforts and vision, Middlesex and *The Career Place* have achieved distinction for its programs and services to all our residents and especially veterans.

As a one-stop career center, *The Career Place* offers a broad array of workforce development services to both employers and individuals. For employers, *The Career Place* is an important source of skilled workers. We work with large employers such as Bell Atlantic, Lahey Clinic and BankBoston, and with small-to-medium sized employers like Parker Chomerics, CoreTech and Alpha Industries to recruit, screen, and match qualified applicants to existing vacancies. We also work with the many temporary staffing agencies to capture opportunities that can lead to full time employment.

For individuals, *The Career Place* is a comprehensive career development enterprise that prepares people for jobs and ensures that residents are equipped with the tools they need to compete for good-paying jobs in our local economy. We offer assistance with resume writing, interviewing techniques and coping with job loss, to name a few of the

workshops we offer. We also provide training in essential computer skills, such as Microsoft Word, PowerPoint and ACCESS.

I should take a moment to articulate the basic principles guiding the one-stop career center model.

First, we focus on the needs of the customer. Our goal is to meet the customers' needs and to ensure that the customer is satisfied with the services he or she receives. We devote a considerable amount of time to listening to customers and adapting our services to meet their needs.

Second, we promote universal access. Our Center is available to anyone - a recently laid off worker, a mid-manager seeking to make a career change, a welfare mother entering the labor market for the first time, or a veteran trying to share in the economic boom in the civilian job market. Many individuals come in with marketable skills and need only minimal help as they pursue a self-directed approach. Others require some guidance and assistance, especially in the area of selecting workshops. Still others have skill deficiencies that can only be addressed through enrollment in a skills training program, a step *The Career Place* can help them make. Whatever category our customers fall into, all are welcomed and all receive the highest quality services based on their individual needs and aspirations.

Third, *The Career Place* uses state-of-the-art technology to aid companies and individuals. We are connected to America's Job Bank, which provides access to jobs and companies around the country. Individuals who use *The Career Place* have access to the Internet to conduct their job search and they can take advantage of the bank of 24 computers in our Resource Library and in our Training Room.

Finally, we have forged a powerful partnership with the private sector. Over 800 companies use *The Career Place*, posting over 2,600 jobs and actually coming on site to meet job-seekers and recruit them for company openings. Because of this solid connection to employers, in the past year alone, *The Career Place* helped over 1,700 people find jobs averaging \$15 an hour.

As a Viet Nam Era veteran, who served four years in the United States Navy, I am aware of the need for high quality employment and training services, especially for veterans. I am also aware of our responsibility to provide veterans with every opportunity to reenter the labor force in jobs that support a family and provide stable, long-term career growth.

I am proud to say that *The Career Place* has met the challenge of serving our veterans with great distinction. *The Career Place* has served over 1,500 veterans from the 20 communities we serve. In fiscal year 1999, *The Career Place* served 657 veterans. Of that number, 313 obtained employment, for a placement rate of over 47%.

Through a partnership with the Massachusetts Division of Employment and Training, we have been fortunate to have Mr. Paul Reynolds, a Veterans Service Representative,

outstationed full-time in our Center to provide a full range of career development assistance to veterans in our region.

Mr. Reynolds is a Viet Nam Era veteran and a former POW, who retired from the U.S. Air Force after a 24-year career. While in the military, Mr. Reynolds earned a Bachelor of Science Degree in Education and is a certified teacher. He has been a tremendous contributor to the overall success of *The Career Place* and has made the Veterans Program a leader in Massachusetts. Some of Paul's successes include:

- Joe, a Vietnam veteran who was referred by Mr. Reynolds to a computer systems training and now works as a Quality Control Manager for Stanford Telecommunications;
- Jack, a Vietnam veteran who, after being laid off, learned to job search over the Internet and now works as a machinist at Keigan Engineering;
- Clifford, a Vietnam and Persian Gulf veteran who had given up on seeking a job, but restarted his search at *The Career Place* and now works as a Project Manager for Vality Technology.

Dean Brennan and I have seen the success of the partnership between our one-stop career center and the veterans services program. By unifying the advocacy and support provided by Mr. Reynolds with the technology and services available at the career center, we are ranked number one for the number of veterans served and for the number of veterans who gain employment. Next year with the implementation of the new Workforce Investment Act, the role of career centers will become even more central to addressing the workforce development needs of employers and individuals.

As we move forward, it is essential that veterans services change and adapt to the needs of employers and individuals. We live in a competitive, fast-paced world that demands high quality services. We have the strongest economy in decades, and we must ensure that veterans participate fully in this economy. Our experiences show that high quality services delivered in the right environment can make a big difference in the lives of all our customers.

Thank you for this opportunity to share our story with you. We offer an assistance to you as you proceed with your legislative concepts.

* * *

Statement of Woodrow C. McCutchen

President, Association of Small Business Development Centers

Before the House Veterans Affairs Committee

Subcommittee on Benefits

October 28, 1999

Chairman Quinn, ranking member Filner, members of the subcommittee, my name is Woodrow McCutchen. I am President of the Association of Small Business Development Centers (ASBDC). The Association represents the State and Regional Directors and the host institutions of the Small Business Development Center (SBDC) programs in all 50 states, the District of Columbia, Puerto Rico, the Virgin Islands, and Guam. The SBDC program was established in 1980 and is authorized under Section 21 of the Small Business Act. The SBDC program has over 1,000 service centers and approximately 4,000 service providers who make available small business management and technical assistance to roughly 600,000 small business men and women and pre-venture clients annually.

Mr. Chairman I want to begin by thanking you and other members of the subcommittee for holding this hearing today and for inviting me to testify. We commend you for holding this hearing on 21st Century Veterans Employment and Training issues. We at the SBDC believe that the employment and training needs of veterans should be of significant concern to Congress. The ASBDC concurs with the conclusion of the Commission on Servicemembers and Veterans Transition Assistance that "As a matter of fundamental fairness Congress should accord veterans a full opportunity to participate in the economic system that their service sustains."

The ASBDC believes that addressing the business management and technical assistance needs of the nation's veterans population is a central component of the SBDC program's mission. Approximately 7.5% of counseling clients seen by SBDCs across the nation in 1996 were veterans. In 1997 veterans represented 8.5% of the SBDC networks counseling clients. In 1996 veterans represented 5.5% of SBDC training class attendees. In 1997 veterans represented slightly over 6% of the program's training class attendees. In recent years the SBDC network nationwide has served roughly 45,000 veterans annually. This figure is determined by those clients who self-identify themselves as veterans. This figure represents between 7 and 8 percent of our clientele. This percentage roughly approximates the percentage of veterans in the population at large. The overall number of veterans the SBDC program serves is unquestionably larger because many of our clients, who we know to be veterans, do not self-identify themselves as such. I would like to point out that a significant number of our state SBDC directors are veterans as are many of our counselors and trainers nation wide.

Men and women who have served in our nation's armed services and then return to civilian life are anxious for a smooth and productive transition. The primary focus of many veterans transition programs within the Departments of Defense, Veterans Affairs or Labor is to assist veterans in finding employment. With that in mind, I believe it is important for this committee to fully appreciate where job opportunities exist in our economy.

According to Jeffrey A. Timmons in his recent book, *New Venture Creation : Entrepreneurship for the 21st Century*, published late last year by McGraw Hill, the United States economy since 1980 has added 34 million new jobs. Fortune 500 companies during that same time span have lost more than five million jobs. Beginning with David Birch's original research "Who Creates Jobs", published in the early 1980s and validated repeatedly since, it is clear that new and small firms are the major source of new jobs in the U.S.

Recent statistics compiled by the Small Business Administration's Office of Advocacy indicate that small businesses, meaning those with fewer than 500 workers, employ 53 percent of the private workforce, account for 47 percent of sales and 51 percent of private sector GDP. In 1996 small businesses produced an estimated 64% of the 2.5 million new jobs created in our economy. Jeffrey Timmons in his book noted above documents that between 5 and 15 percent of the fastest growing entrepreneurial firms account for a majority of the new job creation. And according to a recent study by the Organization for Economic Cooperation and Development, entitled "Fostering Entrepreneurship," most of these growing firms are not in the high technology sector.

I bring these statistics to the committee's attention to highlight that entrepreneurship should be viewed as an important career option for our nation's veterans. The Kauffman Center for Entrepreneurial Leadership earlier this year published an illuminating report. The Global Entrepreneurship Monitor (GEM) is a joint research initiative undertaken by Babson College of Wellesley, Massachusetts and the London Business School. Babson College is an internationally known leader in management education. U.S. News and World Report recently named Babson's undergraduate program #1 in entrepreneurship and among the top 50 undergraduate business programs nationwide.

The research initiative is sponsored by the Kauffman Center for Entrepreneurial Leadership and was launched in September 1997. The initiative was designed to analyze entrepreneurial activity, its impact on national growth and those factors that affect the level of entrepreneurial activity." Included in the analysis were the United States and nine other industrial countries including the other G-7 nations, Canada, France, Germany, Italy, Japan and the United Kingdom as well as Denmark, Finland and Israel. This report concluded that as many as one in twelve Americans, 16 million Americans in all, are "right now trying to start a business of their own".

Various studies have been conflicting on whether veterans are more likely to own businesses than non-veterans. There is evidence that older veterans are more likely to become entrepreneurs than younger veterans. According to the Bureau of the Census, veterans own about 4 million of the approximately 22 million small businesses in America today. The Commission on Servicemembers and Veterans Transition Assistance concluded that the interest of service members "in entrepreneurship appears to be no less than that of the general population ..." However, the Commission received testimony that "without proper information and support systems, former servicemembers and military retirees will not consider entrepreneurship ..."

I mentioned earlier that the major thrust of existing transition and educational and training programs for veterans appears to be directed toward assisting veterans to find employment. It is important to realize that these programs are designed primarily to assist veterans to find employment working for someone else. However, it is not unreasonable to conclude that roughly one in twelve veterans would prefer to be their own boss. We at the ASBDC believe there needs to be greater attention paid to entrepreneurship as a career alternative for veterans. Veterans are highly trained and well disciplined. They understand the importance of teamwork. Franchisors for decades have recognized that former members of the military are good prospects as franchisees.

ASBDC last month convened a meeting of veterans and military associations to discuss ways that the SBDC program could better serve the needs of our nation's veterans. We included among the attendees your former colleague, Jerry Solomon, who has long experience with the SBDC program in New York. There was a consensus at the meeting that DOD's Transition Assistance Program could be greatly improved by increased emphasis on entrepreneurship as a career alternative for veterans. The report of the Commission on Servicemembers and Veterans Transition Assistance stressed the need for strengthening transition assistance.

One of the recommendations was to make transition assistance available a year before separation or two years before retirement. The ASBDC strongly concurs with this recommendation. I have personally participated in some TAP programs. There were service personnel in those sessions who were within three weeks of separation. For many military personnel, key decisions about the future have already been made at that point. We believe 90 days or even 180 days prior to

separation is too late for military personnel to begin to seriously explore entrepreneurship as a career option.

Entrepreneurial educational resources are available through SBDCs and SBA that can be utilized by military personnel who are stationed on ships, at remote bases or at facilities in the U.S. These educational materials teach business management, writing business plans, business finance, marketing etc. We at ASBDC believe that the SBDC program working in cooperation with the Department of Defense could provide a unique and valuable service to many existing military personnel in preparing them for successful careers after they leave the military service. If the benefits of such cooperation are to be realized, the ASBDC /DOD must be institutionalized and sufficient resources devoted to make the system effective.

The report of the Commission on Servicemembers and Veterans Transition Assistance noted that veterans who have a positive transition from the military are much more likely to view their military experience positively. The Commission report concludes that a positive transition experience can ultimately aid the various branches of the armed services in their recruitment efforts. If this is accurate it is one more reason for committing the resources to strengthen the transition assistance program for military personnel scheduled to retire or separate from the armed services. The ASBDC stands ready to work in every way we can with DOD to fully integrate entrepreneurial training as a key component of the Transition Assistance Program.

Let me just suggest one example. Men and women who serve as military police who also have an entrepreneurial bent may be ideal candidates for owning and operating security companies. If properly prepared these men and women could start their own security businesses and contract their services to government entities. Moreover, these new firms would create job opportunities for other veterans. We at ASBDC believe that everyone would win under such a scenario.

I would also like to point out that the Small Business Administration recently announced a new Veterans Business Outreach Program (VBOP) authorized by section 708 of the Small Business Reauthorization. Through VBOP, SBA has awarded four grants to set up four Veteran's Business Outreach Centers in different regions of the country to provide business training, counseling, technical assistance and mentorship to service disabled veterans. We at the ASBDC are pleased that two of the four initial grant recipients are SBDCs. These Veteran's Business Outreach Centers will serve geographical areas in which 55% of the nation's veterans live. SBA plans to extend the VBOP concept nationwide subject to the availability of funds. ASBDC is pleased that its members will play a key role in coordinating long term business training, counseling and mentorship for service disabled veterans through the VBOP program.

ASBDC has also been discussing with officials at the Office of Small and Disadvantaged Businesses at the Veterans Administration the concept of establishing small business incubators for veteran owned businesses. We believe that business incubators dedicated solely to veterans could show significant results by nourishing new veteran owned businesses at their most fragile state. We at the ASBDC would like to develop a cooperative partnership with the Veterans Administration, using space in some of the properties they have nationwide to house perhaps ten veterans business incubators as a pilot project. The ASBDC utilizing the resources of its members could manage these incubators and provide critical services and management assistance necessary to help insure the survivability of veteran owned initial startups.

Mr. Chairman again, I appreciate the opportunity of appearing before the Benefits subcommittee today. I have sought to provide the subcommittee members with a better understanding of what the SBDC program does and its commitment to serving the nation's veterans population. We have mentioned briefly a few ideas of how the SBDC program can enhance its service to our nation's veterans. We welcome the opportunity to work with members of the subcommittee and Subcommittee staff in exploring ways to bring to fruition these ideas and ideas you and your may have for how the SBDC program can assist in helping to insure that our nation's veterans are fully integrated into the economic system that their service sustains.

STATEMENT OF
JAMES B. HUBBARD, DIRECTOR
NATIONAL ECONOMIC COMMISSION
THE AMERICAN LEGION
BEFORE THE
SUBCOMMITTEE ON BENEFITS
COMMITTEE ON VETERANS' AFFAIRS
US HOUSE OF REPRESENTATIVES
ON
21ST CENTURY VETERANS' EMPLOYMENT TRAINING

OCTOBER 28, 1999

Thank you Mr. Chairman for providing the opportunity to comment on a number of concepts currently being considered by this Subcommittee. It is evident that a great amount of thoughtful consideration is being given to some of the problems faced by veterans when looking for careers. This is commendable.

The American Legion will comment on each of these concepts, as appropriate.

Draft Bill 1

A – Priority of Service for Veterans in Federal Employment and Training Programs

The American Legion concurs with the intent and the language contained in HR 364. This legislation will correct some of the problems associated with the current statute, which is outdated. As the world changes, so should the Veterans' Employment and Training Service (VETS).

The American Legion agrees with part of this recommendation. All service-connected disabled veterans deserve a "leg up" in obtaining a job when they leave the service. However, there is some evidence that the Vietnam experience has left large numbers of employers with doubts about hiring veterans who are considered violent, psychologically abnormal, or otherwise not suitable for employment. This image is reinforced each time a veteran commits a violent criminal act. To this extent, veterans will continue to be plagued by this pseudo-employment barrier, until the image of veterans-in-the-workforce changes. Employers must be educated that hiring a veteran is a wise investment. But until then, there is a clear need for priority of service for veterans in the nation's public labor exchange.

B – DVOP and LVER Positions and Attendant Duties

The need for change in this section of the statute was addressed by the Transition Commission, which made two basic assumptions.

1. Veterans could find jobs via America's Job Bank or some other Internet information system. This assumption may be true for most veterans, but not all veterans. The America's Job Bank or some other Internet information system, at the present time, provides no priority-of-service for veterans. Another glaring problem is that these services do not list Federal contractor jobs in a place where veterans can be referred, on a priority basis, as required by law.
2. Local Veterans' Employment Representatives (LVERs) and Disabled Veterans Outreach Program (DVOPs) Specialists spend most of their time doing the same thing – intake, assessment and referral. Most LVERs and DVOPs spent most of their time on job-ready veterans rather than those veterans with significant barriers to employment and in need of more intensive case management. This assumption is mostly correct, but also is the basis for a fundamental problem – inappropriate utilization of limited resources (LVERs and DVOPs). Most veterans employment personnel efforts are hindered by the practical operations of employment services, in general, and the local office managers, specifically, who don't seem to

understand the purpose of these VETS programs. In a typical local employment services office, any veteran that walks in the door is usually sent directly to the DVOP or LVER, whether that veteran is disabled or facing realistic employment barriers. Therefore, the veterans employment staff is dealing with virtually ALL veterans. In essence, ALL veterans are being given priority-of-service, rather than those identified by federal statute. Although the National Veterans Training Institute (NVTI) teaches effective case management, it is extremely difficult to find a local employment service office where veterans' case management is properly implemented.

The primary way people pursue jobs hasn't changed, especially for veterans since 1945. Depending on the geographical location, a veteran may still find some hostility against veteran's preference in the work place. Some veterans, who enlisted at 18 and spent 20 years in the Armed Forces, need the personal touch of a human being, because they have never looked for employment before. Their high school classmates that never left home or the local community have a "leg up" on veterans returning home from military service. Veterans have to establish themselves in the local community. Returning veterans have to create a local network. LVERs and DVOPs serve as a link between veterans and the local community. LVERs and DVOPs can introduce veterans into the local workforce.

There are unique problems, like PTSD, that LVERs and DVOPs understand. Computers are machines – cold and insensitive. Without the personal touch more veterans will fall through the crack. Different veterans, like different people, have different needs. Normally a veteran's top priority is finding a job. If the veteran is unsuccessful because of realistic employment barriers, who is going to tell the veteran? A computer will just continue to provide employment opportunities and perpetuate the problem. LVERs and DVOPs can provide the personal interface and guidance to help eliminate or overcome employment barriers. The human factor is the critical difference. Take away the human factor and the unemployability problem is exacerbated.

C – Financial Incentive Program for State Employment Security Agencies and/or Authorization to Compete Veterans' Employment and Training Services Under Certain Circumstances

These recommendations are also based on some assumptions made by the Transition Commission. These assumptions include:

- fewer than 2 percent of veterans go to the Employment Service when looking for a job;
- the unemployment rate for newly separated veterans exceeds that of non-veterans of the same age by more than 20 percent; and
- that nine states met performance standards while placing fewer than 10 percent of veteran registrants.

Potential solutions include a financial incentive program for the states and giving the Secretary the authority to compete services for veterans between the job service and private sector business for non-performing states.

Incentive Programs for States The concept of incentive programs for states has been discussed within DOL since the Government Performance and Results Act (GPRA). VETS has looked at various plans to reward states that have an outstanding record of performance as well as motivate those states that have been poor performers. Under this initiative VETS would receive approximately 7-10 million dollars in addition to authorized DVOP and LVER funds for a flexible incentive program. Those funds would be competed between and within states with specific criteria. The goal of the incentive funding would be to reward "Outstanding" performance and influence dramatic improvements in other states. VETS would set the criteria based on GPRA and its strategic plan using outcome measurements negotiated with each state.

The following are some possible criteria:

A. Outstanding criteria for excellence may include such factors as

- (1) number of Entered Employments compared to previous year or approved plan;

- (2) number of Entered Employments by DVOP/LVER compared to previous year or approved plan;
- (3) number of Case Managed veterans who entered employment for greater than 180 days;
- (4) number of Entered Employment of disabled veterans; and (5) Wage at Entered Employment compared to previous year.

B. Outstanding criteria for excellence for outstationed staff should be developed for state staff that have contributed measurably to the advancement of veterans. This would allow outstationed DVOPs and LVERs to be recognized by their peers and other service providers. VETS may use customer satisfaction surveys to determine "Outstanding" performance so DVOPs/LVERs at Transitional Assistance Program (TAP) locations can receive recognition.

C. The criteria outlined in paragraph A above can also be used for "dramatic improvements." States with poor performance may be assisted, using the SGA mechanism, with funding to hire special DVOPs or LVERs to assist existing federal staff and who would work within the state system to monitor and improve state performance. States who turn around their performance could then be eligible for performance bonuses.

VETS will propose a weighted system to ensure that veterans with employment barriers are given special consideration. The following groups are examples:

GROUP	POINTS
Special Disabled	5
Disabled	4
Campaign Medal Recipients*	3
Barriers	2
Aged over 45	2
Recently Separated	2
Other veterans	1
Case management of the above	1 in addition

*Current Title 38 language would need to be changed from "Vietnam era" to "campaign medal recipient". The Secretary of Labor will also need legislative authority to make monetary awards to non-federal employees.

This incentive program can be used on an intrastate or interstate basis. The awards can be provided to states, SESA Directors, DVOPs, LVERs or other employment staff.

The award would be given on an annual basis. These awards may be in the form of (1) cash incentives; (2) service awards; (3) award ceremonies on a national, regional or statewide basis; and (4) funding for statewide conference.

Competing Employment Services for Veterans

The American Legion adamantly opposes this recommendation. Some states have had experience with this concept of "contracting out" the services provided to veterans and general public. In all cases, services have been degraded to the point to where no meaningful employment help is offered for the tax dollars spent. Firms in the job placement business have a long history of placing the most qualified applicants first, a process called "creaming." These firms make money on each placement made so the more placements, the more money. There is no reason to expect this practice would change if services to veterans were contracted out. If services to disabled and hard to place veterans is an expectation of this recommendation, this is not the best way to go about achieving it. Putting a for-profit entity, which deals in volume in charge of placing disabled veterans or those with barriers to employment in suitable employment guarantees that nobody will benefit.

This recommendation refers to "cost effective organizations" without defining the term. Law charges the people who make up the veterans' staff of the public labor exchange charged with placing the disabled and those with barriers to employment. It is very unfair to charge an agency with a low placement rate when, by definition, the agency is working with those who are hardest to place.

There is an additional problem with the concept of competition. The Veterans' Employment and Training Service currently makes up about 15 percent of the public labor exchange, which is funded by Wagner-Peyser funds. If the VETS funded portion of the system is carved away and put in its own in a competitive bid process, it can no longer use office space, supplies, information technology equipment, telecommunications equipment, office equipment, etc. This will ultimately be more expensive to maintain. Congress will balk at the additional funding necessary. We also note that the neither the recommendation nor the justifications and assumptions on which it was made makes any reference to where the funds will come from. Government operates in a pay-as-you-go environment with a finite amount of money available. Thus, any additional funds to carry the additional expense of competition must come from some other program.

Having said this, The American Legion pledges to work toward a solution for those state employment security agencies, which are not doing well in placing veterans. Surely reasonable people can discuss this issue with the idea of improving performance.

The American Legion would recommend that the Subcommittee meet with LVERs and DVOPs who have been privatized. You will discover their viewpoint toward veterans is different. Their role is to manufacture job orders for the company and to place job-ready veterans for the profit motive. Ask them how they handle veterans with employment barriers.

D – Sustained DOL National Marketing Program Directed at Employers

The American Legion fully supports an effort to market veterans to employers. Such a program will help to solve the problem outlined above where employers seem to think that veterans should not be hired because of some propensity for violence.

There is another problem in this area. The human resources directors in the corporate world tend to not have any experience with the armed forces. They are of a younger generation, which doesn't seem to understand it when some young man or woman calls them "sir" or "ma'am", or stands when they enter the room. A strong marketing program could help solve this problem.

E – MGB Usage for Tests for Licensing or Certification

The American Legion fully supports this concept. We note that CBO projects this will increase direct spending by \$1 to \$2 million for the next several years. This is a paltry sum when viewed in the context of surpluses exceeding \$1 billion for this past year alone. We would also point out that the cost of the test will be repaid more than ten-fold when the veteran gets a higher paying job and pays more taxes. This item should be viewed as an investment, not an expense.

F – State Residency Requirements for DOL/VETS [State] Directors of Veterans' Employment and Training

The American Legion opposes removal of the requirement that State Directors of Veterans Employment and Training be residents of the state for two years.

Draft Bill 2 – Chairman Stump

Use of Internet Technology to Meet Veteran Job Search Needs

The information sheet provided for this hearing notes the need to consider the role of the government in providing "labor market information, job placement services, and job

training." The information sheet then goes on to, apparently, question the effectiveness of these functions by stating that they were created in a different era. Then, a "re-thinking" of the role of the government is suggested based on something the Transition Commission published in its report.

Mr. Chairman, when I joined the Armed Forces, I joined the **United States Army**, not the Michigan Army, not some militia group. I joined the Army at a time when my colleagues and friends were being drafted for service. While it is true that the draft is no longer used to fill the ranks of the Armed Services, people who join today are facing some of the same problems faced by veterans of my generation when we returned home.

This Subcommittee held a hearing on September 9 at which Members heard compelling testimony on the barriers faced by 80 – 90,000 veterans annually, who are trained by the military in a civilian skill. These veterans are then not able to use this skill because some civilian **governmental** credentialing authority refuses to recognize the training. This will remain a problem until the **government** sorts out the problem. How dare anybody, including the Transition Commission, question the necessity of the government to get involved in these issues, no matter how long ago the system was designed.

No entity is equipped to provide labor market information except the government. That is the purpose of the Bureau of Labor Statistics. No entity, except government, is equipped to properly provide job placement services to veterans who have never had a civilian job and are behind their peers in the civilian labor market because of their service. No entity, except government, is equipped to provide the necessary changes to military training curriculums so they meet civilian standards thus providing the opportunity for veterans to make a seamless transition to civilian society without proving to be a burden on taxpayers.

LVERs and DVOPs are not just job counselors and job placement people. The National Veterans Training Institute trains these people to serve the "whole veteran." Thus, when a veteran comes in for job counseling, the veteran is asked about service connected disabilities. If the veteran says he needs help with a claim, the job counselor knows exactly where to send that veteran for assistance in order that the disability does not become a hindrance to a civilian career.

The American Legion has no problem with leveraging technology to provide services to veterans. But "virtual" job fairs, "virtual" employment services offices, "virtual" one stop service centers serving veterans, and the transforming of the jobs of LVERs and DVOPs based on these "virtual" concepts is a pipe dream until employers, DoD, VA, and the Congress recognize veterans are "real" not "virtual" people. There is no "one size fits all" formula.

Draft Bill 3 – Chairman Stump

Pilot Test of Competed versus Non-Competed Employment and Training Services to Veterans

It is our understanding that the Secretary of Labor already has the authority to "contract out" employment services provided to veterans. Based on The American Legion's analysis, it doesn't work. The old desire of companies to make money for their owners will focus on placing job-ready veterans first. This process, "creaming," leaves those veterans that are not job-ready, that lack necessary job skills for the modern labor market, that have been homeless, that lack the necessary civilian credential because their military training is not recognized, those otherwise are not as marketable unemployed or underemployed. Their country will not properly serve these true defenders of democracy after performing service for their country.

H.R. 625 would amend 38 USC 3680 (a) to authorize the continued payment of monthly education benefits to veterans enrolled in educational institutions during periods

between terms or semesters, if the interval between such periods do not exceed eight weeks.

Currently, education assistance payments may continue, if the interval between terms or semesters is not more than one month. However, some schools and universities schedule breaks which last more than one month. The American Legion is supportive of the proposed change in law. It recognizes that the current one month limitation on continued education assistance payments can cause financial problems for some enrolled veterans, when the break between semesters is longer than one month. We believe there is a need to ensure continued benefit payments for up to eight weeks to assist veterans in completing their program of higher education.

With regard to changing the eligibility criteria for the Montgomery GI Bill (MGIB) where an enlisted service member is discharged to accept a commission, The American Legion believes these individuals should remain eligible for the MGIB program. The discharge and immediate entry on to active duty as an officer is an administrative formality. However, the wording of the current statute causes them to become ineligible for MGIB benefits. The American Legion does not believe it was Congress' intent to deny this valuable benefit to some of the Armed Force's most outstanding individuals. The American Legion would favor an amendment to the statute to provide that, in this type of circumstance, the two periods of active duty, enlisted and officer, will be considered as one continuous period. The American Legion believe that such change is necessary to ensure that those who choose to serve this nation have the opportunity to avail themselves of the benefits of a higher education.

Concerning an initiative to expand the type of activities covered under the VA work-study program. Currently, veterans working at educational institutions under this program must be engaged in VA-related work. In many instances, this limitation denies many veterans the opportunity to participate in the program and benefit from the financial assistance provided. The American Legion believes the parameters of type of approved work should be expanded to include assisting veterans involved with other Federal programs and working with state and nonprofit organizations to assist veterans and service members. This will greatly expand the opportunities for those veterans pursuing a higher education whom desire to work part-time.

Comment was also requested on an initiative to allow a veteran's claim for a 100% service-connected disability and a surviving spouse' claim for Dependency and Indemnity Compensation (DIC) to be considered a claim by the veteran's child for education assistance under 38 USC Chapter 35, Survivors' and Dependents' Educational Assistance (DEA).

The U.S. Court of Appeals for Veterans Claims has held that each child must file his or her own DEA claim. The American Legion believes an amendment to the current law is necessary and appropriate. The amendment should allow the retroactive benefit payments to the date a child began their program of education. This is based on an award of a 100% service-connected disability rating or the award of DIC to the surviving spouse regardless of how long it took for the claim to be adjudicated or decided on appeal. This change would overcome the inequity resulting from the current one-year limitation on retroactive payments where the child had started their program before then.

Does anyone really not understand why America is facing a recruitment and retention problem in today's armed forces? Nobody wants to be expendable – used and tossed aside! They want to be recyclable – used and reused! VETS is truly a recycling system.

Mr. Chairman, I will be happy to answer any questions.

**STATEMENT OF
JAMES N. MAGILL, DIRECTOR
NATIONAL EMPLOYMENT POLICY
VETERANS OF FOREIGN WARS OF THE UNITED STATES**

**BEFORE THE
SUBCOMMITTEE ON BENEFITS
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES**

**WITH RESPECT TO
VETERANS' EMPLOYMENT AND TRAINING
AND MISCELLANEOUS ISSUES**

WASHINGTON, DC

OCTOBER 28, 1999

Mr. Chairman and Members of the Subcommittee:

On behalf of the more than 1.9 million members of the Veterans of Foreign Wars of the United States, I appreciate the opportunity to participate in today's hearing on several legislative initiatives and concepts impacting on Veterans' Employment, Training and Education issues. The VFW appreciates this Subcommittee's continued concern for our nation's veterans and their ability to secure and maintain employment as well as

continue their education.

H.R. 625, a bill introduced by Congressman Robert Ney and co-sponsored by several member's of the House Veterans' Affairs Committee to include the ranking minority member of the full Committee and the Chairman of this Subcommittee would authorize the Secretary of Veterans Affairs to continue payment of monthly educational assistance benefits to veterans enrolled at educational institutions during periods between terms if the interval does not exceed eight weeks. The VFW recognizes that in certain situations there may be extended breaks between terms in which the veteran has no control. The VFW supports the enactment of H.R. 625, which would allow for the continued payment of benefits and not invoke a financial hardship on the veteran.

HR 364, the "Veterans' Employment and Training Bill of Rights Act of 1999" was introduced by Mr. Filner, the ranking minority member of this Subcommittee. This bill would ensure that qualified veterans will receive priority of service for federally funded training-related services and programs. With the implementation of the "Workforce Investment Act" (WIA), many veterans fear they will no longer receive the priority of service they are entitled to and have earned when entering the one-stops. While the VFW believes it was the intent of Congress in passing WIA to preserve priority of service, we also believe the fear of those veterans is not unfounded.

Section 2 of HR 364 provides that any service-connected disabled veteran; Veterans who served during a war, campaign, or in expedition; and certain spouses of veterans are entitled to priority of service under any qualified employment and training related services which are funded in whole or part with federal dollars.

Section 2 also specifically defines "qualified" employment program as a public employment system; one-stop career centers, the "Workforce Investment Act of 1998"; a demonstration or other temporary program; and those programs implemented by states or local service providers based on Federal block grants. We are especially pleased with the provision which provides that board councils or advisory bodies created at the state or local level shall include representation from the veterans' community, particularly from Veterans Service Organizations. Finally, H.R. 364 also redefines the definition of qualified veterans from Vietnam Era to disabled veterans and veterans in receipt of a campaign, expeditionary, or Armed Forces service medal with respect to employment of veterans by private sector companies engaged in Federal contracts of \$25,000 or more. HR 364 also enhances the veterans' employment rights and benefits by requiring the Secretary of Labor to assist veterans who believe that Federal contractors have not met

their mandated obligation in hiring veterans and who believe they were not given preference for enrollment in Federal Training Programs. Mr. Chairman, the VFW supports HR 364 and urges its enactment.

Mr. Chairman, in your invitation to participate in today's hearing you also asked for our comments on legislative concepts for potential 21st century Veterans' Employment and Training legislation. Following are the VFW's response to these concepts:

SIMPLIFIED APPROVAL CRITERIA—This initiative would permit educational institutions to obtain state approving authority (SAA) approval for their courses by meeting regional professional or trade accrediting bodies without additional approval by SAA, thus eliminating dual regulation compliance as currently required by 38 USC. The VFW supports this legislative concept.

CHANGE MONTGOMERY GI BILL ELIGIBILITY CRITERIA - -

This initiative would allow service members to retain MGIB eligibility if they are discharged to receive a commission. If an enlisted service member successfully completes Officer Training School or Officer Candidate School, they are discharged to accept a commission. Often it is just a matter of minutes between discharge and re-entry to active duty as an officer. However, if the minimum period of active duty to establish eligibility for the MGIB has not been met then the service member is ineligible for that benefit. The VFW supports this legislative concept that would correct this obvious inequity.

EXPANDED WORK STUDY - - This legislative concept would expand work study so more veterans could avail themselves to it. Currently, when veterans partake in the VA work-study program, they must work in preparing and processing VA paperwork. Educational institutions report there are more veterans wishing to work than there is VA-related work for them to do. This initiative would expand work study to allow veterans to help other veterans with all the paperwork they have with the Federal Government, to work at an educational institution in jobs related to their programs of education, and to work at State institutions and non-profit organizations performing work helping veterans and service members that is similar to work study jobs they already do at VA Facilities. The VFW supports this legislative concept.

IMPROVED ELIGIBILITY CRITERIA FOR SURVIVORS' AND DEPENDENTS

EDUCATIONAL ASSISTANCE (DEA) - -This legislative concept would allow a veteran's claim for a 100% service-connected disability rating and a surviving spouse claim for Depending and Indemnity Compensation (DIC) to be also considered a claim for DEA for a veteran's children. Sometimes it takes years to establish that a veteran's death was service-connected. Once service-connection is established the children can then file a claim for DEA; however, law to paying benefits no more than one year before the date of claim even though the child may have started an educational program before that one-year limitation limits VA. The Court of Appeals for veterans' claims has ruled that a child must file their own claims for DEA and cannot rely on the spouse's or parent's claim for DIC or the veteran's claim for 100% rating. The VFW supports this legislative concept improving eligibility for Dependents' Educational Assistance.

Finally Mr. Chairman, you requested our comments on several draft legislative concepts.

PRIORITY OF SERVICE FOR VETERANS IN FEDERAL EMPLOYMENT AND TRAINING PROGRAMS - The VFW supports this legislative draft proposal.

DISABLED VETERANS' OUTREACH PROGRAM (DVOP) SPECIALIST AND LOCAL VETERANS EMPLOYMENT REPRESENTATIVE (LVER) POSITION AND ATTENDANT DUTIES - The VFW does see the potential for improving services to veterans through case management but reserves comment at this time with respect to consolidation of DVOPs and LVERs

FINANCIAL INCENTIVE PROGRAM FOR STATE EMPLOYMENT SECURITY AGENCIES AND/OR AUTHORIZATION TO COMPLETE VETERANS' EMPLOYMENT AND TRAINING SERVICES UNDER CERTAIN CIRCUMSTANCES—The VFW has no objection to the establishment of a financial incentive plan to reward states who have excelled in serving veterans.

SUSTAINED DOL NATIONAL MARKETING PROGRAM DIRECTED AT EMPLOYERS—The VFW would support this legislative draft proposal.

MONTGOMERY GI BILL USAGE FOR TESTS FOR LICENSING OR CERTIFICATION - -The VFW would support this legislative draft proposal.

STATE RESIDENCY REQUIREMENTS FOR DOL/VETS (STATE) DIRECTORS AND ASSISTANT DIRECTORS OF VETERANS' EMPLOYMENT AND TRAINING-

The VFW would not object to rescinding the residency requirement if it would improve services to veterans.

USE OF INTERNET TECHNOLOGY TO MEET VETERANS JOB-SEARCH NEEDS -

The VFW would be supportive of using state-of-the-art information technology to better serve veterans in their job search; however, we do have concerns of the "virtual" concept in that we believe veterans still need face-to face contact when seeking assistance.

PILOT TEST OF COMPETED VERSUS NON-COMPETED EMPLOYMENT AND TRAINING SERVICES TO VETERANS—

Not having a national resolution addressing this issue, the VFW differs comment at this time.

This concludes my statement.



Non Commissioned Officers Association of the United States of America

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STATEMENT OF

**LARRY D. RHEA
DIRECTOR OF LEGISLATIVE AFFAIRS**

BEFORE THE

**SUBCOMMITTEE ON BENEFITS
COMMITTEE ON VETERANS AFFAIRS
U.S. HOUSE OF REPRESENTATIVES**

ON

**H.R. 364
(VETERANS EMPLOYMENT AND TRAINING BILL OF RIGHTS ACT OF)
H.R. 625
(VETERANS EDUCATION BENEFITS EQUITY ACT)
AND
DRAFT LEGISLATIVE CONCEPTS FOR VETERANS EMPLOYMENT AND TRAINING**

OCTOBER 28, 1999

DISCLOSURE OF FEDERAL GRANTS AND CONTRACTS

The Non Commissioned Officers Association of the USA (NCOA) does not currently receive, nor has the Association ever received, any federal money for grants or contracts.

The Non Commissioned Officers Association of the USA (NCOA) is sincerely grateful for the opportunity to appear today and present testimony on H.R. 364, H. R. 625 and the draft legislative concepts for veterans employment and training programs. The Association thanks the distinguished Chairman for your invitation and NCOA deeply appreciates the leadership of the Chairman, the distinguished Ranking Member, and distinguished Members of the Subcommittee on these and other important veteran's issues. Your consideration of the Association's views in your deliberations is sincerely appreciated also.

H.R. 364

The Veterans Employment and Training Bill of Rights Act of 1999

The last two decades have witnessed a dramatic redefinition in both the structure and delivery of public employment and training programs. With implementation of One-Stop Centers, enactment of the Workforce Investment Act, and block grant funding, states and local entities essentially have been charged to administer a federally funded system with minimal federal regulation and oversight. The intent of all these initiatives is to better meet the needs of the people for whom they were designed. While these initiatives collectively hold great promise to improve services to applicants and reduce administrative costs, NCOA is concerned that some state and local initiatives may have the unintended result of repealing priority employment and training services for veterans.

Any federally funded system, which fails to recognize the needs of those who have served the Nation, oftentimes at great personal sacrifice, delivers the wrong message to future veterans. Those who administer federally funded employment and training programs have an obligation to ensure that priority of services for veterans will retain national emphasis.

Although federal contractors have an obligation to reach out and employ veterans, an obligation that has existed for many years, NCOA remains concerned that contractors routinely ignore this requirement with impunity. Unfortunately, employment of veterans by federal contractors is an after thought in spite of laws requiring positive outreach. For the same reasons applied to federally funded employment and training programs, NCOA believes veterans have earned a priority for employment with federal contractors. In the Association's view, it is even more important now to aid in the recruitment of quality men and women to serve in the military. Those who serve in the Armed Forces

ultimately become messengers regarding the impact of military service on their lives. The tone of the message must be that the government and nation they served will treat these men and women fairly.

NCOA fully supports H.R. 364, The Veterans Employment and Training Bill of Rights Act of 1999, and salutes the distinguished Ranking Member of the Subcommittee, the Honorable Bob Filner, for his leadership on this initiative. The Act addresses both of the major concerns expressed in the preceding paragraphs: (1) ensure veterans' priority of service in federally funded employment and training programs; and, (2) ensure affirmative action for veterans employment in federal contracts.

First among several positive features, the Act would ensure eligible veterans are entitled to priority of services in the emerging employment and training environment. The Act would require priority of service to eligible veterans by any entity of a State or a political subdivision of the states that administers or delivers services under employment and training programs that are federally funded, in whole or in part. These provisions, in NCOA's view, are consistent with the intent of Congress that has been expressed at various times throughout our history from colonial times. The enactment of these provisions is absolutely necessary to overcome the ambiguities of the Work Force Investment Act and to ensure that the desires of Congress are fulfilled, both in intent and spirit of the law.

NCOA fully supports Section 2 of H. R. 364 and recommends that the definitions of covered persons also include the "spouse of an individual who died while on active duty." NCOA recommends modification of Section 2 as it pertains to veterans by simply defining covered veterans as (1) a veteran who has a service-connected disability; and (2) a veteran honorably discharged from active duty in the Armed Forces.

The Association also fully supports Section 3 of H.R. 364 pertaining to employment of veterans with respect to federal contractors and offers the following suggestions to improve Section 3.

NCOA recommends that the definition of "covered veteran" be simplified. The Association tends to believe the distinctions among veterans in Section 3 will be confusing to federal contractors and may be a hindrance to the employment of veterans. The wording "veterans who while serving on active duty.... participated in a United States military operation for which an Armed Forces service medal was awarded..." is quite broad and in fact encompasses the vast majority of veterans. For example, the National Defense Service Medal is an Armed Forces service medal. NCOA believes we can make

the federal contractor's responsibilities and concomitant reporting requirements easier by defining veterans in the same manner as recommended above for Section 2: (1) a veteran who has a service-connected disability; and (2) a veteran honorably discharged from active duty in the Armed Forces.

NCOA supports the changes recommended in Section 4 of H.R. 364.

The Association is particularly pleased that Section 5, Enforcement of Veterans; Employment Rights and Benefits, was included in this legislation. This section is a fundamental and necessary part of efforts to ensure veterans receive priority service in employment and training programs and to ensure affirmative outreach and compliance by federal contractors. Section 5 puts "teeth" to this entire process and its objectives by providing veterans a redress mechanism and by holding responsible parties accountable.

Section 5 is needed to if every other section of H.R. 364 is to work as Congress intends.

H.R. 364 is a solid piece of legislation. NCOA believes the Subcommittee would serve veterans' exceedingly well by approving this bill and seeking its enactment.

H.R. 625

The Veterans Education Benefits Equity Act of 1999

H.R. 625, The Veterans Education Benefits Equity Act of 1999, would authorize the continued payment of monthly educational assistance benefits during periods between terms if the interval between such periods does not exceed eight weeks. NCOA supports H.R. 625.

Draft Bill 1

**Legislative Concepts For Potential 21st Century
Veterans' Employment and Training Legislation**

Draft Concept A - Priority of Service for Veterans in Federal Employment and Training Programs.

NCOA believes H.R. 364 addresses this issue and, as stated above, the Association urges the Subcommittee to approve the bill.

Draft Concept B - Disabled Veteran Outreach Program (DVOP) Specialist and Local Veterans Employment Representative (LVER) Positions and Attendant Duties. NCOA's experience with and input from DVOPs and LVERs has carried a common theme for several years. DVOPs and LVERs have consistently related to NCOA that they are hamstrung in the current environment. They persistently voice their frustration with the lack of basic technological necessities to operate in a computerized world. They have also repeatedly stressed two other important needs: (1) increased opportunities and the need to devote more time to case management; and, (2) the importance of and the need for more opportunities to accomplish employer outreach and facilitate transition workshops.

To a certain degree, NCOA's observations of the DVOP and LVER programs are consistent with the conclusions of the Transition Commission dealing with case management and employment facilitating. The final Transition Commission report recommended the creation of Veterans Case Managers (VCM) and Veterans Employment Facilitators (VEF). Rather than wholesale termination of all DVOPs and LVERs, NCOA viewed the Commission's recommendations as more of a redefining and refocusing of these positions and their attendant duties. Whether these positions are called DVOPs, LVERs, VCMs, and/or VEFs, NCOA believes we are ultimately going to have to come to grips with the focus of these positions, eliminate overlapping duties, and reach out in a concerted effort to potential employers.

By refocusing these positions, NCOA also believes it would be much easier to develop meaningful performance standards, establish realistic outcomes, and achieve accountability in a system that presently has little or none. Currently, performance is focused on a process that produces results in relative, not absolute terms. By refocusing these positions, measurement systems and performance outcomes could be revised and focused on positive outcomes rather than service counts. NCOA is inclined to believe the case management and employment facilitator concepts would allow that to happen and in the process, better accommodate those veterans most in need of employment services. For example, it should be easy to measure and evaluate success in creating job opportunities and in recruiting employers to actively seek and hire veteran employees.

By endorsing these concepts, NCOA does not believe a case is being made to reduce the number of full-time positions. To the contrary, the Association believes refocusing the duties would more definitively underscore the need to fund these positions at their statutory level.

Draft Concept C - Financial Incentive Program for State Employment Security Agencies and/or Authorization to Compete Veterans' Employment and Training Services under Certain Circumstances. NCOA has previously stated its support for the concept and philosophy of an incentives program. Such a program must, however, go beyond simply putting veterans in jobs and a count of services provided. An incentives program, in our view, must be structured to emphasize and reward those employment specialists' and states that place veterans in good quality, high paying jobs that lead to careers, specifically for disabled veterans, recently released veterans, and veterans with employment barriers. In NCOA's opinion, the authority to establish a financial incentive's plan should be stipulated in law. Potential solution 1 to Draft Concept C would be a good start.

NCOA is less inclined at the present time to support the competing of services currently provided by DVOPs and LVERs. The Association acknowledges competition has worked well in other areas and the underlying premise of competition - public agencies have no choice but to improve - is unarguable. However, NCOA believes ASVET Borrego made a good case against competing these services in his responses for the record to the July 29, 1999, Subcommittee on Oversight and Investigations hearing on VETS performance. In addition to the Assistant Secretary's comments, NCOA believes we should wait until the full impact of the Workforce Investment Act has settled in. When we have a clearer picture of that impact and have secured priority of services for veterans in that environment, perhaps then would be a better time to discuss competition and privatization.

Draft Concept D - Sustained DOL National Marketing Program Directed At Employers. The problem and potential solution outlined in this concept are right on target in NCOA's view. Long before the Transition Commission was empanelled, NCOA highlighted this problem and recommended the National Committee for Employer Support of the Guard and Reserve as a model for such a program. The Association endorses the potential solution offered in Draft Concept D and believes a concerted, national effort to raise employer awareness of the advantages of hiring former service members would pay enormous dividends.

Draft Concept E - Montgomery GI Bill Usage for Tests for Licensing or Certification. For current veterans, NCOA supports extending MGIB benefits to cover the costs of tests required for occupational licensure or certification. The Association believes however we must continue to move toward satisfying these requirements while the member is still on active duty. Certainly, this could be

done for any federal licensing and certification requirements. In the case of individuals still on active duty, NCOA prefers using Tuition Assistance Program funds to defray testing costs.

Draft Concept F - State Residency Requirements for DOL/VETS (State) Directors and Assistant Directors of Veterans Employment and Training. NCOA supports rescinding the residency requirements for DOL/VETS' DVETS and ADVETS. The Association firmly believes we must appoint the very best talent to these important positions and state borders should not be a barrier to appointing the very best.

Draft Bill 2 - Chairman Stamp

Draft Concept - Use of Internet Technology to Meet Veteran Job-Search Needs. Leveraging available and emerging technology to assist veterans job search needs is a proposition that would be difficult to argue against. Enormous resources are already available, not only to assist veterans but the general public as well. Virtual job fairs for transitioning service members at sea or in remote assignments needs improved and expanded. NCOA does not necessarily believe that these technological advances and the promise they hold argue for less veteran-specific programs and staff. Much of the problem and solution offered in this concept are centered around the term "job-ready", yet that term undoubtedly has different meanings to different people. The concept seems to assume that all, or nearly all, veterans are on line, a shaky assumption in NCOA's view. The Association certainly believes the need for veterans case management and employer outreach will not go away any time soon and therefore NCOA is hesitant to endorse the timelines suggested in the proposed solution. In NCOA's view, all of the concepts - virtual job fairs, virtual job service office, virtual one-stop service centers - should be expanded within the emerging one-stop and WIA environment and great effort must be made to preserve veteran's priority of service in the emerging virtual world.

Draft Bill 3 - Chairman Stamp

Draft Concept - Pilot Test of Competed versus Non-Competed Employment and Training Services to Veterans. Please refer to the Association's response to the problem and solution in Draft Bill 1, Draft Concept C above.

Fall 1999 Draft Legislative Concepts

The document submitted for review and comment presented four legislative concepts pertaining to veterans education and survivors' and dependents' educational assistance: (1) simplified criteria to

obtain State Approving Agency approval; (2) change, by retaining, eligibility for certain enlisted members who are chosen to attend officer training; (3) expanded work study opportunities for veterans; and, (4) simplify and streamline the process for claiming survivors' and dependents' educational assistance. NCOA supports each of the draft legislative concepts presented.

Conclusion

In closing, NCOA again extends its appreciation to the Subcommittee for this opportunity today. Clearly, the Subcommittee has stimulated a great deal of thought, particularly on veterans' employment and training programs. Though opinions differ at this point on the future emphasis and direction of these important programs, NCOA believes today's hearing on various concepts is precisely the type of dialogue that needs to occur. The Association looks forward to working with the Distinguished Subcommittee Members as we mutual strive to improve opportunities for veterans.

Thank you.

**STATEMENT OF
ANTHONY L. BASKERVILLE
DEPUTY NATIONAL SERVICE DIRECTOR FOR EMPLOYMENT
DISABLED AMERICAN VETERANS
BEFORE THE
SUBCOMMITTEE ON BENEFITS
UNITED STATES HOUSE OF REPRESENTATIVES
OCTOBER 28, 1999**

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the more than one million members of the Disabled American Veterans (DAV), I appreciate the opportunity to comment on legislative concepts for potential 21st Century veterans' employment and training, and draft legislative concepts including simplifying educational institution approval criteria, changing certain Montgomery G.I. Bill (MGIB) eligibility criteria, expanding work-study, and improving criteria for Survivors' and Dependents' Educational Assistance.

There are a number of issues brought forth in the Subcommittee's "draft legislative concepts;" however, in keeping with our primary mission of *building better lives for disabled veterans and their families*, our remarks will focus primarily on Veterans Employment and Training, and improved criteria for Survivors' and Dependents' Educational Assistance.

DAV joins with our colleagues in support of H.R. 364, The Veterans Employment and Training Bill of Rights Act of 1999. This act is designed to ensure that each eligible person receives priority of service in federally funded employment and training programs and is informed of the employment related rights and benefits to which he or she is entitled.

We are pleased with language in the Act that requires each council, board, or advisory body of a state, established in support of a qualified employment training program, to include adequate representation from the veterans community, particularly from veterans service organizations.

A major component of the draft bill which deeply concerns DAV is the Subcommittee's acceptance of the Transition Commission's recommendations to establishing two new programs focusing on case management, marketing, and job search skills training – the Veterans' Case Manager (VCM) and the Veterans' Employment Facilitator (VEF) programs.

DAV finds the Commissions' recommendations premature at best given the fact they are were fully aware that the Veterans' Employment and Training Service (VETS) have started initiatives designed to improve operational performance and communications relative to services to veterans. VETS has improved its communications with its state staff to ensure that changes in the State Employment Security Agencies enhance services to veterans and employers alike. VETS is using pilot projects to test approaches that would appear to be beneficial to veterans and employers before expanding such efforts to the larger public employment service system. VETS is also ensuring that veterans are an important factor and consideration in the development of new One-Stop Services and other Workforce Investment Act systems. Changes in the system to provide information and self-service options without requiring the employers or job seekers to register first will mean that many more veterans will be served and VETS field staff will be able to focus greater attention on those veterans who need more intensive services. This will also guarantee greater responsibility for VETS field staff in ensuring veterans know about the services available, and that they receive all of the services, and priority for services to which they are entitled.

VETS delivers employment services to veterans in partnership with State Employment Security Agencies (SESAs). This system is largely funded by employers through their Federal Unemployment Tax Payments. VETS administers grants to SESAs to support Disabled Veterans' Outreach Program (DVOP) staff and Local

Veterans' Employment Representatives (LVER) in each State, who personally help veterans and other eligible persons.

DVOP and LVER staff, in cooperation with the Department of Defense, the Department of Veterans Affairs, VETS Federal staff, contract facilitators and human resources' staff from private employers, deliver Transition Assistance Program (TAP) workshops to separating service members and their spouses at military installations in 42 States.

DVOP and LVER staff also work cooperatively with the Department of Veterans Affairs, Vocational Rehabilitation and Counseling program (VR&C) staff to provide individualized attention to VR&C participants and help those completing VA training programs find suitable employment. DVOP and LVER staff have demonstrated their ability to get veterans jobs. If this Subcommittee introduces legislation to replace DVOPs and LVERs with a Veterans' Case Manager (VCM) to provide job-seeking skills, job development, and referral services to disabled veterans, veterans facing employment barriers, and recently separated veterans it would exclude the majority of veterans from any priority for employment services.

The Commission recommends reducing the population of eligible veterans to those who are disabled or who have barriers to employment, but limits all other veterans to those separated within four years. An estimated two million veterans eligible for employment services would be eliminated. This recommendation will adversely affect millions of veterans who have been out of service for more than four years: Vietnam-era and Persian Gulf veterans and those getting out of college will be denied priority of services.

VETS is presently designed to promote the maximum employment and training opportunities for veterans, particularly those in veteran subgroups who suffer higher than average unemployment rates or face significant barriers to employment - - special disabled and disabled veterans, minority, female, young and recently separated veterans.

In this era of incredible technological change, when the average worker will change jobs many times in a lifetime, when millions work in jobs not even thought of ten years ago, the denial of priority for reemployment services would be damaging and unfair.

LVERs and DVOPs have already incorporated case management service and employment relation services in their job duties without altering the basic concepts of the LVER and DVOP programs.

The DAV adamantly opposes the Commissions' recommendation to consolidate veterans' employment assistance state-grant programs with Department of Veterans Affairs (VA) Vocational Rehabilitation and Counseling (VR&C) programs. The Commission believes such a consolidation could concentrate limited federal resources in a more efficient and effective manner and allow veterans, particularly service-connected disabled veterans, to receive a continuum of readjustment assistance from a single provider.

We submit to you, Mr. Chairman and members of this Subcommittee, that no department in government knows about veterans' labor issues better than the Department of Labor Veterans' Employment and Training Service. Consolidating veterans, employment with VA would only diminish this program. Funding for VETS comes from the Federal Unemployment Trust Account (FUTA). Merging this program with VA would make it a line item in the Federal budget. VA's budget can't support its current programs.

The legislative concept to allow a veteran's claim for a total evaluation for a service-connected disability rating and a surviving spouse's claim for Dependency and Indemnity Compensation to be also considered a claim for Survivors' and Dependents' Educational Assistance is an excellent initiative. There are many occasions when a surviving spouse files an application for DIC and it takes years before a decision is made

establishing service-connection as cause of death. The child then files for educational benefits but the VA is limited by title 38, United States Code, § 5113 to paying benefits no more than one year before the date of claim even though the child may have started a program of education much earlier. This legislative concept would correct this situation and, therefore, the DAV supports this proposal.

Mr. Chairman, this completes my testimony. I will be happy to answer any questions you may have.



DISCLOSURE OF FEDERAL GRANTS OR CONTRACTS

The Disabled American Veterans (DAV) does not currently receive any money from any federal grant or contract.

During fiscal year (FY) 1995, DAV received \$55,252.56 from Court of Veterans Appeals appropriated funds provided to the Legal Service Corporation for services provided by DAV to the Veterans Consortium Pro Bono Program. In FY 1996, DAV received \$8,448.12 for services provided to the Consortium. Since June 1996, DAV has provided its services to the Consortium at no cost to the Consortium.

Testimony of**Major General Thomas F. Sikora, US Army, Retired
and Vice President and Division General Manager,****Resource Consultants, Inc**

I am pleased to be afforded the opportunity to comment on the innovative concepts contained in Draft Bill 2. The use of Internet technology to meet veteran job search needs has the potential of dramatically increasing the breadth and accessibility of employment assistance services for Veterans regardless of where they are located.

RCI has a uniquely relevant perspective from which to comment on the draft legislation. For 9 years, we have been providing direct job assistance services to transitioning military personnel as well as recently transitioned veterans. We understand the degree to which they are prepared to compete effectively in today's labor market and how best to increase their ability to win the high quality jobs for which their training and experience have equipped them.

We continue to work closely with the Department of Labor's Transition Assistance Program (TAP) and also work in close harmony with state employees presenting TAP workshops. At many of our offices, we are fortunate enough to have an effective partnership with local state employment services offices. We understand the challenges they face and how technology can further the objectives of the DoL and Congress.

RCI has been at the forefront of the move to apply the power of the Internet to the task of providing employment assistance services to transitioning soldiers and recently transitioned veterans. Through the Army Career and Alumni Program, we created the Army's ACAP On-Line web site that averages more than 120,000 visits by transitioners each month. The ACAP web site provides transitioning soldiers access to job search, transition, and relocation information. The web site helps transitioners to locate more detailed information by providing direct hyperlinks to other governmental web sites including those of the Departments of Labor and Veterans' Affairs. The ACAP web site also fosters job search success by providing transitioners access to job listings solicited by RCI from employers seeking to hire military personnel and by providing hyperlinks to commercial and governmental job listings and resume banks. Finally, the web site provides employers an easy way of creating and maintaining job listings.

RCI use of Internet technology to help job seekers has not been limited to the development and utilization of the Army's ACAP On-Line web site. We have also designed similar web sites for other federal agencies. Additionally, RCI was proud to recently conduct the Department of Defense's first and only virtual job fair. The 1999 virtual job fair was specifically designed to test the value of a virtual job fair as a means of helping military personnel stationed outside the United States. In the past, the Department of Defense had conducted traditional job fairs in Europe and the Far East as a means of bringing employment opportunities to remotely stationed transitioners. These job fairs were expensive and of limited utility. Cost prohibited a number of employers from participation. Geography and the demands of military duties limited the number of military personnel who could attend the traditional job fairs.

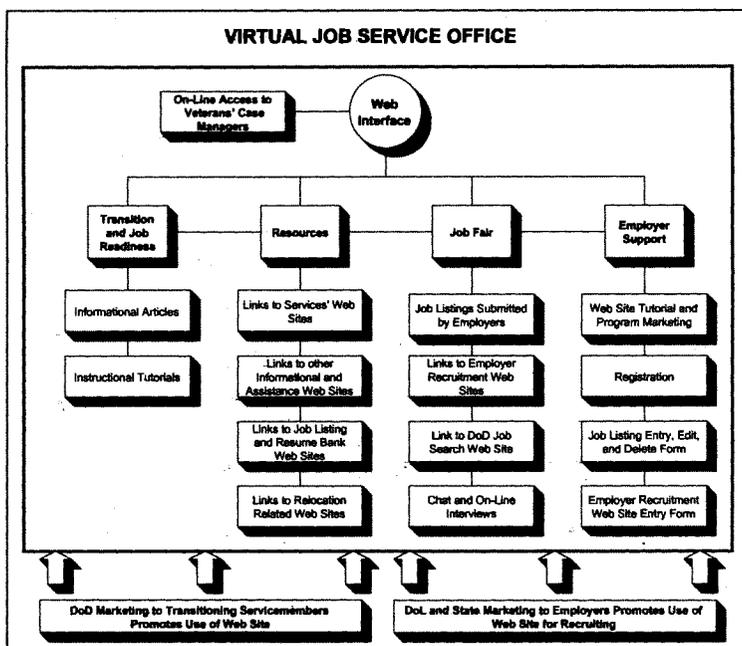
In deciding to conduct the test, the Department of Defense felt that a virtual job fair could overcome these barriers, enabling more employers and military transitioners to participate. The European Virtual Job Fair was conducted over a two week period. A total of 6,895 transitioners and 101 employers participated. While both employers and job seekers were enthusiastic about the virtual job fair, their comments indicated a desire for a longer duration and increased employer and job seeker participation.

As a test, the virtual job fair achieved its goal of assessing the feasibility and cost effectiveness of the use of the Internet to conduct virtual job fairs. As a concept,

however, the stand-alone virtual job fair failed to produce significant results. In our opinion, virtual job fairs, in and of themselves, are not the most cost-effective means of applying Internet technology to meet veteran job search needs. There are a number of reasons for this conclusion. First, a job fair (virtual or traditional) does not prepare transitioners to succeed – it merely provides them the opportunity to discover and compete for jobs. Unless well prepared to translate their skills and experience into terms that an employer can understand, participants are not always capable of winning those jobs. Second, job fairs are, by definition, of limited scope. They exist for a set period of time and are restricted to those employers who have accepted an invitation to participate. The limited scope naturally restricts the number of job opportunities and the number of hires. Finally, the cost of a virtual job fair is significant, and, due to the limitations of scope, that cost cannot be amortized over a large number of participants. Simply put, isolated virtual job fairs are not the best way to capitalize on the power of the Internet.

The promise of the Internet is to be found in its very breadth and accessibility. Unlike virtual job fairs that involve a few hundred employers, the Internet currently has thousands of employers using dozens of large and hundreds of small web sites to recruit men and women from around the world. Imposing limitations on these natural qualities diminishes the web's utility as a tool for assisting military transitioners to succeed. To achieve the greatest good, we believe that the government's use of the Internet should capitalize on the almost incalculable resources of the web. The concept embodied in Draft Bill 2 clearly is a step in that direction. While that concept includes provisions for a virtual job fair, it also envisions the creation of a virtual job service office and one-stop service center to serve veterans. We believe that it is these latter provisions that offer the greatest promise. For this reason, we recommend that the schedule identified in the draft bill be reconsidered. Rather than spending two years on a virtual job fair, we recommend that the committee consider a more direct program designed to produce a holistic program of web-based services that will not only expose veterans to job opportunities but equip them to succeed in their job search. We believe that such a site can be created, tested, and refined within one year. Inspired by the draft bill and our own experience, we have developed a concept for such a holistic web site. A graphical representation of that concept is provided for your review.

I would like to take a few moments to point out the major features of that concept. Our proposed virtual Job Service Office would use a modern web interface with four platforms, three of which give transitioning and recently transitioned military personnel access to services and the fourth provides a service to ensure its success.



The Four Platforms

1. The first type of service would be designed to increase servicemembers' transition and job readiness. This would be accomplished through informational articles that would educate transitioners on available programs and benefits that are directly related to their transition success. For example, these articles might address VA sponsored training programs for disabled veterans, educational programs such as the Montgomery GI Bill, and, in the future, congressionally mandated programs designed to assist military personnel to secure certification and licensure for regulated occupations. Instructional tutorials would provide training in essential job search skills such as objective setting, networking, effective resume and application preparation, finding job opportunities, and preparing for interviews.
2. The second type of service would be to provide access to critical resources. By providing carefully organized hyperlinks to key web resources, the Virtual Job Service Office would harness the power of the web. Links to the web sites already operated by the Military Services would ensure that transitioners had access to the most current and relevant information regarding services funded by the Department of Defense and available at their duty station. Links to other informational and assistance sites would help transitioners to quickly locate detailed information regarding services offered by the Department of Veterans' Affairs, Department of Labor, and other federal, state, and private activities. For example, links to sites offering information regarding certification, licensing, and credentialing requirements and alternative methods would be of particular value to veterans seeking to careers in regulated occupations. Links to selected job listing and resume bank web sites would give transitioners access to not hundreds but tens of thousands of employers. Finally, links to relocation related web sites such as state and county sponsored web pages would help transitioners to research specific locations as potential sites for their new future.
3. The third type of service is best described as a job fair. However, unlike the European Virtual Job Fair, this job fair would not be limited in duration or scope.

Operating 24 hours a day and 365 days a year, the job fair feature of the Virtual Job Service Office would expose transitioners to job listings submitted by employers who are specifically seeking to recruit military personnel. RCI has been very successful in recruiting employers for the Army's hot leads system—an important part of the ACAP On-Line Web Site we operate for Army transitioners around the world. In addition to job listings submitted for use in the Virtual Job Service Office, we envision providing transitioners access to a carefully organized set of hyperlinks to employer operated recruiting web sites. As powerful as the private sector's web resources are, we believe that the job fair feature would be incomplete without a link to the new Department of Labor operated DoD Job Search Web Site. Finally, as technology and employer interest allows, the job fair could include chat and on-line interviews that would enable transitioners and job seekers to converse over the web. Ultimately, the reliability and affordability of video conferencing are improving, making it feasible that employers and job seekers see each other as they communicate, further diminishing the differences between traditional and virtual job fairs.

The three types of services I have described obviously represent a far broader scope than a simple job fair. Not only would this concept allow employers and job seekers to come together, but it would also prepare job seekers to succeed by providing job search training, related information, and access to a wide variety of carefully researched web resources. This total approach would empower veterans to take control of their own job search and to work independently with employers to culminate the hiring process.

4. Clearly, our concept requires a substantial amount of employer support. They must supply the job listings and access to their own web-based recruiting sites. The final element of the Virtual Job Service Office concept is designed to provide the employer support that is essential to the success of this initiative. Through this facility, employers could learn more about the Virtual Job Service Office; register as a supporting employer; create and maintain job listings; and, register links to their own recruitment web sites.

The concept we have presented is holistic and fully addresses the complete needs of transitioners. It will prepare them for success, give them access to the resources they need, and provide them direct access to the best job opportunities. To succeed, however, the Virtual Job Service Office must be heavily marketed. The web is wide and the mere creation of the Virtual Job Service Office web site will not guarantee that transitioners and employers will find it. Transitioning service members must be informed of the web site's existence and value, and employers must be convinced that their support will pay dividends in terms of recruiting highly qualified and dependable workers.

Up to now, I have limited my comments to the specific scope of Draft Bill 2, but I cannot ignore the impressive initiatives contained in other bills and concepts being considered by this subcommittee. Clearly, you intend to change the current DVOP and LVER structure by creating new Veterans Case Manager positions. We believe that the Virtual Job Service Office can offer these employees a new and exciting means of serving veterans. Just as the Virtual Job Service Office can use Internet technology to allow employers and job seekers direct communication regardless of their location, the Virtual Job Service Office could allow transitioners and recently transitioned service members to contact Veterans Case Managers via Email and chat rooms. Internet connectivity would allow case managers to serve veterans without the restrictions of time and geography. No longer would case managers have to operate only out of neighborhood offices. Instead, many veterans could be served from centralized service centers. Alternatively, Internet technology could be used to dynamically distribute veterans' requests for information and assistance to any office in the country. Whatever the method used, the results would be a dramatic increase in productivity and a reduction in the service delivery costs.

We believe that our concept is a logical extension of the draft bill's intent. The benefits of the proposed concept include:

- Low cost.
- Enhanced ability to meet the needs of veterans regardless of their location, time of day, or physical limitations.
- Personalized services—veterans use only what they need.
- Centralized control—the government controls content completely—there are no locally induced variations on the standard program.
- Rapid ability to modify the program to meet new needs or comply with changing programmatic direction and simultaneous, world-wide dissemination of changes/modifications.
- Efficient contact between employers and job seeking veterans. It removes the "middle man" and gives veterans control over their own job search.
- A mechanism to build employer support.

Thus far, in today's testimony, I have limited my comments to the business of providing cost-effective services to our nation's veterans. However, I cannot help but note the promise this concept offers for other similar federal and state programs. In fact, RCI has developed a Virtual Workforce Center concept that leverages technology to bridge the gap between preparing people to become job ready, to include assisting the "hard-to-serve" welfare recipients, and connecting them with employers seeking qualified candidates. Specifically, our concept is intended to support workforce development and welfare reform programs and can:

- Asses recipient's basic skills education and particular occupational skill needs.
- Provide remedial basic skills education and occupational skills training.
- Provide job preparedness training.
- Provide case management software applications that integrate the provision of workforce development and welfare reform services by:
 1. Capturing required recipient demographic data during intake, assessment, eligibility determination, training, and job placement,
 2. Tracking recipient's progress and achieved outcomes through the respective program(s), and
 3. Responding to queries and providing reports.

The essential strengths of this concept are adaptable to almost any recipient population and the government's investment in Virtual Workforce Centers to assist veterans could help pay the development costs for similar solutions with other needy populations.

I am grateful for the opportunity to testify today. As a veteran and one who has spent most of his life helping my fellow members of the military to succeed, I applaud your efforts to modernize services to the men and women who have served our nation in times of war and not-so-peaceful times of peace. I hope that my comments will prove of some use to you in your deliberations.

MAJOR GENERAL THOMAS F. SIKORA, USA, Retired**QUALIFICATIONS SUMMARY**

Over 35 years of human resource and information technology experience. Adept at conceptualizing and implementing solutions to organizations' human resource challenges. Expert in operating large and small computer systems serving personnel support functions. Currently directs international human services initiatives for government agencies. Managed a wide variety of personnel projects during a successful military career culminating as the Army's Director of Military Personnel Management.

PROFESSIONAL EXPERIENCE

Vice President, Division General Manager, & Program Manager for Army HRXXI Contract, RCI Oversee provision of international outplacement, career management, recruiting, and other human services to the military, as well as to federal, state, and local agencies. Assure clients all over the world are provided quality transition assistance services.

Director of Military Personnel Management, United States Army Accomplished worldwide staffing for the Army within the Congressionally mandated force size of 495,000 members while concurrently meeting all budgetary limitations. Responsible for the full range of military personnel policies and programs from management of the accessions process progressing through a soldier's career and culminating with the soldier's separation/retirement from the service.

Deputy Chief of Staff for Personnel, United States Army Europe Directed the development and delivery of the full range of human programs and services to US Army members and their families stationed in Europe. Services included operation of child care centers, libraries, and other community services, diversity programs, relocation and transition services, personnel management, and recreation support.

Commanding General, 1st Personnel Command, Germany Led a military force of 1200 soldiers stationed throughout Germany and Italy providing a full spectrum of military personnel services in support of 212,000 soldiers assigned to US Army Europe and Seventh Army.

Commanding General, 10th Personnel Command, Riyadh, Saudi Arabia Assembled and led the 1800 member Army Personnel Command that provided the full spectrum of military personnel services to the more than 300,00 active and reserve Army soldiers who participated in Desert Shield and Desert Storm. This was the largest Army Personnel Command of its type to be deployed in a combat zone since WWII.

The Adjutant General, United States Army Managed the full range of personnel services for the US Army worldwide including casualty reporting and notification of next of kin, strength accounting, physical disability evaluation, security clearance processing, and retirement services.

EDUCATION

MBA, Information Technology, George Washington University
BA, Business Organization and Management, University of Notre Dame
Executive Management Course, Yale University
US Army War College, Carlisle Barracks, Pennsylvania

Record Statement of**Major General Thomas F. Sikora, US Army, Retired
and Vice President and Division General Manager,
Resource Consultants, Inc**

Contracts within the past two years relevant to Veterans Employment and Virtual Job Fairs.

Contract	Dates	Value
Department of Army, ACAP MDA903-91-C-0179	8/8/91-5/31/99	\$168,168,670
Department of Army, TSSP DASW01-98-D-0007	10/01/99-Present	\$14,168,985
Department of Defense Personnel Drawdown Multi-Service Contract DASW01-97-D-0007	11/1/96-Present	\$7,000,000
TOTAL		\$189,337,655

WRITTEN COMMITTEE QUESTIONS AND THEIR RESPONSES
CONGRESSMAN EVANS TO U.S. DEPARTMENT OF LABOR

**Follow-up Questions to the Testimony of the
Honorable Espiridion "Al" Borrego
Assistant Secretary of Labor for Veterans' Employment and Training Services
before the Subcommittee on Benefits of the
House Veterans' Affairs Committee
on October 28, 1999**

QUESTION 1: *A point was made by a witness at the hearing that realistic performance standards must be developed before a system of "rewards" for good service to veterans can be put in place.*

Please describe for the Subcommittee the performance standards for DVOPs and LVERs recommended by the Department of Labor.

ANSWER 1: Performance standards are an important tool used by the Veterans' Employment and Training Services (VETS) to ensure that we maintain our obligations to America's veterans. Since 1972, VETS has, as required by the United States Code, Title 38, Section 4101, *et seq.*, maintained performance standards for determining compliance by State public employment service agencies. Under this law, the primary performance measure for the Disabled Veteran Outreach Program specialists (DVOPs) and Local Veteran Employment Representatives (LVERs) was based on a comparison of the job placement rate for each of the categories of veterans with the job placement rate for nonveterans of the same age groups that registered for assistance with the public employment system in each state. As a result of enactment of the Government Performance and Results Act (GPRA), the results to be measured have changed from the "relative" measures contained in Title 38 to the "outcomes" defined in GPRA.

VETS' staff is working with John Mercer, known to many as the "father of GPRA," to ensure that our performance goals will be consistent with GPRA, our Strategic Plan, and with the Workforce Investment Act (WIA) that the Department is currently implementing. These standards will be developed in conjunction with our State partners (who employ the DVOPs and LVERs), our VETS' State Directors (who enforce those standards), and GAO (who reviews the results). Our objective in developing these performance goals is to ensure that they will be not only realistic, but will serve to further veterans' employment services within the new WIA delivery system.

QUESTION 2: *Another witness stated that current and future technological systems within DOL must build in priority of services to veterans. I agree with this statement.*

What is DOL doing to ensure that priority of services for veterans is built into America's Job Bank?

ANSWER 2: The Department of Labor recently outlined its plan to provide priority of services for veterans within the electronic systems being developed to augment the employment services provided through the States and One-Stop system under the Workforce Investment Act. I have enclosed for the record a copy of a recent letter from Assistant Secretary for Employment and Training Raymond Bramucci to Ranking Member Lane Evans outlining this plan. The Department is committed to fulfilling the requirements of Title 38 as the technology changes to ensure that priority is maintained.

QUESTION 3: *The Transition Commission report cites a GAO 1997 finding that LVERs and DVOPs spend the majority of their time working with "job ready" veterans. The Commission also asserts that these veterans could find their own jobs by using computer networks such as America's Job Bank.*

Do you agree with this finding?

ANSWER 3: No. The term "job ready" means having the skills needed to do a job. This does not necessarily mean that the veteran has the skills necessary to allow him/her to **obtain** a job which utilizes these skills. Many times, the veteran will be fully capable of performing a particular job, but will lack the ability to convey his or her competence in a resume or interview. Without these job-hunting skills, it does not matter how job-ready veterans are -- they will not get jobs. This is true regardless of whether their job search is conducted traditionally or electronically. It is therefore critical that DVOPs and LVERs continue to work with "job ready" veterans to make them "job marketable."

Thus, to the extent that the Transition Commission uses the GAO's finding to imply that working with "job ready" veterans is a waste of DVOP/LVER time, this is simply not true. It is this work that has led to veterans having an unemployment rate one percent lower than that of non-veterans. A more complete presentation of DVOP/ LVER efforts is

contained in Attachment 1 of my written testimony. The excerpt of the relevant GAO discussion of the numbers quoted in the attachment was not included in the Commission's report.

The Commission also states that the majority of veterans have marketable job skills and are highly employable. It suggests that the needs of most veterans can be met simply by giving them informed access to high tech tools. Our facts indicate otherwise. Of unemployed veterans, 48.1 % are 45-64 years of age. Many of these veterans have not been trained in the technology skills of the 21st century; they have spent years in fields, such as construction, which they can no longer handle from a physical standpoint or have been down-sized because their skills are no longer in demand. Accordingly, these veterans experience great difficulty in securing new employment. The new electronic tools created to assist with job searches are extremely promising, but they are only one of many useful tools. Most people want jobs within a 25-mile radius of their home and most people still get jobs through a personal network of friends, acquaintances, etc. DVOPs/LVERs are part of this network when job-seeking veterans register at the Employment Service.

QUESTION 4: The Transition Commission report recommends the competing of LVER and DVOP funds as an alternative to the current grants-to-states process.

Do you believe this competition would enhance the delivery of employment and training services to veterans at the local level?

ANSWER 4: No. DVOP and LVER operations are not self-contained programs but are part of, and dependent upon, the state public labor exchange system. The state employment system is one of the required partners under WIA. The job listings and Federal contractor job listings go to this state employment system, and it is this system that contains the labor exchange infrastructure. Separating the DVOP and LVER from this system is counterproductive to the interests of finding good, permanent jobs for America's veterans.

Title 38 requires that veterans be provided priority of services in the public labor exchange system. Veterans who serve as DVOPs and LVERs work in the public labor exchange system to augment and oversee the services provided to their brethren by that system. In addition, they directly place veterans in two thirds of the jobs obtained for

veterans through the public labor exchange system.

If we compete the DVOP and LVER programs, we would have to pull out of the workforce investment system all of the people that Title 38 authorizes to augment and oversee services for veterans. A duplicate labor exchange infrastructure (e.g., a separate management structure; buildings, equipment, hardware, software systems, reporting systems, etc.) would have to be developed for veterans. Finally, Title 38 would have to be fundamentally changed to allow DVOPs and LVERs to work outside the public labor exchange system. Bringing in an outside, private sector individual to be part of a public employment system staffed by public employees, with no particular tie to the veterans' community, would create its own set of problems.

Such a wholesale change is unwarranted. Instead, we recommend trying a hands-on approach developed by successful VETS State administrators. In the case of underperforming States, VETS is prepared to respond with a team of VETS' State Directors and Assistant State Directors to develop a corrective action plan. This plan could be supported by the local Veterans Service Organizations (VSOs).

QUESTION 5: The Transition Commission recommended replacing the DVOP and LVER positions with a Veterans Case Manager [VCM] position and a Veterans Employment Facilitator [VEF] position.

In your view and based on your experience, is there a need to restructure the duties of the LVERs and DVOPs? Should we on this Subcommittee support the creation of these new positions?

ANSWER 5: No. The Commission made these recommendations premised on the assumption that employment services need only be provided to veterans who are disabled, or have barriers to employment, and those that are within four years of separation from the military. Because this proposed narrowing of the population would reduce the number of veterans eligible for employment services from the current 15 million veterans to an estimated 2 million eligibles, the Commission recommended the elimination of up to 2,019 DVOP specialist positions and more than 1,600 LVER positions.

VETS does not support this proposal because it would exclude most veterans from any

priority for employment services. Moreover, as discussed in answer 4, the DVOPs and LVERs are all veterans – the majority disabled veterans. In addition, assuming that the only staff funded under the Commission’s proposal is the 1,610 VCMs and 552 VEFs (who would only serve a small portion of the veterans who annually seek employment or training related services), veterans would be faced with fewer dedicated staff to serve their needs distributed among the growing One-Stop offices around each State. We still see a need for staff who would provide local oversight and assistance to ensure that those eligible veterans get the necessary services described by the Commission, especially those identified for priority services, but who may lack a need to be considered for intensive/mediated services by the VCM or VEF.

In answer to the broader issue, DOL and VETS began a redirection of priorities based upon need some time ago, with added emphasis on case management for those hardest to place. DVOPs and LVERs already perform the case management functions recommended by the Commission because of the advent of WIA One-Stop Centers, technological advancements, TAP facilitation and VETS’ emphasis on a case management approach to the delivery of services.

The recent passage of the Workforce Investment Act presents additional opportunities for veterans and VETS. Leaving intact the broad range of DVOP and LVER duties would provide the local flexibility necessary to ensure that all veterans who seek services in the One-Stop centers get the seamless services they need. Creating two new positions (VCM and VEF) with more limited duties runs counter to the movement toward seamless services designed to meet the needs of all job seekers.

QUESTION 6: *One of the draft bill concepts we are discussing today would require DOL to establish a pilot initiative under which DVOP/LVER duties would be competed.*

How would you structure such an initiative? What would happen to the DVOPs and LVERs who work in the pilot areas? Would their States temporarily assign them to other duties or would the contractor simply duplicate the duties also being performed by the DVOPs and LVERs?

ANSWER 6: In presenting the Commission’s recommendation to replace the DVOP/LVER program, the Subcommittee suggests pilot programs to compare competed and non-

competed programs. However, the competition concept presents some very substantial structural problems that prevent a fair structure for comparison. While this is more fully addressed in the response to question 4, I will address some of the difficulties.

First, it would very likely require a change to Title 38 which directs that the DVOPs and LVERs be part of the employment system.

Second, contracting out the DVOP/LVER program may mean the creation of a parallel labor exchange for veterans, separate and distinct from the entire labor exchange system, including America's Job Bank. The establishment of a competing entity raises questions about whether the local employment office or One-Stop should refer all veterans to that entity.

Finally, the DVOPs and LVERs who work in the pilot areas are State employees, funded by the same dollars which potentially could be used for the competing pilot. VETS can only believe that affected DVOPs and LVERs would be let go from their jobs.

Answers to
Follow-up Questions to the Testimony of
James H. Hartman
New York State Director of the Veterans' Employment and Training Services
before the Subcommittee on Benefits of the
House Veterans' Affairs Committee
on October 28, 1999

QUESTION 1: In your testimony you address the assertion made by the GAO that LVERs and DVOPs spend the majority of their time working with "job ready" veterans who could be simply using America's Job Bank to find jobs. Please explain your views in more detail on this subject.

ANSWER 1: The majority of veterans, if not most of our citizens, could find a job listing on America's Job Bank that they are qualified for, and are interested in pursuing. However, the majority of veterans who visit Job Service offices do not fall into that category. These Job Offices, and their staff are an absolute necessity to the many millions of Americans who do not have proper job search skills; who do not have resumes, or even a typewriter to prepare them on; whose job skills are no longer needed in the current labor market and are in need of retraining, etc. Last year, the average wage scale of job orders received by the New York State Job Service was somewhere in the range of \$9.00 to \$11.00 per hour. Often veterans (average age 51) register with the employment service because they have exhausted many other sources of job search assistance. These veterans do not need to be referred to a "resource room" when they register; they need the help of a well trained Job Developer. In terms of our current structure, this means a referral to a Local Veterans' Employment Representative (LVER) or a Disabled Veterans Outreach Program specialist (DVOP) who can provide them with the service they need to compete and succeed in the workplace.

QUESTION 2. In your experience, what effect has the availability of computerized systems, such as America's Job Bank, had on the ability of veterans to find jobs?

ANSWER 2: My belief is that it helps a number of veterans find jobs that match up with their skills.

QUESTION 3: *What would be the effect on the quality of services provided to America's veterans if the number of DVOP/LVER positions was significantly reduced?*

ANSWER 3: A reduction in the number of DVOPs and LVERs would have an adverse effect on our ability to effectively serve veterans. When I started as an Assistant Director with VETS in 1977, LVERs and DVOPs were intended to complement the staff of the multi-million labor exchange system (SESAs). In New York, there were approximately 200 LVERs and DVOPS serving as dedicated veteran staff in over 90 Job Service Offices. They provided functional supervision (reviews of services provided veterans, training, etc.) and outreach to home-bound veterans or out-stationed services to veterans registering with the Veterans Administration offices.

Today in New York, there are approximately 150 LVERs and DVOPs. Last year, the Job Service in New York registered around one million unemployed workers; 80,000 of whom were veterans. The main line Job Service staff have to concentrate most of their efforts on serving non-veteran applicants, which in turn means that our LVERs and DVOPs have to register and work with the majority of the veterans who apply for services. With the creation of One-Stop Service Centers, in the year 2000 and beyond, our LVERs and DVOPs will not only be working with those veterans who register with the Job Service but with other unemployed veterans, such as those currently on welfare.

QUESTION 4: *What are the critical issues facing unemployed veterans today, and what do you believe is needed to better help them find jobs?*

ANSWER: The major issues facing our unemployed veterans today are: age, lack of marketable skills, and an inability or reluctance of those who have skills to relocate to better job markets. The average age of veterans who register for our services is 51 years old. Studies have shown that most civilians who entered into Military Service in the 1960's and 1970's, even by virtue of the draft, were not highly educated and were often unskilled. When they returned from Service, many pursued technical careers rather than

enrolling in college. Today, the technical careers for many of these veterans have vanished with corporate downsizing and a shift to a service economy where their skills are no longer marketable. What I believe is needed to help alleviate this situation is a veterans assessment process that would identify where the skill gaps lie for our veterans, which we could then use to evaluate our current employment and training program.

QUESTION 5: The Transition Commission recommended that the DVOPs and LVERs be replaced with Veterans Case Managers and Veterans Employment Facilitators. What do you think about this proposal?

ANSWER 5: As I stated in my testimony, I agree with the Commission that we need to take a look at the duties of our LVER and DVOP staff. Their positions were created legislatively many years ago and, as a result, their job functions may have to be changed when viewed in the light of today's employment and training service delivery system. However, I cannot support the creation of these two new positions without having a better understanding of the needs of our unemployed veterans under the new One-Stop Service Centers being developed as we move to full implementation of the Workforce Investment Act. Until those two issues are resolved, I believe it is premature to make any changes in their functions other than administratively through the ASVET's Office.

U.S. Department of Labor

Assistant Secretary for
Employment and Training
Washington, D.C. 20210



NOV 9 1999

The Honorable Lane Evans
House of Representatives
Washington, D.C. 20215

Dear Congressman Evans:

Thank you for your letter regarding priority of service for veterans on America's Job Bank (AJB), our award winning means for delivering labor exchange services over the Internet.

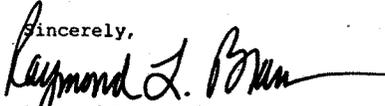
The Department of Labor, in collaboration with states, created AJB as a service to both employers searching for qualified workers and job seekers, including veterans, searching for new or better jobs. Since its inception in 1995, AJB has grown dramatically. Today, a job seeker can directly search an online database containing well over a million job openings, providing veterans as well as other job seekers with instant access to a wider and more varied array of occupations than was ever previously available to them through the public employment service. Similarly, employers can directly search an online database of resumes, with nearly 1.5 million job seekers registered, to find the workers they need to run and expand their businesses. This Internet-based service has become so popular with employers and job seekers that the AJB website experienced over 250 million visits last month.

The Department's Veterans' Employment and Training Service (VETS), Office of Federal Contract Compliance Programs (OFCCP), and Employment and Training Administration (ETA) agree that the changing labor market requires innovative and constructive responses in order to better serve all our customers, including veterans. America's Job Bank is one of those responses. Thousands of employers throughout the nation, including Federal contractors, are now choosing to list vacancies electronically with the AJB instead of using paper processes through local offices. This not only makes these jobs more visible to more veterans faster than ever before, it also saves employers money. IBM estimates that their first year cost savings over traditional photocopy and mail distribution are in excess of \$1 million. And because AJB has been so successful in providing a service that employers see as valuable, they have responded by listing more jobs than ever before.

U.S. DEPARTMENT OF LABOR
1999 NOV -9 P 1:00

We have accomplished much together, and we remain committed to continuously explore new ways to provide enhanced and improved services to veterans. For example, the AJB Service Center, in cooperation with the Department of Defense, has just launched a new website to help bring these vacancies directly to service members who are transitioning from military to civilian life. That website can be found at <http://dod.jobsearch.org>.

More detailed responses to the questions you raise in your letter are enclosed. If you have further questions, please contact Eric Johnson, Director, Office of Career Transition Assistance, at 202-219-0316.

Sincerely,

Raymond Bramucci

Enclosure

RESPONSES TO REPRESENTATIVE EVANS' QUESTIONS

1. What efforts have been made by the Department to incorporate priority of service for veterans into the AJB system?

Priority of service is a combination of special services that Employment Service, LVER and DVOP staff have traditionally provided for veterans, as well as new tools that help the staff provide even better services for veterans and state-of-the-art computer services that provide veterans with extra support in finding employment.

For example, AJB developed an automated tool for use by DVOP and LVER staff by which they can call up and view jobs listed by Federal Contractors. This allows them to find and review those job openings, and to refer veterans to the employers required to take affirmative action for veterans in hiring decisions. In another example, when an employer searches the resume file for qualified job applicants, resumes posted by veterans who meet that employer's search criteria are identified with a miniature American Flag; these resumes are listed before any non-veterans with similar qualifications. Also, if there is more than one veteran with similar qualifications, the veterans are listed in priority order, e.g., Special Disabled Veterans, Vietnam-era Veterans, etc.

2. When will priority of service for veterans be fully implemented into the AJB system?

America's Job Bank has been designed to expand and change as new electronic tools become available. The customer service goal is to provide better services and easier access to employers and job seekers, including veterans. The Department is continuously looking for ways to improve AJB and the services it delivers for veterans. For example, AJB is now working to develop a new service called the Veteran's Job Scout. Under this service, which we expect to be available nationwide in the next 60 days, veterans who register with AJB will be able to activate a computer program that will automatically search all new job openings, based on a personalized search profile set by the veteran. This personalized search profile can include occupations, geographical locations, education, relevant experience, duration of the job, and salary. When matches are detected

between a job vacancy and a scout's profile, the job seeker will be notified, usually via email, of those matches. The Veteran's Job Scout will conduct this search as new openings are posted on AJB, 24 hours before job scouts begin to report for non-veterans. Of course, the critical element in the Department's on-going efforts to provide the very best service to veterans is to ensure that our overall labor exchange services are effective: employers must be able to find workers so they will list their job openings; job seekers including veterans must be able to easily access and use the services; and the professional staff in our one-stop centers must have training and support so that they can meet the workforce needs of our customers.

3. What actions have you taken to ensure that DOL/VETS-funded state staff receive the proper early notice of all jobs, including those listed by Federal contractors?

In a pilot sponsored by the Veterans' Employment and Training Service, several states have been providing LVER and DVOP staff with access to the electronic job orders while they are being processed and prior to their actual release to the Internet. Because of technical issues, however, this pilot project has had only limited success. Therefore, the plans have been revised to establish a holding queue for all electronic job orders, including all Federal contractor job orders, with release to the Internet occurring only at specified times during the morning, afternoon and evening. LVER and DVOP staff will have access to this electronic queue, and the staff will have the opportunity to review and act on all new job orders as they are held in the queue, before they are made public on the Internet. We also continue to ensure that staff have access to information on jobs with Federal contractors, as described above, and that the Veteran's Job Scout provides early notice of jobs as they become available.

Congressman Evans to Department of Veterans Affairs

Q 1. One of my primary goals this Congress is to significantly increase the benefit paid under the Montgomery GI Bill. As we all know, the GI Bill benefit has not kept up with the rising costs of education. Although we have not yet been successful in our efforts to increase the basic benefit, expanded opportunities for work-study jobs would help many veteran students. So, I thank you for your support of this initiative.

In your testimony you mention that VA will need to review our legislation to determine any effects on other Federal work-study participants. Would you further explain this statement, please? I don't see the relationship between veteran students and other students.

A 1. We do not think there would be an effect on other work-study students. However, it would be useful to assure that there is no impact on other Federal programs, such as the Department of Education's College Work Study program.

Q 2. I appreciate your comments regarding the proposal to simplify approval criteria for courses. It is certainly not our intention in this provision to, in any way, undermine the current role of the State Approving Agencies. Can you assure me that this proposal would not lessen the authority of the SAAs?

A 2. We do not foresee that the proposal would diminish the SAA's authority. Enactment of this proposal would ease the paperwork and recordkeeping burden on schools. It makes sense to use State licensing requirements in lieu of Federal requirements where the State requirements are as strict or stricter than the Federal rules.

Q 3. I am very disturbed that the current structure of the GI Bill has a serious flaw which has terminated GI Bill eligibility for some enlisted servicemembers who have been selected to attend Officer Candidate School. It was certainly never Congressional intent that talented young servicemembers have to make a choice between becoming officers or maintaining their eligibility for the GI Bill.

I believe that the Congressional Budget Office has informally told the staff that this provision could cost as much as \$2 million per year. I much prefer your estimate of \$719,000 over 5 years. Do you have any idea how and why these cost estimates are so different?

A 3. CBO's cost estimate for this proposal assumes a larger number of potentially eligible individuals than we estimated. CBO contacted each branch of service to determine how many individuals completed Officer Candidate School and accepted a commission before completion of their initial active duty obligation in Fiscal Year 1998. They then assumed a similar pattern for prior years as well as for projecting future participation. Our estimates did not contemplate the retroactive application of this proposal to further increase the eligible pool.



INTERSTATE CONFERENCE OF EMPLOYMENT SECURITY AGENCIES, INC.

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 The Workforce ATM www.icesa.org

**Follow-up Answers to Questions from the
 October 28, 1999 Hearing on
 Veterans' Employment and Training Legislative Concepts**

**Mr. Robert C. Gross
 ICESA President**

1. What would be the effect on the quality of service to America's veterans if the staffing levels for DVOPs and LVERs were significantly reduced?

Significant reductions in the staffing levels for DVOPs and LVERs would have a serious impact on the services that can be provided to America's veterans. Over the last several years, these state-administered programs have either been cut or have been flat-funded, thus reducing the number of staff available to provide services to veterans. If DVOP and LVER staffing levels were significantly cut, fewer staff would be available to provide veterans one-on-one assistance. Many job-ready veterans have found the electronic labor exchange tools a convenient way to receive services from the public workforce system. However, for those veterans with multiple barriers to employment or in need of staff assistance, significant reductions would likely result in diminished services.

Similarly, over the last several years, funding for employment service state allotments has been cut or flat-funded. This has a direct impact on the DVOP and LVER staffing grant because, as these funds have dried up, the DVOP and LVER grant has had to absorb a greater share of the administrative costs of the local office--now one-stops. In fact, in some locations, there are as many or more DVOP and LVER staff than there are Wagner Peyser staff who provide employment services to the universal population. This, coupled with the impact of unemployment insurance (UI) staff moving to call centers and the fact that the UI administrative funds are then no longer available to support many of the local office/one-stop operations, further exacerbates this resource situation.

There has been some criticism by the Transition Commission and others about the high administrative costs of the DVOP and LVER staffing grants in many states. Office rentals, staff salaries and other "costs of doing business" continue to climb. The movement towards one-stops and linkages with other programs can, in some situations, lead to some savings in administrative costs. However, with funding at a premium for all partners in a one-stop office, all programs will be expected to pay their fair share.

- 2. In your statement you mention on page 3 that the DVOP and LVER programs and services "are the backbone of the emerging workforce investment/one-stop system." Actually, my impression is that there has been some confusion about the role of DVOPs and LVERs under the one-stop system. I know that it took awhile to work out their roles and responsibilities in Texas when the labor exchange system changed profoundly in that state. Have all those "wrinkles" now been worked out across the country?**

There may be a misunderstanding about our testimony that requires clarification. In our testimony, we stated that "while funding for employment services (Wagner Peyser Act funding) is maintained as a separate funding stream, these core employment services are to be integrated and/or linked with the workforce investment system." It is the state employment security system that in many states will be the backbone of the emerging workforce investment/one-stop system. The DVOP and LVER staff, along with employment service, unemployment insurance and labor market information staff, are all part of the state employment security system and thus all are becoming the backbone of the emerging workforce investment/one-stop system.

In response to whether or not all of the "wrinkles" have been worked out across the country, the answer is no. As stated in my testimony, the public workforce service delivery system, through which the DVOP and LVER programs are delivered, is undergoing one of the most dramatic changes in the history of the system with the implementation of the Workforce Investment Act (WIA). Texas is probably further along than most states in implementation of the Workforce Investment Act. Under WIA, each state must develop a five-year strategic plan that broadly outlines how services will be developed. All states must submit a state plan and be ready for implementation by July 1, 2000. Furthermore, state and local boards will develop further guidance for one-stop operations. In some states, there may not be a major change in the way DVOP and LVER services will be provided; other states may opt to make some dramatic changes. It's likely that there will be a great deal of change throughout the system for the next several years.

- 3. On page 4 of your statement you recommended that DOL not implement a separate national marketing campaign to employers on behalf of America's veterans. I frankly believe that such a campaign wouldn't have nearly the same positive impact if veterans were presented as only one of several targeted constituencies. Tell me why you think veterans should simply be "one group among many." Don't you believe that America's veterans have earned the right to receive the "special attention" that would result from a separate marketing campaign?**

We agree that America's veterans have earned the right to receive "special attention" as part of a marketing campaign. However, we don't believe that it needs to be a separate marketing campaign. In fact, leveraging both the resources available and the national attention now focused on our system, America's veterans can benefit significantly.

Instead of starting from scratch, should additional funds be made available for a national marketing campaign to employers on behalf of America's veterans, DOL should build upon the successful marketing campaign on America's Job Bank (AJB) that has already been launched. To date, this campaign has resulted in full page ads in such prominent publications as: *Business*

Week, Fast Company, Popular Mechanics, Rolling Stone, and U.S. World and News Report. America's employers are responding. Last September, AJB had 43.5 million hits. This September, AJB had 253 million hits--a 630 percent increase in one year! Last November, AJB had over 37 million hits. In the first four days of November 1999, AJB has already had over 35 million hits. In April of this year, AJB had 960,640 job openings posted. As of November 10, 1999, AJB has over 1.4 million job openings--a 30 percent increase in six months!

With additional funds, the marketing ads under this campaign could be "specialized/tailored" to specific employers that may be more apt to look to hire veterans. We believe that veterans would benefit by employers understanding the fact that there is a national publicly-funded workforce system that is available to help them hire veterans and meet their employment needs.

- 4. On the last page of your testimony you state that we need to look at DVOP and LVER positions and their attendant duties. You go on to assert that it "is important to provide greater flexibility for states in this area." What exactly do you mean? Specifically, what kind of flexibility are you talking about?**

We believe that including the attendant duties/job descriptions of DVOP and LVER staff in federal statute makes it difficult when changes in technology and service delivery warrant new ways of providing services to veterans. Currently, DOL/VETS requires that DVOPs must be full-time positions. If states were given the flexibility to have, for instance, half-time DVOPs and share the cost of these staff with other programs, then states would be able to provide a greater veterans' staff presence in more offices.

We would welcome the opportunity to have representatives from several states meet with committee staff to discuss these and other issues.

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November 23, 1999

Congressman Lane Evans,
Ranking Democratic Member
Committee on Veterans Affairs
U.S. House of Representatives
335 Cannon House Office Building
Washington, DC 20515

Dear Mr. Evans:

This will acknowledge receipt of your letter requesting my response to specific questions as a follow up to the hearing on October 28, 1999. I am happy to provide the following information.

Q. You recommend that Congress mandate that the Secretary of Labor immediately "compete" employment services in states that have a poor record of providing services to veterans.

How exactly would the Secretary do this?
Specifically, what sort of process do you envision?

A. First, when the Transition Commission or I talk about "competing", we mean the State employment service would be encouraged to "compete" along with others. The Secretary should review the states' services over a given period of time - say the past five years. Those states that have consistently performed poorly and have shown little or no improvement should be "targeted" for competition. The Secretary would issue a Request for Proposals (RFP) and evaluate the proposals following some pre established criteria such as the bidder's ability and record to provide employment services, including counseling, direct job placement, job development and other supportive services designed to enhance the veterans' employment prospects. Based on the proposals the Secretary would determine the best-suited vendor to provide services. A contract could be let for a given period of time with options for renewal.

When the DVOP program was first established in 1977, the state of Maine declined to accept the DVOP grant. The program was competed and the state organization of the American Legion won the contract and administered the DVOP program very effectively.

Q. What would happen to the DVOPs and LVERs in those states? Would they lose their jobs?

A. In the event the state did not get the contract, the Secretary should take steps to assure to the extent possible that existing DVOP and LVER staff be absorbed into the existing state system. Many of these individuals have tenure, and coupled with state veterans' preference benefits would have certain retention rights. Because of their experience it is possible the contractor would offer them jobs. Lastly, as someone who has worked within the system they would have an opportunity to enjoy real "priority of service" by checking out the best jobs available through the employment service system.

Q. Several other witnesses assert that a contractor would tend to focus on those veterans with fewest barriers to employment. How do you respond to that?

A. This is commonly referred to as "creaming". I believe that to a large extent, "creaming" exists within the employment service system (see page 52 of the Transition Commission's report). According to that report "...the General Accounting Office (GAO) reported in 1997 that DVOP staff spent 62 percent of their time on the 73 percent of their clients who were job ready. Similarly, LVER staff reported spending 67 percent of their time on the 80 percent of their clients who were job ready."

This practice of "creaming", whether done by the states or by a contractor must be discontinued. One way to do that is to "weight" the services provided to various categories of clients. This can be done with the present system by changing the existing performance standards and can be built into any contracting system. Whatever system is used extra "points" can be provided for placing disabled veterans, homeless veterans, and others with significant barriers to employment. Those who are job ready and face no significant barriers to employment would get the least "weight". The system would be rewarded for placing those with barriers to employment.

Q. I'm interested in the Transition Commission's recommendation that a Veterans' Employment Network be established.

For the record, would you describe this network and its purpose?

A. In the Commission's report we indicate "A sustained national marketing program directed at employers, coupled with the development of an easily accessible source of information about qualified veteran applicants, is needed to improve employment opportunities for servicemembers and veterans. An ongoing, independent, presidentially-appointed, nonpartisan Veterans' Employment Network (VEN), supported by minimal staff and contract marketing, could achieve this goal [marketing veterans to employers]".

The Commission recommended:

That Congress enact legislation requiring the President to establish an independent organization, the VEN, to -

- Raise employer awareness of the advantages of hiring separating servicemembers and recently separated veterans.
- Facilitate the employment of separating servicemembers and veterans through America's Career Kit, the national electronic labor exchange.
- Direct and coordinate national, state, and local marketing initiatives.
- Be led by a Board of Directors consisting of high-level individuals representing constituencies integral to ensuring successful employment of servicemembers and veterans. The Board of Directors should include, but not be limited to, representatives from -
 - Military Services and Joint Chiefs of Staff.
 - Major national corporations.
 - National business associations.
 - National unions.
 - Representatives of state public labor exchanges.
 - National Veterans Service Organizations (VSOs) and Military Service Organizations (MSOs).

Q. You stated on page 3 of your testimony that, although we need to think about maximizing technology, other factors are important. For example, you note that there will always be a need for one-on-one services and that a downturn in our economy could change the way technology is used by job seekers and employers.

For the record, would you discuss these and other points you made in more detail?

A. I will discuss each of the points individually below.

- Meeting the needs of unemployed and underemployed veterans is a national responsibility (section 4100, title 38, U.S. C.)

The current systems including the one-stops, appear to be giving more decision making to local entities to determine who will be served and the types of services they will receive. Unless Congress continues to exercise its oversight responsibility and ensures veterans will receive "priority of services" in whatever systems are in place, local entities may not serve veterans' needs. We cannot "devolve" this decision making to state or local officials who may decide not to serve veterans. Veterans are the only segment of our society who are a product of the federal government. The federal government made them what they are - veterans- and the federal government must maintain its responsibility to "care for those who have borne the battle".

- Current and future technological systems have to build in priority of services to veterans (however those veterans may be defined).

Priority of services as currently defined does not meet the needs of unemployed veterans. More and more employers are turning to electronic systems such as the Internet to recruit for their job openings. Those systems do not have any mechanism in place to assure "priority of services" are available for unemployed veterans. As these systems become more dominant, the potential for veterans not served is increased. Many employers are using their "home pages" to recruit and are not even "listing" or advertising their jobs. They are relying on the sophistication of today's job seekers to seek them out and apply directly through those home pages. This trend signals the end of the traditional labor exchange system we have known for the past sixty-plus years. Many of these employers are federal contractors and are circumventing their affirmative action obligations through these new systems. It is not enough to tell these contractors they are meeting their obligations by listing their jobs with the Department of Labor's electronic systems because covered veterans are not receiving their benefits mandated by current law.

- Not every job seeking veteran who is "job ready" will have access to the technology and/or the knowledge to use it effectively.

Even though the cost of computers is declining, many unemployed veterans cannot afford to buy their own computer and thereby one is not readily useable by them. In order to have an effective impact, an individual needs to have access to these electronic systems on an as needed basis. Many have not been trained and in spite of the "user friendly" nature of most systems today, not every job-seeking veteran will be able to effectively use this new technology to their benefit.

- There will always be a need for one on one services.

For many of the same reasons stated above, many veterans are going to need intensive personalized services. Certain disabled veterans, veterans displaced from their jobs because of changing technology, homeless veterans and others with significant barriers to employment may require the assistance of someone knowledgeable in the job search process.

- Any system has to be user friendly for both the veteran and the employer.

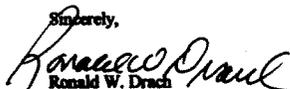
Current systems do not allow easy access to veteran specific web sites. Even if an employer wants to hire veterans it is not easy to find them through web sites. If an employer contacted the Department of Veterans Affairs web site, they would be hard pressed to find the vocational rehabilitation site for information on hiring chapter 31 clients. Web sites have to be veteran specific or directly linked to veteran specific sites. Without this both interested employers and veterans will become frustrated and give up.

- A downturn in the economy (recession) could change the whole way technology is used by job seekers and employers.

The country is enjoying the highest employment rates in thirty years. If we have a downturn in the economy and enter into a recession veterans could be hurt significantly. Historically, when the country entered into an official recession, unemployment among Vietnam era veterans increased sharply. I specifically remember the recession of the early 1980's when unemployment for Vietnam era veterans doubled in approximately six months. This could happen again. Such a downturn could result in an increase in unemployment and the need to fill jobs quickly will diminish. It will no longer be a seller's market. The buyer (employer) will have more choices of potential employees and the need for sophisticated electronic systems may abate.

Thanks for providing me the opportunity to respond to your questions. I would be happy to meet with you or members of your staff to discuss these issues further.

Sincerely,


Ronald W. Drach



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November 15, 1999

Hon. Lane Evans
 U.S. House of Representatives
 Committee on Veterans' Affairs
 335 Cannon House Office Building
 Washington, DC 20515

Dear Congressman Evans:

Thank you for your letter of October 29, 1999 requesting that I amplify my October 28 testimony before the Subcommittee on Benefits. I will respond according to the numerical order in your inquiry.

Question 1. "What would be the effect on the quality of services provided to America's veterans if the staffing levels of DVOPs and LVERs were significantly reduced?"

Answer: DVOPs and LVERs are oversight personnel affiliated with the state employment services. They are co-located in the same facilities with Wagner-Peyser personnel who receive job orders from employers. This oversight function ensures that priority of service and priority of job referrals goes to veterans in every instance. They will intercede and advocate on behalf of veterans in instances where there are lapses in this priority of service. I understand that this will remain the same when the local offices are configured into the one-stop centers in accordance with the *Workforce Investment Act*. By reducing or eliminating DVOP/LVER staff, there is a very real danger that veterans will lose their priority of service advocacy.

DVOPs and LVERs have a close working relationship with their customers. They provide intensive placement and ancillary services which would not be available if staffing was reduced or eliminated. These specialists have the best knowledge of available services consistent with the needs of veterans.

Question 2. "On page 2 of your statement you mention that, in your experience, competing services tend to lead to 'cherry-picking' the best candidates.

(You go on to state) "I tend to think this is exactly what would happen—but I would appreciate it if you would provide the Subcommittee with specific examples you are familiar with when this has happened."

Answer: Erie County, New York (Buffalo) and other localities hired a firm called *America Works* to place welfare recipients. After an initial study (1 to 2 years) it was determined that they were only working with the easiest to place applicants, ignoring those with impediments. Their contract was not renewed, and Erie County, in cooperation with the New York State Department of Labor, now perform job placement services for personnel receiving public assistance.

Instead of researching additional anecdotal examples of failed privatizing and "cherry-picking", I would like to discuss the distinction between privatized activities for economic efficiency, and privatizing required services. There is an enormous difference between conducting economic activity to maximize profits, and providing services evenly for all veterans, despite individual shortcoming and impediments. The profit motive works well to maximize efficiencies in providing goods for society. I think it would work less well in ensuring that each and every veteran, regardless of individual barriers to employment, would get the maximum service required by law.

The banking industry is very profitable and efficient, but they eschew small accounts, concentrating on commercial and high-end accounts. Try opening a small deposit savings account for your child, and notice the disincentives and fees associated with these accounts.

Page 2, Response to Hon. Lane Evans, House Committee on Veterans' Affairs

Health insurers have historically been known as prime examples of "cherry-pickers" that discouraged or even denied coverage to those considered at-risk for claims. Only governmental regulation has brought health insurance coverage to those previously denied service.

It seems risky at best to hope that competitive entities will comply with equal opportunity requirements for veterans. It would require establishing watchdog agencies and bureaucracies, litigation to terminate non-compliant contracts, and then a governmental agency to run the veterans programs if efforts at privatization are unsuccessful. The best solution would seem to retain the DVOP/LVER programs, enhancing their efforts and improving the shortcomings.

Thank you for your interest in services to our veteran population, and most especially, thank you for your interest in my testimony.

Sincerely,



Dennis A. Beagle
Executive Board Member

cc: Hon. Jack Quinn

The American Legion Response to
Lane Evans's Follow-up Questions

1. *What would be the effect on the quality of services to America's veterans if the staffing levels of DVOPs and LVERs were significantly reduced?*

The quality of services to America's veterans would be significantly reduced.

Currently, the unemployment rate is low and the actual need for any employment programs is questionable. However, employment is cyclical. DVOPs and LVERs are in most demand during periods of high unemployment. During periods of low unemployment, the efforts of DVOPs and LVERs should be focused on employer development rather than case management in preparation for cyclical change.

Clearly, during periods of low unemployment, those veterans seeking employment have the most significant employment barriers and require much more personal attention by DVOPs and LVERs. This is a period when DVOPs and LVERs can go the extra mile to pay close attention to the unique needs of these hard-to-place veterans. There should also be more available funding for vocational education programs.

When there are no veterans underemployed or unemployed, then would be an excellent time to consider downsizing the number of DVOPs and LVERs, but that time is far from the current situation.

With the downsizing of the employment service (it is now half the size it was a decade ago), and with the advent of one stop service centers where the emphasis is on self-help using personal computers, the LVER or the DVOP is often one of the few people in the office equipped to actually handle job counseling and job placement. LVERs and DVOPs are now expected to handle hard to place veterans using a "case management" technique standardized by the National Veterans Training Institute. Data show the technique works. So reducing the numbers of LVERs and DVOPs will only increase the numbers of veterans not receiving service, increase the numbers of veterans remaining on unemployment, and cost the country more in unemployment benefits to people who should be working but for a bit of assistance. Reducing LVER and DVOP staffing levels makes no sense whatsoever.

2. *Can a system of "virtual" services effectively replace the services provided by DVOPs and LVERs? If not, why not?*

In a perfect society, a system of virtual services would be very effective. Think about how much you enjoy talking to an automated phone answering system with all of its multiple options that prevent you from talking to a real person.

Veterans don't face "virtual" employment barriers. These barriers are real. In many cases, they need the instant, spontaneous human feedback that virtual services can't provide. Machines can replace humans in environments that do not require sensitivity, personal interaction, and sympathetic understanding.

Virtual services may be appropriate for most educated Americans, but unfortunately, there is still a sector of Americans for whom virtual services are not appropriate. Most veterans needing the services and talents of DVOPs and LVERs would not possess the wherewithal to effectively utilize virtual services. If fact, these veterans would probably simply walk away disenchanted.

Virtual services should be an adjunct to programs like DVOPs and LVERs, not replacements.

3. *How do you respond to the suggestion that a "weighted system" – under which a contractor is somehow rewarded for placing veterans with barriers to employment – can prevent "creaming" by contractors hired to provide the services now provided by DVOPs and LVERs?*

The reward for abiding by federal law is supposed to be the contract! Why should there be an additional reward for doing what everyone is supposed to be doing anyway? The *weighted system* is already in place – withdrawing contracts from those that choose to ignore the law. Enforcement would mandate compliance.

The American Legion is not persuaded that any incentive, financial or otherwise, can replace what LVERs and DVOPs are now providing. Contractors will be held to standards, which will be developed by the state employment service agencies in cooperation with the U.S. Employment Service. These contractors will be provided incentives to help place other hard to place people such as those on welfare, the disabled (other than veterans), etc. Thus, there will be no added incentive to place veterans with barriers to employment. This is a bad idea.

Congressman Evans to Non Commissioned Officers Association

Follow-up Questions from Honorable Lane Evans
To the Subcommittee on Benefits Hearing Held October 28, 1999
Regarding the Veterans Employment and Training Service (VETS)

1. What would be the effect on the quality of services to America's veterans if the staffing levels of DVOPs and LVERs were significantly reduced?

NCOA Response: DVOP and LVER positions are not currently funded at their statutory level; any significant further reduction would, in NCOA's view, have undesirable consequences. The relatively small amount of case management functions currently being performed would be seriously undermined although DVOPs and LVERs have indicated they need more time to handle current demands. Similarly, employer outreach efforts would probably have to be scaled back even though every indication points to a need for more efforts in this area. In short, significantly fewer positions would translate into fewer veterans served; however, NCOA continues to believe the duties, responsibilities and focus of existing funded positions needs reexamined.

2. Can a system of "virtual" services effectively replace the services provided by DVOPs and LVERs? If not, why not?

NCOA Response: NCOA believes existing and emerging technology should be leveraged to the maximum extent possible to help meet the employment needs of veterans and separating service members. There is nothing inherently wrong with concepts such as virtual job fairs, virtual job services offices, and virtual one-stop centers. Such concepts have value for some, but not all, veterans needing employment assistance. For some of our so-called "job ready" veterans, virtual services cannot replace the one-on-one counseling and hands on assistance needed to secure employment. NCOA does not believe the role DVOPs and LVERs currently fulfill in providing case management and employer outreach and education readily lends itself to the virtual world; these are functions that require personal interaction.

3. How do you respond to the suggestion that a "weighted system"—under which a contractor is somehow rewarded for placing veterans with barriers to employment—can prevent "creaming" by contractors hired to provide the services now provided by DVOPs and LVERs?

NCOA Response: It is difficult for NCOA to imagine any type of weighted system that would not have the effect of disadvantaging some veterans in favor of others. By definition alone, applying value to different barriers to employment would favor one veteran over another when we should be providing assistance to all veterans with employment barriers. Who is to say that a greater value should be placed on a 70% service-connected disabled veteran than placed on a veteran rated 50%, when in actuality the veteran with the lower disability rating might have significantly greater barriers to overcome. This is just one example of why NCOA believes the competing of veterans' employment services has an enormous downside, with or without a value-added formula. Additionally, the Association believes the enormous change currently underway in the labor exchange argues against competing of services at this time. NCOA believes veterans with employment barriers could be better served if the duties and responsibilities of DVOPs and LVERs were objectively re-examined to refocus what they are doing, who they should be serving, and judge their performance accordingly.