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H.R. 4015, JOBS FOR VETERANS ACT

HEARING

BEFORE THE

SUBCOMMITTEE ON BENEFITS

OF THE

COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES

ONE HUNDRED SEVENTH CONGRESS

SECOND SESSION

APRIL 18, 2002

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H.R. 4015, JOBS FOR VETERANS ACT

THURSDAY, APRIL 18, 2002

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

The subcommittee met, pursuant to notice, at 9:06 a.m., in room 334, Cannon House Office Building, Hon. Michael K. Simpson (chairman of the subcommittee) presiding.

Present: Representatives Simpson, Reyes, Crenshaw, Evans, Miller, and Davis.

OPENING STATEMENT OF CHAIRMAN SIMPSON

Mr. SIMPSON. The committee will come to order. Good morning. I apologize for being a few minutes late. It's a long way from the Senate, and a hot day out there, already.

Good morning, and welcome to today's hearing on H.R. 4015, the Jobs for Veterans Act.

The photos from Sunday's April 7 *Washington Times* that are here, positioned on the easel beside me, depict very well why the subcommittee has drafted today's bipartisan legislation.

The first photo shows our U.S. Army infantry and Afghan forces last month, attacking caves suspected of holding al Qaeda and Taliban fighters in the mountains of Afghanistan.

The second photo shows our Army airborne assault troops performing an emergency evacuation exercise at Edwin Andrews Air Base in the Philippines, as part of a joint counter-terrorism initiative.

This bill is for them, and for all Americans, sons and daughters like them, who will need jobs when they return home from their military service. It's that simple.

Before turning to my friend, Mr. Reyes, I want to thank the many organizations and individuals who, over the past 30 months, have helped the subcommittee to get to the point of a hearing on today's bill including, but certainly not limited to: former subcommittee chairman Jack Quinn and ranking member Bob Filner, who worked very hard on an earlier version of this bill; the bipartisan Congressional Commission on Servicemembers and Veterans Transition Assistance, chaired by Anthony Principi and the commission's employment panel, chaired by Ronald Drach, then of the Disabled American Veterans; the National Association of State Workforce Agencies; the Vietnam Veterans of America; Miss America 2000, Heather French; and Chairman Christopher Smith and

ranking member Lane Evans, with whom Mr. Reyes and I worked in drafting this bill.

I would also like to note attending today's hearing is the very first Assistant Secretary of Veterans' Employment and Training, Mr. William Plowden of South Carolina, who served with distinction in that position under President Ronald Reagan.

Secretary Plowden, welcome. It's an honor to have you with us, sir. And I turn to Mr. Reyes.

OPENING STATEMENT OF HON. SILVESTRE REYES

Mr. REYES. Well, thank you, Mr. Chairman. Good morning.

I want to thank all the witnesses who will be testifying here today, and those who have submitted testimony for the record, because your suggestions and comments will be given careful consideration and thought as the bill moves through the legislative process.

The subject of our hearing is H.R. 4015, the Jobs for Veterans Act. I am an original co-sponsor of this important legislation. And when enacted, this measure will result in increased and improved job placements for veterans who use the public labor exchange and receive assistance from Disabled Veterans Programs Outreach, and the Local Veterans Employment Representatives.

Mr. Juarbe, I want to especially welcome you to your first hearing before the Subcommittee on Benefits as the Assistant Secretary of Labor for Veterans Employment and Training. Welcome, sir.

Most of your prepared statement addresses an administration budget proposal to transfer certain responsibilities from the Veterans' Employment and Training Service—or, as we call it, VETS—to the Department of Veterans' Affairs.

As you know, the administration has not yet submitted this proposed legislation to Congress. As the subject of today's hearing on H.R. 4015, I invite your oral testimony, and that of other witnesses, to address the bill before the subcommittee today.

Mr. Chairman, I am particularly disturbed that current data from the Bureau of Labor Statistics indicates a very high rate of unemployment for young male veterans, especially minority veterans.

I request that a copy of this data be made a part of the official hearing record.

Mr. SIMPSON. Without objection.

Mr. REYES. In March 2002, male veterans ages 20 to 24 had an unemployment rate of 26 percent, compared to 12 percent for all males. For African-Americans, the rate was 54 percent, and for Hispanic veterans, 30 percent. I hope that by providing more flexibility to the states, intensive services will be directed to these particular veteran groups.

(The information follows:)

Current Population Survey

Monthly Unemployment Report

Bureau of Labor Statistics

Table 1

Table 1. Employment status of persons by veteran status, age, race, Hispanic origin, and sex, March 2002 (based on CPS)

(Numbers in thousands)

Age	Civilian noninstitutional population	Civilian labor force					Not in the labor force
		Total	Percent of population	Employed	Unemployed		
					Total	Rate	
	Male veterans						
Total, 20 years and over	22,932	13,388	58.4	12,704	683	5.1	9,544
20 to 24 years	187	168	90.0	124	44	26.0	19
25 years and over	22,745	13,219	58.1	12,580	639	4.8	9,526
25 to 34 years	1,536	1,456	94.8	1,359	97	6.6	80
35 to 44 years	2,852	2,589	90.8	2,423	166	6.4	263
35 to 39 years	1,254	1,157	92.2	1,092	65	5.6	97
40 to 44 years	1,598	1,433	89.6	1,331	101	7.1	165
45 to 54 years	4,681	4,098	87.5	3,896	202	4.9	583
45 to 49 years	1,840	1,638	89.0	1,549	89	5.4	202
50 to 54 years	2,841	2,460	86.6	2,346	114	4.6	382
55 to 64 years	5,292	3,694	69.8	3,540	154	4.2	1,598
55 to 59 years	3,076	2,464	80.1	2,378	86	3.5	612
60 to 64 years	2,216	1,230	55.5	1,162	68	5.5	986
65 years and over	8,383	1,382	16.5	1,362	20	1.5	7,001
45 years and over	18,357	9,174	50.0	8,798	377	4.1	9,183
45 to 59 years	7,758	6,562	84.6	6,274	288	4.4	1,196
60 years and over	10,599	2,612	24.6	2,524	88	3.4	7,987

Table 1. Employment status of persons by veteran status, age, race, Hispanic origin, and sex, March 2002 (based on CPS) — Continued

(Numbers in thousands)

Age	Civilian noninstitutional population	Civilian labor force					Not in the labor force
		Total	Percent of population	Employed	Unemployed		
					Total	Rate	
	Male nonveterans						
Total, 20 years and over	71,383	58,459	81.9	54,886	3,572	6.1	12,924
20 to 24 years	9,297	7,392	79.5	6,503	889	12.0	1,905
25 years and over	62,086	51,067	82.3	48,383	2,683	5.3	11,019
25 to 34 years	16,411	15,206	92.7	14,192	1,015	6.7	1,205
35 to 44 years	18,943	17,487	92.3	16,652	834	4.8	1,457
35 to 39 years	9,239	8,547	92.5	8,178	368	4.3	692
40 to 44 years	9,705	8,940	92.1	8,474	466	5.2	765
45 to 54 years	14,269	12,749	89.3	12,183	565	4.4	1,520
45 to 49 years	8,372	7,594	90.7	7,252	342	4.5	777
50 to 54 years	5,897	5,154	87.4	4,931	223	4.3	743
55 to 64 years	6,744	4,537	67.3	4,314	223	4.9	2,207
55 to 59 years	3,766	2,858	75.9	2,728	130	4.5	908
60 to 64 years	2,978	1,680	56.4	1,586	93	5.6	1,299
65 years and over	5,718	1,088	19.0	1,041	46	4.2	4,631
45 years and over	26,731	18,374	68.7	17,539	834	4.5	8,357
45 to 59 years	18,034	15,606	86.5	14,911	695	4.5	2,428
60 years and over	8,697	2,767	31.8	2,628	139	5.0	5,930

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Table 1. Employment status of persons by veteran status, age, race, Hispanic origin, and sex, March 2002 (based on CPS) — Continued

(Numbers in thousands)

Age	Civilian noninstitutional population	Civilian labor force					Not in the labor force
		Total	Percent of population	Employed	Unemployed		
					Total	Rate	
	Female veterans						
Total, 20 years and over	1,675	1,274	76.1	1,201	73	5.7	401
20 to 24 years	99	79	79.9	74	5	6.6	20
25 years and over	1,576	1,195	75.8	1,127	68	5.7	381
25 to 34 years	456	397	87.0	382	14	3.6	59
35 to 44 years	534	476	89.1	443	33	7.0	58
35 to 39 years	257	226	88.1	210	16	7.3	30
40 to 44 years	277	250	90.0	233	17	6.8	28
45 to 54 years	334	265	79.5	250	16	6.0	68
45 to 49 years	196	167	84.9	156	10	6.2	30
50 to 54 years	138	99	71.9	93	6	5.6	39
55 to 64 years	87	47	54.3	43	4	9.0	40
55 to 59 years	58	35	59.3	30	4	12.3	24
60 to 64 years	29	13	44.1	13	–	–	16
65 years and over	165	10	5.9	10	–	–	156
45 years and over	586	323	55.0	302	20	6.2	264
45 to 59 years	392	300	76.5	280	20	6.7	92
60 years and over	194	22	11.5	22	–	–	172

Table 1. Employment status of persons by veteran status, age, race, Hispanic origin, and sex, March 2002 (based on CPS) — Continued

(Numbers in thousands)

Age	Civilian noninstitutional population	Civilian labor force					Not in the labor force
		Total	Percent of population	Employed	Unemployed		
					Total	Rate	
	Hispanic origin male veterans						
Total, 20 years and over	892	598	67.0	556	42	7.0	294
20 to 24 years	16	16	100.0	11	5	29.7	–
25 years and over	877	582	66.4	545	37	6.4	294
25 to 34 years	147	139	94.4	122	17	12.3	8
35 to 44 years	158	149	94.5	146	3	2.2	9
35 to 39 years	87	82	94.7	82	–	–	5
40 to 44 years	70	66	94.3	63	3	4.9	4
45 to 54 years	182	152	83.7	145	7	4.8	30
45 to 49 years	100	88	88.0	82	6	6.7	12
50 to 54 years	83	65	78.5	63	1	2.2	18
55 to 64 years	173	116	66.8	109	7	5.8	58
55 to 59 years	108	98	91.2	91	7	6.8	9
60 to 64 years	66	17	26.6	17	–	–	48
65 years and over	216	26	12.1	23	3	11.2	190
45 years and over	572	294	51.5	277	17	5.8	277
45 to 59 years	290	251	86.5	237	14	5.6	39
60 years and over	282	44	15.4	41	3	6.7	238

Table 1. Employment status of persons by veteran status, age, race, Hispanic origin, and sex, March 2002 (based on CPS) — Continued

(Numbers in thousands)

Age	Civilian noninstitutional population	Civilian labor force					Not in the labor force
		Total	Percent of population	Employed	Unemployed		
					Total	Rate	
	Black male veterans						
Total, 20 years and over	2,175	1,376	63.3	1,267	109	7.9	799
20 to 24 years	41	41	100.0	19	22	53.5	–
25 years and over	2,134	1,335	62.6	1,248	87	6.5	799
25 to 34 years	213	188	88.4	184	5	2.6	25
35 to 44 years	483	420	86.9	390	29	7.0	63
35 to 39 years	206	179	87.1	163	17	9.4	27
40 to 44 years	277	240	86.8	228	12	5.2	36
45 to 54 years	580	461	79.5	421	40	8.7	119
45 to 49 years	272	219	80.3	195	24	11.0	54
50 to 54 years	308	242	78.7	226	16	6.6	66
55 to 64 years	336	179	53.2	165	13	7.5	157
55 to 59 years	202	138	68.1	129	9	6.4	65
60 to 64 years	133	41	30.7	36	4	10.9	92
65 years and over	522	88	16.8	88	–	–	435
45 years and over	1,438	727	50.6	674	53	7.3	711
45 to 59 years	782	599	76.5	550	49	8.2	184
60 years and over	656	129	19.6	124	4	3.5	527

Table 1. Employment status of persons by veteran status, age, race, Hispanic origin, and sex, March 2002 (based on CPS) — Continued

(Numbers in thousands)

Age	Civilian noninstitutional population	Civilian labor force					Not in the labor force
		Total	Percent of population	Employed	Unemployed		
					Total	Rate	
	Hispanic origin male nonveterans						
Total, 20 years and over	9,464	7,871	83.2	7,300	570	7.2	1,594
20 to 24 years	1,453	1,255	86.4	1,118	137	10.9	198
25 years and over	8,011	6,615	82.6	6,182	433	6.5	1,395
25 to 34 years	2,892	2,679	92.6	2,481	198	7.4	213
35 to 44 years	2,359	2,171	92.1	2,037	134	6.2	187
35 to 39 years	1,263	1,165	92.2	1,118	48	4.1	98
40 to 44 years	1,095	1,006	91.9	919	87	8.6	89
45 to 54 years	1,370	1,186	86.5	1,123	63	5.3	185
45 to 49 years	732	653	89.2	625	28	4.3	79
50 to 54 years	639	533	83.4	499	34	6.5	106
55 to 64 years	697	467	66.9	442	25	5.3	231
55 to 59 years	389	270	69.5	267	3	1.1	119
60 to 64 years	308	196	63.7	175	22	11.0	112
65 years and over	692	112	16.2	99	14	12.1	580
45 years and over	2,760	1,765	63.9	1,664	101	5.7	995
45 to 59 years	1,760	1,456	82.8	1,391	65	4.5	303
60 years and over	1,000	309	30.9	274	35	11.4	691

Mr. REYES. I am puzzled by the allegation of unconstitutionality in the bill's criteria for Deputy Assistant Secretary of Labor for Veterans' Employment.

It is my understanding that the committee intends to assure that this important position is filled by a career government employee, and I certainly hope so. I fail to see how the congressional establishment of criteria for a position created by congressional action would violate our constitution.

I am concerned that there is not yet accurate data to obtain meaningful information concerning the effectiveness of the VETS program. The high unemployment rates for young male veterans suggests to me that we can, and should, do more do improve this critical situation. I hope that the new state performance measures mentioned in Mr. Juarbe's testimony will enable us to obtain more accurate and meaningful information concerning the effectiveness of VETS.

I want to thank you, Mr. Chairman, for your leadership, and I look forward to hearing today's testimony.

Mr. SIMPSON. Thank you, Mr. Reyes. Mr. Crenshaw.

OPENING STATEMENT OF HON. ANDER CRENSHAW

Mr. CRENSHAW. Thank you, Mr. Chairman. I want to thank you for the legislation that's before the subcommittee today, thank you for holding the hearing. I also want to thank the assistant secretary for being here, and for all the members of each of these panels before the subcommittee today.

Mr. Chairman, the men and women of our armed services are some of the most disciplined, well-trained individuals in the world. They know what it is to work as a team, to stay on task, set a goal, and work until the goal is accomplished. That's everything that an employer is looking for in an employee.

And these attributes are not lost once they're a veteran of the armed services, either. Mr. Chairman, I am pleased to see legislation with the intent to revise and improve access to high-quality career training, services, and counseling for veterans.

We need these extraordinary men and women in the labor force, and we, in this committee and in the Congress, need to do whatever is possible to facilitate that. So, I look forward to hearing the testimony and concerns of our guests here this morning.

I am pleased to have the opportunity to work with them and the members of the committee, as this bill moves through the process. Again, Mr. Chairman, thank you for holding this hearing.

Mr. SIMPSON. Thank you, Mr. Crenshaw. Our first panel is, obviously, already seated at the table. We have the Honorable Frederico Juarbe, Assistant Secretary of Veterans' Employment and Training Services, accompanied by the Honorable Charles Ciccolella, Mr. Stanley Seidel, Mr. Ronald Bachman, Mr. Ronald Drach.

Welcome to today's hearing. We look forward to your testimony. And whenever you're ready, Mr. Juarbe.

STATEMENT OF FREDERICO JUARBE, JR., ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT AND TRAINING SERVICE, U.S. DEPARTMENT OF LABOR; ACCOMPANIED BY CHARLES S. CICCOLELLA, DEPUTY ASSISTANT SECRETARY, VETERANS' EMPLOYMENT AND TRAINING SERVICE; STANLEY SEIDEL, DIRECTOR OF THE OFFICE OF OPERATIONS AND PROGRAMS, VETERANS' EMPLOYMENT AND TRAINING SERVICE; RONALD BACHMAN, DIRECTOR OF STRATEGIC PLANNING, VETERANS' EMPLOYMENT AND TRAINING SERVICE; RONALD DRACH, SPECIAL ASSISTANT FOR STRATEGIC PLANNING AND LEGISLATIVE MATTERS, VETERANS' EMPLOYMENT AND TRAINING SERVICE.

Mr. JUARBE. Thank you very much, Mr. Chairman and members of the subcommittee, and good morning. I am pleased that my first appearance before this subcommittee is to testify about improving employment and training programs for America's veterans.

We appreciate the keen interest of the subcommittee in helping to move veterans' employment and training services into the 21st century by removing many of the statutory road blocks which have stalled improvement efforts in the past. I commend the committee for its perseverance, and by staying on course and moving us forward.

You have asked for my comments on H.R. 4015, the bipartisan proposal put forward by the committee. I will give them gladly.

And, as the subcommittee is aware, the administration also has a proposal for improving employment services to veterans that will be introduced in the near future. That proposal reflects the core principles of competitive performance-based funding, as the best way to improve services to veterans.

I believe that when we have the benefit of discussing each of the proposals, when all options are considered, that you will agree that veterans will, in the end, benefit. This is because both proposals are focused on the same goal: to remove the legislative road blocks that have tied veterans' employment and training programs and services to the past.

Your efforts are a continuation of the process begun by Congress to improve veterans services when it created the commission on servicemembers transition. There is little doubt that change is necessary. Otherwise, we would not be here today.

There is also little doubt that the employment system for veterans needs to be results-based, and provide an integrated, seamless continuum of services to veterans. Both proposals have involved extensive consultation with all important stakeholders and service providers.

Both proposals include increased flexibility in bringing the responsibility for delivering services closer to the local level, where our veterans live and work.

The need for increased responsibility, both in meeting local conditions and administering funds in a manner that is—that best meets the needs of veterans is a message that I consistently hear from all our partners.

Both proposals incorporate incentive awards into the grants process. I believe this is another step in the right direction. And both

proposals recognize the important role employers play in the employment and training areas.

The President's National Hire Veterans Committee could increase employer awareness and help narrow the skills gap between military and civilian occupational requirements, which will be helpful in addressing the issue of underemployment among veterans.

These are just some of the reasons why I am confident the process that we have embarked upon will yield positive results that will benefit veterans for years to come. And that is why, Mr. Chairman, we also feel it is important that the administration's proposal should be considered, along with H.R. 4015, before any final decisions are made.

I look forward to working with this committee, and all other stakeholders who are as determined as I am to help veterans succeed in the American economy.

Thank you for the opportunity to appear before you today. I will try to answer any questions that you may have.

[The prepared statement of Mr. Juarbe appears on p. 91.]

Mr. SIMPSON. Thank you, Mr. Juarbe. First, let me ask, with respect to the administration's proposal, do you have any time frame of when that would be before Congress? As you know, we're moving along at a relatively rapid clip in this session, and if anything is going to get through, it needs to be considered relatively quickly.

Mr. JUARBE. I understand, Mr. Chairman, and the administration is very much aware of that, and they are moving very quickly; it's going through the clearance process at present, and we expect that it should be introduced to Congress within the very near future.

Mr. SIMPSON. We look forward to seeing that proposal. I want to thank you, also, for noting in your testimony that you submitted to us that the performance incentives awards that the subcommittee creates in this bill certainly are not just for the states that perform the best in placing veterans in jobs; it's for the states that have not been performing well, too, but show demonstrable improvements.

And that's an important aspect, I think, of any type of incentive that we put in place. We may agree or disagree on whether having negative incentives is an incentive also—and I don't know what your bill would have—but ours is for those states that are performing well, and for those that show demonstrable improvement, also.

With respect to the staffing for the President's National Hire Veterans Committee, our bipartisan bill limits staffing to former ASVETS staff, former DVETS and ASVETS, and former DVOPs and LVERs.

Inasmuch as some of the current DVETS, ASVETS, DVOPs and LVERs would like to culminate their career, so to speak, by working on the staff of the President's National Hire Veterans Committee, would it be helpful to make them eligible to serve on the small national staff of the President's committee, also?

Mr. JUARBE. Yes.

Mr. SIMPSON. Thank you. I don't have any other questions. Mr. Reyes?

Mr. REYES. I've got one important question. Mr. Juarbe, in your testimony, you raise questions about the constitutionality of cri-

teria of this bill for appointment as deputy assistant secretary of labor for VETS.

Has the Department of Labor solicited or issued any opinion as to the constitutionality of such criteria?

Mr. JUARBE. I believe the constitutionality of the statute governing appointment of the United States trade representatives is the precedent that addresses that. This is the 1996—I have it referenced here, that I can provide for the record, Mr. Reyes. It's the office of the legislative council that has provided this information.

Mr. REYES. Well, there are a couple of decisions. One is *Myers* v. *the United States*, where the court found that there is to be no conflict with a legislative power to prescribe qualifications for office, or reasonable classification for promotion.

This has provided that the qualifications legislated do not so limit selection, and so intrench upon executive choice as to be, in effect, legislative designation. That's *Myers* v. *the United States*.

In 22 U.S.C. section 3928, the appointment of the director general of the Foreign Service contains a qualification that the appointee be a former career member of the Foreign Service. Are you aware of these citations and provisions?

Mr. JUARBE. I personally am not, Mr. Reyes. And if I may, I would like to consult with our solicitor and provide a response to that for the record.

Mr. REYES. Okay. That would be acceptable. Thank you, Mr. Chairman.

Mr. SIMPSON. Thank you, Mr. Reyes. Mr. Crenshaw?

Mr. CRENSHAW. Just one question. Do you know—you know, under the provisions of this bill and the administration's bill, do you know how many states will qualify for the incentives for the high levels of performance, and then how many states would be penalized? Do you know that ahead of time, at this point?

Mr. JUARBE. I don't have that information at this point.

Mr. CRENSHAW. Does that kind of come after you kind of look at all the information and see how——

Mr. JUARBE. Yes, Mr. Crenshaw.

Mr. CRENSHAW. Okay. Thank you.

Mr. SIMPSON. If there are no other questions—Mr. Evans, did you?

Mr. EVANS. No, no questions.

Mr. SIMPSON. Do you have any questions or an opening statement that you would like to include?

Mr. EVANS. Yes, I would like to include my opening remarks in the record.

Mr. SIMPSON. Without objection.

[The statement of Hon. Lane Evans appears on p. 90.]

Mr. SIMPSON. If there are no other questions, we thank you for your testimony today, and for your written testimony. We look forward to working with you and the administration when they submit their proposal, and working out the differences in the two if we can, or having a discussion on which one would be most beneficial.

Mr. JUARBE. Thank you, Mr. Chairman. I look forward to that.

Mr. SIMPSON. Would the second panel come forward? Mr. Rex Hall, the chairman of the Veterans' Advisory Committee, the National Association of State Workforce Agencies; Mr. Roger Madsen,

director of the Idaho Department of Labor; Mr. T.P. O'Mahoney, Commissioner Representing Labor, Texas Workforce Commission; and Mr. Ken Mayfield, president-elect of the National Association of Counties.

I welcome all of you to the committee this morning, and I look forward to your testimony and your input on this legislation. We will start with Mr. Rex Hall, the chairman of the Veterans' Advisory Committee, National Association of State Workforce Agencies.

STATEMENTS OF REX HALL, CHAIRMAN, VETERANS' ADVISORY COMMITTEE, NATIONAL ASSOCIATION OF STATE WORKFORCE AGENCIES; ROGER MADSEN, DIRECTOR, IDAHO DEPARTMENT OF LABOR; T.P. O'MAHONEY, COMMISSIONER REPRESENTING LABOR, TEXAS WORKFORCE COMMISSION; AND KEN MAYFIELD, PRESIDENT-ELECT, NATIONAL ASSOCIATION OF COUNTIES

STATEMENT OF REX HALL

Mr. HALL. Mr. Chairman, members of the subcommittee, I am Rex Hall, assistant director of program operations for the Missouri division of workforce development. And as chair of the National Association of State Workforce Agencies, Veterans' Affairs Committee, it is a pleasure to be here today to testify before this body.

NASWA is the national organization of state officials responsible for the administration of workforce development programs through the Nations' employment service, veteran employment and training programs, unemployment insurance system, labor market information programs, and, in almost all states, job training programs.

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

NASWA is grateful for the opportunities it has been provided over the years to work closely with this subcommittee, whether through the delivery of testimony, participation in numerous legislative working sessions, or through the willingness of subcommittee staff to meet with the members of our Veterans' Affairs Committee.

It is readily apparent that our collaboration on this issue has not gone unheeded, as there exists within the Jobs for Veterans Act many of the guiding themes we use when renewing and formulating positions on proposed legislation.

I would like to briefly express our four guiding principles and use them to highlight our comments on H.R. 4015. I would also like to submit these copies of our principles for the record, if I might.

Mr. SIMPSON. Without objection.

(The information appears on p. 100.)

Mr. HALL. First, successful veterans employment and training programs require an adequate level of funding.

Second, veterans employment programs must be fully integrated into the one-stop delivery system formalized by enactment of the Workforce Investment Act. Integration also includes creation of uniform performance measures, and rewarding good performance.

Third, states must be given flexibility to design and administer systems which meet the needs of their veterans labor force.

Finally, integration of veterans workforce needs within the workforce delivery system created by WIA requires continuity of federal requirements.

With respect to language in section 4215 that expands priority to any qualified job training program, we believe that this will create undue confusion within the workforce investment system.

While we agree, in principle, that veterans deserve special recognition for their service to the country, practically speaking, it may be difficult to impose a new service priority on existing locally-determined programs such as WIA, which has empowered state and local boards to determine who is most in need of service, and how to deliver services to those most in need.

Rather than mandating veterans priority in these programs, we encourage you, instead, to support adequate funding for section 168 of WIA, which provides for training programs targeted to veterans.

We welcome the establishment of an incentive program that rewards states for good performance. The legislation directs the Secretary of Labor to establish a comprehensive performance accountability system that is better aligned with the newly aligned Workforce Investment Act measures, and that is appropriately weighted to provide special consideration for placement of veterans with multiple barriers.

We would like to see language strengthened to ensure that the states are full partners in the development of this new performance accountability system.

We have questions and concerns about the new grant formula that is contained in the proposed legislation. We are also concerned that the formula can seriously impact the states' ability to maintain continuity of services. Unemployment rate periods, as they increase, could have an impact on how the formula plays in the states. So, we feel that a hold-harmless provision, especially for small states, is needed.

At the same time, we recognize that the current statutory allocation is not being requested by the administration, or funded by Congress. We would like to work with the subcommittee in developing a formula that addresses these concerns, and takes into account the various factors of the economy and of this program.

The legislation requires a state to employ such full or part-time DVOPs and LVERs as the state determines appropriate and efficient to carry out the services outlined in the statute. We recognize that these provisions are intended to make sure that states continue to have staff in place to provide staff-assisted services to veterans.

However, we feel that it is important to point out that the states' ability to have appropriate number of staff to carry out these services is limited by the amount of funds that Congress appropriates. Adequate funding is necessary for states to provide appropriate and effective services nationwide.

We support the provisions in the bill that allow states to hire full-time and part-time DVOPs, as well as LVER staff. While not addressed in this legislation, we think it's important, again, to stress the need for making the DVOP and LVER grant process consistent with that of other employment and training programs.

We would like to take this opportunity to thank the chairman and the ranking member of the House Veterans' Affairs Committee for writing to the chairman of the House Appropriations Committee and the director of OMB, asking that the DVOP and LVER programs be switched to the program year funding cycle.

This change was proposed in the President's Fiscal Year 2003 budget request. However, we believe it should also be reflected in Title 38.

NASWA's members believe that federal legislation and regulation should outline the types of services to be provided under the law. However, specific job duties should be left to the discretion of the state.

While the bill does eliminate the long list of job duties for the DVOPs and LVERs that are currently in title 38, it gives the Secretary of Labor the power to determine these duties. We would prefer that the bill leave the actual job duties up to the states to determine, and instead, include only the types of services to be provided under law, similar to the other one-stop staff under WIA and Wagner Peyser.

We are also concerned that the proposed legislation appears to give USDOL/VETS additional oversight and monitoring of DVOP and LVER staff. In particular, the legislation states in two separate sections that a director for veterans employment and training for a state may play a role in the annual performance rating of DVOPs and LVERs.

We strongly object to this level of oversight, because it is unnecessary, and creates an ultimate office culture where the state employed DVOPs and LVERs are accountable to their state employer, yet are also overseen by a federal employee. We believe that any oversight or monitoring by federal staff should be in line with other WIA programs.

We note that the legislation continues the use of the comparison of performance between veterans and non-veterans. In the recent report on performance measures by GAO, they commended VETS for the steps that it had taken to change the performance measures for the program.

GAO stated that it supported moving away from the veteran versus non-veteran comparison. We also agree that this comparison should be eliminated.

The world of the publicly funded workforce development system is an ever-evolving environment, with changes occurring at a rapid pace. Title 38, chapters 41 and 42, which establish the veterans employment and training system were written over a quarter of a century ago, when one-on-one service was the norm, and programs were funded at a level that allowed this type of personal service for all job seekers.

Legislative and prescriptive service delivery systems which are outdated and outmoded must change, if we truly want to provide our customers with the types of service that they truly deserve: efficient and convenient locations, and services that have value.

Again, on behalf of the states, we commend the subcommittee for conducting an open process in gathering input on this legislation.

We appreciate the opportunity to testify before this committee, and look forward to continuing our working relationship with the

committee and its staff as we bring the veterans employment programs into the 21st century. I will be happy to answer questions.

Mr. SIMPSON. Thank you, Mr. Hall.

[The prepared statement of Mr. Hall appears on p. 95.]

Mr. SIMPSON. Mr. Madsen, welcome. I understand it's snowing in Idaho.

Mr. MADSEN. Yes. A lot of snow in Blackfoot, ID—about 5 or 6 inches, I believe. Very cold there.

Mr. SIMPSON. As I ran over from the Senate today, I wished I was in Idaho. Welcome.

STATEMENT OF ROGER MADSEN

Mr. MADSEN. Thank you, Mr. Chairman, members of the subcommittee. My name is Roger Madsen, I am Director of the Idaho Department of Labor, and former chair of the Veterans Affairs Committee of the National Association of State Workforce Agencies.

Thank you, Mr. Chairman, and members, for the opportunity to comment on the Jobs for Veterans Act. I appreciate the committee's commitment to enhancing employment and training opportunities for our veterans, and helping us bring these skilled workers together with our business and other employers.

It is gratifying to see that some of the ideas discussed during the testimony last October are present in this bill. I want to thank you for allowing half-time DVOPs your support NVTI, and the national study to demonstrate the benefits of our programs.

I hope we can continue to work together to build an employment and training service for veterans that responds to their needs, the needs of our business customers and our local communities.

I know, Mr. Chairman, and members of the committee, that you share these goals for this program, and I applaud the work you have done toward that end.

That said, we are concerned with what appears to be an underlying philosophy in the bill to invest an increased level of control and oversight at the federal level, lessening state options regarding the needs and appropriate services for our veterans. We find that to be inconsistent with true and effective integration of the veterans programs into the one-stop system in our state.

We encourage you to enact legislation which empowers the Secretary to delineate desired program outcomes, and empowers the states to determine program design to achieve those outcomes. Hold us accountable to achieve the desired results, but allow us reasonable discretion to determine how to do that most effectively within our state's one-stop system.

I wish to address several specific topics which appear in the bill. Section 2 of the bill proposes priority service for veterans in all Department of Labor-funded employment and training programs.

While we agree that veterans deserve special recognition for their service to the country, practically speaking, it may be difficult to impose a new service priority on existing locally-determined programs such as WIA, which has empowered state and local boards to determine who is most in need in service, and how to deliver services to those most in need.

We support the original intent of Congress, that these programs be locally designed to address local needs. Having said that, I realize that this is the Veteran's Affairs Committee.

Section 3 of the bill proposes performance incentive awards for quality service. While we support the concepts of accountability, performance measurement, and incentives, we have strong reservations about the award criteria proposed in the bill. We are concerned that the performance measures are patterned after those in the Workforce Investment Act, which have proven to be ineffective for program management, as they are confusing, untimely, and based upon incomplete data.

We recommend, instead, that the Secretary be directed to work with the states as full partners in developing outcome-based measures which are meaningful for the system, and practical to implement.

We appreciate that in section 4, this bill strikes the outdated job description for local veterans employment representatives, and disabled veterans outreach program staff.

However, we do not believe it is necessary or advisable for the Secretary to determine the appropriate duties for a state to assign to their DVOP or LVER staff. We respectfully request that this concept be removed from the bill.

We are concerned that performance measures for veterans employment training staff includes state employees and that DVETS are given direct input into individual annual performance ratings. We believe that this proposal gives USDOL/VETS additional and unnecessary oversight of DVOP and LVER staff. We believe that the federal oversight role is most appropriate when it functions at the grant level.

We recommend legislation that encourages negotiated outcome goals for each state's grant in which the grantee, the state, bears the responsibility for developing and implementing an action plan to achieve those outcomes. Performance of individual state employees, or LVER and DVOP staff are, rightfully, the state's responsibility, not that of the federal staff. We strongly oppose this aspect of the legislation, and respectfully respect it be reconsidered.

We applaud and support many of the key aspects of this bill, and believe they will help to enhance the employment and training services provided to veterans in Idaho. However, in its present form, in many respects, this bill has the potential to be more prescriptive and intrusive into state and local-level program design and implementation than even the current legislation.

We are concerned this may inhibit much-needed flexibility to respond quickly and effectively to local labor market demands, and to maximize services to our veteran population.

We ask the committee to work with the states in refining some aspects of the legislation, and in defining a true federal/state partnership for effective administration and implementation of these very important and much-needed veterans employment and training services.

Again, on a personal note, Mr. Chairman, I want to commend you and the committee. I think there is a tremendous relationship that has developed between you and the members of the subcommittee, and the members of your staffs in working out this very

important piece of legislation, which will be helpful to our veterans throughout the country. Thank you.

Mr. SIMPSON. Thank you, Roger.

[The prepared statement of Mr. Madsen appears on p. 103.]

Mr. SIMPSON. Mr. O'Mahoney.

STATEMENT OF T.P. O'MAHONEY

Mr. O'MAHONEY. Mr. Chairman and members of the committee, my name is Terry O'Mahoney, I'm the commissioner representing labor for the Texas Workforce Commission, the agency responsible for workforce employment and training in the State of Texas.

I am pleased and honored to be with you again to support several of the enhancements for employment and training services to veterans contained in the Jobs for Veterans Act. I have submitted my full written testimony to the committee for the record.

As a former U.S. Marine Corps major and naval aviator, I admire and respect the sacrifices that members of our armed forces everywhere have made in serving our country. Keeping veterans issues in the forefront is important, and I commend this committee for its efforts on behalf of veterans nationwide.

As you know, since the enactment of the Workforce Investment Act, the employment and training systems have dramatically changed to better meet the needs of both employers and job seekers. The cornerstone of this new system is local control, accompanied by flexibility and integration of programs to deliver high-quality services to a universal population.

I would like to address a few of the major components of the Jobs for Veterans Act. The move from prescriptive detailed functions for the federal staff and state DVOP and LVER staff is a much-needed and welcome change. However, some duties are still present for LVER staff. And from my view, it would be best to specify these in a grant process, rather than in law.

I am concerned that the bill contains language granting federal control over state staff, specifically calling all individuals delivering service to veterans under this title, including state employees, veterans, and employment training staff, and allowing the state director of DOL/VETS to submit comments on individual DVOP and LVER performance.

If we are the operators, give us the mission, and let us do our job. We willingly accept the responsibility, and welcome accountability. I think it is important to point out that none of the other Department of Labor programs retain the state level presence of federal staff, as it is mandated for the VETS program.

I applaud the committee's stance on rewarding success. Performance incentives do work, and I am pleased that an incentive package is included in the legislation.

The proposed legislation expands veterans priority to any qualified employment and training program under the Department of Labor. I support the intent to prioritize veterans in the current systems. However, with a variety of training programs available today, I am concerned that this will lead to confusion in service delivery.

Additionally, within WIA, section 168 provides a veteran-only training program, and I would suggest that additional funding to

section 168 programs could provide the proper emphasis on training to veterans.

While not addressed by this legislation, I believe it is important to again stress the need for making DVOP and LVER grant funding cycle consistent with that of other employment and training programs. I know you are already working on this, and I want to thank you for writing the chairman of the Appropriations Committee and the Office of Management and Budgets on this issue.

This concludes my specific comments on the proposed legislation. I would like to take this opportunity to extend my appreciation to the National Association of State Workforce Agencies, and its veterans affairs committee, for its outstanding efforts in working with the House Veterans' Affairs Committee, DOL-VETS, and veterans organizations in other states.

I welcome the opportunity to work with you, and all our partners, to develop a structure that enhances and improves services to veterans. I will happy to answer any questions from the committee. Thank you, sir.

[The prepared statement of Mr. O'Mahoney appears on p. 109.]

Mr. SIMPSON. Thank you very much. Could you pronounce your name again?

Mr. O'MAHONEY. O'Mahoney.

Mr. SIMPSON. O'Mahoney. Very well done. Okay. O'Mahoney. I understand how pronouncing last names can sometimes get confusing. During the O.J. Simpson trial, they pronounced that all sorts of ways. In fact, they called him things I didn't even recognize. (Laughter.)

Mr. Mayfield?

STATEMENT OF KEN MAYFIELD

Mr. MAYFIELD. Thank you, Mr. Chairman. And by the way, I hear O'Mayfield all the time, but that's not my name.

Mr. Chairman, and members of the subcommittee, thank you for inviting me to testify on this important issue. My name is Kenneth Mayfield, and I am an elected county commissioner from Dallas County, Texas, and I currently serve as president-elect of the National Association of Counties.

As you know, every county in America is involved in the delivery of workforce development services to our citizens. We provide these services under the Workforce Investment Act of 1998, and under the guidance of the U.S. Department of Labor, and the states.

Every county in America must be a part of the single county or multi-county workforce investment area through which individuals may obtain job training and employment assistance.

NACO believes that veterans, like all others, should have access to the kinds of training and employment assistance that will ensure that they are gainfully employed citizens.

We further believe that the system developed under the Workforce Investment Act is the most productive and logical way by which to provide employment and training services. For these reasons, the focus of my comments will be on your efforts to strengthen the relationship between the Workforce Investment Act and employment and training services for veterans.

The National Association of Counties believes that the proposal that you have set forth in H.R. 4015 will enable veterans, like all other Americans, to receive the workforce development services they deserve. We believe that, overall, this is an excellent proposal, and should move forward.

Before responding directly to your legislative proposal, I would like to share with you the reasons that we believe the Workforce Investment Act is the vehicle by which to deliver workforce development services to all Americans, including veterans.

As you may know, the workforce development services that are provided at the county level are provided through a partnership between county elected officials and local workforce investment boards, or WIBs. The local workforce investment boards are controlled by business representatives, and chaired by a member of the business community.

The purpose of this partnership is to ensure that local elected officials who are accountable for federal, state, and local funds, and representatives of the business community, who understand the labor and employment markets within their areas, are involved in the direct delivery of workforce development services to all individuals in need of assistance.

Local business leaders best know what types of jobs are emerging within their local area, and what types of training would ensure that individuals are properly qualified for employment.

In my own county, we have an outstanding workforce development system. Working with the business community, our workforce development system is designed to provide a wide range of services to all of our residents, regardless of their employment status, workforce experience, or educational levels.

These services include, but are not limited to, employment services, food stamps, employment and training, employment services for unemployment insurance recipients, training and support services for individuals affected by layoffs or imports from Canada or Mexico, access to child care, and employment and training for veterans.

In addition, our workforce development system provides individuals with access to a wide range of other services, including housing, transportation, and emergency assistance.

Known as WorkSource for Dallas County, the program operates out of 10 one-stop centers located throughout the county. Veterans, like all citizens, need to have access to the widest range of training, employment, and support services to ensure that they obtain career-oriented and productive employment, and the other type of assistance that ensures success on the job.

These include follow-up counseling and monitoring, career counseling, assistance accessing other county, state, and federal human services and human resources programs, and of course, job training.

This bill would make consistent the provisions of title 38, United States Code, with the provisions of the Workforce Investment Act that broadens eligibility to add veterans with significant barriers to employment, and veterans who served on active duty during a war or campaign.

However, throughout the United States, veterans are not always receiving the kinds of training and employment services you want them to receive. Mr. Chairman, and members of the subcommittee, we believe that veterans should have access to the same high-level services as all other Americans through the Workforce Investment Act, and its one-stop system.

H.R. 4015 would achieve this outcome. It would ensure that both core and intensive job training services are available to veterans. The core services, job search assistance, and counseling would be supplemented with job training assistance provided through the Workforce Investment Act.

H.R. 4015 would also require that services be offered through a service delivery system where a broad range of services may be offered, such as the Workforce Investment Act one-stops. To ensure that this does happen, we would urge you to amend page 36, line 20, by adding, between the words "employment" and "services" the words "and training."

Thus, section 5(c)1 should read, in general, section 4101(7) is amended to read as follows: "(7) The term 'employment service delivery system' means a service delivery system through which labor exchange services, including employment and training services, are offered in a manner consistent with the provision of such labor exchange services, in accordance with the Wagner Peyser Act."

This bill, if adopted, would establish performance standards and outcome measures—critical tools for ensuring that veterans are receiving the services and programmatic outcomes that are required. And these standards of measure would be consistent with others established under the Workforce Investment Act.

This concludes my statement. I will be happy to answer any question.

[The prepared statement of Mr. Mayfield appears on p. 113.]

Mr. SIMPSON. Thank you. I appreciate your statement and your observation that the words "and training" need to be placed in that. Those changes will be made. There are some technical changes and things like that throughout the bill that will be addressed as we refine and read it, and so forth. So, I appreciate your comments on that.

I appreciate all of your testimony. I agree with each of you that the DVETS who are federal employees should not be playing a role in annual performance ratings of individual DVOPs and LVERs who are state employees.

And for that reason, as Mr. Hall stated in his testimony, I will work with Mr. Reyes, hopefully, in addressing that issue so that we use DVETS in better ways, with respect to the federal/state partnership, and I appreciate all of you pointing that problem out.

One of the things that I think all of you mentioned—or, at least I think Mr. Hall started, and the rest of you did—was the veterans performance, you're concerned about the veterans priority, that it may cause confusion. Why is that? Why do you believe that that would cause confusion, having a veterans preference?

Mr. HALL. Mr. Chairman, I feel that part of the problem we have here is the fact that, in many cases, some of the laws that have been passed—and WIA is a prime example—there is an inconsistent definition of what is a veteran.

I think part of this has led to the belief on the part of some of the title 1 providers that this is a different animal than those animals that we're talking about here today. I think that we need to do some more education.

I also think that WIA empowered the governor to decide how the money under title 1 would be spent, and to determine a line of those in need. Many governors elected to utilize that money preferenced to go to TANIF recipients. As you know, and as the members of the subcommittee know, very few TANIF recipients are, in fact, veterans.

Mr. SIMPSON. Anybody else care to comment on that?

Mr. O'MAHONEY. Mr. Chairman, I think that the—as you get down to working with the—well, first of all, Texas processes 11 percent of the total veterans that seek services in the United States.

In 2001, we processed 127,000 veterans through our one-stops. This year, through the 9 months of the program year, we have done over 130,000 veterans. So, Texas is in the forefront of processing veterans, and I believe that, as my good friend from Dallas has mentioned, we have some just excellent one-stops.

The problem that we have, as I think was already brought out by the gentleman from Missouri, is there gets confusion when we process through the one-stops, TANIF versus veterans. And sometimes, there is a confusion there.

I think what we have under portion 168 of the Act that is directly dedicated to veterans. I think if we have two dedicated programs, there will be confusion. I think if we have in place a veterans-only/veterans-priority under the Workforce Investment Act, we should go ahead and embrace it, and stay with it, rather than create two different funding streams, or two different processing streams.

Mr. SIMPSON. Thank you. Roger, at the bottom of page 3 of your testimony, you suggest that it would be more productive to use incentive funds for building a system capacity and infrastructure. What exactly do you mean by that?

Mr. MADSEN. Mr. Chairman, members of the committee, we have been underfunded in veterans programs for many years, I believe. It's been my personal experience that we could use capacity-building—primarily technology, but also training—increased salaries, ability to offer enhanced service, such as assessment, job search skills, information referral programs.

So, there are lots of ways we could use system capacity building. Quite a bit of it would be technology-driven.

Mr. SIMPSON. Thank you. That's all the questions I have. Mr. Reyes.

Mr. REYES. Thank you, Mr. Chairman. Just following up on your line of questions, does anybody have an opinion as to why veteran unemployment rates are so high, then, if—what we're trying to do here is trying to provide a system that addresses veterans, because as one of you said, this is a veterans' committee.

And you know, a number of us—Mr. Miller and I, from this committee—were in Afghanistan a couple of weeks ago, and everybody here talks about the heroic job that our men and women in uniform are doing in Afghanistan today, and it always troubles me that we

talk about today's heroes, and don't do enough about yesterday's heroes. And that's what this is about.

And when, as I mentioned in my statement, the high incidence of unemployment among veterans in general, and minority veterans in specific, we have a problem. And we're trying to address that problem through, among other things, this legislation.

And it is a little bit unsettling to me, as a veteran, that people are saying that there is confusion, that this can't be done. If what we're doing is not the answer, then what is the answer? Because what is going on today, from my perspective, is unacceptable.

And those guys that are fighting in Afghanistan and other parts of the world are going to be coming back as veterans, and are going to be wanting help and employment, and we've got a bad track record, as far as veterans.

So, I would like some comments on those, because for me personally, that's very frustrating.

Mr. O'MAHONEY. Representative Reyes, I think it's just a product of the time. Unemployment rates in Texas have gone up a full percentage point, over a percentage point, in the last year. It's up to 5.7 now, and holding. We've had dislocations all over the metroplex, and of course, across the state.

I think that the upswing from 130,000, which we're serving and getting jobs for, I think we're doing a good job in processing them. The problem is just the economic times out there is the catalyst for the increase in dislocations.

Mr. REYES. Well then, Mr. Hall?

Mr. HALL. Mr. Chairman, Mr. Reyes, we don't have statistics, that I'm aware of, that indicate that's the problem in Idaho. In fact, I asked for statistics prior to coming, and it says, in our state, veterans are 13.6 percent of registered job seekers, but 20.4 percent of job seekers entering employment.

And I don't have a national perspective on this issue, but I do believe we're having good luck with this program, to the extent possible, in Idaho.

Mr. REYES. Then the feedback we're getting from veterans and veterans groups is quite the contrary. Those are the kinds of issues that, again, really frustrate members of this committee.

Let me just give you one statistic here. For male veterans, the unemployment rate is 26 percent, total. Total veterans—between 20 and 24 years old. You know, you compare that to the statistics you just mentioned—so, do we have a problem, or not? I say we have a problem when we've got that kind of unemployment rate among veterans.

Again, our heroes—we're all talking about the great job that they're doing—they're being processed out of the military, and can't seem to find help in getting a job. And to me, that's a travesty.

You know, I can remember getting out of the Army in August of 1968, taking all the federal exams for employment, and it wasn't until the following year, in June, that I was able to get hired on by the U.S. Border Patrol.

In the interim, there was nothing that—I mean, I went to the Texas Employment Commission, all of those other things, and got jobs, but I was one of the fortunate ones, because a lot of the veterans in my era were having the same kind of problem.

And so, as a member of this committee, I want to make a difference in it. And when we try to craft legislation specifically targeting the veterans, we're told, "Well, veterans and non-veterans, it creates confusion," "We shouldn't specifically be asked to hire veterans, to help veterans, because that's unfair." I get very confused and very frustrated about that, and we've got to find a solution.

When the unemployment rate is 4 or 5 percent, and the unemployment rate for veterans is 26 percent, you know, I defy anybody to tell me we don't have a problem there.

And it's not that they are not skilled. In Afghanistan, they're using computers, they're doing all the kinds of things that, to me, would stand to reason they could be transitioned, if there was a program focused on veterans, to employment. And we just don't have that.

Mr. HALL. Mr. Reyes, Mr. Chairman, I have no data to support what I'm about to say, but I have a gut feeling that I would like to present to the committee.

In Missouri, we fully recognize that those veterans who are in that age bracket of 20 to 24 are coming out of a new military, a technologically-supported military, where their skill sets for the civilian marketplace are much higher than they were 10 years before.

Unfortunately, in Missouri, many of them are coming back to hometown Missouri, which may not have the businesses that are employing those kinds of skill sets. We are finding that many of them have deep roots to go home, and aren't going to where the jobs would be available if they were interested in pursuing what their skill sets allow them to pursue.

In addition, we also find in Missouri—and we are not unique in this problem—a tremendous number of closings of major plants. Last week in Missouri—still unannounced officially—I got two phone calls, one transferring and eliminating 300 jobs, and in an hour, another 120 went away.

These are the higher-paying jobs. The jobs that are backfilling those tend to be minimum wage, or slightly above. Many of the returning veterans feel that their value is higher than minimum wage.

So, I think part of the phenomenon that you're describing is the fact that we have higher unemployment, we have significant closure of industry that would have potential openings for the veterans who are coming back with the skill sets, and the hometown effect.

We need to work closely together to try to resolve this. This is a major problem facing this country today and in the future, if we don't find a fix.

Mr. REYES. Mr. Chairman, I appreciate your indulgence, but this is very important. This is why we serve on this committee.

But again, there is no explanation for the difference in the unemployment rate, number one, and then, to me, it makes—it doesn't make sense that there would be opposition to specifically target veterans by giving them preference in job training and in job placement, and in the kinds of things that your collective testimony spoke to.

For me, it doesn't compute. Am I missing something?

Mr. MAYFIELD. Well, Chairman, and Representative Reyes, I know I just read that recently, college graduates, across the board, coming out of college, only about 60 percent, or 60-some-odd percent of those are going to have jobs coming out, where that number was much, much higher.

And so, when you look at 20 to 24-year-old veterans, I think you have to also apply that against 20 to 24-year-olds in the workforce, as well. I don't think we can take a 5.7 percent unemployment rate that takes into account all age groups and match that with the 20 to 24-year-olds.

I certainly think that this bill will help. Will it be, you know, the panacea to do it? I doubt that, because I think we are entering a sort of systemic unemployment problem with the shut-down of a lot of high-tech firms. We're starting to come out of it, but it's going to take a while to catch back up.

So, I think if you look at the unemployment rate of 20 to 24-year-olds across the entire spectrum, you're going to see that it probably doesn't match that with what you're talking——

Mr. REYES. Well, let me just give you that rate. It's 12 percent. So that's a heck of a difference, between 12 percent and 26 percent.

And veterans have served their country. In most cases in today's military, they've been deployed to Kosovo, to Bosnia, to Afghanistan, to all these other places.

And again, if this—we're not expecting this legislation to be a panacea for those issues, but we do expect, collectively, support. And give us some feedback into how we can make it better.

Don't tell us, "Don't prioritize veterans," don't tell us that there is confusion, don't tell us—I mean, help us, instead of trying to shoot holes in the legislation.

Mr. MAYFIELD. I can tell you in Dallas County, last program year from July of 2000 to 2001, we registered 11,178 veterans for work in the Dallas Veterans—through the one-stops. And 99.8 percent of those, or 11,159 received employment training and benefits.

And we were only able to place 5,221, a little less than 50 percent into jobs after they received those types of training. So, obviously, you know, there is a problem. Where that lies, you know, it's going to take a lot of work to look at.

Mr. O'MAHONEY. Mr. Reyes, if I could, please, I don't want to leave an impression that we don't prioritize veterans. We do, in Texas. They're first in line for every service which we have in workforce placement.

I think that it's interesting, too, the placement of engineers out of the University of Texas. And of the chemical engineers, over 125 graduated mid-term, and only 20 percent of those chemical engineers had job offers. It's just a sign of the times.

But please don't think that we're not prioritizing veterans in Texas, because we do.

Mr. REYES. And you know, I have no doubt that your intentions are good, but I hope you can see that we're very frustrated about the fact that we're doing everything that we can, legislatively, to help prioritize veterans, and when we get the kind of testimony—it frustrates me. Thank you so much, Mr. Chairman, I appreciate your indulgence.

Mr. SIMPSON. You bet. And I guess what—just to add a little bit, before I go to Mr. Crenshaw—I guess what we're trying to say is that the reason we have veterans preference is because veterans have earned it.

And it's not necessarily based on veterans being at a higher unemployment rate in job seeking than others, but again, we give them preference because they've earned it, through their service to their country. Mr. Crenshaw?

[No response.]

Mr. SIMPSON. Mr. Evans, do you have any questions you would like to ask?

Mr. EVANS. No, no questions. I will be glad to yield to my colleague from Texas, if he wanted to——

Mr. REYES. No, no, the chairman has been very indulgent.

Mr. SIMPSON. I thank the panel for your testimony. I look forward to working with you, and I appreciate your comments and your input on this legislation, because I think we all want the same thing, and that is to have as many veterans as possible find jobs. Thank you.

Would the third panel please come forward? We have Mr. Bruce Wyngaard, of the Ohio Civil Service Employee's Association, Mr. Dennis Beagle, of the New York State Public Employees Federation, and Mr. Wesley Poriotis, the chief executive officer of Wesley, Brown & Bartle Company, Inc.

Mr. Wyngaard, whenever you're ready.

STATEMENTS OF BRUCE WYNGAARD, OPERATIONS DIRECTOR, OHIO CIVIL SERVICE EMPLOYEES ASSOCIATION, AFSCME LOCAL 11; DENNIS BEAGLE, NEW YORK STATE PUBLIC EMPLOYEES FEDERATION; AND WESLEY PORIOTIS, CHIEF EXECUTIVE OFFICER, WESLEY, BROWN & BARLE COMPANY, INC.

STATEMENT OF BRUCE WYNGAARD

Mr. WYNGAARD. Mr. Chairman, my name is Bruce Wyngaard, and I am an operations director with the Ohio Civil Service Employees Association. OCSEA represents the state's local veterans employment representatives, and disabled veterans outreach program specialists, as well as other State of Ohio employment security personnel.

OCSEA is affiliated with the American Federation of State, County and Municipal Employees, and I appear here today on behalf of 1.3 million members of AFSCME. AFSCME supports your efforts to strengthen the existing federal/state partnership for veterans services within the Department of Labor.

I serve on Ohio's employment workforce investment board. Whatever the growing pains of the Workforce Investment Act system, it is clear that the one-stop model of service delivery is evolving.

Services to veterans should remain an important part of that system, and it makes sense for the program oversight to remain at DOL, the same agency which oversees WIA programs.

We also support a close integration of the DVOP and LVER staff with the workforce system. This has worked in Ohio. For instance, with highly successful transition programs for individuals leaving

military service, these programs are run by DVOPs and LVERs as part of the one-stop systems.

I also want to express our appreciation for your willingness to focus on improving the existing system, instead of creating public/private competition for federal veterans employment service dollars. As you are aware, AFSCME strongly opposed prior proposals along these lines.

We believe that such competition would often distract from the real task of improving services, and we favor labor management cooperation with the public sector as the way to fix problems.

In Ohio, Quality Services through Partnership, QStP, has produced $180 million in savings to Ohio's taxpayers since 1993, as labor management teams have worked to change the systems.

We strongly support the provision that legislation that would require contractors to list their job openings with the state employment service. AFSCME believes this is essential to building an effective national labor exchange for veterans, and all other jobless workers.

AFSCME also believes that it is appropriate to give veterans priority consideration for services. We are concerned, however, about the general trend to underfund all federal employment training programs. In that context, we are concerned that the mandate to serve veterans, first under all WIA programs, would intensify the competition for scarce dollars, and exasperate tensions among job seekers and staff in local offices.

For this reason, we suggest that you consider guaranteeing increased funding for section 168 of WIA, for veterans services, and supporting more funding for other WIA programs, as well.

AFSCME is concerned that the requirement for states to employ such full-time and part-time DVOPs and LVERs as they deem appropriate and efficient will be a hollow one without a guarantee of adequate federal funding. We would strongly oppose redirecting resources from other programs, which, themselves, are chronically underfunded.

Instead, we support guaranteed federal funding through workload-based formula to alleviate shortfalls in veterans staff grants.

AFSCME supports the provisions in this bill to give incentive awards to states for positive performance. We also agree with the provisions that would establish a performance accountability system that is more closely aligned with the new measures created under WIA. However, we would urge you to provide for greater input from a broader group of stakeholders, and for more direction to deal well on both these actions.

In Ohio, we are just beginning to get a handle on how we collect data, what data is important, what types of performance criteria will effectively direct the system. If the dollars that—do not match local stakeholders, and they don't see that as important, or if the measures do not acknowledge the barriers faced locally and the extent of case management efforts needed to mount these barriers, then the measurements or incentives will have little impact, we have learned.

We support simplifying the descriptions of the duties of veterans, specialists, and representatives, but we believe that the legislation should not give such unilateral authority to the Department of

Labor. The legislation should describe the services that must be provided, but we are concerned that under H.R. 4015, DOL officials could impose very specific job duties.

As others have mentioned today—and we welcome your comments to revisit this issues—the legislation also gives federal officials authority to submit recommendations in connection with the annual performance rating of each veterans outreach specialist employment representative.

As the collective bargaining representative of these employees in many states, we see these provisions as problematic. We question whether they would negate state personnel rules. We also—putting one level of government in the position of evaluating the specific job performance of employees in a different level of government can create considerable confusion, and perhaps undermine AFSCME's ability to represent our members.

For example, it is not clear how we would grieve discipline imposed by a state based partly on federal evaluation.

In closing, Mr. Chairman, I want to reiterate AFSCME's support for the general framework of H.R. 4015, particularly its recognition of the importance of supporting, measuring, and rewarding the work of LVERs and DVOPs, and placing the work in the context of the Workforce Investment Act, and other DOL programs.

We look forward to working with you on this legislation moving forward, and we will be happy to answer any questions at this time. Thank you.

[The prepared statement of Mr. Wyngaard appears on p. 121.]

Mr. SIMPSON. Thank you, Mr. Wyngaard, for your testimony. I appreciate it. Mr. Beagle.

STATEMENT OF DENNIS BEAGLE

Mr. BEAGLE. Good morning, Mr. Chairman, and members of the Veterans' Benefits Subcommittee. And I certainly want to thank you for your very kind invitation to let me testify in H.R. 4015, the Jobs for Veterans Act of 2002.

I am the statewide chair of the labor-management committee in the New York State Department of Labor, representing the New York State Public Employees Federation, which is also affiliated with the Service Employees International Union, and the American Federation of Teachers. I am also on the Executive Board of the Public Employees Federation.

We are very pleased with the contents of this legislation, and wish to commend the chair and the committee for drafting this document. We feel that it will ensure that our veterans are afforded better job-finding services.

The concerns we had with previous legislative initiatives on this topic in recent years are, for the most part, favorably changed.

We do applaud priority of service to veterans, as provided in section 4215. This corrects omissions in the Workforce Investment Act.

Especially comforting is the retention of the veterans employment and training services in the public employment service, and the one-stop centers, where assets are concentrated to provide this labor exchange.

We strongly support the listing of jobs with the local employment service, the one-stop centers, and America's Job Bank in federally

funded contracts to accomplish affirmative action on behalf of our Nations' veterans.

The redefinition of "covered veteran" to be more inclusive of the modern veteran population was certainly needed. We need to provide priority of service to those who have more recently participated in military operations and campaigns.

Regarding the institution of performance incentive awards, we generally support the concept, if there are objective criteria.

The performance accountability system established in the bill will alleviate some of the concerns voiced in previous reports, and we, as a union, expect our members who deliver services to be accountable. Our only concern is that the criteria be objective, local economic conditions be taken into account, and as some of the previous speakers have said, that it conforms with local collective bargaining agreements, and doesn't infringe on the rights of our employees.

We oppose the appointment of part-time LVERs and DVOPs to these positions. We have found, from past experience, that their activities can be more easily diverted to other activities when they are working on veterans service on a part-time basis.

We also strongly prefer the appointment of veterans to these positions, as veterans understand the unique problems and requirements of other veterans. In summary, veterans are better suited for helping other veterans, and must be full-time, in order to concentrate their efforts in this direction.

We support the modernization of services to veterans, by using the Internet and other instant means of communications with our overseas military personnel about to transition to civilian employment.

In general, we and the New York State Public Employees Federation, and our international unions, SEIU and AFT, applaud the work of the committee and support this very important legislative initiative.

The legislation generally meets the objective of furnishing quality services to our veterans, and eligible population, while ensuring accountability by the service providers we represent in our unions.

Our only remaining concerns, once again, are the issues of part-time positions, objective criteria for performance incentives, and the performance accountability program, and the veteran status of the appointees.

And I would just like to deviate for a couple of minutes from my written testimony and make comments relative to the assistant secretary's earlier comments and his written testimony.

We oppose the administration's proposals to move the LVER and DVOP positions to the VA. The state employment services have presence in the one-stop. We have field staff out developing jobs, and we have a long-term commitment to jobs for veterans. The whole employment service, the state employment service, started as the Veterans Employment Service, and that's where it should stay.

And in conclusion, we certainly want to thank you for affording myself and my union the opportunity to appear before your committee, and we all appreciate the efforts of your giving our veterans

population the best possible service through this legislative initiative. Thank you.

[The prepared statement of Mr. Beagle appears on p. 124.]

Mr. SIMPSON. Thank you, Mr. Beagle. Congressman Quinn sends his regards, and regrets that he couldn't be here this morning.

Mr. BEAGLE. Well, a special thank you to Mr. Quinn, and certainly the people from western New York and the Buffalo area, for giving us this opportunity to come down and talk today.

Mr. SIMPSON. Thank you. Mr. Poriotis.

STATEMENT OF WESLEY PORIOTIS

Mr. PORIOTIS. Yes. As you can see from my written testimony, my full Greek name is Phillipus Sotorius Poriotis. And I must tell you that I recently gave a keynote speech to a group of doctors and a group of hospital administrators, and a very nearsighted doctor introduced me as Mr. Psoriasis. (Laughter.)

Mr. PORIOTIS. So, I thank you for saying "Poriotis." That's a note of levity to introduce what I think is a very serious topic, and that is, in a bold stroke, having worked 30 years in the corporate arena, having achieved the highest level of corporate executive placement for women, persons of color, and most recently, for military positions, I think you should change your H.R. 4015.

Instead of Jobs for Veterans, I would change it to Quality Jobs for Veterans. Maybe that's euphemistic, but I also put quotes around "sustaining America's competitiveness," and quotes under that, because many thousands of veterans have jobs. But as Mr. Reyes has pointed out so eloquently, there is not only a deep unemployment, but there is a deeper underemployment.

We don't measure underemployment. We don't have a classic criteria for underemployment, but there certainly is a deep underemployment. And going to Mr. Reyes' comment as to why, I think there is an entrenched deselective bias, an almost institutionalized deselective bias, on the part of corporate business and organizations in their hiring managers, their gatekeepers, their human resources practitioners.

Only 1 in 6 Americans under the age of 65 has served in this country, and perhaps only one out of 20 American corporate and business executives have served. So military remain below the radar screen when it comes to being embracive and inclusive of them.

And I would say that if we were to really look to the heart of how H.R. 4015 can be successful, is we must imbue in section 6 a corporate advocacy and a corporate marketing campaign. I will repeat that. You need a corporate and business advocacy and marketing campaign to insinuate the veterans as a valued asset, because of the devaluation of the veteran in the hiring mix. Infusing that into the hiring mix and getting them on the playing field.

The whole scope of my comments this morning are aimed at leveling the playing field, not to guarantee jobs for veterans, but allow them to compete on a level playing field. At this time, at this place, the American transitioning military, and the prior service military, are not on a level playing field to compete.

Therefore, I would beef up and add teeth to your employer awareness and information-sharing campaign, because it's too

weak. I would suggest and rewrite it, and I have suggested I would work to do that, in terms of making that a very forceful marketing advocacy campaign.

And I would beef up the national hire vets committee, because you have vets organizations talking to vets organizations. You have the converted talking to the converted. We need some business round table conference board, U.S. Chamber of Commerce, and we need representatives from the corporate sector, the non-defense corporate sector, reflective of the hidden job market which is inaccessible and not available to the veteran.

I am talking about the retail industry, the pharmaceutical industry, the financial services industry, the manufacturing industry. We continue to assume, from the technical and skilled area of people going into the defense industry, but the thousands and thousands of positions that lie in the hidden job market are inaccessible, not publicized, not advertised.

And in part, they're controlled by what I call a stealth industry, a stealth industry that has no regulation, no laws controlling those. The executive search recruitment employment agency, those human resources career counselors, and entities involved in positioning people, we do not position veterans. We do not champion veterans.

There isn't a balanced slate of veterans that goes forth from this stealth industry. I believe this stealth industry, as I call it, I'm convinced it controls 70 to 80 percent of the hidden job market which veterans don't have access to.

I know that my oral testimony is supposed to be 5 minutes, and it took a minute to pronounce my name, but I do have a 12-step program that I think can make H.R. 4015 fly.

And one, you need to put in, number one, an aggressive marketing program, and you need a champion. You need a corporate champion, like Lou Gerstner, retiring from IBM, or a corporate champion like the former chairman of Lockheed Martin, Norm Augustine.

And I believe you need a national spokesperson, either Mr. Juarbe, or Principi, that can engage the enemy, engage corporate America, engage them on their own turf, induce them to understand and embrace this thing called the military, because there it's a devalued asset.

Number two, I would infuse the issues of veterans employment on the major corporate organizational agendas of the business round table, the corporate conference board, chambers of commerce, and international organizational meetings.

The international celebrity corporate entertainment group that appeared in Switzerland last year, and appeared in New York this year after 9/11, did not have anything with regard to the veterans issues on its plate. Veterans issues are not on the plates of the corporate agendas.

Number three, I do believe you need to train your LVERs and your DVOPs and how to place, and you need to impose a performance criteria on them so that they will place individuals. And they need to be connected with the local businesses in their community on an aggressive process.

I do believe you also have to status prior service military. Mr. Reyes talked about the Afghanistan situation now, but I'm talking about the 3.2 million prior service military from the end of the Gulf War. I believe that we don't know where they are, what their positions are, what quality of jobs they hold.

Ninety percent of them are non-retirees, young military who have evolved into the private sector. We don't know what the underemployment is, we don't know what their status is, we don't know what the quality of their jobs are.

I believe, number five, we have to incent America's recruitment community to embrace military candidates for job fulfillment. Right now, in diversity, corporate America is paid dollars for performance criteria to basically embrace diversity and see that diversity slates of candidate go forth internally and externally. There is nothing for military. Military should be infused on those balance slates.

And I also think, number six, we need a national job placement service that can engage America's recruitment community to place veterans free in these corporate situations. We need our veterans in key roles so as to act as magnets for others.

Number seven, I think this committee, in H.R. 4015, needs a national watershed event. If you remember in 1986, this country engaged the homeless issue by having Hands Across America. I think you need something like Vets Across America, or Veterans Across America, where Americans can link hands from one coast to the other.

Five million Americans linked hands on the homeless issue in 1986. I believe a watershed event, and the media coverage on issues affecting veterans employment and veterans business opportunities could be a hallmark event to make veterans issues and veterans employment a very significant aspect of American thinking.

Number eight, you need a veterans consumer educational task force composed of consumer marketing people. The problem right now in America's consumer establishment—the Colgate-Palmolives, the Bristol-Meyers—is that you do not have the perception that the veteran is a target consumer marketing group to market to.

The 3.5 million or 4 million prior service military and their families represent 15 million people who go below the radar screen. I believe we need to educate the consumer marketing companies that the veteran is a consumer. If you recall, until diverse populations and female populations were perceived as consumers, hiring of these groups took a very, very inadequate process.

Number nine, I believe that America suffers from a veterans illiteracy. I believe that, from what I've seen in the last 10 years of championing military to the private sector, there is an almost abject veterans illiteracy, an American illiteracy that has to be faced from elementary, secondary, high school, and especially in the corporate and business arenas. This has to be addressed.

Ten, I think we have to redefine the employment status to define what underemployment means.

And number 11, it's one thing for this group to look at getting jobs for veterans, it's another thing, Mr. Chairman, to look at retaining them in the positions. We need something in H.R. 4015 that speaks to a retention program, retention practices, because it's

not the first job for the veteran, it's the second and the third. It's the upward mobility and the career mobility for that veteran that's probably more important over the next decade.

And the twelfth, I believe as Mr. Reyes, again, pointed out, there is a special need to look at leveling the playing field, and creating different networks for women and persons of color in the military, who I have tracked, in terms of their compensation as they evolve out in the private sector. There is probably 45 to 50 percent differentiation in compensation between the majority and the non-majority military person in the private sector. Thank you.

[The prepared statement of Mr. Poriotis appears on p. 126.]

Mr. SIMPSON. I appreciate your testimony. As you said in your earlier statement, you had additional recommendations that you would like to send in, if you would e-mail those to both Darryl and Ms. McCarthy, we would appreciate that.

I appreciate all of the testimony that you—that the panel has given. It has been very informative, and I read through it last night, and have marked up some of it with yellow highlighter, and will work with Darryl to see what we can do about incorporating some of the recommendations—and Mr. Reyes—about seeing what we can do to incorporate some of your recommendations, and so forth.

But this type of testimony benefits us greatly in coming up with what I hope will be a very good bill in the end. Thank you all. Mr. Reyes.

Mr. REYES. We'll get some questions in for response for the record, if you don't mind.

Mr. SIMPSON. Yes.

Mr. REYES. Thank you very much. That was excellent testimony.

Mr. SIMPSON. I thank the panel, and look forward to working with you, and I truly appreciate your recommendations.

Would the fourth panel come forward? We have with us Mr. James Magill, the director of National Employment Policy of the Veterans of Foreign Wars of the United States, Mr. Steve Robertson, Legislative Director of The American Legion, Mr. Carl Blake, Associate Legislative Director of the Paralyzed Veterans of America, Mr. Rick Weidman, Director of Governmental Relations, the Vietnam Veterans of America, and Mr. Richard Jones, the National Legislative Director of AMVETS.

Mr. Magill, we'll begin with you.

STATEMENTS OF JAMES N. MAGILL, DIRECTOR, NATIONAL EMPLOYMENT POLICY, VETERANS OF FOREIGN WARS OF THE UNITED STATES; STEVE ROBERTSON, LEGISLATIVE DIRECTOR, THE AMERICAN LEGION; CARL BLAKE, ASSOCIATE LEGISLATIVE DIRECTOR, PARALYZED VETERANS OF AMERICA; RICK WEIDMAN, DIRECTOR OF GOVERNMENT RELATIONS, VIETNAM VETERANS OF AMERICA; AND RICHARD JONES, NATIONAL LEGISLATIVE DIRECTOR, AMVETS

STATEMENT OF JAMES N. MAGILL

Mr. MAGILL. Thank you. First, I would like to say, as is indicated in my statement, we do support the enactment of H.R. 4015. I would also like to commend you and your staff. It's been a long

road to get where we are today. As I think you indicated, approximately 2½ years have gone by. And again, we would like to commend you, Darryl Kehrer, and the rest of the staff.

I would like to just take my time for a couple of comments. The first one is primarily with respect to the provisions dealing with contractors.

One of the key components—you can have as many laws on the books as you want to, but one has to comply with the law. And we have been seeing, for many years, that a lot of the contractors and subcontractors are not in compliance. And that, we think, is a key component.

Also, I would like to mention we do support the awarding of additional funding to the states that do comply to a set of standards. We do support that. However, I think there has got to be some kind of a mechanism in the bill that can address those states who are not in compliance.

I don't have an answer for you on this. One thing that I would not recommend is to withhold funds. That would do nothing but hurt the veteran.

In a related provision, we are very happy that you did include to fund NVTI. We were shocked—I guess that's the only word I can use—that the funding for that had been eliminated in the administration's proposal—possibly those states that are having a difficult time meeting standards, that NVTI would be a good example of where they could go for help.

We do believe that the vast amount of DVOPs and LVERs are doing a good job. It's just a handful out there that we think need to have a little bit more help.

With the panel that was just on previous to us, it was mentioned being in touch with the corporations. I had the honor of chairing a group of VSOs last October, or November, who went to Chicago, and met with corporate heads of, I believe, it was five or six corporations.

They all acknowledged that they wanted to bring more veterans into their workforce. However, what surprised me is they did not know where to find the veterans. So, I applaud the provisions in the bill that address this.

And I think we need to do a better job, I think DOL needs to do a better job in contacting the corporations to let them know that there are very highly qualified veterans out there.

And that concludes my remarks. I will be happy to answer any questions you have.

[The prepared statement of Mr. Magill appears on p. 139.]

Mr. SIMPSON. Thank you, Mr. Magill. Mr. Jones.

STATEMENT OF RICHARD JONES

Mr. JONES. Mr. Chairman, Ranking Member Reyes, members of the subcommittee. I am pleased to present the viewpoint of AMVETS on H.R. 4015, the Jobs for Veterans Act.

We are concerned that the programs managed by the Department of Labor, the Veterans Employment and Training Service, remain underfunded and not fully staffed. And we commend the subcommittee for looking to update and enhance these programs.

Clearly, your efforts are critical, if we are to meet the employment and training needs of veterans.

We agree with many of the provisions of H.R. 4015. In too many instances, the program is, unfortunately, not working as effectively as you have intended. And in the process, veterans are being left behind.

Veterans continue to need the special job training services that Veterans Employment and Training Service and the state-based DVOPs and LVERs provide. Regarding DVOPs and LVERs, AMVETS believes it is important that states continue to be required to hire veterans for these positions.

For decades, LVERs and DVOPs have been the cornerstone of employment services for veterans throughout the United States' employment service system. Part of the reason is that these individuals are veterans, and they are advocating for veterans.

We object to the provision in H.R. 4015 that would change this principle, and allow states to hire veterans for these positions, only to the extent practicable. DVOPs and LVERs are the individuals who help form the bridge, and effect a smooth transition from military servicemembers to the civilian workforce. In our view, these people should be veterans.

Another concern with the legislation is criteria that would qualify an individual to serve as deputy assistant secretary of labor for veterans employment. H.R. 4015 would only allow an individual to serve as deputy assistant secretary who had previously served 5 consecutive years of service in the federal executive branch immediately preceding the appointment.

Now, if the effort is to establish someone as deputy assistant secretary with institutional process knowledge, such limitation might be appropriate. If what we're looking for, however, is a more responsive organization, the need may be for someone with expertise outside of government, perhaps in marketing, organizational management, informational technology, or in actually serving veterans.

Flexibility should reside with the administration to choose, as is the current option, an individual from a broader community of skills than might be found in the 5-year class of the federal bureaucracy.

We don't intend our criticism to be pejorative toward dedicated federal employees. Nor however, do we wish to limit an administration's choice for this important position.

AMVETS strongly supports the incentive programs outlined in H.R. 4015. Starting an incentive initiative for state employment services is a good idea. It would do much to enhance the current system. Meaningful performance standards can promote successful outcomes, and enliven the program's activity.

AMVETS also supports the provisions of H.R. 4015 that strive to make the employment services delivery system more flexible. There is no need to have a one-size-fits-all approach for activities in each of the 50 States. Clear standards that measure the program's implementation in terms of outcome, instead of process, can allow for flexibility. And flexibility is important.

States are different, and they may have different approaches toward local employers, as well as different types of veterans who may need employment help.

On one related point, AMVETS is extremely disappointed with the proposal in the President's budget to transfer Veterans Employment and Training Services from DOL to VA. We believe this transfer is ill-advised. DOL knows the labor market; that's its business. And it knows better than anyone else, where the jobs are.

Moreover, VA already faces serious challenges in providing timely health care, and reducing the backlog of nearly 600,000 claims. Moving VETS programs to VA may change some titles, but it does nothing to better serve veterans.

Another disappointment is the administration's failure to request funding for the National Veterans Training Institute. Failure to fund this mission sets up a situation where people are led to believe they're going to get some real employment help, but the reality is otherwise.

We believe the issues surrounding Veterans Employment and Training are clearly solvable. We do not believe Congress and the administration should segregate veterans to a single agency. The job and job training programs should continue be managed and run by the Department of Labor.

We have confidence that the current DOL VETS management team is fully competent to implement needed reforms. Indeed, we are encouraged by recent words to AMVETS from the deputy secretary of labor, reiterating Labor's commitment to priority services for veterans, and confirming Labor's obligation to consider veterans a primary constituency of the Department.

AMVETS looks forward to working with you and others in Congress to ensure we help meet the needs of America's veterans and their families, and we thank you again for the opportunity to present our views and comments on this important legislation. Thank you, sir.

[The prepared statement of Mr. Jones appears on p. 141.]

Mr. SIMPSON. Thank you, Mr. Jones. Mr. Robertson.

STATEMENT OF STEVE ROBERTSON

Mr. ROBERTSON. Thank you, Mr. Chairman, and members of the subcommittee. The American Legion remains steadfastly supportive of VETS within the Department of Labor. The American Legion believes the core problems hampering VETS and its programs can be narrowed down to three key points: leadership, leadership, leadership.

Failure to provide veterans' employment professionals in local offices the flexibility to perform their federally-mandated duties and responsibilities, failure to fully fund and staff veterans employment professionals to their federally-mandated levels, and failure to implement the performance accountability system that properly records the successful accomplishment, of the veterans employment professionals.

Clearly, these leadership shortfalls are at the local, state, and national levels. Although the American Legion supports the move to provide veterans preference in federal job training programs, the American Legion deeply regrets that successful veterans job training programs such as VJTA and SMOCTA fail to receive adequate and continued federal funding.

Both programs were highly successful and consistent with the stated goals of VETS. But more importantly, both programs were limited to the scope only to veterans.

Honorable military service was the prerequisite for eligibility for participation in these unique programs. Truly, VJTA and SMOCTA were generous gestures from a grateful nation to assist veterans in overcoming specific employment barriers.

The American Legion would strongly encourage Congress to reconsider the value of these programs, and fully fund either one.

The American Legion questions the decision to expand VETS programs to all veterans seeking employment. Originally, VETS was designed to meet the employment and training needs of a much smaller portion of the veterans population—the special disabled veterans, other disabled veterans, and other eligible veterans.

Opening eligibility to all veterans would overwhelm the program without significant additional staffing and full funding. Expanding this definition to include certain spouses is acceptable.

However, the American Legion recommends that a spouse of any veteran who is totally disabled, resulting from service-connected disability, should be eligible, regardless of whether it's permanent in nature, or not. It is an unfortunate situation the spouse should be eligible for a needed vocational assistance.

The American Legion opposes granting monetary incentive awards to the states to meet or exceed their benchmarking goals.

Rather than upgrading the performance level nationally, this program rewards the best performing states. This rich-gets-richer and poor-gets-poorer approach seems counterproductive to addressing the global veterans employment issue.

The American Legion opposes the provision that the deputy secretary for labor for veterans employment and training be required to have at least 5 years of continuous service in federal civil service in the executive branch immediately preceding appointment as the deputy assistant secretary.

The American Legion believes a more appropriate requirement would be to have at least 5 years of continuous service in VETS immediately preceding the appointment of deputy assistant secretary. In-depth knowledge of VETS is more beneficial than an in-depth knowledge of federal bureaucracy. The ASVET needs technical support more than political support.

The American Legion also believes that there should be a residency requirement for directors and assistant directors for Veterans Employment and Training. The American Legion strongly supports the requirement that only veterans be appointed to VETS positions, especially with the emphasis on using service-connected disabled veterans in DVOPs positions. This makes good sense.

This bill does not address the need for placing DVOPs and LVERs throughout the state, not just in large urban areas. Outreach is probably the most important aspect of VETS, and the least emphasized.

For many employers and job seekers, the state veterans employment office is still viewed as the unemployment office, not as a head-hunting firm. Outreach plays a major role in helping change that image. Outreach takes the message from the computer and

automated phone systems to the face-to-face meetings with employers and job seekers in their environment. Salesmanship is critical in recruiting job orders from employers. Salesmanship is critical in recruiting veterans with barriers to employment. Salesmanship is critical in shaping the corporate image throughout the community.

The very best vehicle for achieving this goal is through interpersonal interaction with civic, business, and fraternal organizations. The image of VETS is based on the last experience in dealing with them.

How does VETS check its image in the local community without an effective outreach program? Local state employment office managers that tether DVOPs and LVERs to their local office to handle only walk-in veterans fail to understand why VETS was created.

Outreach is a federally-mandated role of both the DVOP and the LVER that is routinely ignored by local office managers across the country.

The proposed state funding formula is very disturbing to the American Legion. The American Legion believes basing VETS program funding on an unstable economic factor would adversely impact the quality of the critical veterans programs.

Recruitment and retention of qualified, well-trained veterans employment professionals would be a major problem, due to the questionable employment stability.

The American Legion believes the issues are even more significant in the states with smaller veterans populations. VETS is a national veterans employment program, not only for the states with greater veterans populations.

The American Legion fully supports the establishment and implementation of measurable, meaningful, equitable performance accountability system. The performance measures must be appropriate for the task at hand.

The American Legion would strongly recommend that the ASVET allow the performance accountability system to be created by a selected group of veterans employment professionals, in consultation with the National Veterans Training Institute.

Such a system created by the stakeholders would be more accurate in counting the performance of their peers and colleagues in the entire community.

The American Legion strongly recommends that the fundamental job requirements of the veterans employment personnel be codified to provide national continuity. Such intensive services as outreach, case management, employee development, job placement should be clarified for the DVOP and the LVER.

Additionally, we recommend that the number of LVERs and DVOPs be based on a specific manning formula. The American Legion encourages Congress to keep that formula, and we would be more than happy to work with you in developing it.

Employability is a personal issue that requires a hands-on approach by trained veterans employment professionals. Technology offers excellent advantages, but should never be considered as the final solution for employment. Not every job seeker is comfortable with using state-of-the-art equipment. Clearly, a barrier for employment in the 21st century.

Computers can't read body language, computers can't sense frustration, computers can't understand the feeling of rejection. They are the very reasons why veterans employment professionals are so critical in meeting the overall objectives of VETS, putting veterans back to work.

The American Legion believes that the best solution to the correction—to the current problems within VETS is sound leadership and management practices. With leadership comes responsibility. Many of the problems addressed in this legislation could be aggressively addressed and resolved with dynamic leadership and individual accountability.

Congress confirmed the ASVET to lead and manage VETS. The ASVET is provided with ample staff at the state and national level to assist in that charge. It is time for focused leadership, not reinvention legislation.

Mr. Chairman and members of the subcommittee, the American Legion applauds the hard work in drafting this legislation. But without strong leadership, even if this bill were passed without any changes, it will be totally ineffective without strong leadership.

The American Legion would strongly recommend quarterly VETS oversight hearings to determine if the core problem is leadership, management, or legislative in nature.

I apologize for running your red light. And to all those college kids that are looking for a job, go down to your armed services recruiting station, there are plenty available. (Laughter.)

[The prepared statement of Mr. Robertson appears on p. 146.]

Mr. SIMPSON. Thank you, Mr. Robertson.

Mr. ROBERTSON. Thank you, sir.

Mr. SIMPSON. Mr. Weidman.

STATEMENT OF RICK WEIDMAN

Mr. WEIDMAN. Thank you, Mr. Chairman, Mr. Reyes, and I would ask your leave to make a personal notation for many of us here.

We have with us in the hearing room the very first assistant secretary of veterans employment and training, the Honorable William C. Plowden, Jr., from South Carolina, and I just wanted to make sure that a lot of us would be here, and a lot of good that happened because of things that this gentleman and his good friend, the Honorable Strom Thurmond have done over the years.

In fact, one would believe that—the VA, we believe—that we wouldn't be discussing a veterans employment and training service because there wouldn't be a veterans employment and training service if it had not been for Senator Thurmond. Thank you for that diversion, Mr. Chairman.

The first thing I want to say is, on behalf of VVA, we feel very, very strongly that this an historic occasion. And as we move to pass H.R. 4015, which we very strongly support, it would be the first linkage between performance and cash American that we've seen in a long, long time, and certainly in Veterans' Affairs.

We believe that that is a step in the right direction. It doesn't go as far as VVA would advocate, nor as far as the bill that was introduced in 2000, but we understand the political realities, and

why it is what it is. But it is a landmark step that needs to be taken.

We would agree with our good colleagues from the Legion that, yes, in fact, you still need strong leadership, you still need imaginative leadership, you still need to make sure—enforce the provisions and the intent all the way down. But cash American holds their attention.

Obviously, "you wills," "you will do this, you will do that," have not worked over the course of umpteen many years. For 70 years, we've been trying to get veterans priority of service to work in all of the job services in every single jurisdiction, and it hasn't worked.

The LVER program was created because early returnees from World War II were not getting that priority of service, and that's why it was part of the GI Bill of 1944.

The DVOP program was created because a workforce development agency said they weren't placing any Vietnam or disabled vets, and particular disabled vets, because they could not find them—which seemed to us be an absurd note, because we knew were they were—and so they created the DVOP program for a variety of reasons, but the point is it was in response to a very real problem, that it wasn't happening.

Since the DVOP program came in, all of that job description was prescriptive language that, mea culpa, Mr. Chairman—the VVA and all of us pushed, just as did our colleagues—to put that prescriptive language in to try and go the way of "you will do this, you will do that, you will do the other thing."

In fact, it has not worked. We are in worse shape today than we were 15, 20 years ago in this regard. Therefore, linking cash American and rewards—and we believe sanctions ought to be in there too—but at least linking money to high performing states is a tremendous first step.

And that's a very difficult thing, changing prescriptive to a results-oriented system, and we believe very strongly in government performance and results at VVA, and particularly for this system.

But because it doesn't go as far as it does, we believe some of the prescriptive needs to be in there. Number one, having to do with that LVERs must continue to be vets, and that DVOPs continue to be service-connected disabled vets.

I would just bring up one story that Mr. Reyes may be well interested in. The State of Texas, in the late 1980s, when I had the opportunity to sit on what was then the veterans committee, wanted the rest of the committee to get a waiver in the city of El Paso for a non-veteran to serve as a DVOP because they could not find a qualified disabled veteran to serve as DVOP in the whole El Paso area.

My response was, "You guys are in the wrong business. Give up the damn grant, and give it to GI Forum, because, by God, they will find qualified disabled vets in El Paso." And ultimately, actually, they did that, at least to some measure.

In regard to the measures that would be used for the reward system, if you will, go back to placements. The core indicators all kinds of fun and games. The intensive services came about because the state employment security agencies had eliminated, in most

cases, all of the vocational counseling services, all of those counselors are gone.

So, they invented a new term, because none of these people are licensed, called "intensive services," which means you actually talk to a human being at some point.

Placement, you can't play with. It has to be really hard. In that same line, we must stop pursuing the course that we can get lots of cheap hits on this legislation. It takes a lot of effort to place veterans who have profound difficulties to obtain and sustain meaningful employment.

Can it be done? Yes, it can. But it's not going to be by the tens of thousands, if you will, and the hundreds of thousands, because otherwise, you're just inflating the body count in order to say you're doing something.

If I didn't learn anything else during my service as a medic in ICOR, it was that the body count, even when it's honest—which it never was—don't mean you're winning the war. The war we need to do here is to focus on those who need our assistance most, who have been lessened by virtue of military service.

And that is what the DVOP and LVER program were designed to do, the disabled veteran outreach program was intended to do just that, to reach out to disabled veterans, and particularly profoundly disabled veterans.

And I would encourage you to leave that job description in there, because the state workforce development agencies are still moving towards another layoff, we can all see it coming, and it's going to be the LVERs who are going to be the junior people—and in some cases, the DVOPs—and they're going to get bounced, and you're not going to have any vets left in that system.

Why? Because they didn't hire vets in any positions other than DVOPs and LVERs for too many years.

The system, as rightly pointed out, has, in fact, been underfunded since 1986. It is our view that the way in which the statute has been drawn, it was illegal for the Secretary of Labor not to ask for full funding in 1986, and our mistake was we didn't sue the Secretary of Labor back then. But we need to move towards full funding.

The whole veteran concept is something that VVA agrees with very much, and that means you look at the whole veteran and you find out what does he or she do, what was their military history, and how does that fit in, and what are all the things that get in the way of that person being able to hit that flashpoint in the readjustment process, which is to obtain and sustain meaningful employment.

And the system that's currently designed may be inadequate to that, and perhaps we need to take this very important step of passing 4015, but not stop there. Take the next step and see what do we really need to do to create a system that works very closely with voc rehab.

Maybe it's revamping the whole voc rehab system and expanding it, but we do need something that meets that whole continuum of care, from the battlefield wounds all the way through helping that person obtain and sustain meaningful employment, which may take several forms.

It may, in fact, be self-employment, it may be microbusiness, as we call it. We would encourage and strongly urge you to add a section 9 that deals with public law 106-50 with that whole question of self-employment, which may not be only the best option for profoundly disabled veterans, but may well be the only option. And we will be pleased to work with you in that regard.

And one last note, if I may just say that one of the things that we have been struggling against is not just getting priority service, and it's not just getting veterans preference. It is struggling against an attitude of "vetism."

What happened earlier was, by the gentleman from the National Association of Counties, they're the ones who were most active in JTPA, and now again on WIA.

I can tell you years upon years of my life, devoted to trying to get training opportunities open for veterans and disabled veterans through JTPA, and now through WIA. And in New York, they even passed a State law, the Veterans Bill of Rights for Employment and Training, that mandated all of what now are known to provide priority to disabled veterans and veterans, and they laughed, because there were no sanctions, because it wasn't tied to money.

There were no incentives, and there were no sanctions, and they said, "Phooey." That's not exactly what they said, but they said words to that effect, Mr. Chairman, because after all, it is New York.

But my point about it is that then to say, "Well, we have college graduates who are unemployed, so of course the veterans are unemployed." Excuse me? Before I entered the military, I graduated in the top quarter of my class at Colgate University. I wasn't in the U.S. military and serving in Vietnam because I was too stupid to know where Canada was.

We are so sick of that patronizing attitude on the part of so many governmental officials at every level, that frankly, the question of vetism must be addressed for what it is, just like sexism and racism in this country. And until people admit that they have a problem, they are not going to be able to change those attitudes.

And I leave it at that, Mr. Chairman. We could go on like this forever, but I do also apologize for going over my time, and I thank you very much on behalf of our national president, Tom Cory, for allowing us to present our views today. Thank you.

[The prepared statement of Mr. Weidman appears on p. 154.]

Mr. SIMPSON. I appreciate your comments, and we have 2 minutes left in a vote on the floor. Go ahead, Mr. Blake.

STATEMENT OF CARL BLAKE

Mr. BLAKE. That really cuts me short, here. I would just like to thank you for allowing PVA to testify on behalf of 4015, Jobs for Veterans Act, today.

Assisting veterans with job training and placement into employment following military service is an important benefit that all servicemembers are entitled to and deserve. It is the responsibility of this congress, federal agencies, and the veterans service organizations, to ensure that all veterans are prepared to enter the civilian workforce. And never is that concept more important than now,

when we have soldiers on the ground in combat who will return home soon.

I won't address all of the sections that I had intended to, I will just keep it short. PVA is an organization of veterans who were catastrophically disabled by a spinal cord injury or disease.

Our members and other individuals who suffer from similar injuries or diseases do not receive proper consideration for employment when applying for a job. This is often due to barriers in the workplace, false perceptions of the potential cost to employers for hiring persons with disabilities, and the perceptions many people still have about veterans.

Veterans have earned and deserve consideration within the workforce, and it is hoped that this bill will begin to break down these barriers, and promise much-deserved opportunities within the workplace.

Since you've only got a couple of minutes, I will go to my conclusion.

Mr. SIMPSON. I can assure you that we have read the full testimony, so I appreciate that.

Mr. BLAKE. Thank you, sir. I would just like to say that PVA fully supports the creation of the President's National Hire Veterans Committee, the committee to raise employer awareness of the skills of veterans, and the benefits of hiring them.

This committee can help bridge the gap in communication that exists between employers and veterans seeking employment. Too many employers claim to not be aware of the benefits of hiring veterans, or how to actually access these veterans for employment. And perhaps this committee can help develop solutions to this problem.

H.R. 4015 is an evolutionary step in the veterans employment system. We do not see this as an end, but rather as one more step in helping our veterans gain the opportunity for full employment.

It is most important to PVA that the VETS programs are effective and efficient, wherever they may be. A quality service for veterans is the first priority. I would like to thank the subcommittee for its efforts to involve veterans and the veterans service organizations in developing this legislation, and I would be happy to answer any questions.

[The prepared statement of Mr. Blake appears on p. 165.]

Mr. SIMPSON. I thank you for all of your testimony, and your input in developing this legislation. It's been very critical, and we thank you and look forward to continuing our work on this, taking into consideration many of the recommendations that have been made by the panels today.

Neither Mr. Reyes or I have any questions, since we do have a vote in about 30 seconds, and we will run quickly. So I appreciate all of your testimony today, and thank you for being here. And this hearing is adjourned.

[Whereupon, at 11:03 a.m., the subcommittee was adjourned.]

APPENDIX

I

107TH CONGRESS
2D SESSION

H. R. 4015

To amend title 38, United States Code, to revise and improve employment, training, and placement services furnished to veterans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 20, 2002

Mr. SIMPSON (for himself, Mr. REYES, Mr. SMITH of New Jersey, Mr. EVANS, Mr. QUINN, and Mr. SHOWS) introduced the following bill; which was referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to revise and improve employment, training, and placement services furnished to veterans, and for other purposes.

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

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

(a) SHORT TITLE.—This Act may be cited as the "Jobs for Veterans Act".

(b) REFERENCES TO TITLE 38, UNITED STATES CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms

1 of an amendment to, or repeal of, a section or other provi-
2 sion, the reference shall be considered to be made to a
3 section or other provision of title 38, United States Code.
4 (c) TABLE OF CONTENTS.—The table of contents of
5 this Act is as follows:

Sec. 1. Short title; references to title 38, United States code.
Sec. 2. Priority of service for veterans in Department of Labor job training programs.
Sec. 3. Performance incentive awards for quality veterans employment, training, and placement services.
Sec. 4. Refinement of job training and placement functions of the Department.
Sec. 5. Additional improvements in veterans employment and training services.
Sec. 6. Committee to raise employer awareness of skills of veterans and benefits of hiring veterans.
Sec. 7. Sense of Congress commending veterans and military service organizations.
Sec. 8. Study on economic benefits to the United States of long-term sustained employment of veterans.

6 **SEC. 2. PRIORITY OF SERVICE FOR VETERANS IN DEPART-**
7 **MENT OF LABOR JOB TRAINING PROGRAMS.**
8 (a) VETERANS' JOB TRAINING ASSISTANCE.—
9 (1) IN GENERAL.—Chapter 42 is amended by
10 adding at the end the following new section:
11 **"§ 4215. Priority of service for veterans in Depart-**
12 **ment of Labor job training programs**
13 "(a) ENTITLEMENT TO PRIORITY OF SERVICE.—(1)
14 A covered person is entitled to priority of service under
15 any qualified job training program if the person otherwise
16 meets the eligibility requirements for participation in such
17 program.
18 "(2) The Secretary of Labor may establish priorities
19 among covered persons for purposes of this section to take

1 into account the needs of disabled veterans and special dis-
2 abled veterans, and such other factors as the Secretary
3 determines appropriate.

4 "(b) ADMINISTRATION OF PROGRAMS AT STATE AND
5 LOCAL LEVELS.—An entity of a State or a political sub-
6 division of the State that administers or delivers services
7 under a qualified job training program shall—

8 "(1) provide information and priority of service
9 to covered persons regarding benefits and services
10 that may be obtained through other entities or serv-
11 ice providers; and

12 "(2) ensure that each covered person who ap-
13 plies to or who is assisted by such a program is in-
14 formed of the employment-related rights and bene-
15 fits to which the person is entitled under this sec-
16 tion.

17 "(c) ANNUAL REPORT.—By not later than December
18 31, 2003, and each December 31 thereafter, the Secretary
19 of Labor, following review and comment by the Advisory
20 Committee on Veterans Employment and Training, shall
21 submit to the Committees on Veterans' Affairs of the
22 House of Representatives and Senate a report. The report
23 shall evaluate whether covered persons are receiving pri-
24 ority of service and are being fully served by qualified job
25 training programs, and whether the levels of service of

1 such programs are in proportion to the incidence of rep-
2 resentation of veterans in the labor market, including
3 within groups that the Secretary may designate for pri-
4 ority under such programs, if any.

5 "(d) DEFINITIONS.—In this section:

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

8 "(A) A veteran.

9 "(B) The spouse of any of the following in-
10 dividuals:

11 "(i) Any veteran who died of a serv-
12 ice-connected disability.

13 "(ii) Any member of the Armed
14 Forces serving on active duty who, at the
15 time of application for assistance under
16 this section, is listed, pursuant to section
17 556 of title 37 and regulations issued
18 thereunder, by the Secretary concerned in
19 one or more of the following categories and
20 has been so listed for a total of more than
21 90 days: (I) missing in action, (II) cap-
22 tured in line of duty by a hostile force, or
23 (III) forcibly detained or interned in line of
24 duty by a foreign government or power.

1 "(iii) Any veteran who has a total dis-
2 ability permanent in nature resulting from
3 a service-connected disability.
4 "(iv) Any veteran who died while a
5 disability so evaluated was in existence.
6 "(2) The term 'qualified job training program'
7 means any workforce preparation, development, or
8 delivery program or service that is funded, in whole
9 or in part, by the Department of Labor and includes
10 the following:
11 "(A) Any such program or service that
12 uses technology to assist individuals to access
13 workforce development programs (such as job
14 and training opportunities, labor market infor-
15 mation, career assessment tools, and related
16 support services).
17 "(B) Any such program or service under
18 the public employment service system, one-stop
19 career centers, the Workforce Investment Act of
20 1998, a demonstration or other temporary pro-
21 gram, and those programs implemented by
22 States or local service providers based on Fed-
23 eral block grants.

1 "(C) Any such program or service that is
2 a workforce development program targeted to
3 specific groups.
4 "(3) The term 'priority of service' means, with
5 respect to any qualified job training program, that
6 a covered person shall be given priority over non-
7 veterans of the employment, training, and placement
8 services provided under that program, notwith-
9 standing any priority list, directive, rule, regulation,
10 or other order from any department or agency of the
11 United States.".
12 (2) CLERICAL AMENDMENT.—The table of sec-
13 tions at the beginning of chapter 42 is amended by
14 inserting after the item relating to section 4214 the
15 following new item:

"4215. Priority of service for veterans in Department of Labor job training programs.".

16 (b) EMPLOYMENT OF VETERANS WITH RESPECT TO
17 FEDERAL CONTRACTS.—
18 (1) IN GENERAL.—Section 4212(a) is amended
19 to read as follows:
20 "(a)(1) Any contract in the amount of $100,000 or
21 more entered into by any department or agency of the
22 United States for the procurement of personal property
23 and nonpersonal services (including construction) for the
24 United States, shall contain a provision requiring that the

1 party contracting with the United States take affirmative
2 action to employ and advance in employment qualified cov-
3 ered veterans. This section applies to any subcontract en-
4 tered into by a prime contractor in carrying out any such
5 contract.

6 "(2) In addition to requiring affirmative action to
7 employ such qualified covered veterans under such con-
8 tracts and subcontracts and in order to promote the imple-
9 mentation of such requirement, the Secretary of Labor
10 shall prescribe regulations requiring that—

11 "(A) each such contractor undertake in each
12 such contract to list all of its employment openings
13 immediately with the appropriate employment serv-
14 ice delivery system (as defined in section 4101(7) of
15 this title), including local employment service offices,
16 one-stop career centers under the Workforce Invest-
17 ment Act of 1998, other appropriate service delivery
18 points, or America's Job Bank (or any additional or
19 subsequent national computerized job bank estab-
20 lished by the Department of Labor), except that the
21 contractor may exclude openings for positions which
22 are to be filled from within the contractor's organi-
23 zation and positions lasting three days or less;

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

"(C) each such employment service delivery system shall provide a list of such employment openings to States, political subdivisions of States, or any private entities or organizations under contract to carry out employment, training, and placement services under chapter 41 of this title.

"(3) In this section:

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

"(i) Disabled veterans.

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

"(iii) Veterans who, while serving on active duty in the Armed Forces, participated in a United States military operation for which an Armed Forces service medal was awarded pursuant to Executive Order 12985 (61 Fed. Reg. 1209).

"(B) The term 'qualified', with respect to an employment position, means having the ability to

1 perform the essential functions of the position with
2 reasonable accommodation.".
3 (2) CONFORMING AND TECHNICAL AMEND-
4 MENTS.—Section 4212 is amended—
5 (A) in subsection (c)—
6 (i) by striking "suitable"; and
7 (ii) by striking "subsection (a)(2) of
8 this section" and inserting "subsection
9 (a)(2)(B)"; and
10 (B)(i) in paragraph (1) of subsection (d)—
11 (I) in the matter preceding subpara-
12 graph (A), by striking "of this section"
13 after "subsection (a)"; and
14 (II) by amending subparagraphs (A)
15 and (B) to read as follows:
16 "(A) the number of employees in the workforce
17 of such contractor, by job category and hiring loca-
18 tion, and the number of such employees, by job cat-
19 egory and hiring location, who are qualified covered
20 veterans;
21 "(B) the total number of new employees hired
22 by the contractor during the period covered by the
23 report and the number of such employees who are
24 qualified covered veterans; and"; and

(ii) in paragraph (2) of such subsection, by striking "of this subsection" after "paragraph (1)".

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

(c) EMPLOYMENT WITHIN THE FEDERAL GOVERNMENT.—

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

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

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

(2) APPOINTMENTS.—Section 4214(b) is amended—

(A) in paragraph (1), by striking "readjustment" and inserting "recruitment";

(B) in paragraph (2), by striking "to—" and all that follows through the period at the end and inserting "to qualified covered veterans.";

(C) in paragraph (3)—

(i) by striking subparagraphs (A) and (B);

(ii) by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively,

(iii) in subparagraph (B), as so redesignated, by striking "The limitations of subparagraphs (A) and (B) of this paragraph" and inserting "The limitation of subparagraph (A)";

(iv) in subparagraph (C), as so redesignated, by striking "clause (i) of subparagraphs (A) and (B) of this paragraph" and inserting "subparagraph (A)"; and

(v) by inserting before subparagraph (B), as so redesignated, the following new subparagraph:

"(A) Except as provided in subparagraph (B), a qualified covered veteran may receive such an appointment only within the 10-year period that begins on the date of the veteran's last discharge or release from active duty.".

(3) TECHNICAL AMENDMENTS.—(A) Section 4214(a) is amended—

(i) in the third sentence of paragraph (1), by striking "disabled veterans and certain vet-

erans of the Vietnam era and of the post-Vietnam era" and inserting "qualified covered veterans (as defined in paragraph (2)(B))"; and

(ii) in paragraph (2), to read as follows:

"(2) In this section:

"(A) The term 'agency' means a department, agency, or instrumentality in the executive branch.

"(B) The term 'qualified covered veteran' means a veteran described in section 4212(a) of this title.".

(B) Clause (i) of section 4214(e)(2)(B) is amended by striking "of the Vietnam era".

(C) Section 4214(g) is amended by striking "qualified" the first place it occurs and all that follows through "era" the first place it occurs and inserting "qualified covered veterans".

(4) EFFECTIVE DATE.—The amendments made by this section shall take effect the date of the enactment of this Act, and apply to discharges or releases from active duty beginning on or after January 1, 2000.

1 **SEC. 3. PERFORMANCE INCENTIVE AWARDS FOR QUALITY**
2 **VETERANS EMPLOYMENT, TRAINING, AND**
3 **PLACEMENT SERVICES.**

4 (a) PERFORMANCE INCENTIVE AWARDS FOR QUAL-
5 ITY EMPLOYMENT, TRAINING, AND PLACEMENT SERV-
6 ICES.—

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

9 **"§ 4112. Performance incentive awards for quality**
10 **employment, training, and placement**
11 **services**

12 "(a) PROGRAM OF PERFORMANCE INCENTIVE
13 AWARDS.—(1) The Secretary shall carry out a program,
14 consistent with the provisions of this section, of perform-
15 ance incentive awards to States to encourage the improve-
16 ment and modernization of employment, training, and
17 placement services provided under this chapter. The Sec-
18 retary shall carry out the program through the Assistant
19 Secretary of Labor for Veterans' Employment and Train-
20 ing.

21 "(2) The Secretary shall make performance incentive
22 awards for each program year, beginning with the pro-
23 gram year that begins in fiscal year 2004, with respect
24 to services provided under this chapter during the pre-
25 ceding program year.

1 "(b) CRITERIA FOR ELIGIBILITY FOR AWARDS.—The
2 Secretary shall establish criteria for eligibility for perform-
3 ance incentive awards for purposes of this section in con-
4 sultation with representatives of States, political subdivi-
5 sions of States, and other providers of employment, train-
6 ing, and placement services under the Workforce Invest-
7 ment Act of 1998 consistent with the performance meas-
8 ures established under section 4102A(b)(8) of this title.
9 "(c) DETERMINATION OF AMOUNT OF AWARD.—(1)
10 The Secretary shall determine the amount of performance
11 incentive awards in a State under this section by meas-
12 uring the performance of the State in providing employ-
13 ment, training, and placement services furnished in each
14 State during the previous program year based on the
15 measures of performance established under section
16 4102A(b)(8) of this title.
17 "(2) In determining the amount of awards under
18 paragraph (1), the Secretary shall—
19 "(A) provide greater amounts to those States
20 which the Secretary determines furnished, during
21 the preceding fiscal year, the highest quality employ-
22 ment, training, and placement services based on
23 measures of performance;
24 "(B) provide awards to those States that have
25 made significant improvements in the delivery of

1 such services, as determined by the Secretary, but
2 do not meet the criteria under subparagraph (A);
3 and
4 "(C) consider factors such as prevailing eco-
5 nomic and unemployment conditions that affect per-
6 formance of individuals providing employment, train-
7 ing, and placement services in the State.
8 "(d) USE OF AWARD.—(1) Amounts received by a
9 State under this section may be used—
10 "(A) to hire additional veterans employment
11 and training staff; or
12 "(B) for such other purposes related to provi-
13 sion of employment and training services as the
14 State and the Secretary may jointly approve.
15 "(2) For purposes of paragraph (1), an eligible em-
16 ployee is any of the following:
17 "(A) A disabled veterans' outreach program
18 specialist.
19 "(B) A local veterans' employment representa-
20 tive.
21 "(e) RELATIONSHIP OF AWARD TO GRANT AMOUNTS
22 OR OTHER COMPENSATION.—A performance incentive
23 award under this section is in addition to amounts made
24 available to a State under section 4102A(b)(5) of this
25 title.

1 "(f) AVAILABILITY FOR OBLIGATION.—Amounts re-
2 ceived in a performance incentive award under this section
3 may be obligated by the State during the program year
4 in which the award was received and the subsequent pro-
5 gram year.

6 "(g) APPROPRIATIONS.—The Secretary shall carry
7 out the program under this section from amounts appro-
8 priated pursuant to the authorization under section
9 4106(b)(2) of this title. Such amounts shall only be avail-
10 able to carry out the program under this section.".

11 (2) CLERICAL AMENDMENT.—The table of sec-
12 tions at the beginning of chapter 41 is amended by
13 inserting after the item relating to section 4111 the
14 following new item:

"4112. Performance incentive awards for quality employment, training, and placement services.".

15 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
16 4106(b) is amended—

17 (1) by inserting "(1)" after "(b)"; and

18 (2) by adding at the end the following new
19 paragraph:

20 "(2) In addition to amounts authorized to be appro-
21 priated under paragraph (1), there are authorized to be
22 appropriated to the Secretary to carry out the program
23 of performance incentive awards under section 4112 of
24 this title the following:

"(A) For the program year beginning during fiscal year 2004, $10,000,000.

"(B) For the program year beginning during fiscal year 2005, $25,000,000.

"(C) For the program year beginning during fiscal year 2006, $50,000,000.

"(D) For the program year beginning during fiscal year 2007, $75,000,000.

"(E) For the program year beginning during fiscal year 2008, $100,000,000.

"(F) For the program year beginning during fiscal year 2009 and each subsequent fiscal year, such sums as are necessary.".

SEC. 4. REFINEMENT OF JOB TRAINING AND PLACEMENT FUNCTIONS OF THE DEPARTMENT.

(a) REVISION OF DEPARTMENT LEVEL SENIOR OFFICIALS AND FUNCTIONS.—

(1) IN GENERAL.—Sections 4102A and 4103 are amended to read as follows:

"§ 4102A. Assistant Secretary of Labor for Veterans' Employment and Training; program functions; Regional Administrators

"(a) ESTABLISHMENT OF POSITION OF ASSISTANT SECRETARY OF LABOR FOR VETERANS' EMPLOYMENT AND TRAINING.—(1) There is established within the De-

1 partment of Labor an Assistant Secretary of Labor for
2 Veterans' Employment and Training, appointed by the
3 President by and with the advice and consent of the Sen-
4 ate, who shall formulate and implement all departmental
5 policies and procedures to carry out (A) the purposes of
6 this chapter, chapter 42, and chapter 43 of this title, and
7 (B) all other Department of Labor employment, unem-
8 ployment, and training programs to the extent they affect
9 veterans.

10 "(2) The employees of the Department of Labor ad-
11 ministering chapter 43 of this title shall be administra-
12 tively and functionally responsible to the Assistant Sec-
13 retary of Labor for Veterans' Employment and Training.
14 The Assistant Secretary of Labor for Veterans' Employ-
15 ment and Training shall be a veteran.

16 "(3)(A) There shall be within the Department of
17 Labor a Deputy Assistant Secretary of Labor for Vet-
18 erans' Employment and Training. The Deputy Assistant
19 Secretary shall perform such functions as the Assistant
20 Secretary of Labor for Veterans' Employment and Train-
21 ing prescribes. The Deputy Assistant Secretary shall be
22 a veteran.

23 "(B) No individual may be appointed as a Deputy
24 Assistant Secretary of Labor for Veterans' Employment
25 and Training unless the individual has at least five years

1 of continuous service in the Federal civil service in the
2 executive branch immediately preceding appointment as
3 the Deputy Assistant Secretary. For purposes of deter-
4 mining such continuous service of an individual, there
5 shall be excluded any service by the individual in a
6 position—

7 "(i) of a confidential, policy-determining, policy-
8 making, or policy-advocating character;

9 "(ii) in which the individual served as a non-
10 career appointee in the Senior Executive Service, as
11 such term is defined in section 3132(a)(7) of title 5;
12 or

13 "(iii) to which the individual was appointed by
14 the President.

15 "(b) PROGRAM FUNCTIONS.—The Secretary shall
16 carry out the following functions:

17 "(1) Except as expressly provided otherwise,
18 carry out all provisions of this chapter and chapter
19 43 of this title through the Assistant Secretary of
20 Labor for Veterans' Employment and Training and
21 administer through such Assistant Secretary all pro-
22 grams under the jurisdiction of the Secretary for the
23 provision of employment and training services de-
24 signed to meet the needs of all veterans and persons
25 eligible for services furnished under this chapter.

1 "(2) In order to make maximum use of avail-
2 able resources in meeting such needs, encourage all
3 such programs, and all grantees and contractors
4 under such programs to enter into cooperative ar-
5 rangements with private industry and business con-
6 cerns (including small business concerns), edu-
7 cational institutions, trade associations, and labor
8 unions.

9 "(3) Ensure that maximum effectiveness and
10 efficiency are achieved in providing services and as-
11 sistance to eligible veterans under all such programs
12 by coordinating and consulting with the Secretary of
13 Veterans Affairs with respect to (A) programs con-
14 ducted under other provisions of this title, with par-
15 ticular emphasis on coordination of such programs
16 with readjustment counseling activities carried out
17 under section 1712A of this title, apprenticeship or
18 other on-the-job training programs carried out under
19 section 3687 of this title, and rehabilitation and
20 training activities carried out under chapter 31 of
21 this title, (B) the Veterans' Job Training Act (29
22 U.S.C. 1721 note), and (C) determinations covering
23 veteran population in a State.

"(4) Ensure that job placement activities are carried out in coordination and cooperation with appropriate State public employment service officials.

"(5) Subject to subsection (c), make available for use in each State by grant or contract such funds as may be necessary to support—

"(A) disabled veterans' outreach program specialists appointed under section 4103A(a)(1) of this title,

"(B) local veterans' employment representatives assigned under section 4104(b) of this title, and

"(C) the reasonable expenses of such specialists and representatives described in subparagraphs (A) and (B), respectively, for training, travel, supplies, and fringe benefits, including travel expenses and per diem from attendance at the National Veterans' Employment and Training Services Institute established under section 4109 of this title.

"(6) Monitor and supervise on a continuing basis the distribution and use of funds provided for use in the States under paragraph (5).

"(7) Monitor the appointment of disabled veterans' outreach specialists and the assignment of

1 local veterans' employment representatives in order
2 to ensure compliance with the provisions of sections
3 4103A(a)(1) and 4104(a)(4), respectively, of this
4 title.

5 "(8) Establish, and update as appropriate, a
6 comprehensive performance accountability system
7 (as described in subsection (f)) and carry out annual
8 performance reviews of veterans employment and
9 training staff as defined in subsection (f)(4)).

10 "(c) CONDITIONS FOR RECEIPT OF FUNDS.—(1) The
11 distribution and use of funds under subsection (b)(5) in
12 order to carry out sections 4103A(a) and 4104(a) of this
13 title shall be subject to the continuing supervision and
14 monitoring of the Secretary and shall not be governed by
15 the provisions of any other law, or any regulations pre-
16 scribed thereunder, that are inconsistent with this section
17 or section 4103A or 4104 of this title.

18 "(2)(A) A State shall submit to the Secretary an ap-
19 plication for a grant or contract under subsection (b)(5).
20 The application shall contain such information as the Sec-
21 retary determines necessary, including the veteran popu-
22 lation to be served, to make a determination with respect
23 to awarding a grant or contract to the State.

24 "(B)(i) Subject to the succeeding provisions of this
25 subparagraph, of the amount available under subsection

1 (b)(5) for a fiscal year, the Secretary shall make available
2 to each State with an application approved by the Sec-
3 retary the same proportion as the ratio of—
4 "(I) the total number of veterans residing in
5 the State that are seeking employment using such
6 criteria as the Secretary may establish in regula-
7 tions, including the unemployment rate, for the
8 State for the fiscal year; to
9 "(II) the total number of veterans seeking em-
10 ployment in all States.
11 "(ii) For purposes of clause (i), in determining the
12 number of veterans residing in a State that are seeking
13 employment, the Secretary based on data available to the
14 Secretary shall consider only those veterans residing in the
15 State who are under 65 years of age.
16 "(iii) The Secretary shall phase in over the three fis-
17 cal-year period that begins on October 1, 2002, the man-
18 ner in which amounts are made available to States under
19 subsection (b)(5) and this subsection, as amended by the
20 Jobs for Veterans Act.
21 "(3)(A) As a condition of a grant or contract under
22 this section for a program year, in the case of a State
23 that the Secretary determines has an entered-employment
24 rate for veterans that is deficient for the preceding pro-
25 gram year, the State shall develop and implement a correc-

1 tive action plan to improve that rate for veterans in the
2 State. The State shall submit the corrective action plan
3 to the Secretary.

4 "(B) To carry out subparagraph (A), the Secretary
5 shall establish in regulations a uniform national threshold
6 entered-employment rate for veterans for a program year
7 by which determinations of deficiency may be made under
8 subparagraph (A).

9 "(4) In determining the terms and conditions of a
10 grant or contract under which funds are made available
11 to a State in order to carry out section 4103A or 4104
12 of this title, the Secretary shall take into account—

13 "(A) the results of reviews, carried out pursu-
14 ant to subsection (b)(8), of the performance of em-
15 ployment service delivery systems in the State, and

16 "(B) the monitoring carried out under this sec-
17 tion.

18 "(5) Each grant or contract by which funds are made
19 available to a State shall contain a provision requiring the
20 recipient of the funds to comply with the provisions of this
21 chapter.

22 "(6) Each State shall coordinate employment, train-
23 ing, and placement services furnished to veterans and eli-
24 gible persons under this chapter with such services fur-
25 nished with respect to such veterans and persons under

1 the Workforce Investment Act of 1998 and the Wagner-
2 Peyser Act.
3 "(d) PARTICIPATION IN OTHER FEDERALLY FUND-
4 ED JOB TRAINING PROGRAMS.—The Assistant Secretary
5 of Labor for Veterans' Employment and Training shall
6 promote and monitor participation of qualified veterans
7 and eligible persons in employment and training opportu-
8 nities under title I of the Workforce Investment Act of
9 1998 and other federally funded employment and training
10 programs.
11 "(e) REGIONAL ADMINISTRATORS.—(1) The Sec-
12 retary shall assign to each region for which the Secretary
13 operates a regional office a representative of the Veterans'
14 Employment and Training Service to serve as the Re-
15 gional Administrator for Veterans' Employment and
16 Training in such region. A person may not be assigned
17 after October 9, 1996, as such a Regional Administrator
18 unless the person is a veteran.
19 "(2) Each such Regional Administrator shall carry
20 out such duties as the Secretary may require to promote
21 veterans employment and reemployment within the region
22 that the Administrator serves.
23 "(f) ESTABLISHMENT OF PERFORMANCE STAND-
24 ARDS AND OUTCOMES MEASURES.—(1) By not later than
25 December 1, 2002, the Assistant Secretary of Labor for

1 Veterans' Employment and Training shall establish and
2 implement a comprehensive performance accountability
3 system to measure the performance of veterans employ-
4 ment and training staff (as defined in paragraph (4)) in
5 a State to provide accountability of that State to the Sec-
6 retary for purposes of subsection (c).

7 "(2) Such standards and measures shall—

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

11 "(B) be appropriately weighted to provide spe-
12 cial consideration for placement of (i) veterans re-
13 quiring intensive services (as defined in section
14 4101(9) of this title), such as special disabled vet-
15 erans and disabled veterans, and (ii) veterans who
16 enroll in readjustment counseling under section
17 1712A of this title.

18 "(3) A Director for Veterans' Employment and
19 Training for a State may submit to the head of the em-
20 ployment service in the State recommendations and com-
21 ments in connection with each annual performance rating
22 of disabled veterans' outreach specialists, under section
23 4103A of this title, and of local veterans' employment rep-
24 resentatives, under section 4104 of this title, in the State.

1 "(4) In this section, the term 'veterans employment
2 and training staff' means an individual providing services
3 required under this chapter who is an employee of a State,
4 a political subdivision of a State, or of the Veterans' Em-
5 ployment and Training Service.

6 **"§ 4103. Directors and Assistant Directors for Vet-**
7 **erans' Employment and Training; addi-**
8 **tional Federal personnel**

9 "(a) DIRECTORS AND ASSISTANT DIRECTORS.—(1)
10 The Secretary shall assign to each State a representative
11 of the Veterans' Employment and Training Service to
12 serve as the Director for Veterans' Employment and
13 Training, and shall assign full-time Federal clerical or
14 other support personnel to each such Director.

15 "(2) Full-time Federal clerical or other support per-
16 sonnel assigned to Directors for Veterans' Employment
17 and Training shall be appointed in accordance with the
18 provisions of title 5 governing appointments in the com-
19 petitive service and shall be paid in accordance with the
20 provisions of chapter 51 and subchapter III of chapter 53
21 of title 5.

22 "(b) ADDITIONAL FEDERAL PERSONNEL.—The Sec-
23 retary may also assign as supervisory personnel such rep-
24 resentatives of the Veterans' Employment and Training
25 Service as the Secretary determines appropriate to carry

1 out the employment, training, and placement services re-
2 quired under this chapter, including Assistant Directors
3 for Veterans' Employment and Training.".

4 (2) CLERICAL AMENDMENTS.—The items relat-
5 ing to sections 4102A and 4103, respectively, in the
6 table of sections at the beginning of chapter 41 are
7 amended to read as follows:

"4102A. Assistant Secretary of Labor for Veterans' Employment and Training; program functions; Regional Administrators.
"4103. Directors and Assistant Directors for Veterans' Employment and Training; additional Federal personnel.".

8 (3) CONFORMING AMENDMENT RELATING TO
9 PERFORMANCE STANDARDS.—(A)(i) Section 4104A
10 is repealed.

11 (ii) The table of sections at the beginning of
12 chapter 41 is amended by striking the item relating
13 to section 4104A.

14 (B) Section 4107(b) is amended by striking
15 "The Secretary shall establish definitive performance
16 standards" and inserting "The Secretary shall apply
17 performance standards established under section
18 4102A(f) of this title".

19 (4) EFFECTIVE DATE.—The amendments made
20 by this subsection shall take effect on December 1,
21 2002, and shall apply to appointments made on or
22 after that date.

1 (b) REVISION OF STATUTORILY DEFINED DUTIES OF
2 DISABLED VETERANS' OUTREACH SPECIALISTS AND
3 LOCAL VETERANS' EMPLOYMENT REPRESENTATIVES.—
4 (1) DISABLED VETERANS' OUTREACH SPECIAL-
5 ISTS.—Section 4103A is amended by striking all
6 after the heading and inserting the following:
7 "(a) REQUIREMENT FOR EMPLOYMENT BY STATES
8 OF A SUFFICIENT NUMBER OF SPECIALISTS.—(1) Subject
9 to approval by the Secretary, a State shall employ such
10 full- or part-time disabled veterans' outreach program spe-
11 cialists as the State determines appropriate and efficient
12 to carry out intensive services under this chapter to meet
13 the employment needs of eligible veterans with the fol-
14 lowing priority in the provision of services:
15 "(A) Special disabled veterans.
16 "(B) Other disabled veterans.
17 "(C) Other eligible veterans in accordance with
18 priorities determined by the Secretary taking into
19 account applicable rates of unemployment and the
20 employment emphases set forth in chapter 42 of this
21 title.
22 "(2) In the provision of services in accordance with this
23 subsection, maximum emphasis in meeting the employ-
24 ment needs of veterans shall be placed on assisting eco-
25 nomically or educationally disadvantaged veterans.

1 "(b) DUTIES.—A State shall assign such duties to
2 disabled veterans' outreach program specialists as the Sec-
3 retary determines appropriate to carry out subsection (a).
4 "(c) REQUIREMENT FOR QUALIFIED VETERANS.—A
5 State shall, to the extent practicable, employ qualified vet-
6 erans to carry out the services referred to in subsection
7 (a). Preference shall be given in the appointment of such
8 specialists to qualified disabled veterans.".
9 (2) LOCAL VETERANS' EMPLOYMENT REP-
10 RESENTATIVES.—Section 4104 is amended by strik-
11 ing all after the heading and inserting the following:
12 "(a) REQUIREMENT FOR EMPLOYMENT BY STATES
13 OF A SUFFICIENT NUMBER OF REPRESENTATIVES.—Sub-
14 ject to approval by the Secretary, a State shall employ
15 such full- and part-time local veterans' employment rep-
16 resentatives as the State determines appropriate and effi-
17 cient to carry out employment, training, and placement
18 services under this chapter.
19 "(b) DUTIES.—A State shall assign such duties to
20 local veterans' employment representatives as the Sec-
21 retary determines appropriate to carry out subsection (a).
22 As a principal duty, local veterans' employment represent-
23 atives shall conduct outreach to employers in the area to
24 assist veterans in gaining employment, including con-
25 ducting seminars for employers and, in conjunction with

1 employers, conducting job search workshops and estab-
2 lishing job search groups.

3 "(c) PREFERENCE FOR QUALIFIED VETERANS.—A
4 State shall, to the extent practicable, employ qualified vet-
5 erans to carry out the services referred to in subsection
6 (a).

7 "(d) CONSULTATION.—The local veterans' employ-
8 ment representatives employed pursuant to this section
9 shall be assigned by the administrative head of the em-
10 ployment service in the State, after consultation with the
11 Director for Veterans' Employment and Training for the
12 State.

13 "(e) REPORTING.—Each local veterans' employment
14 representative shall be administratively responsible to the
15 manager of the employment service delivery system and
16 shall provide reports, not less frequently than quarterly,
17 to the manager of such office and to the Director for Vet-
18 erans' Employment and Training for the State regarding
19 compliance with Federal law and regulations with respect
20 to special services and priorities for eligible veterans and
21 eligible persons.".

22 (3) EFFECTIVE DATE.—The amendments made
23 by this subsection shall take effect on December 1,
24 2002, and shall apply to appointments made on or
25 after that date.

1 (c) REQUIREMENT TO PROMPTLY ESTABLISH ONE-
2 STOP EMPLOYMENT SERVICES.—By not later than 18
3 months after the date of the enactment of this Act, the
4 Secretary of Labor shall provide one-stop services and as-
5 sistance to covered persons electronically by means of the
6 Internet, as defined in section 231(e)(3) of the Commu-
7 nications Act of 1934, and such other electronic means
8 to enhance the delivery of such services and assistance.
9 (d) REQUIREMENT FOR BUDGET LINE ITEM FOR
10 TRAINING SERVICES INSTITUTE.—
11 (1) IN GENERAL.—The last sentence of section
12 4106(a) is amended to read as follows: "Each budg-
13 et submission with respect to such funds shall in-
14 clude a separate listing of the amount for the Na-
15 tional Veterans' Employment and Training Services
16 Institute together with information demonstrating
17 the compliance of such budget submission with the
18 funding requirements specified in the preceding sen-
19 tence.".
20 (2) EFFECTIVE DATE.—The amendment made
21 by paragraph (1) shall take effect on the date of the
22 enactment of this Act, and apply to budget submis-
23 sions for fiscal year 2004 and each subsequent fiscal
24 year.

1 (e) CONFORMING AMENDMENTS.—(1) Section
2 4107(c)(5) is amended by striking "(including the need"
3 and all that follows through "representatives)".
4 (2) Section 3117(a)(2)(B) is amended to read as fol-
5 lows:
6 "(B) utilization of employment, training, and
7 placement services under chapter 41 of this title;
8 and".
9 (f) REPORT.—
10 (1) IN GENERAL.—Not later than 90 days after
11 the date of the enactment of this Act, the Secretary
12 of Labor shall submit to Congress a report on the
13 matters described in paragraph (2) in order to pro-
14 vide the best possible employment and training serv-
15 ices to meet the needs of veterans in the 21st cen-
16 tury, taking into consideration methods and delivery
17 systems for job training intensive services and place-
18 ment services in effect by reason of the Workforce
19 Investment Act of 1998 and availability of employ-
20 ment and training services through the Internet and
21 other electronic means that facilitate the delivery of
22 such services and assistance. The Secretary shall
23 consult with agencies of States and political subdivi-
24 sions of States as the Secretary determines appro-
25 priate in the preparation of the report.

(2) MATTERS DESCRIBED.—The matters referred to in paragraph (1) include the following:

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

(B) Revised titles and duties proposed by the Secretary for—

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

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

SEC. 5. ADDITIONAL IMPROVEMENTS IN VETERANS EMPLOYMENT AND TRAINING SERVICES.

(a) INCLUSION OF INTENSIVE SERVICES.—

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

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

1 (B) Section 4102 is amended by striking "job
2 and job training counseling service program," and
3 inserting "job and job training intensive services
4 program,".
5 (C) Section 4106(a) is amended by striking
6 "proper counseling" and inserting "proper intensive
7 services".
8 (D) Section 4107(a) is amended by striking
9 "employment counseling services" and inserting "in-
10 tensive services".
11 (E) Section 4107(c)(1) is amended by striking
12 "the number counseled" and inserting "the number
13 who received intensive services".
14 (F) Section 4109(a) is amended by striking
15 "counseling," each place it appears and inserting
16 "intensive services,".
17 (2) EFFECTIVE DATE.—The amendments made
18 by paragraph (1) shall take effect on the date of the
19 enactment of this Act.
20 (b) ADDITIONAL VETS DUTY TO IMPLEMENT TRAN-
21 SITIONS TO CIVILIAN CAREERS.—
22 (1) IN GENERAL.—(A) Section 4102 is amend-
23 ed by striking the period and inserting ", including
24 programs carried out by the Veterans' Employment
25 and Training Service to implement all efforts to ease

1 the transition of servicemembers to civilian careers
2 that are consistent with, or an outgrowth of, the
3 military experience of the servicemembers.".
4 (B) Such section is further amended by striking
5 "and veterans of the Vietnam era" and inserting
6 "and veterans who served on active duty during a
7 war or in a campaign or expedition for which a cam-
8 paign badge has been authorized".
9 (2) EFFECTIVE DATE.—The amendments made
10 by paragraph (1) shall take effect on the date of the
11 enactment of this Act.
12 (c) MODERNIZATION OF EMPLOYMENT SERVICE DE-
13 LIVERY POINTS TO INCLUDE TECHNOLOGICAL INNOVA-
14 TIONS.—
15 (1) IN GENERAL.—Section 4101(7) is amended
16 to read as follows:
17 "(7) The term 'employment service delivery sys-
18 tem' means a service delivery system at which or
19 through which labor exchange services, including em-
20 ployment services, are offered in a manner con-
21 sistent with the provision of such labor exchange
22 services in accordance with the Wagner-Peyser
23 Act.".

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on the date of the enactment of this Act.

(d) INCREASE IN ACCURACY OF REPORTING SERVICES FURNISHED TO VETERANS.—

(1) IN GENERAL.—(A) Section 4107(c)(1) is amended by striking "and eligible persons who registered for assistance with" and inserting "eligible persons, and servicemembers transitioning to civilian careers who registered for assistance with, or who are identified as veterans by,".

(B) Section 4107(c)(2) is amended—

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

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

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

(D) Section 4107(c) is amended—

(i) by striking "and" at the end of paragraph (4);

(ii) by striking the period at the end of paragraph (5) and inserting "; and"; and

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

"(6) a report on the operation during the preceding program year of the program of performance incentive awards for quality employment services under section 4112 of this title, including an analysis of amount of incentives distributed to each State and the rationale for such distribution.".

(E) Section 4107(b), as amended by section 4(a)(3)(B), is further amended by striking the second sentence and inserting the following: "Not later than February 1 of each year, the Secretary shall report to the Committees on Veterans' Affairs of the Senate and the House of Representatives on the performance of States and organizations and entities carrying out employment, training, and placement services under this chapter, as measured under subsection (b)(8) of section 4102A of this title. In the case of a State that the Secretary determines has not met the minimum standard of performance (established by the Secretary under subsection (f) of such section), the Secretary shall include an analysis of the extent and reasons for the State's failure to

1 meet that minimum standard, together with the
2 State's plan for corrective action during the suc-
3 ceeding year.".
4 (2) EFFECTIVE DATE.—The amendments made
5 by paragraph (1) shall take effect on January 1,
6 2003.

7 **SEC. 6. COMMITTEE TO RAISE EMPLOYER AWARENESS OF**
8 **SKILLS OF VETERANS AND BENEFITS OF HIR-**
9 **ING VETERANS.**

10 (a) ESTABLISHMENT OF COMMITTEE.—There is es-
11 tablished within the Department of Labor a committee to
12 be known as the President's National Hire Veterans Com-
13 mittee (hereinafter in this section referred to as the "Com-
14 mittee").
15 (b) DUTIES.—The Committee shall establish and
16 carry out a national program to do the following:
17 (1) To furnish information to employers with
18 respect to the training and skills of veterans and dis-
19 abled veterans, and the advantages afforded employ-
20 ers by hiring veterans with such training and skills.
21 (2) To facilitate employment of veterans and
22 disabled veterans through participation in America's
23 Career Kit national labor exchange, and other
24 means.

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

1 (A) The Secretary of Veterans Affairs.

2 (B) The Secretary of Defense.

3 (C) The Assistant Secretary of Labor for Vet-
4 erans Employment and Training.

5 (D) The Administrator of the Small Business
6 Administration.

7 (E) The Postmaster General.

8 (F) The Director of the Office of Personnel
9 Management.

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

12 (d) ADMINISTRATIVE MATTERS.—(1) The Committee
13 shall meet not less frequently than once each calendar
14 quarter.

15 (2) The Secretary of Labor shall appoint the chair-
16 man of the Committee.

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

19 (B) Members of the Committee shall be allowed rea-
20 sonable and necessary travel expenses, including per diem
21 in lieu of subsistence, at rates authorized for persons serv-
22 ing intermittently in the Government service in accordance
23 with the provisions of subchapter I of chapter 57 of title
24 5 while away from their homes or regular places of busi-

1 ness in the performance of the responsibilities of the Com-
2 mittee.
3 (4) The Secretary of Labor shall provide staff and
4 administrative support to the Committee to assist it in
5 carrying out its duties under this section. The Secretary
6 shall assure positions on the staff of the Committee are
7 filled by individuals that have had previous employment
8 as one of the following:
9 (A) Staff of the Assistant Secretary of Labor
10 for Veterans' Employment and Training under sec-
11 tion 4102A of title 38, United States Code as in ef-
12 fect on the date of the enactment of this Act.
13 (B) Directors for Veterans' Employment and
14 Training under section 4103 of such title as in effect
15 on such date.
16 (C) Assistant Director for Veterans' Employ-
17 ment and Training under such section as in effect
18 on such date.
19 (D) Disabled veterans' outreach program spe-
20 cialists under section 4103A of such title as in effect
21 on such date.
22 (E) Local veterans' employment representatives
23 under section 4104 of such title as in effect on such
24 date.

1 (5) Upon request of the Committee, the head of any
2 Federal department or agency may detail, on a non-
3 reimbursable basis, any of the personnel of that depart-
4 ment or agency to the Committee to assist it in carrying
5 out its duties.

6 (6) The Committee may contract with and com-
7 pensate government and private agencies or persons to
8 furnish information to employers under subsection (b)(1)
9 without regard to section 3709 of the Revised Statutes
10 (41 U.S.C. 5).

11 (e) REPORT.—Not later than December 31, 2003
12 through 2005, the Secretary of Labor shall submit to Con-
13 gress a report on the activities of the Committee under
14 this section during the previous fiscal year, and shall in-
15 clude in such report data with respect to placement and
16 retention of veterans in jobs attributable to the activities
17 of the Committee.

18 (f) TERMINATION.—The Committee shall terminate
19 60 days after submitting the report that is due on Decem-
20 ber 31, 2005.

21 (g) AUTHORIZATION OF APPROPRIATIONS.—There
22 are authorized to be appropriated to the Secretary of
23 Labor from the employment security administration ac-
24 count (established in section 901 of the Social Security
25 Act (42 U.S.C. 1101)) in the Unemployment Trust Fund

1 $3,000,000 for each of fiscal years 2003 through 2005
2 to carry out this section.

3 **SEC. 7. SENSE OF CONGRESS COMMENDING VETERANS**
4 **AND MILITARY SERVICE ORGANIZATIONS.**

5 It is the sense of Congress that—
6 (1) veterans and military service organizations
7 are to be commended for the continued assistance
8 the organizations provide veterans; and
9 (2) veterans and military service organizations
10 are encouraged to provide job placement assistance
11 to veterans who are job-ready by making personal
12 computers with access to electronic job placement
13 services and programs available to veterans at local
14 posts and through other means.

15 **SEC. 8. STUDY ON ECONOMIC BENEFITS TO THE UNITED**
16 **STATES OF LONG-TERM SUSTAINED EMPLOY-**
17 **MENT OF VETERANS.**

18 (a) STUDY.—The Secretary of Labor shall enter into
19 a contract with an appropriate organization or entity to
20 conduct a study to quantify the economic benefit to the
21 United States attributable to the provision of employment
22 and training services under chapter 41 of title 38, United
23 States Code, in assisting veterans to attain long-term, sus-
24 tained employment. Such study shall include analyses on
25 the impact of such employment on Federal, State, and

1 local tax generated by reason of such employment, the
2 contributions of such employment on the domestic gross
3 national product, and such other indicators of the effect
4 of such employment on the economy of the United States.
5 (b) REPORT.—A condition of the contract under sub-
6 section (a) shall be that the organization submit to the
7 Secretary of Labor a report on the study conducted by
8 the organization not later than 18 months after the date
9 on which that Secretary enters into such contract.
10 (c) AUTHORIZATION OF APPROPRIATIONS.—There
11 are authorized to be appropriated to the Secretary of
12 Labor $1,000,000 to carry out the provisions of this sec-
13 tion, such sums to remain available until expended.

PREPARED STATEMENT OF CONGRESSMAN EVANS

HEARING ON H.R. 4015, JOBS FOR VETERANS ACT

Thank you, Mr. Chairman, for scheduling today's hearing. I want to begin by thanking those of you who are here with us today from the Department of Labor. Over the years, I know the Veterans' Employment and Training Service (VETS) has made efforts to evaluate and improve upon the number of veteran job seekers who they can place into permanent, high-quality employment opportunities. I know efforts have also been underway to try to transform a troubled strategic planning process. I want you to know that these efforts are recognized.

If we are to have hope for the Department of Labor's ability to provide quality employment service to veterans, I think everyone across the board agrees that some changes in law are needed. I am looking forward to receiving our witnesses' testimony today on what I view to be a problematic area that is in need of legislative attention. H.R. 4015 is an earnest attempt to give our veterans that legislative attention. I think we have a good bill here.

Title 38 of the U.S. Code proclaims we have a national responsibility to assist veterans in their efforts to find and maintain stable, permanent employment. I know first-hand that there are a lot of hard-working, caring people out there whose livelihoods are made by providing employment services to veterans. Every day, these dedicated people strive to fulfill our national commitment. I can say this with confidence because I have had the pleasure of meeting some of these great people and seeing what they do.

They are the Disabled Veterans' Outreach Program Specialists; they are the Local Veterans' Employment Representatives; they are community-based and veterans' service organizations. Many, in fact, are veterans themselves. I am looking forward to hearing testimony from folks like these and all our other witnesses here today.

I applaud the cooperative effort that has transpired among my colleagues, the veterans' community and with the Secretary of Labor to evaluate the roles and functions of veterans' employment specialists. Changes in the number and responsibilities of these important positions must always be made very carefully and with consensus among the veterans and employment service communities. In this regard, I am pleased with the new funding formula contemplated in H.R. 4015 that focuses on the number of job-seeking veterans under age 65 in each state and each state's unemployment rate. This seems to be a good way to facto in the unique economic and labor conditions that might otherwise be overlooked.

The issues we are considering today are significant, and your advice and guidance on H.R. 4015 will be very important to us.

Thank you, Mr. Chairman.

STATEMENT OF FREDERICO JUARBE JR.

ASSISTANT SECRETARY FOR

VETERANS' EMPLOYMENT AND TRAINING

BEFORE THE

SUBCOMMITTEE ON BENEFITS

COMMITTEE ON VETERANS' AFFAIRS

U.S. HOUSE OF REPRESENTATIVES

APRIL 18, 2002

Mr. Chairman and Distinguished Members of the Subcommittee:

Thank you for inviting me to testify today on H.R. 4015, the "Jobs for Veterans Act." This is my first opportunity to appear before this Subcommittee as the Assistant Secretary for Veterans' Employment and Training and it is an honor for me.

The Administration is deeply committed to helping our veterans find high-quality jobs. Our Nation's veterans deserve nothing less than access to high-quality services in both employment and training. This Administration understands and deeply appreciates the patriotism, dedication, skills and experiences veterans bring to the civilian labor force.

We appreciate the keen interest of this Subcommittee in helping to move the Veterans' Employment and Training Service (VETS) into the 21st century by removing many of the statutory roadblocks that have tied us to the past.

As the Subcommittee is aware, the Administration also has a proposal for improving employment services for veterans, which will be introduced in the near future. That proposal reflects the core principles of competitive, performance-based funding as the best way to improve services to veterans. The proposal would, on a temporary basis

until such time as the competitive provisions are in place, transfer administration of the grants programs for the current Disabled Veteran Outreach Program (DVOP), the Local Veteran Employment Representative (LVER), and the Homeless Veterans Reintegration Program (HVRP) to the Department of Veterans Affairs. The DVOP and LVER programs would remain in effect until the Secretary of Veterans Affairs implements a new program of employment-related services that would require competition, be results-based, and provide an integrated, seamless continuum of services to veterans.

We are continuing to review H.R. 4015 and do not presently have a position on every provision of the bill. However, because the bill has a number of elements that have similar goals to the Administration's plan, we can support the intent of a number of aspects of H.R. 4015. I will now comment on some of the major provisions of H.R. 4015.

The repeal of the statutorily defined duties of DVOP Specialists and LVERs has long been necessary and would go a long way toward improving Chapter 41 of Title 38 of the United States Code. This would provide us, and those delivering services in the respective states, with needed flexibility and would help provide a renewed focus on the best ways of achieving the mission and goals of this agency. The Department of Labor endorses the idea of providing states the flexibility to deploy resources to secure needed coverage in rural, remote or underserved areas. Under H.R. 4015, states would be able to more effectively determine where DVOPs and LVERs should be placed with the use of half-time DVOPs, similar to half-time LVERs. In our view, flexibility is critical to making services more accessible to veterans.

Incorporating the expectation of high performance is an essential component of an effective workforce system. H.R. 4015 provides incentives not only to those states that provide the highest levels of performance, but also to those states that show significant improvements. In addition, the Committee's proposal permits incentive awards to be used for additional staffing, modernization of service delivery and pilot projects to test

new approaches to enhance services to America's veterans. We believe that the Administration's bill would provide stronger incentives for high performance by adding consequences for poor performance. Our bill also takes a different approach to modernizing service delivery through pilot projects coordinated at the national level.

Other positive elements of this bill include the elimination of the state residency requirement and relief from the application of formula requirements. Residence and formula requirements have hindered the deployment of staff in response to workload requirements and deprived deserving individuals of opportunities for career growth. We believe that veterans should fill the political and senior-level positions, and intend to act accordingly, but we note that the legislation should be amended to provide that the holders of those positions" should" be a veteran, rather than "shall" be a veteran. Also, the legislation should be amended to provide that no person "should" rather than "may" be appointed as Deputy Assistant Secretary of Labor for Veterans' Employment and Training unless the person has five years of Government service as a career civil servant. As a constitutional matter, the Congress cannot unduly burden the nomination and appointment power of the President, in the case of the Assistant Secretary, and the appointment power of the Secretary, in the case of the other positions, by substantially restricting the pool of qualified persons from which the nomination or appointment may be made.

If there is one consistent message that I hear from our state partners, it is to give the states greater flexibility. The current staffing grant formula process for the allocation and assignment of positions does not address the individual requirements of states in providing services to veterans. Economic and demographic conditions, including consideration for rural, urban, inner city, and suburban areas, are just a few of the factors that impact on a state's need to determine assignment of positions. By removing the current restrictions on the assignment and types of positions funded by formula, this bill would allow the states the opportunity to develop service delivery plans that address their unique needs and situations.

As the Subcommittee knows, the Veterans' Employment and Training Service will implement new state performance measures that are aligned with those of the Workforce Investment Act (WIA), beginning in July of this year. This makes it easier for service providers to achieve the overall national goal of integrating and streamlining employment and training services through the One-Stop delivery system.

The Subcommittee has recognized the important role employers play in the employment and training arena by the establishment of the "President's National Hire Veterans Committee" in H.R. 4015. The Hire Veterans Committee would increase employers' awareness of the advantages of hiring veterans and utilizing their military training to enhance the employers' workforce. The Hire Veterans Committee also may be able to help narrow the skill gaps between military and civilian licensing and certification requirements. In sum, the Hire Veterans Committee has the potential to add significant value to the entire employment and training community.

In conclusion, VETS supports bringing Title 38 up to date to meet the needs of the 21st century veteran and the 21st century workplace. The Administration commends the Subcommittee on its bipartisan approach to do that. We look forward to continuing to work with this Subcommittee on both H.R. 4015 and the Administration's proposal in an effort to enhance veterans' training and employment.

Thank you again for the opportunity to address these important issues.

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STATEMENT BY REX HALL
CHAIRMAN
NATIONAL ASSOCIATION OF STATE WORKFORCE AGENCIES'
VETERANS' AFFAIRS COMMITTEE
AND
ASSISTANT DIRECTOR, DIVISION OF WORKFORCE DEVELOPMENT,
MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

BEFORE THE U.S. HOUSE OF REPRESENTATIVES
COMMITTEE OF VETERANS' AFFAIRS
SUBCOMMITTEE ON BENEFITS

APRIL 18, 2002

My name is Rex Hall. I am Assistant Director of Program Operations with the Missouri Department of Economic Development, Division of Workforce Development, and Chairman of the National Association of State Workforce Agencies' (NASWA) Veterans' Affairs Committee. It is a pleasure to be asked to testify before you today.

NASWA is the national organization of state officials responsible for workforce security and workforce development services. We administer workforce development programs and services through the nation's employment service, veterans' employment and training programs (Disabled Veteran Outreach Program Specialist (DVOP)/Local Veteran Employment Representative (LVER)), unemployment insurance system, labor market information programs and, in almost all states, job training. In most states, we are also responsible for coordinating workforce development one-stop centers, and play an important role in welfare-to-work services. Our members are the lead officials in implementing the Workforce Investment Act which Congress passed in August 1998.

NASWA is grateful for the opportunities it has been provided over the years to work closely with this subcommittee whether through the delivery of testimony, participation in numerous legislative working sessions, or through the willingness of subcommittee staff to meet with the members of our Veterans' Affairs Committee. It is readily apparent that our collaboration on this issue has not gone unheeded as there exists within The Jobs for Veterans Act, H.R. 4015, many of the guiding themes we use when reviewing and formulating positions on proposed legislation. Our guiding principles developed and approved by the 53 states and territories that comprise our association, have remained constant. They are focused on sharpening a workforce delivery system that provides veterans' the service they deserve through identification of sustainable employment. I would like to briefly express our four guiding principles and then use them to highlight our comments on H.R. 4015.

First, successful veterans' employment and training programs require an adequate level of funding. Second, veterans' employment programs must be fully integrated into the "one-stop" workforce delivery system formalized by enactment of the Workforce Investment Act. Integration also includes creation of uniform performance measures and rewarding good performance. Third, states must be given flexibility to design and administer systems which meet the needs of their veteran labor force. Finally, integration of veterans' workforce needs within the workforce delivery system created by WIA requires continuity of federal requirements.

ADEQUATE FUNDING & STATE FLEXIBILITY

Section 2. Priority of service for veterans in Department of Labor job training programs.

With respect to language in section 4215 that expands priority to "any qualified job training program," we believe this will create undue confusion within the workforce investment system. While we agree in principle that veterans deserve special recognition for their service to the country, practically speaking it may be difficult to impose a new service priority on existing, locally determined programs such as WIA, which has empowered state and local boards to determine who is most in need of service, and how to deliver services to those most in need. We support the original intent of Congress that these programs be locally designed to address local needs. Rather than mandating veterans' priority in these programs, we encourage you instead to support adequate funding for Section 168 of WIA which provides for training programs targeted to veterans. Funding for this program has been severely cut over the last several years. Adequate funding will help ensure that veterans who need training assistance will have better access to it.

One state questioned the possible need to amend the definition of veteran to include the new definition of "eligible veteran" that was recently communicated to states via Veterans Program Letter 05-02. This VPL added Reserve and National Guard personnel who served active duty time during a period of war or recognized campaign or expedition.

INTEGRATION AND PERFORMANCE

Section 3. Performance incentive awards for quality veterans employment.

We welcome the establishment of an incentive program that rewards states for good performance. The legislation directs the Secretary of Labor to establish a comprehensive performance accountability system that is better aligned with the newly established Workforce Investment Act measures and that is appropriately weighted to provide special consideration for placement of veterans with multiple barriers. The states welcome this initiative and believe that replacing the current performance measures under Title 38 with outcome-based measures that are similar to the new labor exchange (Wagner Peyser Act) will result in better services to veterans and will be more aligned with the current service delivery structure in states. However, we would like to see the language strengthened to ensure that the states are full partners in the development of this new performance accountability system.

One state questioned that if a state receives a monetary cash award under the incentive award and uses the award to hire additional veterans' program staff, would the state's veterans' grants for the following program years be increased to cover the cost of the additional hires?

INTEGRATION, CONTINUITY AND FLEXIBILITY

Section 4. Refinement of job training and placement functions of the Department of Labor

We have questions and concerns about the new grant formula that is contained in the proposed legislation. Specifically, there is no source of information that provides the total number of veterans seeking employment within a state. The lack of this information may cause difficulty in supplying the necessary input for formula calculation. Although many veterans seeking employment register with the employment service system, there is not, and rightfully so, a mandate to do so. Of course, there are many other ways veterans may seek employment opportunities.

We are also concerned that the formula could seriously impact a state's ability to maintain continuity of service during swings in unemployment rates without a hold-harmless provision, especially for small states. At the same time, we recognize that the current statutory allocation is not being requested by the Administration or funded by Congress. We would like to work with the subcommittee in developing a formula that addresses these concerns and takes into account the various factors of the economy and of this program.

The legislation requires a state to employ such full or part-time disabled veterans' outreach specialists and local veterans' employment representatives as the state determines appropriate and efficient to carry out the services outlined in the statute. We recognize that these provisions are intended to make sure that states continue to have staff in place to provide staff assisted services to veterans. However, we feel that it is important to point out that states' ability to have an appropriate number of staff to carry out these services is limited by the amount of funds that Congress appropriates. Currently, Congress provides approximately 60 percent of the funding that is specified under the statutory formula. There are currently many one-stops that do not have a full-time presence of DVOPs and LVERs. As we indicate later in our testimony, we support the provisions in the legislation that give states the ability to employ part-time DVOPs. This will allow the states to provide more coverage in the one-stops. However, adequate funding is necessary for states to provide appropriate and effective services nationwide.

While not addressed by this legislation, we think it important to again stress the need for making the DVOP and LVER grant funding cycle consistent with that of other employment and training programs. We would like to take this opportunity to thank the Chairman and Ranking Member of the House Veterans' Affairs Committee for writing to the Chairman of the House Appropriations Committee and the Director of the Office of Management and Budget (OMB), asking that the DVOP and LVER programs be switched to the program year funding cycle. This change was proposed in the President's FY 2003 budget request; however, we believe it should also be reflected in Title 38.

We are concerned about the requirement that calls for the Secretary to establish regulations which require a uniform national threshold entered employment rate for a program year. We believe that such a national threshold is too broad and unrealistic, given the various state and local economies and service delivery structures. Instead, we recommend that the legislation include provisions that call for the states to negotiate with the Secretary a reasonable entered employment rate that takes into consideration the individual economic conditions of their state. This is similar to what is being done under the Workforce Investment Act.

NASWA's members believe that federal legislation and regulations should outline the types of services to be provided under the law; however, specific staff job duties should be left to the discretion of the states. While the bill does eliminate the long list of job duties of DVOPs and LVERs that are currently in Title 38, it gives the Secretary of Labor the power to determine these duties. We would prefer that the bill leave the actual job duties up to the states to determine, and instead, include only the types of services to be provided under law, similar to other one-stop staff under WIA and the Wagner-Peyser Act. NASWA supports the provisions in the bill that allow states to hire full-time or part-time DVOP as well as LVER staff.

We are concerned that the proposed legislation appears to give USDOL/VETS staff additional oversight and monitoring of DVOP and LVER staff. In particular, the legislation states in two separate sections that a Director for Veterans' Employment and Training (DVET) for a state may play a role in the annual performance rating of DVOPs and LVERs. We strongly object to this level of oversight because it is unnecessary and creates an awkward office culture where the state employed DVOPs and LVERs are accountable to their state employer yet also overseen by a federal employee. One of the ongoing issues that states have had with the current program is the direct communication between federal VETS staff and DVOPs and LVERs. This has caused much confusion and frustration between Director of Veterans' Employment and Training (DVET), state administrators and DVOP and LVER staff in our individual states. We believe that any oversight or monitoring by federal staff should be in line with other WIA programs. Many states question the on-going need for a DVET in every state. There is no comparable on-site federal official for any of the other employment and training programs funded by the Department of Labor. Federal VETS staff should address issues or concerns with program services and performance with the state workforce agency management, not the direct front-line DVOP and LVER staff.

INTEGRATION

Section 5. Additional improvements in veterans' employment and training services

We note that the legislation continues the use of a comparison of performance between veterans and non-veterans. In its recent report on performance measures, the General Accounting Office (GAO) commended VETS for steps it had taken to update the performance measures for this program. Moreover, the GAO stated that it supported moving away from the veteran vs. non-veteran comparison. We also agree that this comparison should be eliminated. We think that the new measures, which are scheduled to go into effect this July, will more accurately depict the success and positive outcomes of the system.

PERFORMANCE

Section 6. Committee to Raise Awareness of Skills of Veterans and Benefits of Hiring Veterans

We support efforts to raise awareness among the employers of the benefits of hiring veterans. In partnership with the U.S. Department of Labor, NASWA has participated 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 were made available to states to help market this national tool and leverage the campaign resources. In addition, many states have developed and rolled out state-specific marketing campaigns. We strongly suggest that the Committee look at building on efforts already in place at the national and state levels that have proved to be successful.

Conclusion

The world of the publicly-funded workforce development system is an ever-evolving environment with changes occurring at a rapid pace. Title 38, Chapters 41 and 42, which established the veterans' employment and training system, were written over a quarter century ago when one-on-one service was the norm and programs were funded at a level that allowed for this type of personal service for all jobseekers. Legislative and prescriptive service delivery systems which are outmoded and outdated must change if we truly want to provide our customers with the most efficient and convenient services that focus on their current and future needs.

Again, on behalf of the states, we commend the subcommittee for conducting an open process in gathering input on this legislation. We appreciate the opportunity to testify before this committee and look forward to continuing to work together in developing comprehensive legislation that truly brings the veterans' employment and training programs into the 21st century. I would be happy to answer any questions.

2001 NASWA POLICY STATEMENT:
Bringing the Veterans' Employment and Training Service System into the 21st Century

Statement of Principles & Consensus Positions

The National Association of State Workforce Agencies (NASWA) is the organization of state officials who are responsible for building and overseeing a one-stop center infrastructure and administering workforce development activities and the implementation of workforce-related programs. These programs include labor exchange activities, Internet job matching and information services, unemployment insurance administration, labor market information services, veterans' employment services, job training and welfare-to-work programs.

The following statement reflects the consensus views of NASWA's members about the overall structure, function, and interrelationship of the veterans' employment and training programs in the publicly-funded workforce investment system.

MEETING COMMITMENTS TO VETERANS
Our society recognizes the important contribution that veterans have made, and Congress has taken that recognition and turned it into a commitment. Title 38 of the U.S. Code includes provisions for special employment services for veterans and establishes the Disabled Veterans Outreach Program (DVOP) Specialists and the Local Veterans Employment Representatives (LVERs) who work in one-stop centers and are out-stationed at critical locations to serve the veterans population. These staff are committed to serving veterans and helping to ensure a smooth transition for people moving from military service into the civilian workforce.

FEDERAL-STATE PARTNERSHIP FOR VETERANS' EMPLOYMENT & TRAINING PROGRAMS
Federal laws should establish and maintain the minimum requirements necessary to ensure that an effective federal-state partnership is in place, giving states flexibility to design and administer systems which meet the needs of their labor force customers--both businesses and veteran jobseekers--and local labor markets.

NASWA members support the concept of an integrated workforce development system or one-stop system as called for under the Workforce Investment Act of 1998. However, experience has shown us that there is no "one-size-fits-all" approach and states need the flexibility to design these systems to fit state and local needs. It is imperative that the federal government recognize the diversity of state efforts and not override state innovation with overly prescriptive federal rules or mandates. New veterans' employment and training legislation should provide for statewide workforce development systems that are responsive to local labor market needs. The way in which these services are delivered should be left to the states. Since DVOP/LVER programs share the same service delivery system as the WIA/One-Stop system, NASWA members believe it is critical that the DVOP/LVER program provide grantees with some flexibility that allows them to provide the best services possible to their customers.

- Federal legislation and regulations should outline the types of services to be provided under the law and specific staff job duties should be left to the discretion of the states.

- States should have the ability to hire half-time DVOPs, similar to the current practice in the LVER program. This will allow states to have a wider veterans' staff presence throughout the system, particularly in small states.

- NASWA members support the continuation of efforts by federal oversight agencies to agree on common definitions and common data elements among the programs that provide employment and training services. Efforts should be made to identify a common/similar definition of veteran among the various Federal programs operating within the WIA domain in order to minimize the potential of veterans falling through the cracks.

FUNDING & ADMINISTRATIVE PROVISIONS

Title 38 provides formulas to determine DVOP and LVER staffing levels. Since 1990, appropriations for DVOPs and LVERs have not supported the number of positions authorized by the statutory formulas. NASWA strongly encourages support for funding at the statutorily-authorized levels. This will help us follow-through on our commitment to the men and women who have served valiantly in the military both in times of war and peace.

- All components of an integrated workforce development system should share in the cost of providing sound labor market information. This includes veterans' employment and training programs. For example, DVOPs and LVERs should be able to assist with veteran customers in one-stop center resource areas.

- NASWA supports changing the DVOP/LVER grant from federal fiscal year funding cycle (October 1-September 30) to program year funding cycle (July 1-June 30), thus aligning it with other Labor Department-funded programs included in the Workforce Investment Act.

- NASWA recommends ending the quarterly funding cycle and recapturing process of the DVOP/LVER programs and replacing it with full year funding and two-year carryover provisions similar to those of other Workforce Investment Act programs. There should be a hold harmless provision for small states.

- There is a need to redefine administrative costs (Personal Services + Personal Benefits) in the current DVOP/LVER grant. Specifically, travel costs for DVOPs and LVERs should not be counted as administrative costs. Travel is essential in performing appropriate outreach activities.

- States should not be required to pay administrative costs for federal VETS staff within the state. Rather the federal entity must assume all expenses and costs for its operations.

- The current grant process for the DVOP/LVER program must be simplified. States should be given flexibility in assigning DVOP and LVER staff to local offices and one-stop centers, including outstationing staff at Veterans' Administration (VET) Centers and Transition Assistance Program (TAP) sites.

- Communication by federal DOL/VETS staff on operational and programmatic issues should be conducted with the state agency designated staff responsible for the DVOP and LVER program (i.e. state veterans' coordinator and/or operational manager). Direct communication by federal DOL/VETS staff with DVOPs and LVERs should be limited to the investigation of a Uniformed Services Employment and Reemployment Rights Act, Federal Contractor Program or federal employment discrimination claim by a specific veteran or eligible person, or in the course of one-stop center reviews. Federal authority should assume roles as mentors, oversight, and technical assistance to the States.

PERFORMANCE ACCOUNTABILITY
Performance measures should measure outcomes, not processes, and should recognize rapidly changing tools and technologies used to deliver workforce development services as well as encourage optimal customer service, on-going customer input, and feedback at every level of program administration and delivery.

- NASWA supports the establishment of an incentive program that rewards states for good performance and that is appropriately weighted to provide special consideration for placement of veterans with multiple barriers.

SERVICE DELIVERY

- Veterans should continue to receive priority employment services as required by federal laws; however, to the extent possible, services to veterans should be provided within the integrated workforce development system.

- There should not be two separate workforce systems/initiatives/reviews, one for DOL-ETA and another for DOL-VETS. There is one system established by WIA and both ETA and VETS should ensure that all directives and policies issued are formulated to move toward common goals in improving the existing system.

- The publicly-funded workforce system should encourage job ready veterans to take advantage of the various Internet-based labor exchange tools to assist in their job finding efforts. DVOPs and LVERs should provide staff assistance to those veterans who have barriers to employment and should work with partners in the workforce investment system in identifying appropriate training or other support services that will assist the veteran in becoming self-sufficient.

CONCLUSION
The world of the publicly-funded workforce development system is an ever-evolving environment. Title 38, Chapters 41 and 42, which established the veterans' employment and training system, were written over a quarter century ago when one-on-one service was the norm and programs were funded at a level that allowed for this type of personal service for all jobseekers. Legislative and prescriptive service delivery systems which are outmoded and outdated must change if we truly want to provide our customers with the most efficient and convenient services that focus on their current and future needs.

Submitted by: NASWA Veterans' Affairs Committee

Recommendation of Policy & Resolutions Committee: Accept

Action by the Board of Directors: Accept

Action by the NASWA Membership: Accept

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TESTIMONY FOR U.S. HOUSE OF REPRESENTATIVES

COMMITTEE ON VETERANS' AFFAIRS

SUBCOMMITTEE ON BENEFITS

ROGER B. MADSEN

DIRECTOR

IDAHO DEPARTMENT OF LABOR

April 18, 2002

Mr. Chairman and Members of the Subcommittee:

My name is Roger Madsen. I am the Director of the Idaho Department of Labor and former Chair of the Veterans' Affairs Committee of the National Association of State Workforce Agencies.

Thank you for this opportunity to comment on the "Jobs for Veterans Act." I appreciate the Committee's commitment to enhancing employment and training opportunities for our veterans and to helping us bring these skilled workers together with our business and other employers. It is gratifying to see some of the ideas discussed during the testimony last October are present in this bill. We appreciate the flexibility of half-time DVOP staff, the updating of the federal contractor job listing program and the assistance of the President's National Hire Veterans'

Committee in informing business about the advantages of veterans as employees. We commend you on supporting the National Veterans' Training Institute, the national study to assess the benefit of our programs and the performance incentive grants. I also thank the Subcommittee for maintaining the Veterans Employment and Training Programs at the U.S. Department of Labor. I hope we can continue to work together to build an employment and training service for veterans that responds to their needs, the needs of our business customers and our local communities. I hope, also, that we can work toward a federal-state partnership founded on our common mission: enhanced opportunities for veterans and flexibility to respond effectively to the demands of the state and local labor markets. I know, Mr. Chairman, that you share these goals for this program and I applaud the work you have done toward this end. That said, we are concerned with what appears to be an underlying philosophy in the bill to invest an increased level of control and oversight at the federal level, lessening state options regarding the needs and appropriate services for our veterans. We find that to be inconsistent with true and effective integration of the veterans' programs into the one stop system in our state. We encourage you to enact legislation which delineates, or empowers the Secretary to delineate, desired program outcomes, and empowers the states to determine program design to achieve those outcomes. Hold us accountable to achieve the desired results, but allow us reasonable discretion to determine how to do that most effectively within our state's one stop system.

I wish to address several specific topics in the order in which they appear in the bill. Section Two of the bill proposes priority service for veterans in all Department of Labor funded employment and training programs. While we agree in principle that veterans deserve special recognition for their service to the country, practically speaking it may be difficult to impose a

new service priority on existing, locally determined programs such as WIA, which has empowered state and local boards to determine who is most in need of service, and how to deliver services to those most in need. We support the original intent of Congress that these programs be locally designed to address local needs. Rather than mandating veterans' priority in these programs, we encourage you instead to support adequate funding for Section 168 of WIA which provides for training programs targeted to veterans. Funding for this program has been severely cut over the last several years. Adequate funding will help ensure that veterans who need training assistance will have better access to it.

Section Three of the bill proposes performance incentive awards for quality service. While we support the concepts of accountability, performance measurement and incentives, we have strong reservations about the award criteria proposed in the bill. First, we are concerned that the performance measures are patterned after those in the Workforce Investment Act, which have proven to be ineffective for program management as they are confusing, untimely, and based upon incomplete data. We recommend, instead, that the Secretary be directed to work with the states as full partners in developing outcome based performance measures which are meaningful for the system and practical to implement. Secondly, because incentive awards to a state may vary significantly from year to year, it may not be prudent or feasible for a state to use incentive awards to fund staff. To do so might result in wide swings in staffing levels year to year, which is very disruptive to program quality and effectiveness. Rather, it would be more productive to use incentive funds for building system capacity and infrastructure.

Section Four refines the functions of the Department. We have no comment on the establishment of the federal positions, except to wonder why the bill requires states to employ qualified veterans for the DVOP and LVER positions but does not require that the State Director and federal staff within a state must be veterans. We believe that all positions in this veterans' employment program should be filled by qualified veterans.

We appreciate that this bill strikes the outdated job descriptions for Local Veterans' Employment Representative and Disabled Veterans' Outreach Program staff. However, we do not believe it is necessary or advisable for the Secretary to determine the appropriate duties for a state to assign to their DVOP or LVER staff. Specific staff job duties should be left to the discretion of the states. We respectfully request that this concept be removed from the bill.

We are concerned with the language in subsection (f) establishing performance measures for veterans' employment and training staff including state employees, and giving DVETS direct input into individual annual performance ratings. We believe that this proposal over-emphasizes the federal role in our partnership, and appears to give USDOL/VETS additional and unnecessary oversight of DVOP and LVER staff. We look to the federal staff to define the mission and to provide resources and technical assistance in meeting the established program goals. We believe that the federal oversight role is most appropriate when it functions at the grant level. We recommend that the legislation be restructured to task the Secretary to negotiate outcome goals for each state's grant and let the grantee, the state, bear the responsibility for developing and implementing an action plan to achieve those outcomes. Performance of individual state employees, our LVER and DVOP staff, are rightfully the state's responsibility,

not that of the federal staff. We strongly oppose this aspect of the legislation, and respectfully request it be reconsidered.

Another concern is raised in Section five, sub paragraph c. The amendment to section 4101 paragraph 7 removes the reference to an "intrinsic management structure" as an identifying feature of an employment delivery system and changes the language to read that the service must only be "consistent with" services provided in accordance with the Wagner-Peyser act. While the intent may be to broaden the scope of the act, the result could be that the services of LVER and DVOP staff may not be provided to veterans within the framework of a Wagner Peyser funded delivery system, only that the system be "consistent with" or "similar to" the services provided under Wagner Peyser. This could undermine a legacy of cooperative assistance to veterans between the Wagner-Peyser and Veterans' programs that is a cornerstone of the One Stop system.

I commend the chairman on the establishment of the "President's National Hire Veterans Committee." We know that the business customer ultimately determines who is hired and we welcome any support in our on-going efforts to provide quality service to that customer. It is the mission of our agency to assist business in solving employment and training related challenges. The added influence of our federal partner in marketing the skills and experience of our veterans is most welcome.

We applaud and support many of the key aspects of this bill, and believe they will help to enhance the employment and training services provided to veterans in Idaho. However, I am

told by my staff that in its present form, in many respects this bill has the potential to be more prescriptive and intrusive into state and local level program design and implementation than even the current legislation. I am concerned this may inhibit much needed flexibility to respond quickly and effectively to local labor market demands, and to maximize services to our veteran population. We urge the Committee to work with the states in refining some aspects of the legislation, and in defining a true federal-state partnership for effective administration and implementation of these very important and much needed veterans' employment and training services.

I again thank you, Mr. Chairman and members of the Subcommittee, for the opportunity to provide comments on this Act. As I stated previously, we at the Idaho Department of Labor respect the sacrifice of our veterans and desire only to help build an employment and training service that meets their needs with a minimum of bureaucracy and a maximum of responsiveness and efficiency. Anything less would not be worthy of their service.

I will be happy to take your questions.

TESTIMONY FOR U.S. HOUSE OF REPRESENTATIVES

T.P. O'MAHONEY
COMMISSIONER REPRESENTING LABOR
TEXAS WORKFORCE COMMISSION

April 18, 2002

Mr. Chairman and Members of the Committee, my name is T.P. O'Mahoney, Commissioner Representing Labor, for the Texas Workforce Commission (TWC), the agency responsible for workforce employment and training in Texas. I am pleased and honored to be with you again, and to support several of the enhancements for employment and training services to veterans contained in the Jobs for Veterans Act.

As a former United States Marine Corps Major and Naval aviator, I admire and respect the sacrifices that members of our armed forces everywhere have made in serving our country. We all owe these individuals a debt of gratitude. Keeping veterans issues in the forefront is as important today as it was in the past and I commend this committee for its efforts on behalf of all veterans nationwide.

As you know, since enactment of the Workforce Investment Act, the employment and training system has dramatically changed to better meet the needs of both employers and job seekers. The cornerstone of this new system is local control accompanied by flexibility and integration of programs to deliver high quality services to a universal population. Also key in this system is the handoff of program operations from the Federal level to the State and Local level. Many of the changes embodied in the Jobs for Veterans Act advance concepts that will enhance services, improve outcomes, and allow a more effective and efficient operation – while maintaining accountability.

Technology has influenced nearly every aspect of today's services, and necessitates evolution toward a modern workforce delivery system. Electronic enhancements and computerized operations have opened access far beyond what was thought possible even a decade ago. Customers are now able to access services seven days a week, 24 hours a day. Job orders, applications, job matching and job referral can be done over the Internet.

For several years Texas has been a leader in providing services to veterans and our record of accomplishments is well documented. Just this past year, Texas accounted for over 11 percent of all veterans entering jobs in the nation. It is upon this level of excellence we want to build and improve so that our accomplishments are not records of the past but goals for the future.

I would like to address a few of the major components of the Jobs for Veterans Act.

1. The move from prescriptive, detailed functions for the Federal staff, the Disabled Veterans' Outreach Program (DVOP) staff, and Local Veterans' Employment Representative (LVER) staff, is a much needed and welcome change. However, some duties are still present for LVER staff and, from my view, it would be best to specify these in the grant process instead of law. The grant process offers the ability to adjust to changing economic situations. The authorization for half-time DVOP staff will certainly improve total operations and allow more flexibility.

2. I am concerned that the bill contains language granting Federal control over state staff. Specifically, calling all individuals delivering services to veterans under this Title, including state employees, "Veterans Employment and Training Staff" and allowing the State Director of U.S. Department of Labor Veterans' Employment and Training Services (DOL-VETS) to submit comments on individual DVOP and LVER performance appears to strengthen the Federal hold instead of moving toward State operations and control. Let me stress, the DVOP/LVER program is a vital part of the One-Stop service delivery system. If the State is the operator of these programs, then our Federal partners should provide oversight and technical assistance to the state – not manage day-to-day operations.

   If we are the operators, give us the mission and let us do our job. We willingly accept the responsibility and welcome the accountability. As veterans, we all know that an effective chain of command is essential for good performance. In public service, as

well as the military, there must be only one chain of command and for state staff, and that must be the state entity. I think it is important to point out here that none of the other Department of Labor programs retain the state level presence of Federal staff as it is mandated for the VETS programs.

3. I applaud the committee's stance on rewarding success. Performance incentives do work, and I am pleased that an incentive package is included in the legislation. It is very important that States fully participate in the development of any incentive methodology as well as development of any criteria to be used in measuring performance. The inclusion of a national benchmark for performance is also an important and vital step. There are several reports that clearly identified the disparity in performance among the states. To ensure we do not fall back into the trap of measuring a state against itself, I believe establishing a national baseline makes good sense.

4. The proposed legislation expands veterans' priority to any qualified employment and training programs under the Department of Labor. I support the intent to prioritize veterans in the current system. However, with the variety of training programs available today, each with its own respective client focus, this will surely lead to confusion in service delivery. Currently, under WIA, State and Local Workforce Boards are given the authority and responsibility to establish priorities and determine how services are to be delivered and training dollars spent based on individual needs and local labor market information.

   Additionally, within WIA, Section 168 provides a veteran-only training program. Unfortunately, the level of funding for this program has been meager in comparison to the other training programs. I would suggest additional funding of Section 168 programs could provide the proper emphasis on training for veterans.

5. While not addressed by this legislation, I believe it is important to again stress the need for making the DVOP and LVER grant funding cycle consistent with that of other

employment and training programs. I know you are already working on this, and I want to thank you for writing the Chairman of the House Appropriations Committee and the Office of Management and Budget. This change is vital, and I do not want to miss an opportunity to highlight the need for continued effort.

This concludes my specific comments on the proposed legislation. I would like to take this opportunity to extend my appreciation to the National Association of State Workforce Agencies (NASWA) and its Veterans' Affairs Committee for its outstanding efforts in working with the House Veterans' Affairs Committee, DOL-VETS, the Veteran Organizations, and other states.

In closing let me add, efforts to provide employment and training programs to veterans were borne out of a sincere desire to ensure our nations' guardians receive the support and service they so richly deserve. As we have vividly experienced, we can not look back but must look forward. I welcome the opportunity to work with you, and all our partners, to develop a structure that enhances and improves services to veterans not only for today, but for the future as well. I will be happy to answer any questions.

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Statement of

The Honorable Kenneth Mayfield

Commissioner

Dallas County, Texas

and

President-Elect

National Association of Counties

on

HR 4015, the Jobs for Veterans Act

Before the

United States House of Representatives

Committee on Veterans' Affairs
Subcommittee on Benefits

April 18, 2002
Washington, DC

Mr. Chairman, and members of the Subcommittee, thank you for inviting me to testify on this important issue. My name is Kenneth Mayfield, and I am an elected County Commissioner from Dallas County, Texas. I currently serve as President-Elect of the National Association of Counties.[1]

As you know every county in America is involved in the delivery of workforce development services to our citizens. We provide these services under the Workforce Investment Act of 1998 and under the guidance of the United States Department of Labor and the states.

Every county in America must be part of a single county or multi-county Workforce Investment Area through which individuals may obtain job training and employment assistance.

NACo believes that veterans, like all others, should have access to the kinds of training and employment assistance that will ensure that they are gainfully employed citizens. We further believe that the system developed under the Workforce Investment Act is the most productive and logical way by which to provide employment and training services.

[1] NACo is the only national organization representing county government in the United States. Through its membership, urban, suburban and rural counties join together to build effective, responsive county government. The goals of the organization are to: improve county government; serve as the national spokesman for county government; serve as a liaison between the nation's counties and other levels of government; achieve public understanding of the role of counties in the federal system.

For these reasons the focus of my comments will be on your efforts to strengthen the relationship between the Workforce Investment Act and employment and training services for veterans.

The National Association of Counties believes that the proposal that you have set forth in HR 4015 will enable veterans, like all other Americans, to receive the workforce development services they deserve. We believe that, overall, this is an excellent proposal and should move forward.

Before responding directly to your legislative proposal, I would like to share with you the reasons that we believe the Workforce Investment Act is the vehicle by which to deliver workforce development services to all Americans including veterans.

As you may know, the workforce development services that are provided at the county level are provided through a partnership between county elected officials and local workforce investment boards or WIBs. The local workforce investment boards are controlled by business representatives and chaired by a member of the business community.

The purpose of this partnership is to ensure that local elected officials, who are accountable for federal, state and local funds, and representatives of the business community, who understand the labor and employment markets within their areas, are involved

in the direct delivery of workforce development services to all individuals in need of assistance. Local business leaders best know what types of jobs are emerging within their local area and what types of training would ensure that individuals are properly qualified for employment.

In my own county we have an outstanding workforce development system. Working with the business community, our workforce development system is designed to provide a wide range of services to all of our residents, regardless of their employment status, workforce experience, or educational levels. These services include, but are not limited to:

- Employment Services
- Food Stamps Employment & Training
- Employment Services for Unemployment Insurance Recipients
- Training and Support Services for Individuals affected by Layoffs or Imports from Canada or Mexico
- Employment Services for Ex-Offenders
- Employment and Training for Dislocated Workers due to Imports
- Tax Information and Assistance for Employers
- Access to Child Care
- Employment and Training for Veterans and

• Employment and Training for TANF applicants & recipients.

In addition, our workforce development system provides individuals with access to a wide range of other services, including housing, transportation, and emergency assistance.

Known as WorkSource for Dallas County, the program operates out of ten one-stop centers located throughout the county.

One group that WorkSource offers employment and training services to are disadvantaged adults and disadvantaged youth. Services are designed to increase the employment, retention, and earnings of participants, and increase their occupational skill attainment. There are also unique programs for persons who have lost their jobs in mass layoffs or plant closings, or who have been laid off and are unlikely to return to their jobs.

Individuals may also receive childcare services if they qualify financially.

Some individuals are eligible for the Choices program, a program that is funded through the Temporary Assistance for Needy Families or TANF block grant. Choices provides job search and job readiness classes, basic skills training, vocational training and support services including transportation to promote self-sufficiency.

Some also receive benefits under the Food Stamp Employment and Training program. That program is designed to assist food stamp recipients become job ready and self-supporting through participation in employment, job readiness, education and training activities, and related support services including transportation.

We also work directly with employers through our Employment Services or ES so that they are able to find qualified workers for their openings by screening applicant lists, scheduling interviews and arranging space for the interviews if necessary. ES also provides job search assistance to workers and in many areas includes job search seminars.

As I have already noted, within my county there are 10 service centers to which residents may report to avail themselves of this range of services, including those for veterans. Veterans, like all citizens, need to have access to the widest range of training, employment and support services to ensure that they obtain career-oriented and productive employment and the other types of assistance that ensure success on the job. These include follow-up counseling and monitoring, career counseling, assistance accessing other county, state and federal human services and human resources programs, and of course, job training.

More importantly, this bill would make consistent the provisions of Title 38, United States Code, with the provisions of the Workforce Investment Act that broadens eligibility to add veterans with significant barriers to employment and veterans who served on active duty during a war or campaign.

However, throughout the United States veterans are not always receiving the kinds of training and employment services you want them to receive.

Mr. Chairman and members of the Subcommittee, we believe that veterans should have access to the same high-level services as all other Americans through the Workforce Investment Act and its one-stop system.

HR 4015 would achieve this outcome. It would ensure that both core and intensive job training services are available to veterans. The core services – job search assistance and counseling – would be supplemented with job training assistance provided through the Workforce Investment Act.

HR 4015 would also require that services be offered through a service delivery system where a broad range of services may be offered, such as the Workforce Investment Act one-stops. To ensure that this does happen we would urge you to amend page 36, line 20 by adding between the words employment and services the words " and training". Thus, Sec. 5 (c) (1) would read, In General.

– Section 4101(7) is amended to read as follows: (7) The term 'employment service delivery system' means a service delivery system at which or through which labor exchange services, including employment *and training* services, are offered in a manner consistent with the provision of such labor exchange services in accordance with the Wagner-Peyser Act."

This bill, if adopted, would establish performance standards and outcome measures – critical tools for ensuring that veterans are receiving the services and programmatic outcomes that are required and these standards and measures would be consistent with others established under the Workforce Investment Act.

This concludes my statement and I would be happy to respond to any questions you or the committee may have.

Testimony of
Bruce Wyngaard, Operations Director
Ohio Civil Service Employees Association (OCSEA/AFSCME Local 11)
Representing the
American Federation of State, County and Municipal Employees (AFSCME)
Before the Veterans' Affairs Subcommittee on Benefits
U.S. House of Representatives
On H.R. 4015, the Jobs for Veterans Act
April 18, 2002

Mr. Chairman, my name is Bruce Wyngaard, and I am Operations Director of the Ohio Civil Service Employees Association (OCSEA). OCSEA represents the employees of the Ohio Department of Job and Family Services, which includes the State's Local Veterans Employment Representatives (LVERs) and Disabled Veterans Outreach Program specialists (DVOPs) as well as the other Ohio employment security personnel. OCSEA is affiliated with the American Federation of State, County and Municipal Employees (AFSCME), and I appear here today on behalf of the 1.3 million members of AFSCME.

We commend you for the direction you have taken in H.R. 4015 to improve employment and training services for veterans. If ever there was a time to remind us how much we owe these brave men and women, it certainly is now.

AFSCME supports your efforts to strengthen the existing federal-state partnership for veterans' services within the Department of Labor (DOL). This approach will benefit veterans considerably more than the Administration's plan to transfer some veterans' programs to the Department of Veterans Affairs, which we strongly oppose.

I serve on Ohio's Workforce Investment board and have sought to have the concerns of workers in general and the labor movement in particular addressed in the new Workforce Investment Act (WIA) system that is emerging. Whatever that system's growing pains, it is clear that a "one-stop" model of service delivery is evolving. Services to veterans should remain an important part of that system, and it makes sense for program oversight to remain at DOL. Removing veterans' programs from this evolving system will simply isolate them from the administrative structures and resources necessary to provide them with the best services.

I also want to express our appreciation for your willingness to focus on improving the existing system instead of creating a public-private competition for federal veterans' employment service dollars. As you are aware, AFSCME strongly opposed prior proposals along that line. We believe that such competition often would distract from the real task of improving services and can lead to coordination problems and duplication of functions. We favor labor-management cooperation within the public sector as a way to fix problems and enhance services, instead of seeking to outsource or reshuffle agency functions. In Ohio, the Quality Services through Partnership (QStP) program has produced $180 million in savings to Ohio's taxpayers since 1993 by setting up labor-management teams to solve real problems.

With regard to H.R. 4015, AFSCME supports its focus on preserving and enhancing veterans' preferences, linking veterans' services with the WIA one-stop system, making the terminology of veterans' programs consistent with WIA, and establishing performance measurement and incentive frameworks.

However, as a general observation, we are concerned that the discretion given to the Secretary of Labor in a number of places in the legislation may give too much policy-making authority to the executive branch and leave some important matters unresolved. We also are concerned about the role of federal officials in state personnel matters created by the legislation. We have the following specific comments:

Requirements for Priority Service

In general, AFSCME believes that it is appropriate to give priority consideration to veterans in connection with labor exchange and employment and training activities. We strongly

support the provision in the legislation that would require contractors to list their job openings with the appropriate employment service delivery system. AFSCME believes mandatory listing of job vacancies with the employment service is essential to building an effective national labor exchange for veterans and all other jobless workers.

We also support a close integration of the DVOP/LVER staff with the workforce system. Integration of DVOP/LVER staffing in Ohio has worked. For example, the Transitional Assistance Program (TAP) workshops link recently separated service personnel with information on programs and benefits for new employment. These services are integrated through our DVOPs and LVERs into the one-stop awareness program. The staff are trained as TAP facilitators, and the results show that about 60 percent of those completing the TAP workshops are employed in 90 days.

We are concerned, however, about the general trend to underfund all federal employment and training programs, a situation that creates intense competition for increasingly scarce dollars. In that context, we are concerned that the mandate to serve veterans first under all WIA programs could intensify this competition and exacerbate tensions among job seekers and staff in local offices. For this reason, we suggest that you consider provisions to guarantee increased funding for Section 168 of WIA, which provides specific funding authority for veterans services. We also urge you to support increased funding for the entire federal workforce system.

Incentive Awards and Performance Standards

AFSCME supports the provisions in the bill to give incentive awards to states for positive performance. We also agree with the provisions that would establish a performance accountability system that is more closely aligned with the new measures created under WIA and the new labor exchange. However, we urge you to provide for greater input from a broader group of stakeholders and for more direction to DOL in both of these sections.

I serve as a member of the Ohio Workforce Policy Board's performance measure subcommittee, and we are just beginning to get a handle on how we collect data, what data is important and what types of performance criteria will effectively direct the system. Making decisions about incentives and performance is very complex. A poorly designed system -- regardless of how well intentioned, can cause serious problems.

We have learned from our One Stop development experience in Ohio that measurement/incentives work well if the system is designed to meet specific expectations and if the expectations (measurements) are valued by the local stakeholders and by the Workforce Investment Boards charged with providing one-stop services. If the dollars do not match what local stakeholders see as important or if the measurements do not acknowledge the barriers faced locally, then the measurements or incentives have little impact. If the measurements only reflect jobs filled and do not acknowledge the significant case management work that is necesarry, certain populations will not get the required services. The measurements should acknowledge the existence of multiple employment barriers.

In this regard, I would like to note the over-reliance in some one-stop centers on technology. While we support technology as an important complement to the work of employment service staff, many workers – veterans and others – need hands-on assistance. Veterans who need more personalized services – whether to deal with disabilities, to reenter civilian life or tailor their military skills to the demands of the civilian workforce – should have qualified and accessible staff who understand their needs in addition to cutting-edge technology. All too often, in recent years, states have replaced staff with technology in response to underfunding, and the result has been a diminution of services for individuals with the greatest needs and barriers to employment.

We suggest the Subcommiteee give consideration to establishing more guidance concerning the performance standards and to the way in which the incentive awards can be used. Some possible uses for the incentive awards may involve innovative application of technology with personalized service, staff training to improve the screening and referral of veterans to services, process improvements, including labor-management quality improvement committees, and development of recommended model ratios of staff to veterans.

Revisions to Staffing Grants and Refinement of Job Training and Placement Functions

While we recognize that the current staffing grants have been seriously underfunded and may have structural problems, we are concerned that H.R. 4015 does not necessarily resolve these problems. In our view, the method of allocating funds leaves too much discretion to the executive branch. We think the legislation should specify in more detail the criteria for allocating funds and ensure that states receive reliable base funding.

AFSCME also is concerned that the requirement for states to employ such full-time and part-time disabled veterans' outreach program specialists and local veterans' employment representatives as it deems appropriate and efficient will be a hollow one without a guarantee of adequate federal funding. States will only be able to employ as many representatives as federal funding levels permit unless the legislation anticipates that they redirect funds from other sources.

We would strongly oppose redirecting resources from other programs, which themselves are chronically underfunded. Instead, we support guaranteed federal funding through a workload-based formula and urge you to consider it.

As a general matter, AFSCME supports simplifying the description of the duties of the veterans' specialists and representatives, but we believe that the legislation should not give so much unilateral authority to the Department of Labor. The legislation should describe the services that must be provided, but we are concerned that, under H.R. 4015, DOL officials could impose very specific job duties.

Our concern in this regard is reinforced by the fact that the legislation gives federal officials authority to submit to the states recommendations and comments in connection with the annual performance rating of each veterans' outreach specialist and employment representative. The legislation also provides that the federal funds to support these positions shall not be governed by the provisions of any other law or regulation that is inconsistent with Sections 4102A, 4103A or 4104.

As the collective bargaining representative of DVOP and LVER employees in many states, we see these provisions as problematic. We question whether these provisions would negate state personnel rules as they relate to these positions, possibly putting these employees at great risk of arbitrary actions by management. In addition, putting one level of government in the position of evaluating the specific job performance of employees of a different level of government will create considerable confusion and potentially undermine my union's ability to represent our members effectively. For example, it is not clear how we would grieve an unfavorable action based on an annual performance rating when our contract is with the state, but the federal government has a substantial influence in the evaluation of the individual employee.

In closing, Mr. Chairman, I want to reiterate AFSCME's support for the general framework of H.R. 4015, particularly its recognition of the importance of supporting, measuring and rewarding the work of LVERs and DVOPs, and placing that work in the context of the Workforce Investment Act and other DOL programs. We look forward to working with you as this legislation moves forward and would be happy to answer any questions at this time.

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)

April 18, 2002

Good morning Mr. Chairman and members of the Veterans' Benefits Subcommittee, and thank you for your invitation to testify on H.R. 4015, the Jobs for Veterans Act of 2002.

I am statewide chair of the labor-management committee in the New York State Department of Labor, representing the New York State Public Employees Federation, which is affiliated with the Service Employees International Union and the American Federation of Teachers. We are very pleased with the contents of this legislation and wish to commend the chair and the committee for drafting this document. We feel that it will ensure that our veterans are afforded better job-finding services. The concerns we had with previous legislative initiatives on this topic in recent years are for the most part favorably changed.

We applaud priority of service to veterans as provided in § 4215. This corrects omissions in the Workforce Investment Act (WIA).

Especially comforting is the retention of veterans' employment and training services in the public employment service and one-stop centers where assets are concentrated to provide a labor exchange.

We strongly support the listing of jobs with the local employment service, one-stop centers and America's Job Bank in federally funded contracts to accomplish affirmative action on behalf of our nation's veterans.

The redefinition of "covered veteran" to be more inclusive of the modern veteran population was needed. We need to provide priority of service to those who have more recently participated in military operations and campaigns.

Regarding the institution of performance incentive awards, we generally support the concept if there are objective criteria.

The performance accountability system established in this bill will alleviate some concerns voiced in previous reports, and we as a union, expect our members who deliver services to be accountable. Our only concern is that the criteria be objective, and that local economic conditions be taken into account.

We oppose the appointment of part-time LVERs and DVOPs to such positions. We have found from past experience that their activities can be more easily diverted to other activities when they are working on veterans' service on a part-time basis. We also strongly prefer the appointment of veterans to these positions, as veterans understand the unique problems and requirements of other veterans. In summary, veterans are better suited for helping other veterans, and must be full time to concentrate their efforts in this direction.

We support the modernization of services to veterans by using the Internet and other instant means of communication with our overseas military personnel about to transition to civilian employment.

In general, we in the New York State Public Employees Federation and our international unions, SEIU and AFT, applaud the work of the committee and support this very important legislative initiative. The legislation generally meets the objectives of furnishing quality services to our veterans and eligible population, while ensuring accountability by the service providers we represent in our unions. Our only remaining concerns, once again, are the issues of part-time positions, objective criteria for both performance incentives and the performance accountability program, and the veteran status of the appointees.

Thank you again for affording me the opportunity of appearing before your committee. We all appreciate your efforts at giving our veteran population the best and most efficient service through this important legislation.

Congressional Testimony

A Corporate Advocacy Campaign to Market the Veteran To Win in the Employment Marketplace

Through

Altering Corporate Perceptions About the Military and Leveling the Competitive Employment Playing Field

Wesley Poriotis
Chairman
The Center for Military and Private Sector Initiatives
CEO
Wesley, Brown & Bartle Company

Legislative Hearing On H.R. 4015:
The Jobs for Veterans Act

U.S. House of Representatives
337 Cannon House Office Building
Washington, DC 20515

April 18, 2002

GOOD MORNING:

MY FULL GREEK NAME IS PHILLIPUS SOTORIUS PORIOTIS. RECENTLY BEFORE GIVING A KEYNOTE ADDRESS TO DOCTORS AND HOSPITAL ADMINISTRATORS, I WAS MISTAKENLY INTRODUCED AS "MR. PSORIASIS". THEREFORE, YOU CAN SEE WHY I PREFER YOU JUST CALL ME "WESLEY".

WHEN THE SUBCOMMITTEE INVITED ME TO PRESENT MY VIEWS ON THE "JOBS FOR VETERANS ACT", MY FIRST THOUGHTS WERE TO RECALL THE EXPERIENCE OF A CLOSE COLLEAGUE AND CHAIRMAN OF A MAJOR NEW JERSEY CORPORATION WHOSE YOUNGEST SON REFUSED TO ATTEND HIS FIRST DAY OF SCHOOL. YOUNG RALPH JR. TOLD HIS DAD "I AIN'T GOING. I'M SCARED. IT'S TOO HARD. AND THE KIDS WON'T LIKE ME". MY FRIEND RALPH SENIOR'S REPLY TO HIS SON WAS, "YOU WILL OVERCOME YOUR FEAR OF THE UNKNOWN. IT'S NOT TOO HARD IF YOU APPLY YOURSELF AND LEARN GRADUALLY. AND, MY GOD, RALPH JR., YOU HAVE TO GO TO SCHOOL". *AFTER ALL, YOU ARE THE UNIVERSITY PRESIDENT!!*

I THANK THE MEMBERS FOR ALLOWING ME A NOTE OF LEVITY TO INTRODUCE TESTIMONY ON WHAT I AM CONVINCED IS THE MOST SIGNIFICANT ELEMENT FOR H.R. 4015 TO SUCCEED AND FOR VETERANS TO COMPETE ON A LEVEL PLAYING FIELD TO GAIN MEANINGFUL, QUALITY EMPLOYMENT. FIRST AND FOREMOST, FEW IF ANY OF THE LAWS AND THUS THE ENSUING PROGRAMS (LIKE THE ONES ENVISIONED WITHIN THE FRAMEWORK OF H.R. 4015) TO ENHANCE VETERANS EMPLOYMENT OPPORTUNITIES WILL EXPERIENCE TRUE SUCCESS UNTIL SEC. 6 (RAISING EMPLOYER AWARENESS) MANDATES A STRATEGIC AND TACTICAL PLAN TO EXECUTE *AN AGGRESSIVE NATIONAL, STATE AND LOCAL CORPORATE ADVOCACY AND MARKETING CAMPAIGN TO "INFLUENCE THE INFLUENCERS" WITHIN AMERICA'S CORPORATE AND BUSINESS LEADERSHIP TO DEVELOP BUSINESS*

EMPLOYMENT POLICIES, PRACTICES, AND ACTION PLANS FOR VETERANS EMPLOYMENT INCLUSIVENESS IN EMPLOYMENT.

WHILE NO VETERAN – NOR ANY AMERICAN FOR THAT MATTER – CAN BE GUARANTEED EMPLOYMENT, THE LEAST THAT WE CAN DO IS TO PROVIDE A LEVEL EMPLOYMENT PLAYING FIELD SO THAT VETERANS WILL HAVE EQUAL OPPORTUNITIES TO COMPETE FOR QUALITY EMPLOYMENT.

SEC. 6 ESTABLISHES A PRESIDENT'S NATIONAL HIRE VETERANS COMMITTEE (THE COMMITTEE) WHOSE DUTIES ARE TO ESTABLISH AND CARRY OUT A NATIONAL PROGRAM "TO FURNISH INFORMATION TO EMPLOYERS ON THE ADVANTAGES AFFORDED EMPLOYERS BY HIRING VETERANS". THE MEMBERSHIP OF THE COMMITTEE IS RESTRICTIVE TO INFLUENCE THE "HIRING COMMUNITY" AS IT INCLUDES REPRESENTATIVES PRIMARILY FROM MILITARY AND VETERANS SERVICE ORGANIZATIONS WHO THEMSELVES ARE NOT WELL KNOWN FOR HAVING CORPORATE AND BUSINESS NETWORKS.

TO BEGIN WITH, THE LANGUAGE OF SEC. 6 "TO FURNISH INFORMATION" IS WOEFULLY INADEQUATE TO THE MAJOR TASK OF ELIMINATING WHAT IS CLEARLY A PERVASIVE BIAS OF CORPORATE DESELECTION OF VETERANS FOR QUALITY EMPLOYMENT OPPORTUNITY AT ALL LEVELS, IN ALL FUNCTIONS AND DISCIPLINES AND IN ALL INDUSTRIES. THIS IS ESPECIALLY TRUE FOR THE CONSUMER PACKAGE GOODS, PHARMACEUTICAL, RETAIL, FINANCIAL SERVICES AND OTHER NON-DEFENSE GROWTH SECTORS. CONSISTENTLY WE HAVE FOUND THE HIGH QUALITY, HIGH PAYING POSITIONS TO BE INACCESSIBLE TO THE MILITARY. OFTEN THESE POSITIONS ARE NOT ADVERTISED PUBLICLY, AND ARE PRIVATELY FILLED THROUGH AN "OLE BOY NETWORK". THIS "HIDDEN JOB MARKET" WILL NOT BE AVAILABLE TO THE THOUSAND VETERANS LEAVING THE SERVICES EVERY WORKING DAY NOR THE 3 MILLION MOSTLY "UNDEREMPLOYED" VETERANS WHO HAVE LEFT THE SERVICES SINCE THE END OF THE GULF WAR. THE

COUNTRY NEEDS A TRULY FORCEFUL DIVERSE NATIONAL HIRE VETERANS COMMITTEE THAT IS STRUCTURED TO INCLUDE HIGH LEVEL CORPORATE EXECUTIVE LEADERSHIP....THOSE WITH THE "CLOUT" TO OPEN THE FLOODGATES OF CORPORATE AND BUSINESS HIRING FOR VETERANS.

I AM TALKING ABOUT COMMITTED "VETERAN PASSIONATE" REPRESENTATIVES FROM THE BUSINESS ROUNDTABLE, THE CORPORATE CONFERENCE BOARD, THE U.S. CHAMBER OF COMMERCE, AND THE IBM'S, GE'S, CHEVRON/TEXACO'S, WAL-MART AND TARGET'S, THE ESTEE LAUDER'S, GOLDMAN SACHS' AND MERRILL LYNCH'S AND DELL AND APPLE'S.

BASED ON 30 YEARS IN THE SEARCH INDUSTRY, IT IS MY STRONG CONVICTION THAT A VAST HIDDEN JOB MARKET EXISTS WHICH HAS ELUDED JOB SEEKING VETERANS. CONCURRENTLY THERE IS A "HIDDEN TALENT POOL" COMPOSED OF UNQUANTIFIED AND UNSTATUSED MASSIVE NUMBERS OF VETERANS WHO REMAIN UNDEREMPLOYED OR UNEMPLOYED WITH NO ACCESS TO OR SOMETIMES EVEN KNOWLEDGE OF THE PRACTICAL NAVIGATIONAL TOOLS AND GUIDES TO OBTAIN QUALITY EMPLOYMENT. FOR EXAMPLE, VETERANS DO NOT NORMALLY HAVE ACCES TO THE PROFESSIONAL, TECHNICAL, MANAGEMENT, AND EXECUTIVE RECRUITMENT FIRMS WHICH HANDLE THE 70 TO 80% OF QUALITY JOBS AND POSITIONS FOR BUSINESS, ORGANIZATIONAL AND CORPORATE CLIENTS. MUCH OF THIS RECRUITMENT IS "CONFIDENTIAL" AND MOST OFTEN DESELECTIVE OF VETERANS AS A GROUP. THE NATIONAL RECRUITMENT INDUSTRY IS A "STEALTH" INDUSTRY BELOW THE RADAR SCREENS OF THE VETERANS EMPLOYMENT AND TRAINING SERVICE, THE TRANSITION ASSISTANCE PROGRAM AND THE VETERAN JOB SEEKER. H.R. 4015 SHOULD INCLUDE WORDING REQUESTING CORPORATE EMPLOYERS USING THESE RECRUITMENT FIRMS TO WITHHOLD FEE PAYMENTS UNLESS AND UNTIL THE FIRMS IN THIS STEALTH INDUSTRY DELIVER BALANCED SLATES INCLUSIVE OF AND

REPRESENTING MILITARY CANDIDATES. "GRAB THEM BY THEIR FEES" AND THESE RECRUITERS HEARTS AND MINDS WILL FOLLOW.

HOWEVER, TO CONVERT THESE "UNFRIENDLIES" TO THE CAUSE, THE NATIONAL HIRE VETERANS COMMITTEE COMPOSITION MUST INCLUDE REPRESENTATIVES FROM THESE RECRUITMENT FIRMS. FURTHERMORE, H.R. 4015 TO EFFECTIVELY IMPLEMENT QUALITY JOBS FOR VETERANS SHOULD HAVE A THIRD PARAGRAPH UNDER SEC. 6 (b) MANDATING AN EDUCATIONAL AWARENESS PROGRAM TO AMERICA'S RECRUITMENT INDUSTRY. IT SHOULD ALSO INCLUDE THE ESTABLISHMENT OF A PROGRAM OF INCENTIVES FOR THE RECRUITMENT AND HUMAN RESOURCES INDUSTRY TO ENSURE THAT ALL SLATES OF JOB CANDIDATES BE INCLUSIVE OF VETERANS' REPRESENTATION.

IN ADDITION, SEC. 6 SHOULD CREATE THE ESTABLISHMENT OF A NATIONAL VETERANS SPOKESPERSON TO BECOME THE LEAD INFLUENCER WITH CORPORATE AMERICA. THIS INDIVIDUAL - PERHAPS A "NORM AUGUSTINE", RETIRED CEO OF LOCKHEED MARTIN OR A "LOU GERSTENER", THE RETIRING CEO OF IBM – WOULD CONDUCT IN-PERSON MEETINGS WITH CORPORATE LEADERS IN ALLIANCE WITH GOVERNMENTAL LEADERS LIKE VA SECRETARY, ANTHONY PRINCIPI AND/OR ASSISTANT SECRETARY OF LABOR FOR VETERANS EMPLOYMENT AND TRAINING, FRED JUARBE.

IN FACT, OVER THE LAST SEVERAL WEEKS, SEVERAL VOLUNTEER ADVISORS TO *THE CENTER FOR MILITARY AND PRIVATE SECTOR INITIATIVES*, THE NON-PROFIT FOUNDATION WHICH I ESTABLISHED TO BRIDGE THE GAP BETWEEN THE CORPORATE AND MILITARY SECTORS, HAVE MET WITH SECRETARIES PRINCIPI AND JUARBE. BOTH HAVE DEMONSTRATED AN AVID PERSONAL INTEREST TO JOIN IN *THE CENTER'S* CORPORATE ADVOCACY. BOTH HAVE COMMITTED THEMSELVES TO MEET CORPORATE LEADERSHIP ON BEHALF OF VETERANS EMPLOYMENT ISSUES. *THE CENTER* IN ALLIANCE WITH THE NATIONAL VETERANS BUSINESS DEVELOPMENT CORPORATION (THE VETS CORP) WILL

UNDERTAKE THESE CORPORATE VETERANS ADVOCACY AND MARKETING INITIATIVES. JOINING US IN THESE OUTREACHES ARE RETIRED SENIOR MILITARY OFFICERS INCLUDING GENERAL JIMMY ROSS, MAJOR GENERAL CHUCK HENRY, MAJOR GENERAL JAMES KLUGH, VICE ADMIRAL ED STRAW, MARINE LT. GENERAL JACK KLIMP, LT. GENERAL MIKE MCDUFFIE, COL. FRANK SOARES, CHAIRMAN OF THE VETS CORP, RESERVE MAJOR GENERAL PAUL BERGSON, BRIG. GEN. JOHN WATKINS AND A HOST OF SIGNIFICANTLY PLACED VOLUNTEER CORPORATE EXECUTIVES REPRESENTING COMPANIES ACROSS ALL INDUSTRY SECTORS.

IF THE SUBCOMMITTEE WISHES ME TO VOLUNTEER IN HELPING TO REVISE SEC. 6 TO ESTABLISH A MORE FORMIDABLE CORPORATE AND BUSINESS MARKETING PLATFORM TO MORE AGGRESSIVELY MOVE THE NEEDLE ON QUALITY JOBS FOR VETERANS, I WILL STAY HERE AS LONG AS YOU NEED ME.

WHAT THE SUB COMMITTEE MAY KNOW FROM MY BIOGRAPHIC INFORMATION IS THAT IN EARLY 1995, THE OFFICE OF THE CHAIRMAN, JOINT CHIEFS OF STAFF ASKED MY FIRM, WESLEY, BROWN & BARTLE TO CONDUCT A STUDY TO QUANTIFY HOW FORMER MILITARY PERSONNEL WERE BEING ASSIMILATED INTO THE PRIVATE SECTOR WORKPLACE. WHILE IT WAS SUSPECTED THAT FORMER MILITARY PEOPLE AND THEIR FAMILIES WERE STRUGGLING, THE DATA REVEALED AN EVEN MORE POIGNANT REALITY.... THAT VETERANS AS A CLASS ARE VASTLY UNDER-EMPLOYED AND ARE SUFFERING FROM THE SAME TYPES OF STEREOTYPES, MYTHS, AND DESELECTIVE BIASES LEADING TO ARTIFICAL BLOCKAGE INTO THE CORPORATE SECTOR THAT HAVE HISTORICALLY BARRED OTHER UNDER-REPRESENTED MINORITIES FROM COMPETING FOR EMPLOYMENT.

WHAT MY OWN BIOGRAPHICAL INFORMATION DOES NOT SHOW HOWEVER, IS THE CONTEXT WITHIN WHICH I CAME TO CONDUCT THE STUDY FOR THE JOINT CHIEFS AND SUBSEQUENTLY ESTABLISH MY OWN NON-PROFIT FOUNDATION AS AN ADVOCATE TO

CORPORATE AMERICA ON BEHALF OF THE MILITARY. NEARLY 30 YEARS AGO, WITH TWO MINORITY PARTNERS, I FOUNDED WESLEY, BROWN & BARTLE AS THE FIRST NATIONAL AND INTERNATIONAL EXECUTIVE SEARCH FIRM WITH THE MANDATE TO BE INCLUSIVE OF WOMEN AND PERSONS OF COLOR IN ALL SLATES OF CANDIDATES - - WHETHER REQUESTED BY THE CORPORATE CLIENT OR NOT. BY THE MID-80'S, OUR FIRM HAD ACHIEVED THE HIGHEST LEVEL OF DIVERSITY IN THE PROFESSIONAL, TECHNICAL, LINE AND OPERATIONS, AND MANAGEMENT RANKS WITHIN THE FORTUNE 500. THUS, IT WAS WITH THIS KNOWLEDGE THAT WE BEGAN TO CONDUCT SEARCH EFFORTS FOR THE WHITE HOUSE OFFICE OF PERSONNEL TO FIND CANDIDATES, INCLUSIVE OF DIVERSITY, FOR A MYRIAD OF POLITICAL APPOINTMENTS. AS WELL, FORMER SECRETARY OF ENERGY, HAZEL O'LEARY ENGAGED OUR FIRM TO IDENTIFY AND SEARCH OUT THE HIGHEST PERFORMERS REFLECTIVE OF DIVERSITY FOR THE POSTS OF UNDERSECRETARY, DEPUTY, CONTROLLERSHIP, INSPECTOR GENERAL, ETC.

THROUGH CASPAR WEINBERGER'S FORMER ASSISTANT SECRETARY OF DEFENSE FOR PUBLIC AFFAIRS, MICHAEL BURCH, WE WERE CONNECTED INTO THE RANKS OF THE NUCLEAR NAVY. I WAS FORTUNATE TO MEET ADMIRAL, BILL OWENS, WHO SUBSEQUENTLY WAS NAMED TO THE VICE CHAIR OF THE JOINT CHIEFS OF STAFF. AS I MET OTHER TRANSITIONING AND RETIRED MILITARY OFFICERS, I BEGAN TO INSTRUCT ALL OF THE EXECUTIVES AT MY OWN FIRM TO CHAMPION MILITARY CANDIDACIES TO THE MANAGEMENT AND EXECUTIVE POSTS WHICH WE WERE RETAINED TO FILL (NOTE: ONLY THOSE MILITARY WHO HAD SELF-DESIGNATED INTENT TO TRANSITION). MOREOVER, I URGED ALL MY SEARCH CONSULTANTS TO SHARE THESE OUTSTANDING MILITARY INDIVIDUALS WITH OTHER RECRUITMENT FIRMS SO THAT OTHER CORPORATE CLIENTS WOULD HAVE THE BENEFIT OF THIS OUTSTANDING TALENT.

FORGIVE THE LONGWINDED ANECDOTAL INFORMATION. HOWEVER, WHAT TRANSPIRED WITH OTHER EXECUTIVE SEARCH FIRMS, CORPORATE EXECUTIVE CLIENTS,

AND THE HUMAN RESOURCES GATEKEEPERS OF CORPORATE AMERICA WAS NOTHING LESS THAN STARTLING. WE FOUND CARBOARD AND TRASH BOXES MARKED "MILITARY RESUMES" IN WHICH RESUMES OF MILITARY EXPERIENCED CANDIDATES WERE EARMARKED FOR DISPOSAL, WITH NO REVIEW OR CONSIDERATION. WE FOUND THAT THE MILITARY HAD BECOME ALIENS IN THEIR OWN LAND WITH A NEAR ABJECT IGNORANCE OF THEIR TALENTS, TRAINING, EXPERIENCE AND SKILL SETS BY MULTI-LEVELS OF CORPORATE AND BUSINESS LEADERSHIP. AND, WHILE SUPPORTIVE OF THE MILITARY, THE THEORY OF APPARENT PATRIOTISM IN THE EARLY TO MID-90'S DID NOT TRANSLATE INTO THE PRACTICE OF THESE CORPORATE LEADERS AFFORDING MILITARY CANDIDATES EVEN A SEAT AT THE INTERVIEW TABLE WHEN POSITIONS WERE BEING FILLED. AFTER ALL, WITH ONLY ONE IN SIX AMERICANS UNDER THE AGE OF 65 HAVING SERVED IN THE MILITARY, NEARLY ALL OF THE CORPORATE HIRING MANAGERS AND THEIR HUMAN RESOURCES SUPPORT PERSONNEL HAD NO POINT OF REFERENCE ABOUT THE MILITARY, ITS LEADERSHIP, ITS WORK ETHIC, AND ITS RESOURCEFULNESS TO MANAGE PROJECTS FROM INITIATION TO COMPLETION.

THIS CORPORATE DESELECTIVE BIAS AGAINST VETERANS BEGAN DURING THE VIETNAM PERIOD AND LASTS TO THE PRESENT AND IS SUBTLY INTERWOVEN INTO THE HIRING PROCESS. THERE EXISTS RAMPANT MISCONCEPTIONS DISGUISTED AS FACT ABOUT THE EFFECTIVENESS AND VALUE OF VETERAN'S BENEFITS DELIVERY SYSTEMS, AND FROM INACCURATE VALUATIONS OF MILITARY SERVICE AND TRAINING THAT HAS ITSELF LED TO A DEVALUATION AND MISCONCEPTION OF MILITARY EXPERIENCE. INDIVIDUALS WITH SIGNIFICANT BACKGROUNDS IN MILITARY SERVICE AND TRAINING HAVE OVER TIME BECOME DEVALUED, AND SOMETIMES DISMISSED BY MANY PERSONNEL POLICY PRACTITIONERS IN SIGNIFICANT SEGMENTS OF AMERICA'S HIRING PROCESSES.

WHILE THIS SELECTIVE BIAS IS NO REAL SECRET TO THOSE VETERANS WHO HAVE EXPERIENCED IT, THIS BIAS REMAINS AN UNEXPECTED, UNRECOGNIZED,

UNACKNOWLEDGED AND MISUNDERSTOOD PHENOMENON WHICH EFFECTS THE LIVES OF THOUSAND OF AMERICA'S VETERANS AND THEIR FAMILIES (PLEASE CREDIT BILL ELMORE, THE SMALL BUSINESS ADMINISTRATION'S VETERANS' REPRESENTATIVE FOR THESE THOUGHTS).

THE RESULT OF THIS SITUATION IS THAT AMERICA IS DEPRIVED OF COMPETING FROM ONE OF THE COUNTRY'S BEST ASSETS: TRAINED, EXPERIENCED, COMMITTED POTENTIAL EMPLOYEES AT THE PRIME OF THEIR AVAILABILITY. THIS ALSO UNDERCUTS THE LONG-TERM VIABILITY OF MAINTAINING AN ALL VOLUNTEER, CITIZEN-SOLDIER MILITARY. IF A VETERANS EXPERIENCE IS NOT VALUED ON A RESUME, THIS CYCLE WILL EVENTUALLY AFFECT THE MILITARY'S ABILITY TO RECRUIT INTO THE MILITARY.

AMERICA INVESTS ENORMOUS FISCAL AND HUMAN CAPITAL IN RECRUITING, PREPARING, DEPLOYING AND RETURING MANY OF OUR BRIGHTEST, MOST MOTIVATED CITIZENS, BUT YET, THESE CITIZEN-SOLDIERS ARE UNDERUTILIZED FOLLOWING MILITARY SERVICE. THIS DESPITE THE FACTS THAT COLLECTIVELY THEY POSSESS A NATIONAL AND INTERNATIONAL ACUMEN THAT MOST CORPORATIONS AND NON-VETERANS CITIZENS LACK.

RECENTLY WITH THE TRAGEDY OF 9/11 AND THE CURRENT WAR ON TERRORISM, THERE HAS BEEN AN AWAKENING OF THE VALUE OF THE MILITARY. WE MUST GRAB THE MOMENT AND REBUILD ON THIS FOUNDATION SO THAT THE "SPIKE UP" IN PATRIOTISM CAN BE TRANSFERRED INTO EMPLOYMENT OPPORTUNITIES.

I AM PROUD TO BE ASSOCIATED WITH STRENGTHENING THE SINEWS OF H.R. 4015 AS IT IS DESIGNED TO HELP AMERICA MAXIMIZE THIS INVESTMENT IN HUMAN CAPITAL THROUGH VETERANS JOB PLACEMENT. I WOULD ONLY SUGGEST THAT H.R. 4015 ADD THE ESTABLISHMENT OF A STRATEGIC PROFESSIONAL CORPORATE JOB PLACEMENT

ORGANIZATION (SPCJ). IT WOULD COMPLEMENT THE LABOR DEPARTMENT'S VETERAN'S EMPLOYMENT AND TRAINING SERVICE (VETS), TEACH VETS PERSONNEL HOW TO MAXIMIZE RELATIONSHIPS WITH EMPLOYERS, AND HOW TO MORE EFFECTIVELY PLACE VETERANS THROUGH CHAMPIONING THEIR CANDIDACIES ASSERTIVELY, TENACIOUSLY AND SUCCESSFULLY.

I WOULD RECOMMEND THAT THIS (SPCJ) SERVICE BE GRATIS TO EMPLOYERS THAT MAKE A COMMITMENT TO HIRE OTHER FORMER MILITARY PERSONNEL, AND/OR ENGAGE IN SPECIFIC PROCUREMENT OPPORTUNITIES FOR SERVICE-DISABLED AND OTHER VETERAN-OWNED SMALL BUSINESSES.

COORDINATED THROUGH THE ASSISTANT SECRETARY OF LABOR FOR VETERANS AND THE SECRETARY OF VETERANS AFFAIRS, WITH THE BUSINESS ROUNDTABLE AND CHAMBER OF COMMERCE, A SUCCESSFUL COLLABORATION WILL CONTINUE WITH THE NEW FEDERALLY CHARTERED NATIONAL VETERANS BUSINESS DEVELOPMENT CORPORATION, AND WITH MEMBERS OF CONGRESS.

THE INITIAL FUNDING OF THE (SPCJ) INFRASTRUCTURE AND PERSONNEL FOR THIS SERVICE CAN COME FROM THE FORD, CARNAGIE, AND MACARTHUR FOUNDATIONS AND CORPORATE FOUNDATIONS LIKE PEPSICO, PRUDENTIAL, AND BRISTOL-MYERS SQUIBB, WHOSE CEO'S ARE FORMER MILITARY....STEVE REINEMUND, ART RYAN, AND CHARLES HEIMBOLD. THESE ARE THE FRIENDLIES AND THE CORPORATELY POWERFUL WHO WE HAVE TO ENGAGE MORE FULLY.

I MUST WARN YOU THAT THE PUNDITS AND THE POLLYANNA'S WHO WANT TO PUT A FAVORABLE SPIN ON VETERANS EMPLOYMENT WOULD HAVE THIS SUB COMMITTEE BELIEVE THINGS HAVE CHANGED. THEY HAVE NOT YET. I AM CONVINCED THAT THE MORE THINGS CHANGE, THE MORE THEY STAY THE SAME. THE CONCERTED EFFORTS OF

H.R. 4015 TOGETHER WITH A CONTINUED MOVEMENT OF VETERANS ADVOCACY WILL CONTINUE THE EVOLUTION OF VETERANS EMPLOYMENT INCLUSION. I AM ALSO CONVINCED THAT LIKE THE WOMEN'S MOVEMENT AND THE CIVIL RIGHTS MOVEMENT THAT A VIGOROUS VETERANS EFFORT IS INDEED THE THIRD IN THE TRILOGY OF MOVEMENTS. AS IN THE CIVIL RIGHTS MOVEMENT, THE LAWS AND WRITTEN POLICIES WERE THE BEGINNING OF AN ATTITUDINAL SWING WHICH HAS ALTERED THE BEHAVIOR OF AMERICANS BUT WHICH TOOK DECADES TO ACHIEVE. THUS, TOO, WILL BE THE CASE FOR QUALITY JOBS AND EQUAL OPPORTUNITY BUSINESS OPPORTUNITIES FOR VETERANS. THE SUB COMMITTEE IS BY THIS LAW HELPING TO FURTHER LAUNCH THIS VETERANS MOVEMENT. I AM NOT COMPLETELY SURE THAT EVEN YOU KNOW THE TRUE DEPTHS OF HOW PROUD YOU SHOULD BE OF YOUR OWN AND YOUR COLLEAGUES WORK. I TRUST THAT ALL AMERICANS WILL LEARN OF YOUR QUALITY ENDEAVORS.

TO SUMMARIZE, I AM CONVINCED THAT THE FOLLOWING 12 STEPS ARE NECESSARY TO PROVIDE A SUCCESSFUL FRAMEWORK FOR H.R. 4015 TO SUCCEED:

THE CREATION OF A STRATEGIC AND TACTICAL PLAN TO:

1. AGRESSIVELY MARKET THE MILITARY TO CORPORATE AMERICA
2. INFUSE THE ISSUES OF VETERANS EMPLOYMENT ON THE MAJOR CORPORATE ORGANIZATIONAL AGENDAS OF THE BUSINESS ROUNDTABLE, THE CORPORATE CONFERENCE BOARD, NATIONAL, STATE AND LOCAL CHAMBERS OF COMMERCE, INTERNATIONAL ORGANIZATIONAL MEETINGS.
3. A PLACEMENT AND RECRUITING TRAINING PROGRAM FOR THE LVERS AND DVOPS AND THE PERSONNEL OF THE TRANSITION ASSISTANCE PROGRAMS IMPOSING PERFORMANCE VETERANS PLACEMENT CRITERIA.

4. A STATUSING OF PRIOR SERVICE MILITARY TO QUANTIFY THEIR QUALITY OF JOBS WITH A FOCUS ON REHARNESSING THIS TALENT TO SUSTAIN AMERICA'S ECONOMIC COMPETITIVENESS.
5. PROGRAMS TO INCENT AMERICA'S RECRUITMENT COMMUNITY TO EMBRACE MILITARY CANDIDATES FOR JOB FULFILLMENT.
6. A NATIONAL JOB PLACEMENT SERVICE TO PLACE MILITARY GRATIS IN CORPORATE AND BUSINESS EMPLOYMENT. AS WELL, A TRAINING PROGRAM TO INSTRUCT CORPORATE HUMAN RESOURCES AND HIRING MANAGERS ALIKE ON THE APPLICATION OF MILITARY OCCUPATIONAL SPECIALITIES TO THE BUSINESS WORKPLACE. ALSO, A PROGRAM OF INCENTIVES TO CORPORATIONS TO MANDATE BALANCED MILITARY REPRESENTATION IN CANDIDATE SLATES.
7. SIMILAR TO THE 1986 "HANDS ACROSS AMERICA" PROJECT WHERE 5 MILLION AMERICANS LINKED HANDS FROM COAST TO COAST TO RAISE AWARENESS OF THE HOMELESS ISSUE, H.R. 4015 SHOULD MANDATE A "VETERANS ACROSS AMERICA" SO THAT THE ISSUES AND CHALLENGES OF VETERANS EMPLOYMENT CAN BE HIGHLIGHTED IN A NATIONAL WATERSHED EVENT ON VETERANS DAY 2003 AND/OR 2004.
8. THE ESTABLISHMENT OF A VETERANS CONSUMER EDUCATIONAL TASKFORCE COMPOSED OF CONSUMER MARKETING EXPERTS TO EDUCATE CORPORATE AMERICA TO THE CONSUMER BUYING POWER OF VETERANS. UNTIL WOMEN AND MINORITIES WERE PERCEIVED AS MAJOR CONSUMER TARGET SEGMENTS, THE EMPLOYMENT OF WOMEN AND MINORITIES – REGARDLESS OF THE LAWS – WAS ALMOST PURPOSELY SLUGGISH.
9. AN EDUCATIONAL CAMPAIGN WITHIN THE ELEMENTARY AND SECONDARY SCHOOL SYSTEMS TO ERADICATE A SIGNIFICANT AMERICAN CITIZEN ILLITERACY ABOUT THE MILITARY, AND THE VETERANS COMMUNITIES.
10. A REDEFINITION OF EMPLOYMENT STATUS TO DEFINE UNDEREMPLOYMENT AS IT RELATES TO THE JOB STATUS OF VETERANS.

11. **A RETENTION TRAINING PROGRAM FOR VETERANS IN THE PRIVATE SECTOR TO SUSTAIN THEIR JOBS ONCE THEY'VE ACQUIRED THEM.**
12. **A SPECIAL TASKFORCE AND COMMITTEE ESTABLISHED WITHIN H.R. 4015 TO FOCUS ON THE UNLEVEL PLAYING FIELDS IN EMPLOYMENT OPPORTUNITY FOR WOMEN AND DIVERSE MILITARY POPULATIONS.**

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

H.R. 4015
THE "JOBS FOR VETERANS ACT"

WASHINGTON, D.C. APRIL 18, 2002

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the 2.7 million members of the Veterans of Foreign Wars of the United States (VFW) and our Ladies Auxiliary, I appreciate the opportunity to participate in today's legislative hearing on H.R. 4015, the "Jobs for Veterans Act" which was introduced by the Chairman of this Subcommittee; both the Chairman and Ranking Democrat of the full committee; as well as Representatives Reyes; Quinn; and Shows. This bill would revise and improve the employment, training and placement services provided to veterans.

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

The stated mission of the Veterans Employment and Training Service (VETS) is to help veterans, reservists, and National Guard members in securing employment, training, and the rights and benefits associated with their military service. The key elements of VETS' mission are enforcement, veterans' preference, employment and training assistance; public information service; inter-agency liaison, and training.

What must be paramount within VETS is ensuring that veterans get the maximum employment and training opportunities within the workforce and the service provided be held accountable. This effort should extend beyond the priority of services provided by the federal public employment service system and the efforts of the Disabled Veterans Outreach Program (DVOP) and Local Veterans Employment Representative staffs (LVERs). Efforts to identify federal contractors and subcontractors, the Transition Assistance Program, marketing to employers, ensuring that veterans preference is given for federal jobs, and facilitating use of knowledge, skills and abilities of separating service member in the civilian labor market do now show in traditional departmental information collections. Thus VETS must initiate interventions that incorporate set objectives that match the interventions planned.

H.R. 4015 contains several provisions, which are intended to improve the employment and training services to veterans. Section II of the bill defines priority of service to veterans who have a service-connected disability; have received a campaign badge; or certain spouses of veterans.

Section II also provides that in the case of federal contracts and subcontracts in the amount of $100,000 or more, the contractor shall take affirmative action to employ and advance qualified veterans, to include the listing of employment opening through the appropriate employment delivery systems and priority of referral for those openings.

The VFW supports the provisions of Section II. As previously state though, the VFW strongly believes enforcement is the key to success. Businesses must be required to comply with the law if they are to continue to be awarded federal contracts.

Section III would establish performance standards and outcome measures beginning in fiscal year 2004. Such standards, to provide a level of accountability, shall be consistent as mandated under the Workforce Investment Act of 1998. In order to assist states in the delivery

of employment services, the Secretary shall make grants to states utilizing a pre-described formula. In addition to these "base grants", the Secretary shall make "incentive grants" to state that the Secretary determines has met a predetermined minimum, standards.

Section III also provides for the creation of a "virtual" one-stop veterans' job services "office" worldwide in order to furnish assistance electronically via the Internet.

The VFW supports section III

Section IV of H.R. 4015 refines the job training and placement functions within the Department. Along with the establishment of an Assistant and Deputy Assistant Secretary for Veterans' Employment and Training, Section IV provides for a performance based accountability system designed to ensure veterans receive the job placement assistance they have earned and deserve. A set of standards and measurements would be implemented in order to assess the effectiveness of veterans' employment and training staff. These standards and measurements would be consistent with State performance measures applicable with the "Workforce Investment Act of 1998" and be appropriately weighted to provide special consideration for the placement of veterans requiring intensive services as well as those who enroll in readjustment counseling. The VFW has long called for those who provide employment assistance to our nation's veteran to be held accountable and we support the implementation of standards and measurements to accomplish this.

The VFW also supports the provision in Section IV, which maintains the National Veterans Employment and Training Services Institute (NVETSI). We view NVETSI as a crucial element in providing veterans with an effective employment system.

It is also noted that States shall, "to the extent practicable", appoint qualified veterans in the positions of DVOPs and LVERs. The VFW urges the bill be amended to require that veterans fill these positions. We firmly believe there are enough qualified veterans available that the language "to the extent practicable" can be struck.

Section V makes additional improvements in Veterans Employment and Training Services by including "intensive services" such as local involvement as provided in the "Workforce Investment Act of 1998." The section also directs VETS to implement efforts to assist veterans in transitioning military career skills to the private sector; modernize employment services delivery systems; and increase the accuracy of reporting services provided to veterans.

The VFW supports the provision of Section V.

Section VI addresses the issue of raising employer awareness of the skills veterans' posses and the benefits of hiring veterans. The bill creates the "President's National Hire Veterans Committee" to market the employment attributes of veterans to employer.

The VFW supports section VI.

Section VII encourages military service organizations to provide job placement assistance to veterans by making personal computers available at local posts. The VFW is currently promoting this activity and therefore supports this section of H.R. 4015.

Section VIII requires a study to quantify the economic benefits related to the long-term, sustained employment of veterans.

The VFW supports section VIII.

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

TESTIMONY

of

RICHARD JONES
AMVETS NATIONAL LEGISLATIVE DIRECTOR

before the

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

on

H.R. 4015, the Jobs for Veterans Act

MR. CHAIRMAN, RANKING MEMBER REYES, AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of National Commander Joseph W. Lipowski, I am pleased to present the viewpoint of AMVETS on H.R. 4051, a bill to amend Title 38, United States Code, to revise and improve employment, training, and placement services furnished to veterans, and for other purposes. Neither AMVETS nor I have been the recipient of any federal grants or contracts during the current fiscal year or the previous two years.

Mr. Chairman, AMVETS has been a leader since 1944 in helping to preserve the freedoms secured by America's Armed Forces. Today, our organization continues its proud tradition, providing, not only support for veterans and the active military in procuring their earned entitlements, but also an array of community services that enhance the quality of life for this nation's citizens.

We believe that America's commitment to its veterans, codified, and consistently reaffirmed by federal statutes throughout our history, is not being satisfied to the degree Congress intended.

We are concerned that the programs managed by the Department of Labor Veterans Employment and Training Service (VETS) remain, unfortunately, underfunded, neglected, and not fully staffed.

We commend the subcommittee for looking to update and enhance these programs. Clearly, your efforts are critical, if we are to meet the employment and training needs of veterans.

However, it is also critical that we ensure adequate funding is provided, and we ask for your assistance in getting the word to your colleagues on the Appropriations Committee about the resources needed to keep VETS programs on track—helping veterans effectively transition from military service to the civilian workforce.

Mr. Chairman, you and your subcommittee, together with the House Committee on Veterans Affairs, have aggressively fought to support veterans programs. Indeed, many of the initiatives you have fought for are currently in place.

We agree with many of the provisions of H.R. 4015. In too many instances the program is, unfortunately, not working as effectively as you intended. And, in the process, veterans are being left behind.

We must not lose sight, however, of the fact that veterans continue to need the special job training services that the Veterans Employment and Training Service and its state-based Disabled Veterans Outreach Program Specialist (DVOP) and Local Veterans Employment Representative (LVER) system provides.

Regarding DVOPs and LVERs, AMVETS believes it is important that states continue to be required to hire veterans for these positions, as provided under current law. For decades, LVERs and DVOPs have been the cornerstone of employment services for veterans throughout the United States employment service system. Part of the reason is that these individuals are veterans advocating for veterans.

We object to the provision in H.R. 4015 that would change this principle and allow States to hire veterans for these positions only "to the extent practicable." I've often heard it said that the heart and soul of VETS are the dedicated DVOPs and LVERs tasked with facing the employment challenges of hard-to-place veterans. These are the individuals who help form the bridge and effect a smooth transition of military servicemembers to the civilian workforce. In our view, these people should be veterans.

Another concern we have with the legislation is criteria that would qualify an individual to serve as Deputy Assistant Secretary of Labor for veterans employment. H.R. 4015 would only allow an individual to serve as Deputy Assistant Secretary who had previously served five consecutive years of service in the federal executive branch immediately preceding appointment.

Now if the effort is to establish someone as Deputy Assistant Secretary with institutional process knowledge, such limitations might be appropriate. If what we're looking for, however, is a more responsive organization, the need may be, at some future time, for someone with expertise outside of government, perhaps in marketing or organizational management or information technology or in serving veterans. Flexibility should reside with the administration to choose, as is the current option, an individual from a broader community of skills than might be found in the 5-year class of the federal bureaucracy. We do not intend our criticism to be pejorative toward dedicated federal employees, nor, however, do we wish to limit an administration's choice for this important position.

AMVETS strongly supports the incentive programs outlined in H.R. 4015. Starting an incentive initiative for state employment services is a good idea and would do much to enhance the current system. There is currently no system in place through which comparisons can be drawn between state programs so that successful ones can be rewarded. DOLVETS must develop meaningful performance standards in order to promote successful outcomes and enliven its activity.

AMVETS also supports the provisions in H.R. 4015 that strive to make the employment services delivery system more flexible. Clearly, we need to ensure that all veterans receive priority of service and that the programs designed to assist them work as intended by Congress. This effort requires federal monitoring and accountability, which can only be done if the program is administered under iterative review.

While implementation of performance standards and measurements will definitely help, there is no need to have a one-size-fits-all approach for activities in each of the 50 states. Clear standards that measure the program's implementation in terms of outcome instead of process can allow for flexibility. And flexibility is important because states are different and may have different approaches to satisfying the needs of local employers as well as different types of veterans who may need employment help.

AMVETS supports provisions in H.R. 4015 to raise employer awareness of the benefits found in hiring veterans. The men and women who have served in the military have a great number of skills to offer the private sector. It is important to note, however, that past surveys have indicated that nearly one of every five employers never considered recruiting veterans. In addition, past surveys reveal that more than 50 percent of surveyed employers indicated that even if they wanted to hire a veteran, they did not know whom to contact. An effective marketing program can dramatically lift the opportunities available to veterans on separation.

AMVETS also strongly supports provisions in H.R. 4015 that would carry the priority of service for veterans to all job and job training programs of the Department of Labor. It is

important to recognize that Congress has determined that our nation has a responsibility to meet the employment and training needs of veterans assuring that veterans receive priority of service. This directive represents one good way to help accomplish the goal.

On one related point, AMVETS is extremely disappointed with the proposal in the president's budget to transfer Veterans Employment and Training Service programs from DOL to VA. We believe this transfer is ill advised. DOL knows the labor market. That's its business, and it knows better than anyone where the jobs are. VA does not have the capability or the assets to support employment programs. Moreover, the department already faces serious challenges in providing timely health care and reducing a backlog of nearly 600,000 claims. Moving VETS programs to VA may change some "titles," but it does nothing to better serve veterans.

Another disappointment is the administration's failure to request funding for the National Veterans' Training Institute. This Training Institute (NVTI) administers training programs unavailable elsewhere and should be funded at a level adequate to ensure training is continued within a constantly changing veterans environment. Failure to fund this mission sets up a situation where people are led to believe they're going to get some real employment help, but the reality is otherwise. That would be the wrong thing to do.

Finally, as the Subcommittee is looking at these chapters of Title 38, AMVETS encourages you to reestablish an exemption of VA compensation and pension from income eligibility requirements in all federal programs. We note, for example, that certain veterans have been denied access to HUD's low-income senior assisted housing program because their sole income of social security and VA disability compensation was above the program's threshold.

Had HUD not counted VA compensation as income, eligibility would have been granted. It is incomprehensible that a nation's payment of veterans disability compensation would stand as a barrier to improving the quality of life for those injured in military service. America's aging disabled veterans deserve better in this case and others, and we urge Congress to promptly eliminate the inclusion of VA compensation as income determining eligibility for federal programs.

Mr. Chairman, in summary, we believe the issues surrounding veterans' employment and training are clearly solvable. We do not believe Congress and the administration should segregate veterans to a single agency.

The job and job-training programs should continue to be managed and run by the Department of Labor. We have confidence that the current DOLVETS management team is fully competent to implement needed reforms. Indeed, we are encouraged by recent words to AMVETS from the Deputy Secretary of Labor reiterating Labor's commitment to priority

services for veterans and confirming Labor's obligation to consider veterans a primary constituency of the Department.

It is evident that all parties agree there is a need to renew outreach efforts to potential employers. It is also agreed that veterans continue to be a national treasure. And it is agreed that we need to do a better job introducing veterans to employers. The bill at hand moves us in the right direction on all these matters, and we trust you will make it the final agreement.

AMVETS looks forward to working with you and others in Congress to ensure we help meet the needs of America's veterans and their families. We have much to do, but we are encouraged in knowing our work will help determine the future of our nation and the world around us. Thank you, again, for the opportunity to present our comments on this important legislation.

STATEMENT OF
STEVE ROBERTSON, DIRECTOR
NATIONAL LEGISLATIVE COMMISSION
THE AMERICAN LEGION
BEFORE THE
SUBCOMMITTEE ON BENEFITS
COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
ON
H.R. 4015, JOBS FOR VETERANS ACT
APRIL 18, 2002

Mr. Chairman and Members of the Subcommittee:

The American Legion welcomes the opportunity to present testimony on H.R. 4015, Jobs for Veterans Act, to amend title 38, United States Code (USC), to revise and improve employment, training, and placement services furnished to veterans, and for other purposes.

The American Legion remains steadfastly supportive of the Veterans' Employment and Training Service (VETS) within the Department of Labor (DoL) and the critical role of each program, administered by the Assistant Secretary of Veterans' Employment and Training Service (ASVET), in the lives of America's veterans and their families.

Section 4100 of Chapter 41, title 38, USC, effectively identifies the purpose of VETS -- as long as unemployment and underemployment continue to be serious problems among disabled veterans and other veterans with specific barriers to employment, VETS must remain a national responsibility. The special nature of employment and training needs and the national obligation to meet those needs, policies and programs to increase opportunities for such veterans to obtain employment, job training, counseling, and job placement services and assistance in securing advancement in employment should be effectively and vigorously implemented by the Secretary of Labor and such implementation should be accomplished through the ASVET.

The American Legion believes the core problems hampering VETS and its programs can be narrowed down to three key points:

- Leadership – failure to provide veterans' employment professionals in local offices the flexibility to perform their Federally mandated duties and responsibilities.
- Leadership – failure to fully fund and staff veterans' employment professionals to the Federally mandated levels.
- Leadership – failure to implement a performance accountability system that properly records the successful accomplishments of veterans' employment professionals.

Clearly, these leadership shortfalls are at the local, state, and national levels. The American Legion believes many of the proposed changes in H.R. 4015 are superfluous and unnecessary. Other provisions appear to merely address political correctness rather than tangible and intangible problems.

Operating from this fundamental understanding, The American Legion applauds the focused commitment of this Subcommittee to reform VETS – at least legislatively; however, careful consideration should be taken to not let the zeal of the moment compromise the hard work and dedication of many VETS personnel.

Section 1. Short Title; References to Title 38, United States Code; Table of Contents.

The American Legion recommends changing the short title from "Jobs for Veterans Act" to "Leave No Veteran Behind Act." Thanks to the service of America's veterans, this country continues to enjoy the most envious economy in the Free World. Empowering veterans to fully realize the spoils of their labors and their selfless devotion to freedom, is a worthwhile endeavor. No veteran, especially those with service-connected disabled medical conditions or significant barriers to employment, should ever be denied meaningful employment. This bill alone does not generate employment opportunities, but it does focus on veterans helping veterans – a common theme throughout the veterans' community.

Section 2. Priority of Service from Veterans in Department of Labor Job Training Programs.

Although The American Legion supports this move to provide veterans preference in Federal job training programs, its sees this section as a bittersweet provision. The American Legion deeply regrets that successful veterans' job training programs, such as Veterans Job Training Act (VJTA) and the Service Members Occupational Conversion and Training Act (SMOCTA), failed to receive adequate and continued Federal funding. Both programs were highly successful and consistent with the stated goals of VETS, but more importantly, both programs were limited in scope to only veterans. Honorable military service was the prerequisite for eligibility for participation in these unique programs. Truly, VJTA and SMOCTA, were generous gestures from a grateful nation to assist veterans in overcoming specific employment barriers. The American Legion would strongly encourage Congress to reconsider the value of these programs and fully fund either program.

Section 2 would give "covered persons" priority in job training programs they would qualify for based on eligibility criteria under *other than veterans' status*. Honorable military service is not a factor until other eligibility requirements are met. Under this provision, what performance standard will be in place to measure compliance by those administering the job training programs? What recourse will VETS have should those administering the job training programs choose to ignore this Federal mandate? Do we really want veterans to become economically indigent or convicted felons before they can "qualify" for vocational assistance? What is the goal – smooth transition from the military to civilian workforce or working the vocational training gambit?

The American Legion questions the decision to expand VETS programs to all veterans seeking employment. Originally, VETS was designed to meet the employment and job training needs of a much smaller portion of the veterans' population -- special disabled veterans, other disabled veterans, and other eligible veterans. Opening the eligibility to all veterans, job ready as well as those with employment barriers, would overwhelm programs without significant additional staffing and full funding. It is difficult to recall when the current manning formula for Local Veterans' Employment Representatives (LVERs) and Disabled Veterans' Outreach Program (DVOPs) specialists were fully manned and funded. Increasing the eligible veterans' population without increasing the staff to meet the new demands is the first dangerous step towards diluting services to the very population in most need – special disabled veterans, other disabled veterans, and other eligible veterans.

With regard to "Employment of Veterans With Respect to Federal Contracts," The American Legion applauds the intent; however, these requirements must be met before the work begins. If the contractor complies with this mandate after the work is completed or all employees are hired, the language is useless. There is absolutely no real enforcement should a contractor choose not to hire any qualified veterans.

The American Legion recommends adding a statement at the end of the sentence in the proposed Section 4212(a)(2)(A) "...employment service delivery system listing employment openings immediately through the appropriate employment delivery system *and prior to other recruitment activities*." There are examples where some Federal contractors have filled jobs before having it listed, this addition is to suggest to Federal employers that they consider hiring veterans first.

The American Legion would recommend that a *Notice of Compliance* be issued to a Federal contractor by the appropriate employment service delivery system before any actual work on site begins. This certificate would validate that the Federal contractor complied with these requirements and identify the number of positions available prior to beginning work, thus allowing VETS the opportunity to fill job orders.

Expanding this definition to include certain spouses is acceptable; however, The American Legion recommends that the spouse of any veteran who has a total disability resulting from a service-connected disability, should be eligible regardless of whether it is permanent in nature or not. In this unfortunate situation, the spouse should be eligible for needed vocational assistance.

Section 3. Performance Incentive Awards for Quality Veterans Employment, Training, and Placement Services.

The American Legion opposes granting monetary incentive awards for States that meet or exceeded their benchmarking goals. Using money, as an incentive or motivator, is not a progressive means of keeping State and Federal employees motivated to improve performance standards. If monetary rewards were the ultimate goals of veterans' employment professionals, they would be working in the private sector. The intrinsic value of their job is helping unemployed veterans find meaningful employment.

Rather than upgrading the performance level nationally, this section would enhance the performance of the best performing States. This "rich get richer and the poor get poorer" approach seems to be counter-productive in addressing the global veterans' employment issue. The American Legion would rather see these funds spent on improving the performance of underachievers. Top performers should be rewarded and considered for promotions or unique job opportunities. The American Legion believes the collateral damages of this provision could be, potentially and inadvertently, devastating to VETS nationally. The American Legion believes annual personnel performance reviews would be a more effective venue for performance incentive awards.

The American Legion recommends the creation of regional VETS FOCUS TEAMs consisting of selected top performers from across the nation. The ASVET would deploy this team to those States with underachieving performance to offer assistance. The team would conduct an inspection of all operations, visit with all LVERs and DVOPs, and formally report to the ASVET, through the DVET and Regional Administrator. This report would identify common problems and offer specific recommendations.

VETS FOCUS TEAM members should be given serious consideration for future employment in VETS leadership positions at the local, state, and national levels.

Section 4. Refinement of Job Training and Placement Functions of the Department.

The American Legion opposes the provision that the Deputy Assistant Secretary of Labor for Veterans' Employment and Training be required to have at least five years of continuous service in the Federal civil service in the executive branch immediately preceding appointment as the Deputy Assistant Secretary. The American Legion believes a more appropriate requirement would be at least five years of continuous service in VETS immediately preceding appointment as the Deputy Assistant Secretary. In depth knowledge of VETS would be more beneficial than in depth knowledge of the Federal bureaucracy. The ASVET needs technical support more than political support.

The American Legion also believes there should be a residency requirement for Directors and Assistant Directors for Veterans' Employment and Training (DVETS and ADVETS). It is important that any employee be attuned to the needs of the veterans that reside within the State. A person coming from another State (especially a smaller State) does not fully understand or appreciate the specific needs of veterans within that State. The person may learn the needs over a long period of time (normally over years, definitely not months), but by then the damage that might be done could be insurmountable.

The American Legion strongly supports the requirement that only "veterans" be appointed to VETS positions, especially in the emphasis on using a service-connected disabled veteran in DVOP positions. This makes good sense. The intrinsic relationship between veterans is a very meaningful bond between those with common military experiences -- comradeship.

This bill does not address the need for placing DVOPs and LVERs throughout the State, not just in large urban areas. Outreach is probably one of the most important aspects of VETS and the least emphasized. For many employers and job seekers, SESA is still viewed as the "unemployment office" and not a "headhunting firm." Outreach plays a major role in helping to change that image. Outreach takes the message from the computers and automated phone systems to face-to-face meetings with employers and job seekers in their environment.

Salesmanship is critical to recruiting job orders from employers. Salesmanship is also critical to recruiting veterans with barriers to employment. Salesmanship is critical to shaping the corporate image throughout the community. The very best vehicle to achieve this goal is through personal interaction with civic, business, and fraternal organizations. The image of VETS is based on the last experience in dealing with them. If the experience was positive, the image is positive. If the experience was negative, it will remain negative until proven otherwise. How does VETS check its image in the local community without an effective outreach program?

Local SESA office managers that "tether" DVOPs and LVERs to the local office to handle only "walk-in" veterans, fails to understand why VETS was created. These managers place personal performance goals ahead of a national priority. Outreach is a Federally mandated role of both a DVOP and an LVER that is routinely ignored by local office managers across the country.

In the new proposed Section 4102A(b)(5)(C), The American Legion would suggest changing "fringe benefits" to "other business expenditures."

Under the provision "Conditions for Receipt of Funds" in this Section, the State funding formula is very disturbing to The American Legion. The American Legion believes basing VETS programs funding on an unstable economic factor would adversely impact the quality of these critical veterans' programs. Recruitment and retention of quality, well-trained veterans' employment professionals would become a major problem due to questionable employment stability. If these employment professionals are highly productive and are successful in reducing unemployment in their local veterans' community, they would feel the impact with reduced program funding levels the next year; however, if unemployment in the veterans' community increased, the State would realize increased funding. The American Legion believes this issue would be even more significant in those States with smaller veterans' populations. VETS is a national veterans' employment program, not limited to only those States with a greater veterans' population.

The American Legion does not understand why the veteran over the age of 65 has been excluded from this formula. We believe there is a need for job placement opportunities for veterans over the age of 65. Labor experts estimate 10 to 15 percent of veterans seeking employment services in various states are between the ages of 70 to 91 years of age. These veterans for various reasons are not able to live on whatever benefits they are receiving and they should be afforded the opportunity to receive help from VETS.

The American Legion deeply regrets that this bill fails to provide specific job training opportunities for veterans, such as, VJTA and SMOCTA. Both of these programs were well received by both veterans and employers. Both programs matched employers with veterans willing to learn not just a job, but a career. What about those veterans that fail to qualify for other Federally funded job training programs? What alternatives are available for those veterans' not meeting eligibility criteria?

The American Legion fully supports the establishment and implementation of a measurable, meaningful, and equitable performance accountability system. These performance measures must be appropriate for the task at hand. For example, when veterans' employment professionals participate in Transitional Assistance Programs (TAP) on military installations, the impact of that visit on each attendee would be extremely difficult to measure. Many of those in attendance are job ready and would probably never enroll in a local employment services delivery office, yet they received services from a DVOP or LVER. Should that veteran obtain employment based on the job search information provided during the TAP session, how will that intensive service performance be measured? Others may register in their local employment services delivery office based solely on the recommendation of the veterans' employment professional addressing this TAP session – how will that intensive service performance be measured? Clearly, intensive services were provided without successfully capturing the outcomes.

Another questionable performance standard is the length of employment in a position obtained through a job referral from a veterans' employment professional. Stop-gap employment is a proven job search technique that accomplishes several roles – generate immediate income, camouflage breaks in employment, auditioning, and enhanced networking. Should this short-term employment lead to another job with no break in employment, how would the performance

be measured? In reality, the veterans' employment professional assisted the veteran in obtaining two jobs, but more importantly, enhanced the veteran's life-time job finding skills.

The American Legion would strongly recommend that the ASVET allow the performance accountability system be created by a select group of veterans' employment professionals, in consultation with the National Veterans Training Institute (NVTI). Such a system created by stakeholders would accurately score the performance of the peers and colleagues of the entire veterans' employment community.

The American Legion strongly recommends that the fundamental job requirements of veterans' employment personnel be codified to provide national continuity. Such intensive services as outreach, case management, employer development, and job placement should be clarified for the DVOP specialists. There are clearly similar, but unique core activities identifiable for the LVER. Additionally, the recommended number of LVERs and DVOPs was based on specific manning formulas. The American Legion encourages Congress to keep stable manning formulas -- making adjustments, only when necessary. This is especially critical for States with smaller veterans' populations. The American Legion would welcome the opportunity to work with the Subcommittee in determining adjusted manning formulas for both LVERs and DVOPs.

This section removes the formula for the assignment of the number of DVOPs and LVERs assigned to the State. Many believe this would allow for DVOPs and LVERs to become political pawns in their assignments based upon a number of tangible and intangible factors, regardless of the needs of veterans residing within the State. This provision would make VETS a State-driven program rather than a national priority. Since many veterans' benefits vary from State to State, allowing each State to determine the number of DVOPs and LVERs, as well as, assigning their duties would seem counter-productive and a disservice to veterans with barriers to employment.

In addition to the eligibility criteria, the American Legion highly encourages the VETS program to collect all necessary data needed to measure and articulate to the Veterans Service Organizations the effectiveness of the program on an annual basis. In the September 2001 Government Accounting Office (GAO) report titled *Veterans Employment and Training Service, Flexibility and Accountability Needed to Improve Service to Veterans,* it was recommended that some type of measurement of effectiveness be instituted.

In proposed Sec. 4103(c) Preference for Qualified Veterans – The American Legion recommends that the phrase "*to the extent practicable*" when looking to hire qualified veterans to carry out DVOP services be deleted. The American Legion is aware that there are many qualified veterans available to hire. The phrase "*to the extent practicable*" just gives the States a loophole to opt out of hiring veterans.

The American Legion applauds the provision for the establishment of electronic One-Stop Employment Services for use by VETS. This is clearly a valuable job finding resource; however, technology should be viewed as a tool for job ready veterans, not a replacement for personal assistance provided by veterans' employment professionals.

Employability is a personal issue and requires a "hands-on" approach by trained veterans' employment professionals. Technology offers excellent advantages, but should never be considered the final solution to employment. Not every job seeker is comfortable with using state-of-the-art equipment – clearly a barrier to employment in the 21st Century. When the State Employment Security Agencies (SESA) began diverting funds from human resources to technological modernization, SESA began to experience a significant loss in job openings, job orders, employer contacts, and personal services provided to both employers and job seekers. According to sources inside SESA, there has been a 73 percent decrease in job openings received from July 1, 1998. This loss is not due to increased technology, but rather due to the loss of interpersonal communication.

Self-registration, self-referrals, and computerized intensive services are among the new technological advances, but the lack of personal interaction is obvious. Talking to an automated phone system has its advantages, but in a service-driven, customer based organization, it also has disadvantages. The lack of interpersonal communication is the "kiss-of-death" when working with VETS targeted population of veterans with barriers to employability. For many of these unique job seekers, the keys to employment involve:

- Restoring of confidence,
- Restoring self-esteem,
- Motivating,
- Encouraging,
- Coaching, and
- Providing feedback and constructive criticism.

Computers can't read body language. Computers can't sense frustration. Computers can't understand the feelings of rejection. These are the very reasons why veterans' employment professionals are so critical in meeting the overall objectives of VETS – putting veterans back to work!

The American Legion continues to encourage sustaining the outstanding services offered by NVTI. The American Legion recognizes the value of NVTI to the successful standardization of services provided by veterans' employment professionals. In fact, The American Legion often recommends that DoL create a formal continuing education program that emulates NVTI for the entire Employment and Training Services community.

Section 5. Additional Improvements in Veterans' Employment and Training Services.

The American Legion agrees changing "veterans of the Vietnam era" to "veterans who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized" is appropriate.

Section 6. Committee to Raise Employer Awareness of Skills of Veterans and Benefits of Hiring Veterans.

The American Legion would welcome the opportunity to serve on such a Committee. The American Legion suggests identifying a retired LVER and a retired DVOP to be assigned to the Committee in an advisory capacity.

Section 7. Sense of Congress Commending Veterans and Military Service Organizations.

The American Legion established an Employment Committee within the National Economic Commission whose primary function is to create a favorable climate for employing veterans in industry, business, and government. The National Economic Commission prepares and distributes a **Manual for Employment Chairmen** to assist local Post Employment Chairmen.

The Employment Committee and its counterparts at Departments and Posts have developed programs that:

- Expand counseling and job placement services for veterans in depressed and rural areas of chronic underemployment, and for older veterans who are disabled or have been displaced by automation and technological changes in their jobs; and
- Place special emphasis on the re-employment rights of veterans and increase employment opportunities for disabled veterans.

The purpose of The American Legion's **Employment Service Award** is to confer national recognition annually on one outstanding LVER, one DVOP, and one local employment services office. In addition, The American Legion offers awards for **The Employer of Older Workers Award**, **The Employer of Veterans Award**, and **The Employer of the Year Award** during its annual National Convention.

The 13-point Post Employment Program adopted by The American Legion's National Economic Commission's Employment Committee is a step-by-step guide for the Chairman of the Post Employment Committee to help veterans find jobs in the local community:

1. Get acquainted with the state employment service office to ensure all unemployed veterans are registered.
2. Use the Local Veterans' Employment Representative in the area for speaking engagements and other purposes.
3. Discuss employment problems at all Post meetings.
4. Bring Post members with job vacancies together with members looking for work.

5. Obtain information from the state employment service on available jobs in the area and inform Post members.
6. Fight discrimination against workers due to disability, age, race, color, sex, or creed.
7. Urge employers to list job openings with the state employment service and possibly notify the Post.
8. Check with the state employment service and the local post office for civil service openings and inform Post members of job opportunities in other parts of the country.
9. Advise veterans of vocational rehabilitation and educational assistance available through the Department of Veterans Affairs.
10. Gain a working knowledge of veterans preference laws and regulations, and insist upon adequate re-employment rights for honorably discharged veterans.
11. Work with other civic and veterans' service organizations to bring new industries into the area to provide employment for veterans.
12. Participate in the Legion's "Job for Veterans" program and citation award programs, such as, National Disability/Employment Awareness Week, Employ the Older Worker Week, the Employer Award program, and the Employment Service Award program.
13. Maintain a close relationship with labor groups, employers, and other organizations who are interested in employing veterans.

Mr. Chairman and Members of the Subcommittee, The American Legion would encourage you and your staff to visit its website (www.legion.org) and visit TAOnline Career Center, The American Legion Transitional Assistance Program. This is the newest proactive veterans' employment effort of The American Legion.

The American Legion also publishes four helpful employment related pamphlets that are available upon request:

- *A Resource Guide for the Homeless Veteran*
- *Questions and Answers About Your First Resume*
- *Questions and Answers About Veterans Preference*
- *Job Fairs for Veterans*

Section 8. Study on Economic Benefits to the United States of Long-Term Sustained Employment of Veterans.

The American Legion does not support this provision. The transitory lifestyle of Americans (as a whole) does not justify this study. Few employees enjoy long-term employment with the same employers. If the study applied to all clients of the employment service delivery system, to include veterans, then The American Legion would support such a study. However, the study would have to compare "apples to apples" -- non-veterans compared to veterans with similar barriers to employment and non-veterans compared to veterans that are job ready.

Then there is the issue of seasonal employment, especially in northern tier and agricultural communities. Employment is based on weather conditions – nothing more or less. These jobs include road construction, carpentry, ironworkers, farm laborers, and many others.

What about retired workers holding down part-time jobs – how will that be scored in such a study? Then, there are those workers that hold down multiple part-time jobs that offer little to no employee benefits, but a weekly paycheck. We also have employees that seek entry level positions in the business arena to gain experience or those considering a vocational change. Their short-term employment may be driven by reasons other than employability. There continues to be a substantial group of self-employed veterans.

Such a study in the early 20th Century would have been logical, but in today's society, the results would be of little benefit or added value. The funding would be better spent elsewhere.

Conclusion

Ever since the President's budget request for FY 2003 recommended the transfer of VETS from DoL to VA, The American Legion has heard from veterans' employment professionals (past and present) in complete opposition to that initiative. If DoL is the recognized expert in job placement, job training, and vocational counseling, what possible advantage would such a recommendation offer to veterans? The American Legion is extremely disappointed by this

shortsighted recommendation by the Administration. The American Legion believes the best solution to current problems within VETS is sound leadership and management practices.

With leadership comes responsibility. Many of the problems addressed in this legislation could be aggressively addressed and resolved by dynamic leadership and individual accountability. The job descriptions of LVERs and DVOPs are very clearly defined – but are they doing their jobs? If they are, then reward them. If they are not, clearly identify and document the shortcoming, then provide an opportunity for them to excel. If the substandard performance persists, termination is warranted.

Everyone in VETS has well defined duties and responsibilities to America's veterans facing unemployment and underemployment. Everyone, from the ASVET to the DVOP, must be held accountable to do his or her job. Congress confirmed the ASVET to lead and manage VETS. The ASVET is provided with ample staff at the state and national level to assist in that charge – it is time for focused leadership, not reinvention legislation.

Mr. Chairman and Members of the Subcommittee, The American Legion applauds the hard work in drafting this legislation, but without strong leadership – this bill passed without one change – will be equally ineffective. The American Legion would strongly recommend quarterly VETS oversight hearings to determine if the core problems are leadership, management, or legislative in nature.

Mr. Chairman, that concludes my statement and I am prepared to answer questions.

TESTIMONY OF

VIETNAM VETERANS OF AMERICA

SUBMITTED BY

RICHARD WEIDMAN
DIRECTOR OF GOVERNMENT RELATIONS

BEFORE THE

THE HOUSE VETERANS AFFAIRS SUBCOMMITTEE ON BENEFITS

REGARDING

H.R. 4015

April 18, 2002

Vietnam Veterans of America

Testimony before
HVAC Subcommittee on Benefits
Regarding H.R. 4015
April 18, 2002

Good morning, Mr. Chairman. On behalf of our National President, Thomas H. Corey, Vietnam Veterans of America (VVA) thanks you for the opportunity to appear here today to express our views on this vital veterans' issue. My name is Rick Weidman, and I currently serve as Director of Government Relations for VVA.

VVA congratulates you and Mr. Reyes and the Committee for your strong leadership in tenaciously pursuing much needed reforms of the veterans employment system. VVA strongly believes in the "whole veteran" concept. That means that there exists a covenant between the veteran and the people of the United States that asked that citizen soldier to put their life and limb on the line in defense of the Constitution of the United States of America that says: in whatever way that citizen has been lessened by virtue of military service, it is the duty and obligation to do all that is humanly possible to restore that person physiologically, psychologically, economically to the point that they would have been had they not served in the common defense.

The United States, through the Congress, provides billions of dollars for health care, rehabilitation, treatment of physical and neuro-psychiatric wounds by funding the VA hospitals, the VA VET CENTERs, VA Vocational Rehabilitation, substance abuse & recovery programs and the like. One could certainly argue that there is not enough provided to do the job correctly for all veterans in need of such services, but the fact remains that we do dedicate billions to this purpose. All of these programs do, or should, have as their single measure of success of in what way and how much they contribute to helping the veteran become as fully autonomous and independent in our society as possible. For veterans of working age, helping them to be fully independent means helping veterans, particularly service connected disabled veterans, obtain and sustain meaningful employment at a decent living wage. If we do not help the veteran take the last step of actually obtaining and sustaining meaningful employment at a decent living wage, then the ensuing unemployment renders all the care, services, and rehabilitation that went before largely ineffective.

The plain fact is that we can and must do a better job of assisting veterans with job placement. The primary target groups here for the Federally funded state staff known as Local Veterans Employment Representatives (LVER) and Disabled Veterans Outreach Program specialists (DVOP) should be to assist those who have some kind of barrier(s) to securing such decent employment. Even if the program were fully funded at the currently authorized levels (and it is far from that at present) there would not be enough such staff or other resources to be all things to all veterans. Therefore there must be prioritization of whom we concentrate on for receipt of such intensive services.

From the inception of the Job Service as a result of the enactment of the Wagner-Peyser Act of 1933, priority of services for veterans was a component of the law. Also from the inception of this Federally funded but state operated program was the chronic problem of very uneven provision of "priority of service" from state to state, and from office to office within a state. As a result of this problem, and the particularly rough treatment accorded to early returnees to civilian society from the Armed Forces during World War II (especially disabled veterans) the LVER program was created as one of the provisions of the GI Bill of 1944. If there had not been a major problem, both real and perceived, the LVER position would never have been created. Their job was to be a functional supervisor to help the office manager ensure that veterans actually received priority. Once again, while there was an initial improvement in many places, quality assurance remained a problem.

The DVOP program was created in response to a problem as well. In the mid-1979s Senator Alan Cranston chaired a series of hearings in the United States Senate in regard to veterans employment. The statistics that the Job Service was doing a terrible job of reaching and assisting Vietnam veterans and disabled veterans was irrefutable. The witnesses representing the State agencies repeatedly stated that they were not placing Vietnam veterans, particularly disabled veterans because their agencies could not find the veterans who needed help! As a result of President Carter's decision all who fled the country to avoid induction to military service during the war, the White House decided that some political cover was needed. Thus came the instant decision to use discretionary funds from the Comprehensive Employment & Training Act (CETA) to create the DVOP program, largely designed by Vietnam veterans Dennis Rhoades of USDoL and by Ron Drach of the Disabled American Veterans. Thus was the DVOP program born of a political need and to meet a major shortcoming of the State workforce agencies (then known as the employment security agencies) that left veterans, particularly disabled veterans, without proper assistance in finding work.

There was also significant concern in the Congress then that VA Vocational Rehabilitation was not doing nearly enough to actually assist veterans to receive the higher level skill training of which they were capable, and of actually assisting disabled veterans to obtain and sustain meaningful employment. That concern of the Congress, particularly this Committee with the efficacy and focus of VA Vocational Rehabilitation has been a recurrent theme up until the last two or three years. VVA remains concerned in this regard today.

From the time of the creation of the LVER program to the creation of the USDoL Director of Veterans Employment and Training (DVET) monitoring structure to try to get the states to live up to the law, quality assurance (or lack thereof) regarding priority of service to veterans remained a significant problem. As noted above, the DVOP program was administratively created as a short term political fix. However the problems were very real indeed, especially for disabled veterans who could not find and keep decent jobs. Therefore, the

Congress made the DVOP program permanent, and created the position of Assistant Secretary for Veterans Employment (later to become the Assistant Secretary for Veterans Employment & Training, and the Veterans Employment Service to become the Veterans Employment & Training Service, or VETS).

The Congress responded to the continuing problems with the programs at the service delivery point by enacting more and more prescriptive language into Chapter 41 of the United States Code to attempt to force state and local managers to do the right thing, and let DVOPs and LVERs do their job. While the Veterans Service Organizations (VSO) and the Members of Congress hoped that we could thereby impel those managers to do the right thing by adding to the job duties for DVOP and LVER in Chapter 41, we were wrong. Certainly all concerned in the Congress and the advocates all had the best intention, but there was no means of getting and keeping the attention of these managers in some states. It simply did not work. Many State agencies and local managers still continued to do whatever they pleased, but developed ways of not getting caught overtly violating the law. While the rhetoric was usually pro-veteran, the actions said otherwise.

During the decade of the 1980s and into the 1990s the number of the Wagner-Peyser funded staff at the Job Service agencies continued to dramatically decline, following reductions already made in the late 1970s. While the percentage of DVOP/LVER was about 7% as late as 1985-8, the reductions in 1987 and two subsequent rounds made it clear that while we had lost veteran staff, the number of Wagner-Peyser staff had already declined at a much sharper rate. Today the percentage of the administrative overhead borne by the DVOP/LVER program is just simply inordinate. A concomitant phenomena to this rising percentage of DVOP/LVER in proportion to other staff is that the overwhelming percentage of reportable services to veterans is performed by the DVOP/LVER in most states, and in most offices. There are of course, notable exceptions, such as South and North Carolina, South Dakota, and a number of other relatively small states that have long had good leadership and a culture that appreciates and honors those who have been harmed by virtue of military service to our country.

All of the above leads to where we find ourselves today, which is essentially at a crossroads. Either there will be structural changes in the program that employ the best of private sector principles by linking increased money to actual performance, or the program will continue decline in usefulness to both veterans and employers. VVA respectfully urges expeditious movement of this vital legislation in the House. VVA pledges to do everything we can to encourage early passage by the Senate of the House measure, and will certainly press for the President to enact this bill into law at the earliest possible date.

It is simply unacceptable to VVA to do nothing in the face of this serious situation that affects the opportunity of the veterans who most need it to receive proper assistance in getting and keeping a decent job. The time for action is now.

There is so much that is good in this bill that VVA wishes to stress that the comments offered as to specific detail should not lead anyone to conclude that our support is anything but strong and complete for passage of the core elements of this legislation, this year.

VVA offers the following specific comments to the Committee, on a section by section basis:

Section 2. Priority Service for Veterans in Department of Labor Job Training Programs

- **Section 2(a)**: grants the Secretary of Labor the authority to establish priorities of service among "covered persons" in job training programs. VVA believes it is a mistake to provide the Secretary with the authority to grant priority of service to anyone beyond a disabled veteran, special disabled veterans, recently separated veterans, combat theater veterans or a spouse of a veteran who either died of a service-connected disability, is rated as100% totally and permanently disabled due to a service connected disability, is either MIA, detained or is a POW. With the sole exception of "at risk" veterans (e.g., current, former homeless veterans, and those who are at serious and serious risk of being homeless, decisions on priority of service for job training programs should only be made on service related criteria and nothing else (e.g. ethnicity, race, gender, or any other factor).

  VVA urges that the Committee also seek to require that a veterans representative, nominated by veterans service organization(s) serve as a "must" appointment on both the local and Statewide "Workforce Investment Boards." Further, VVA recommends that in addition to ensuring that veterans receive services and training *at least* at the level of the veterans incidence in the workforce, that since the overwhelming majority of veterans rated by the VA at or above the 60% disabled level are out of the labor force, that the participation of the incidence in the population of these veterans serve as the benchmark for analysis.

  That a similar type of benchmark could and should be established for homeless veterans. (It is worth noting that in FY 1996, of all of the billions that USDoL had for job training funds for that year, only 242 homeless veterans were assisted in their struggle to secure and sustain a decent job from all of the billions spent on such purposes under the Job Training Partnership Act (JTPA) that year. That only 242 were selected to actually receive services, out of a total estimate of homeless veterans that is more than 260,000 is just simply outrageous. On any given day during the year, and as many as 600,000 veterans either will or have been homeless at some point during the year. (Estimates derived by HUD and VA).

While some veterans do inadvertently receive services, very few actually receive any special services for the problems that they have as veterans, over and above other problems that non-veteran participants may have. This lessens the chances that the training will successfully result in helping the veteran obtain and sustain meaningful employment. VVA also believes that veterans are likely over-represented in the economically disadvantaged adult eligibles as well as in the dislocated worker category of eligibles. The Department of Labor has never conducted any studies of this despite being requested to do so, so nobody really knows. Our anecdotal evidence over the years, however, suggests that this is the case. Therefore, VVA suggests that the benchmark for participation of veterans in such programs should be their incidence in the population.

Section 2(b) -Employment Of Veterans With Respect To Federal Contracts

- This section provides that an entity with any contract in the amount of $100,000 or more shall take affirmative action to employ and advance in employment qualified covered veterans. This is problematic. The word "any" seems to mean that an entity could have a hundred contracts for $85,000 but as no one contract meets the $100,000 threshold they would not need to take "affirmative action". The language should be amended to read something like this: **(a)(1) Any contract or number of concurrent contracts with a combined total value of $100,000 or more . . . .** VVA also objects to the term "affirmative action" and urges that it be changed to "veterans preference, especially for disabled veterans."

  Since the Office of Federal Contract Compliance Programs (OFCCP) is virtually totally ineffective in assisting any group obtain jobs with Federal contractors, much less combat theater or disabled veterans, VVA believes that there must be some kind of enforcement mechanism in this law. Frankly, even if we could halt the discrimination against veterans by Federal contractors, particularly the large ones, then this program would become self-enforcing. Therefore VVA suggests that the Congress accord combat theater veterans and disabled veterans the right to sue if they have been discriminated against, and authorize up to $500,000 punitive damages in addition to actual damages for settlement of such suits. It will only take one or two such judgments and the Federal contractors will not only list all of their jobs, but reach out actively to such veterans.

  An additional measure that you may wish to consider is an incentive of .5 percent incentive of the amount of the contract award or grant for contractors or grantees who actually hire and promote a good number and percentage of service disabled veterans and combat theater veterans. VVA also strongly urges that all state, local, and other entities

that receive block grants or any other Federal largesse also be explicitly defined as contractors for purposes of this provision.

Similarly, since self-employment, "micro-business." or very small business may not only be the best option for many service disabled veteran, but may well be the only option. Therefore, VVA asks that that this distinguished committee work with other committees in the Congress to effect a similar incentive for large Federal contractors who actually meet the 3% subcontracting goal for service disabled veteran owned and operated businesses.

- **Section (2)(a)** relates to contractors listing "all" (up to and including the CEO of the company) of their employment openings with the appropriate employment service delivery system. The question then is: what will happen if the contractor fails to abide by this requirement? VVA believes this question needs to be answered. In other words, without rewards and sanctions this provision will continue to be ignored by most contractors. One only has to do a review of the mess that is known as the VETS 100 reports to understand that this provision is virtually meaningless to the veterans seeking a job.
- **Sections (2)(b)and (c)** – Anyone familiar with employment security agencies is probably also familiar with the term "under the blotter" or "in and out listings." Under the blotter or in-out listings refers to individuals and/or offices keeping local job listings out of the system so that priority of service to veterans can be defeated or until they have found and placed individuals in the position. These types of behaviors from service delivery offices and individuals need to be addressed if priority of service to veterans in a public labor exchange is to be effective. It is a disservice to local employers and to applicants as well. What mechanism should be implemented to address these behaviors? Perhaps continuing the projected path of focusing on outcomes is the only way to accomplish this

Section 2 (c) – Employment Within The Federal Government

- **New Subparagraph (3)(A)** - States that all veterans who served during the Vietnam Era are out of the picture (except disabled 30% or more). Better language would be: a qualified covered veteran may receive such an appointment only within ten years of the date of enactment of this legislation or within ten years from the date of the veteran's last discharge or release from active duty, whichever is later. Without this in-country or Vietnam era veterans are out in the cold. Argument for: The funneling of VRA appointments into custodial positions and other dead end positions that have been targeted by DOD and VA for elimination during the many RIFS of the 90's and the twenty plus years of neglect by OPM and other agencies in their hiring practices.

Section 3. – Performance Incentive Awards For Quality Veterans Employment, Training, And Placement Services

VVA believes that there should be mandated veterans service organization input as well as a structured approval of this process by the House and Senate Veterans Affairs committees VVA also suggests that there be a mechanism whereby an outstanding Workforce Development Board can receive incentive funds even if the rest of the state is unable to perform correctly.

- **Requirement For Qualified Veterans** - VVA believes that because this legislation does not go nearly as far as the bill considered in 2000, that DVOPs must be service connected compensable disabled veterans, and that LVERs must be veterans should remain in effect. Otherwise, LVERs who are veterans are likely to be replaced with more senior non-veterans who in many cases will not be nearly as productive. We also note that some local and state managers may never find it "practicable" to hire disabled veterans for these slots. We believe that this legislation should strike the words "to the extent practicable" and just say shall employ qualified disabled veterans. Like the mandates of federal contractors these positions should be listed to ensure the hiring of qualified disabled veterans, an inch will be stretched to a mile in taking advantage of this loophole.

Local Veterans' Employment Representative – At one time the LVER positions were dumping grounds for people that couldn't be fired or lack the necessary training skills to be transferred to their local offices. This should not be allowed to happen again. These positions need to be filled by fully qualified disabled or other veterans.

In regard to the Deputy Assistant Secretary for VETS, VVA believes that there are as many highly qualified (and certainly more accountable) political appointees and there are senior career people in Federal service. If a career person can be appointed to this job as a political appointee and still keep permanent status, that would be acceptable to VVA.

VVA believes that in contracting of any sort by USDoL that the Secretary shall have to make an exhaustive search to find a service disabled veteran owned firm to fulfill the requirements of any and all contracts and subcontracts funded by the entire Department of Labor.

In addition to limiting the percentage of indirect overhead costs on these grants/contracts, VVA urges that the states be accorded direct administrative costs when they can demonstrate that travel and other funds were actually made available and spent by veterans staff.

VVA urges that funds be set aside for individual incentives for DVOP/LVER be set aside for such states who devise a way to award same. If the state agencies can figure out a way to accord managers with incentive/performance bonuses for managers (and virtually all of them

have figured a way to do this routinely), then they can do so for those outstanding line employees who deserve it. Those that don't respond will not have the money made available to them.

VVA urges the Committee to avoid "entered-employment" language, and stick to job placement as the measure of success. It is expensive to assist veterans with significant barriers to employment, such as a service connected disability to get and keep a job, and we should accept that fact. We should not continue to go along with the inflated "body count" game that has been going on for many years, and honestly focus on the service connected disabled veterans (particularly the profoundly disabled), recently separated veterans, and veterans who are "at risk." Such a clear focus should be done in very close cooperation with VA as well as other veteran service entities. Such cooperation and collaboration should include the full time stationing of a DVOP or LVER in each VA Vocational Rehabilitation office, every VA VET CENTER, and at every VA Medical Center. (Incidentally VVA strongly believes that such DVOPs should be outstationed in conjunction with a requirement that there be a full time Compensa6ion & Pension staff member stationed in every VA Medical Center.)

In regard to "core indicators" VVA has no faith in any measurement that we have yet seen devised by USDoL except direct placement. The "measuring" of success by comparing who registers with the state agency with payroll tax records some six quarters later is simply intellectually and otherwise dishonest, serving as a classic example of the "post hoc, ergo propter hoc" fallacy. Even the professor from the University of Maryland who was employed to devise this system admitted as much to the veterans service organizations in a meeting in early 2000.

In regard to the economic impact study, VVA recommends that appropriate input for veterans service organizations be structured into the bill, as well as a requirement that a draft of the request for proposal be submitted to the House and Senate committees at least 60 days before publishing same.

Lastly, VVA strongly urges that an entirely new Section 9 be added to this bill to place certain provisions of Public Law 106-50 (Title 17) into this section of Title 38, to legislatively mandate and authorize the Center for Veterans Enterprise, to ensure additional implementation efforts of P.L. 106-50, and to stress the importance of self employment, "micro-business", and small business in the overall effort to assist disabled and other veterans to secure meaningful work at a living wage, which for many will entail being in one of these categories.

Mr. Chairman, on behalf of all of us at VVA, I thank you for the opportunity to present here today. We would be pleased to answer any questions.

VIETNAM VETERANS OF AMERICA
Funding Statement
April 18, 2002

The national organization Vietnam Veterans of America (VVA) is a non-profit veterans membership organization registered as a 501(c)(19) with the Internal Revenue Service. VVA is also appropriately registered with the Secretary of the Senate and the Clerk of the House of Representatives in compliance with the Lobbying Disclosure Act of 1995.

VVA is not currently in receipt of any federal grant or contract, other than the routine allocation of office space and associated resources in VA Regional Offices for outreach and direct services through its Veterans Benefits Program (Service Representatives). This is also true of the previous two fiscal years.

For Further Information, Contact:
Director of Government Relations
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(301) 585-4000, extension 127

RICHARD WEIDMAN

Richard F. "Rick" Weidman serves as Director of Government Relations on the National Staff of Vietnam Veterans of America. As such, he is the primary spokesperson for VVA in Washington. He served as a 1-A-O Army Medical Corpsman during the Vietnam war, including service with Company C, 23rd Med, AMERICAL Division, located in I Corps of Vietnam in 1969.

Mr. Weidman was part of the staff of VVA from 1979 to 1987, serving variously as Membership Service Director, Agency Liaison, and Director of Government Relations. He left VVA to serve in the Administration of Governor Mario M. Cuomo (NY) as statewide director of veterans employment & training (State Veterans Programs Administrator) for the New York State Department of Labor.

He has served as Consultant on Legislative Affairs to the National Coalition for Homeless Veterans (NCHV), and served at various times on the VA Readadjustment Advisory Committee, the Secretary of Labor's Advisory Committee on Veterans Employment & Training, the President's Committee on Employment of Persons with Disabilities - Subcommittee on Disabled Veterans, Advisory Committee on veterans' entrepreneurship at the Small Business Administration, and numerous other advocacy posts in veteran affairs.

Mr. Weidman was an instructor and administrator at Johnson State College (Vermont) in the 1970s, where he was also active in community and veterans affairs. He attended Colgate University (B.A., (1967), and did graduate study at the University of Vermont.

He is married and has four children.

STATEMENT OF

CARL BLAKE, ASSOCIATE LEGISLATIVE DIRECTOR

PARALYZED VETERANS OF AMERICA

BEFORE THE

HOUSE COMMITTEE ON VETERANS' AFFAIRS

SUBCOMMITTEE ON BENEFITS

CONCERNING H.R. 4015,

THE "JOBS FOR VETERANS ACT"

APRIL 18, 2002

Chairman Simpson, Ranking Member Reyes, members of the Subcommittee, Paralyzed Veterans of America (PVA) is pleased to present our views on H.R. 4015, the "Jobs for Veterans Act." PVA would like to thank you, Mr. Chairman, for making veterans' employment legislation a priority.

H.R. 4015

Assisting veterans with job training and placement into employment following military service is an important benefit that all servicemembers are entitled to and deserve. It is the responsibility of Congress, federal agencies, and the veterans' service organizations (VSO) to ensure that all veterans are prepared to enter the civilian workforce upon leaving the military. Never is that concept more important than now, when we have soldiers on the ground in combat defending the freedoms that this country provides.

PVA is an organization of veterans who are catastrophically disabled by spinal cord injury or disease. Our members and other individuals who suffer from similar injuries or diseases do not receive proper consideration for employment when applying for a job. This is often due to barriers in the workplace, false perceptions of the potential costs to employers of hiring people with disabilities, and the perceptions many people still have about veterans. Veterans have earned and deserve consideration within the workforce. It is hoped that this bill will begin to breakdown these barriers and promise much deserved opportunities in the workplace.

There have been concerns within the veterans' community regarding the race to simplify, computerize and decentralize the employment system in this country. Electronic-based self-service systems and one-stop career service centers are but two examples of these changes. The question has always been how to continue to provide priority services to eligible veterans, while improving the employment service for veterans, as well as non-veterans.

Paralyzed Veterans of America recognizes the tremendous benefits provided by electronic systems, especially the advantages to disabled veterans. These systems provide a method to overcome the many mobility barriers that still exist in our society, despite the successes of the Americans with Disabilities Act. Although PVA applauds the efforts of the Department of Labor, the issue of priority of service for veterans remains. The requirement to provide job opportunities to veterans first, through DVOPs/LVERs at the Employment Service is in many ways contradictory to the Employment Service's role of getting individuals employed. But the desire to provide services to as many as possible cannot overshadow the attention to the specialized needs of veterans, especially disabled veterans. Many techniques of maintaining this priority have been discussed. Unfortunately any method of blocking access to a job opportunity, reserving it initially for veterans, works against efficiency. Mr. Chairman, PVA is cognizant of these competing demands and admits that no simple answer exists. But the importance of veterans' priority is foremost, and cannot be understated.

PVA is glad to see that **Section 2** of H.R. 4015 reaffirms the priority of service for qualified veterans. We welcome the specification of means to enforce these rights. In addition, the affirmative steps required of Federal contractors in this measure should help bring more disabled veterans into the workforce. This is only a first step, a step that if not aggressively enforced, will be ignored, as have so many such mandates in the past. We look forward to the Subcommittee conducting oversight hearings with the Department of Labor to ensure that these mandates are not ignored. We fully support the provisions of this section.

PVA also believes that recognition for quality veterans' employment, training, and placement services is essential. **Section 3** of the bill is a vital part of achieving high quality job training for veterans. Awards to state agencies for improvement and modernization of job training programs should encourage these agencies to provide higher quality programs to those veterans seeking employment. We support the provisions of this section.

We welcome the modified standards of performance required of the Assistant Secretary of Labor for Veterans' Employment and Training that stress comprehensive accountability outlined by **Section 4**. PVA believes that the need for job training programs to cooperate with private industry and business concerns, educational institutions, trade associations, and labor unions cannot be overemphasized. Cooperation is the key to maximizing resources and achieving successful job training.

Perhaps one of the most important points of this bill is the need to establish and implement a comprehensive performance accountability system to measure the performance of veterans' employment and training staff. The emphasis on placing severely disabled veterans and other veterans facing barriers to employment may help to prevent some forms of "cherry picking." Though it is unpleasant to accept, when someone's job is at risk, human nature may cause the employment specialist to select the easy placement, over the one requiring greater effort. It is our sincere hope that the Secretary will make this weighting advantageous enough so that Disabled Veterans'

Outreach Program specialists (DVOPs) and Local Veterans' Employment Representatives (LVERs) will not only place severely disabled veterans, but also aggressively reach out to severely disabled individuals, allowing them to reap the benefits of full-time employment. The revision of the duties of DVOPs and LVERs is essential to reinforcement of the services they provide.

We also are cautiously encouraged by the plan for "virtual" one-stop veterans' job service "offices". The ability of a disabled veteran, who may have difficulty leaving his or her home, to have access to the employment services provided can be a tremendous benefit. Although the loss of veterans priority of service at the one-stop centers has always been a fear of VSOs, we believe the Department of Labor and the Veterans Employment and Training Service (VETS) will make a good faith effort to ensure that priority of service at one-stop centers exists in more than name only. We look to this Subcommittee to insure that this effort is indeed successful.

PVA supports **Section 5** of the bill that makes additional improvements in the veterans' employment and training service. It is important that veterans be offered proper assistance in attaining a job in the civilian sector. Likewise, the modernization of service delivery points to include technological innovations is essential. Furthermore, accurate reporting on the performance of States and organizations and entities carrying out employment training and placement, to include a focus on agencies not meeting the minimum standards, is necessary to make the program more effective in the future.

PVA also fully supports the creation of the President's National Hire Veterans Committee, a committee to raise employer awareness of the skills of veterans and the benefits of hiring veterans, as outlined in **Section 6**. This committee can help bridge the gap in communication that exists between employers and veterans seeking employment. Too many employers claim to not be aware of the benefits of hiring veterans or how to actually access veterans for employment. Perhaps this committee can improve this problem.

H.R. 4015 is an evolutionary step in the veterans' employment system. We do not see this as an end, but rather as one more step in helping our veterans gain the opportunity for full employment. Whether the VETS programs are maintained in DOL or in the VA, it is most important to PVA that the programs are effective and efficient. Quality service for veterans is the first priority.

I would like to thank the Subcommittee for its efforts to involve veterans and Veterans Service Organizations in developing this legislation. I would be happy to answer any questions that you might have.

Information Required by Rule XI 2(g)(4) of the House of Representatives

Pursuant to Rule XI 2(g)(4) of the House of Representatives, the following information is provided regarding federal grants and contracts.

Fiscal Year 2002

Court of Appeals for Veterans Claims, administered by the Legal Services Corporation—National Veterans Legal Services Program—$179,000 (estimated).

Fiscal Year 2001

Court of Appeals for Veterans Claims, administered by the Legal Services Corporation—National Veterans Legal Services Program—$242,000.

Fiscal Year 2000

General Services Administration—Preparation and presentation of seminars regarding implementation of the Americans With Disabilities Act, 42 U.S.C. §12101, and requirements of the Uniform Federal Accessibility Standards—$30,000.

Federal Aviation Administration—Accessibility consultation--$12,500.

Court of Appeals for Veterans Claims, administered by the Legal Services Corporation—National Veterans Legal Services Program—$200,000.

William Carl Blake
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Carl Blake is an Associate Legislative Director with the Paralyzed Veterans of America (PVA) at the PVA's National Office in Washington, D.C. He represents PVA to federal agencies including the Department of Defense, Department of Labor, Small Business Administration, and the Office of Personnel Management. In addition, he represents PVA on issues such as homeless veterans, disabled veterans' employment, and Gulf War Illness as well as coordinates issues with other Veterans Service Organizations.

He currently serves on the Subcommittee on Disabled Veterans (SODV), part of the Office of Disability Employment Policy (ODEP) and is a member of the Task Force for Veterans Entrepreneurship.

Carl is a native of Woodford, Virginia. He attended the United States Military Academy at West Point, New York. He received a Bachelor of Science Degree from the Military Academy in May 1998. He received the National Organization of the Ladies Auxiliary to the Veterans of Foreign Wars of the United States Award for Excellence in Environmental Engineering Science.

Upon graduation from the Military Academy, he was commissioned as a Second Lieutenant in the United States Army. He was assigned to the 1st Brigade of the 82nd Airborne Division at Fort Bragg, North Carolina. Carl was retired from the military in October 2000 due to a service-connected disability.

Carl is a member of the Virginia-Mid-Atlantic chapter of the Paralyzed Veterans of America.

Carl and his wife Venus live in Fredericksburg, Virginia.

Prepared statement of Ms. Janice Pointer, Director, Workforce New Jersey

TESTIMONY SUBMITTED
FOR RECORD
BY
NEW JERSEY DEPARTMENT OF LABOR

BEFORE THE U.S. HOUSE OF REPRESENTATIVES
COMMITTEE OF VETERANS' AFFAIRS
SUBCOMMITTEE ON BENEFITS

APRIL 18, 2002

New Jersey Department of Labor respectfully submits to the U.S. House of Representatives, Committee of Veterans' Affairs, Subcommittee on Benefits, our testimony on H.R. 4015 or the "Jobs for Veterans Act".

We appreciate the opportunity to present our thoughts on this legislation, which generally reflects our view on how the Disabled Veteran Outreach Program (DVOP) and Local Veteran Employment Representative (LVER) program should be administered.

In that New Jersey was one of the first states to establish a One-Stop system under the Workforce Investment Act of 1998, we recognize the importance of incorporating services to our veteran customer into the One-Stop Career System and are encouraged that H.R. 4015 supports the utilization of the One-Stop delivery system.

It is our pleasure to comment on the following topics.

Eligibility for Funds

Although the bill makes each LVER administratively responsible to the manager of the employment service delivery system, it does not specifically provide that those funds be awarded to the employment service delivery system. The State of New Jersey recommends a clarification in the bill to ensure that the funds available to each State by grant or contract to support the DVOP and LVER programs be awarded directly to the employment service delivery system.

Priority of Service for Veterans in the Department of Labor Job Training Programs

The State of New Jersey fully supports broadening the mandate to provide "priority of service to veterans" in all DOL Job Training programs, in addition to the separate Section 168 programs under the Workforce Investment Act of 1998. We attempt to do this now for all of our programs and are encouraged that this provision would be enacted into law.

Performance Incentive Awards for Quality Veteran Employment Training and Placement Services

We welcome the initiative of an incentive program that would reward us for performance excellence. New Jersey has continually met and exceeded established standards of performance, which have always been above the baseline set by the U.S. Department of Labor. The receipt of a monetary award would enable us to further expand our services to veterans and would allow for recognition of these services in a concrete way.

Refinement of Job Training and Placement Function of the Department

This bill eliminates the existing staffing formula for the veterans' job training assistance program. It provides for the Assistant Secretary to make funds available in each State, as may be necessary to support the program. New Jersey recommends that a baseline or minimum level of funding be established in order to provide continuity of services to veterans from one year to the next.

Duties of DVOP and LVERs to Our Veteran Customers

We believe that the Secretary of Labor should seek State input when developing the duties of DVOPs and LVERs. Because of the uniqueness of each State's One-Stop system, States must be allowed some flexibility in integrating DVOP/LVER staff into their One-Stop operations.

We note that the bill does not require that DVOPs and LVERs have veteran status. We would request that the bill mandates a provision of veteran status for incumbents of these positions and a further requirement that DVOPs also be disabled veterans.

National Veterans Employment Training Services Institute (NVTI)

We are pleased that NVTI is retained as a training source to provide professional staff development to DVOPs, LVERs and other staff. This training source is necessary to provide uniform training among all staff involved with veterans employment programs.

NVTI training has been an invaluable service in enhancing the performance level of the local veterans' representatives. In changing times it is of extreme importance to have highly trained and competent individuals assisting the veteran customer at the One-Stop Career Centers. Due to world situations we will soon see an increase in veterans entering the workforce. These new veterans will have a number of unique barriers to employment that the DVOPs and the LVERs should be trained to recognize and address.

The New Jersey Department of Labor supports H.R. 4015 in concept. It is our belief that this bill will enhance the services to our veteran customer. We thank the Committee for this opportunity to address this important piece of legislation.

STATEMENT OF
BRIAN E. LAWRENCE
ASSOCIATE NATIONAL LEGISLATIVE DIRECTOR
OF THE
DISABLED AMERICAN VETERANS
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON BENEFITS
UNITED STATES HOUSE OF REPRESENTATIVES
APRIL 18, 2002

Mr. Chairman and Members of the Subcommittee:

On behalf of the more than 1 million members of the Disabled American Veterans (DAV), I appreciate the opportunity to comment on H.R. 4015, "The Jobs for Veterans Act." This act would revise and improve employment, training, and placement services furnished to veterans.

The DAV was founded on the principle that our nation's first duty to veterans is the rehabilitation of its wartime disabled. Along with high quality medical care and adequate disability compensation, this principle envisions education and enhanced opportunities to help disabled veterans prepare for and maintain gainful employment.

We are pleased that this bill establishes priority of service for veterans in job-training programs funded by the Department of Labor. We are encouraged that in addition to establishing priority for veterans, this bill also establishes performance standards that require the Assistant Secretary of Labor for Veterans' Employment and Training (VETS) to implement a performance accountability system to evaluate whether veterans are receiving priority service and if the job training programs are effective.

History indicates that noble goals accomplish nothing without gauging performance and progress. Too many governmental programs have become little more that a drain of valuable resources because of lack of oversight and policy enforcement. H.R. 4015 holds much more promise that intended goals will be reached due to the accountability measures included in the bill.

Another important aspect of H.R. 4015 is that it seeks to increase employer awareness of veterans' skills and the benefits of hiring veterans. Many employers are unaware of the strengths and talents of veterans and the valuable contributions they can offer to a variety of work settings. Among these attributes are leadership skills and reliability. Senior enlisted personnel and officers possess a wealth of managerial knowledge that is transferable to nearly any occupation. Most have received leadership training that far surpasses their civilian counterparts in similar levels of management. The committee responsible for furnishing such information to employers includes notable resources familiar with veterans' capabilities.

From a macro perspective, this bill would benefit the national economy by reducing the amount of time newly retired and discharged veterans spend unemployed. A veteran's rapid transition from the military into a civilian occupation stimulates the economy by creating greater revenue for and less usage of governmental resources. Wisely, this bill seeks to measure the benefit to our economy by requiring the Secretary of Labor to obtain a study report quantifying the attributes of training and employment services for veterans. Predictably, a marked benefit will be noted.

The DAV appreciates and supports the overall purpose of this legislation, but questions the change it would make to Section 4212(a)(1) of title 38 United States Code, which states that any Federal contract in the amount of $25,000 or more shall require the contractor to take affirmative action to employ qualified covered veterans. The statute would be amended to require that veterans be given hiring preference in contracts in the amount of $100,000 or more. Changing the contract amount from $100,000 to $25,000 would seem to eliminate veterans' preference on many Federal contracts. Veterans, including service-connected disabled veterans, would appear to be adversely affected by such a provision.

Mr. Chairman, thank you for the opportunity to present our views on this bill. The Subcommittee's effort to provide better job training and employment services for veterans signifies that their dedicated military service to our country is noted and appreciated. Clearly, the DAV's mission to improve the lives of disabled veterans is shared by the Subcommittee. We appreciate your efforts and look forward to working with you in the future on issues important to disabled veterans.

I will be glad to answer any questions this statement may have inspired.

Testimony on H.R. 4015

Jobs for Veterans Act

Captain Thomas M. Hale, USN (Ret.)

Senior Vice President

Resource Consultants, Inc. (RCI)

to the

Benefits Subcommittee of

the Veterans Affairs Committee

U.S. House of Representatives

I am pleased to have this opportunity to comment for the record on H.R. 4015, the Jobs For Veterans Act. It promises to be a big step forward in modernizing the provision of standardized job assistance services to veterans through the use of the Internet. The Act will also benefit veterans by shifting the emphasis of the new program towards assisting veterans to transition to civilian careers using skills obtained in the military, offering an array of employment services through a one-stop Internet-based employment service operation, and requiring qualitative performance standards to measure program success. These are fundamental improvements over the traditional services provided to veterans by the Department of Labor.

For the past 12 years, I have been closely associated with the provision of intensive employment assistance services to military personnel transitioning to civilian careers, both as a designer and manager for military transition programs and for transition programs the company provides to other Federal agencies. I also serve on the Board of Directors of the Association of Career Management Firms, North America where I remain current in the application of technology in the outplacement field for corporate America. The first job assistance centers for the Army were established by RCI in 1990 under the auspices of the Army Career and Alumni Program (ACAP). The program continues today at every major Army post in the world and over the years has provided career transition services to over a million active duty personnel and veterans of all services as well as their families. One ACAP office works closely with veteran's

representatives at a local one-stop center established by the Workforce Investment Act. Some ACAP offices at military installations have a veteran's representatives collocated with them to facilitate services; some work in close partnership in locations immediately adjacent to the ACAP office. My remarks on the bill will be directed towards two provisions of which RCI has acquired considerable experience over the past twelve years, namely, measuring the results of a job search training program and providing one-stop job assistance services to clients over the Internet.

Section 3 of H.R. 4015 provides for performance incentive awards to states for providing quality services based on measures of performance, and to states that have made significant improvements in service delivery. This is a refreshing change to the traditional emphasis on job placement rate as the most important performance factor. The actual implementation of an incentive system that will provide the desired results will be much more difficult to achieve. We have had over ten years of experience in measuring performance on the provision of job transition services to both military and Federal civil service employees. For the most part, our experience with the large numbers of military clients we serve in the ACAP program, numbering over 80,000 per year, is that it was not cost effective for the agency to track each of the clients from their last duty station into their first job after separation and then determine the value of the compensation received once on the job. Also, the employers are not incentivized to maintain the source from which they hire new staff and therefore could not advise us as to how many military transitioners they had hired. Also, our experience over several years with collecting and analyzing service evaluation questionnaires completed by clients produced inconclusive results. We found that evaluation forms differed very little from office to office and was not an effective discriminator to measure the effectiveness of the quality of services received among our offices.

We did find that a statistically significant random sample of clients compared to a random sample control group who did not receive services would adequately provide the qualitative data necessary to evaluate the effectiveness of the transition program. To ensure objective results, an independent third party who is not associated with the parties involved in the delivery of services or who would benefit from incentive awards should perform such a study.

We have had some experience with tracking total populations from point of service to point of employment. On one such project involving a base closure with a mostly production-based Federal blue-collar work force, the contract specified an incentive award for actual placement of the displaced worker in a job that provided replacement wages of at least 75 percent of the former wage. Higher incentive awards were made for wages that exceeded the replacement threshold. Additionally, the incentive award would not be paid unless the worker was still on the job five months after placement. Wage and salary data was supplied by the employer and verified by the Government client. It was a very

successful contract as the contractor had the incentive to place the employee in the highest paying job available, the job developers and counselors were rewarded for results achieved, and the employee benefited by getting the best services possible from the provider. The cost and time involved in providing job search training, developing jobs, and tracking individuals into each job were manageable because the base closure operation was a multiyear effort with only about 1,200 employees served by the outplacement office and 240 who actually applied for the placement service.

Section 4 of the bill requires the Secretary of Labor to establish one-stop Internet-based employment services for military personnel and veterans. This promises to be a very useful tool for the job-seeking veteran. The U.S Army has had comprehensive Internet-based employment assistance services available (located at web address www.acap.army.mil) since 1996 for active duty clients, downsized Department of the Army civilian employees, and their family members. Veterans are provided access to the system for up to 90 days after leaving active duty.

The Internet-based service includes a comprehensive listing of available jobs that is updated daily, job search tutorials, an email-based job assistance help line, links to the major Internet-based job listing services, and similar services. It has been a popular service with clients able to continue job searches away from an ACAP site as well as for having access to a job counselor by email.

The Internet-based system complements a multi-media hardware and software system that is installed at centers throughout the ACAP system. This system was recently upgraded to accommodate the needs of an increasingly computer-savvy generation of young soldiers and allows an individual to direct the pace and intensity of the transition services that are available. For example, key components of a transition workshop were filmed and digitized so that an individual could view the material at his or her own pace. The system also allows the selected retrieval of workshop information so individuals can get refreshed on job interview techniques before an important interview. It will not be long before greater access to broadband technology will one day permit this virtual one-stop job search training system to be adopted for Internet use so that clients could use the entire system in the privacy of a home computer environment.

The addition of another Internet-based employment assistance system designed by the Department of Labor exclusively for active duty military personnel and veterans will be a welcomed addition to the menu of web sites accessible to job seekers who have access to a computer.

Thank you for this opportunity to provide you with our experiences in the provision of job search services to military personnel and other Federal employees. We are confident that the proposed legislation will well serve the needs of the service member now leaving service and provide hundreds of

thousands of job-ready and computer literate individuals with a new means to access job services that are tailored specifically to the needs of the veteran.

THOMAS M. HALE
Senior Vice President
Resource Consultants, Inc.

Dr. Hale has more than 40 years experience in the human resources field, with the last 19 years of his career employed by Resource Consultants, Inc. (RCI). At RCI, he is a Senior Vice President and manager of projects in the human resources field.

In 1990 Dr. Hale directed RCI operations in the initial development and operation of job assistance centers for the Army. This initiative, called the Army Career and Alumni Program (ACAP), was to help soldiers released from service as a result of downsizings following the end of the Cold War and continues today with locations at all major army posts in the world. For the past 12 years he either directly managed the program or was closely associated with it while over one million soldiers, Department of the Army civilians, and family members were provided with job assistance services in their transition from military to civilian careers.

He served on active duty in the U.S. Navy for 24 years and retired with the rank of Captain, USN. He served on the staffs of the Chief of Naval Operations and Chairman of the Joint Chiefs of Staff. His active military service also included two years as the Commanding Officer of a destroyer and three combat tours in Southeast Asia.

In addition to a wide range of experience in conducting personnel related studies, Dr. Hale has authored over a dozen publications in the human resources field. His doctoral dissertation was a statistical analysis of factors involved in the retention of military personnel.

Dr. Hale received his Doctorate in Public Administration from George Mason University, a Master of Arts degree in Political Science from the University of Houston, and a Bachelor of Science degree in Public Administration from Florida State University. He is also a graduate of the National War College where he received the Navy League Award for Research and Writing.

Statement of Disclosure. As required by the Rules of the House of Representatives, disclosure is herewith made of the affiliation of RCI and myself as Project Manager of the HRXXI Century Contract. Under this contract and predecessor contracts both RCI and I have been closely associated with the Army Career and Alumni Program for almost 12 years as the primary operator of job assistance centers for the Army at installations throughout the world. Over the past two fiscal years, the value of this work on the contract to RCI has been approximately $30 million.