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REDUCING UNEMPLOYMENT AND INCREASING BUSINESS OPPORTUNITIES FOR VETERANS

ROUNDTABLE

BEFORE THE

COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP

UNITED STATES SENATE

ONE HUNDRED TENTH CONGRESS

SECOND SESSION

MAY 14, 2008

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ONE HUNDRED TENTH CONGRESS

SECOND SESSION

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REDUCING UNEMPLOYMENT AND INCREASING BUSINESS OPPORTUNITIES FOR VETERANS

WEDNESDAY, MAY 14, 2008

UNITED STATES SENATE,
COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP,
Washington, DC.

The Roundtable met, pursuant to notice, at 10:15 a.m., in room SR–428A, Russell Senate Office Building, the Honorable John F. Kerry (Chairman of the Committee) presiding.

Present: Senator Kerry.

Staff present: Karen Radermacher and Matt Walker.

OPENING STATEMENT OF THE HONORABLE JOHN F. KERRY, CHAIRMAN, SENATE COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP, AND A UNITED STATES SENATOR FROM MASSACHUSETTS

Chairman KERRY. Well, good morning, everybody. We will officially come to order, though you are an unbelievably orderly group already. Thank you for that.

Thank you very much for being here, everyone, and I apologize that we are starting a little late. But I got overscheduled this morning, and I think this is my fourth event. We were starting early today.

But this is a very important one. First of all, I just want to thank you all for coming to talk about veterans issues within the business context, and small business particularly.

This is an official roundtable of the Senate Committee on Small Business and Entrepreneurship, and we have found these to be particularly helpful in helping the Committee to develop legislation and develop a record for that legislation. It tends to be a little less formal than the standard hearing but, frankly, I think far more productive in a lot of ways because we can have some give and take, back and forth. Just remember that it is all on the record, and therefore, if you can help our reporter by identifying yourself as you begin to speak, it goes a long way toward helping the record to be clear about who is saying what when.

The record is made a formal part of the records of the Committee, and it helps to inform both the staff and other colleagues who cannot necessarily be here to know how to approach these issues and what to do.

There are currently 23½ million veterans living in the country today, including more than 4.4 million now who have left the military since 1990. As servicemembers transition from serving the Nation to reentering civilian life, the economic benefits and opportunities that are provided by the Federal Government become very important, even more important in the field of entrepreneurship and business ownership. As the Chairman of this Committee, I have been serious since day one about trying to address the problems that confront a lot of our reservists and National Guard members who wish to start a small business, or many of who already are a small business owner. And we find that the repeated deployments to Iraq and Afghanistan have taken a real toll on some of those small business folks, some of whom literally have had to shutter their doors because they were a sole proprietor or others, in many cases, were small enough that their absence made a profound impact on the ability of that business to survive.

There is a lot happening here in Congress; I am pleased to report. Last week, the Veterans' Affairs Committee held a hearing on Senate bill 22, which, many of you know, is the Post-9/11 Veterans Educational Assistance Act of 2007, better known by its common moniker, the new GI bill, which I am co-sponsor of and many of us are supportive of in trying to pass.

I am also working on legislation to help prevent veterans, servicemembers, active duty and otherwise, from having their homes foreclosed. This has been a particular problem for some. So we are trying to temporarily extend the period that a lender has to wait before the foreclosure proceedings can go forward. It is currently 3 months. We want to extend it to 9 months after a serviceperson returns from service. And we want to suspend the increases in mortgage rates so that there is a freeze on those mortgage rates at 6 percent for 1 year after the serviceperson ends their service. These provisions, I am pleased to say, we did succeed in getting into the Foreclosure Prevention Act, but as you know, we have run into problems in getting the Foreclosure Act itself passed.

I am also working to push legislation that Senator Smith and I introduced last year, and that is the Active Duty Military Tax Relief Act, which includes a provision that would provide a tax credit to small businesses who pay their employees who are called up for active duty—i.e., pay the salary differential. Many small business folks get paid less, obviously, when they are called up to active duty, and if they have a fixed mortgage and all the other expenses of a family, that can become particularly onerous. So we want to encourage people to be able to pay that difference, and it is a great act of patriotism and of conscience for people who do that. But we want to encourage it and make it easier.

Senators Grassley and Baucus introduced the Defenders of Freedom Act, which included a provision similar to the provision that I had originally put in, and I am pleased that they did that. Different versions of this bill have passed the House and the Senate. Hopefully we are going to get final action on this in the near future, and all of you here can be helpful in helping us to get that.

When I became Chairman of the Committee last year, the first thing I did was call a hearing on veteran small business issues, focusing on the shortcomings of the Federal Government in address-

ing the needs of veterans, as well as offering some possible solutions.

At that hearing, I made a promise to you that we would put together legislation to address the concerns that we heard. And I am proud to say that, working with Ranking Member Senator Snowe, we were able to pass that legislation through Congress, and the Military Reservist and Veteran Small Business Reauthorization and Opportunity Act of 2008 was signed into law on February 14 of this year.

That could not have happened without the hard work and support of many of you who are here, so I thank you for that and recognize that, unfortunately, there still are many challenges that face our veterans and reservists.

So the roundtable today will begin by looking at the issues that veterans and reservists face when trying to find civilian employment, including starting a small business. Jason Klerman from Abt is going to tell us about a survey commissioned by the Veterans Administration, released last September, which showed that 18 percent of veterans were unemployed 1 to 3 years after leaving the military. In addition, of veterans finding employment, 25 percent were earning less than $22,000 a year. And another survey of veterans released by military.com in November found that 81 percent of returning military veterans didn't feel fully prepared to enter the workforce, and 61 percent of employers say they do not understand how the qualifications gained in military service translate to the civilian world.

I must say to you, I am saddened by that figure and disturbed by that figure because the leadership skills and discipline and patience, as well as the hierarchical knowledge that people learn in working in military organizations, all of these kinds of things are enormously advantageous to the private sector and to the normal workforce. And so those statistics really bother me, and I look forward to learning more about what is behind them and what can be done to combat them.

The second part of today's discussion is going to focus on the solutions to the kinds of problems we identified. We are going to try to find a way to solve them.

We have with us today Federal agencies, veteran service organizations, and veteran and reservist small business owners. I am confident that there are going to be a lot of ideas at this table about how to proceed.

Last, the roundtable is going to focus on veteran small business centers and how effectively they are currently serving veterans. Coreena Conley will speak about the work of her center in California, and Pat Heavey will tell us about his work in St. Louis. We also have three clients from the centers who can talk about the impact of the centers on their lives. Our Committee has heard from many veterans about the importance of these small business centers. There are some who argue that similar services are provided by the Small Business Development Centers and other organizations. So we need to work through that tension and understand what the distinctions are, what the add-ons, plus-ups are, if you will, of the veteran-dedicated centers. And I look forward to a productive and helpful discussion here about the role of those centers.

I know there is no clear consensus in the veteran community about what a veteran small business program ought to look like. It is always hard to get consensus in the veteran community, anyway, period; I have learned through the years. But we ought to try to see if we cannot narrow that down here today and let's figure out what really is the best deal. It is very hard folks, if we cannot get a consensus in the veterans community for what best serves the veterans. Believe me, it is tough to get it among my colleagues. So help us here today in order to do that.

The general way we work here is to just take your name placard like this and put it up so that the Chair can see it, and that way you get called on appropriately as we proceed along. And the other thing I forewarn you, this is my schedule today, if you just want to get a sense of what I am working with. It is a four-pager today. And so I am not able to be here the whole time. We have a Foreign Relations Committee hearing. I also have a Commerce Subcommittee and a Finance Committee meeting all at the same time, and I have got to bounce between them, which is why we put this record together.

But we have able staff who run this very effectively, and as I said before, this has proven to be a terrific way to get our staffs all on the same page and working effectively. So do not let the fact that the Senator is not here, or a Senator is not here at a particular moment deter you from creating this record, because this will produce legislative effort, I promise you. And it is the best records that we get out of the Committee. I think it is the best format that we work with.

So if you keep answers concise and everybody drives toward the same goal here, this will be a productive morning. And again, I thank you on behalf of the entire Committee for taking the time to come.

Do you guys want to make any comment as you start?

Ms. RADERMACHER. I do not.

Mr. WALKER. If I could just briefly——

Chairman KERRY. On behalf of Senator Snowe, do you want to——

Mr. WALKER. Sure. Thank you very much. I appreciate that.

Chairman KERRY. Please.

Mr. WALKER. Thank you very much, and I appreciate that.

Chairman KERRY. Are the mics on? Somehow I do not hear the normal sound here. They are? OK. Good.

Mr. WALKER. Thank you very much, and I appreciate that. I would just like to say thank you on behalf of Senator Snowe to the participants for what you do today, but not only what you do today, but for what you do each and every day on behalf of veterans. You do it all without regard to yourself, and she is very appreciative of that.

In addition, we would like to thank Senator Kerry for the work that Senator Snowe and he have done on a bipartisan basis. This is truly an issue that both the Republicans and the Democrats have worked together on, bipartisan as well as bicameral in our efforts with the House of Representatives, to get passed the military reservist/veteran entrepreneurship legislation that we worked on. This included provisions that Senator Snowe had in both the 109th

Congress and the 110th in four different bills, and Senator Kerry as well, and so we thank them for working on a bipartisan basis on these issues that are truly of importance to veterans.

As we are here today, we specifically want to look at the issues, as the Senator discussed, on veterans employment. Senator Snowe has some very serious and significant concerns about veterans employment, and that is something that I hope that we can flesh out through our discussions.

Again, thank you for your time. I am going to stop there to defer back to the Chair, but we thank you.

Chairman KERRY. Matt, thank you very much. I did not introduce Matt Walker, who is the senior staffer for the Republicans, the minority on this side, and Karen Radermacher for those of us on our side. But it is completely without that sense, I hope you will understand. Everything we do on this Committee, I must say we have done in a totally bipartisan way. And it is fun to do it. It makes it worthwhile.

Mr. Klerman, why don't you lead off? Lay out sort of what the picture is here and let's rock and roll.

Mr. KLERMAN. Good morning, Senator Kerry. My name is Jacob Klerman. I am a senior principal associate at Abt Associates in Cambridge, Massachusetts. I want to emphasize, looking around the room, since several of the people that have funded my research are here, that I am going to speak today in a private capacity, not for anybody who funded my research or for Abt Associates.

With that introduction, I want to say four things to sort of set some research evidence for the discussion this morning.

The first thing I want to say has to do with today's veterans and the experience of active-duty veterans as they leave service. The place we want to start is to remember that today the military is enlisting the very cream of the non-college-bound youth of America today. They come in with high aptitude. Almost all of them are high school graduates. While they are in the military, they get a set of skills that are exactly the skills that employers claim that they are looking for. They get the ability to follow instructions. They get the ability—experience following instructions, to work in teams, to have small leadership skills, and they often get skills that have direct transference to the private sector.

And then when they leave, they enter the job market, and as the Senator said, there is work that we have done, work that other researchers have done that suggests that when they first enter the job market, many veterans have some difficulties. When we think about that, I think the place to start is to remember that entering the labor market, whenever one does that, is a challenge. It is a challenge for high school graduates when they leave high school. It is going to be a challenge to those who have essentially no high school—no private job market experience, and they are going to go out and try and work, enter the job market. And while our veterans, when they spend time in the service, have considerable job market experience, they do not have connections with employers. And so we would expect when veterans first enter the job market, like new high school graduates, they will have some churning in the job market if they go forward.

As the Senator quoted, earlier work that we did at Abt Associates suggests that in the first year or two after they leave active duty, about 18 percent of veterans are not employed at that time. It is important to remember, however, that that statistic includes a number of people who are in school or doing other things. That is exactly what we would expect them to do. We gave them GI bill benefits and the like when they were in the service, and so that would not be considered to be a significant problem.

Nevertheless, it is true our work and the work, for example, of several people in the Department of Labor suggests that veterans have unemployment rates that are considerably higher than the general population. But they are not considerably higher than their young counterparts, and we know that over time, as those veterans grow older, that any gaps that there are between the experiences of veterans and non-veterans, where originally veterans had higher unemployment rates, close quickly.

So I think that for our first order, we want to think for the individual veteran about these problems as being transitory. That is not to say it is not worthwhile for all of us to think about ways to help young veterans to make that transition go more quickly, but at least as of right now, there is no evidence there is a real problem in the intermediate term. That is the situation for active-duty veterans.

The situation for reservists is slightly different. The Senator mentioned issues about reservists. So the issue for reservists is that most reservists had jobs before they were called to active duty, and they are guaranteed by law the right to go back to those jobs after they return from active duty. That is USERRA, Uniformed Services Employment and Reemployment Rights Act. So inasmuch as that legislation is working well, we would expect veterans/reservists to have similar earnings who had jobs, who were employed, as opposed to self-employed, before and after they come back. And the available evidence suggests that for the most part, most reservists come back, and their earnings are relatively similar after they come back compared to before they left. And in fact, the work that we did for Dr. Winkler, who is here for Reserve Affairs, suggests that while they are on active duty, most reservists actually have an increase in their income properly computed. It is not true about all of them. There are a significant number that show losses. But most reservists actually have more. Now, we would expect that because they get special pays. They have significant hardships being overseas, being literally in harm's way. But in a literal financial sense, most reservists should not be having trouble paying their mortgages because they have higher earnings.

There are some reservists who have lower earnings than they had before, especially the ones that had better-paying jobs, and it is worth noting in terms of the perspective of this Committee that the prevalence of those things is actually slightly higher among self-employed reservists than it is among reservists who had jobs. And we are in the process of looking at the question of what happens when self-employed reservists come back, because they are not protected by USERRA because in the end they are the employers, and those big employer protections do not apply. We do not have results on that right now. We hope to have results on that

for you soon in the intermediate future. That is my second point. That was active duty and reserve.

The third point I want to make is that presumably we are here partially because the Nation and reserve—veterans are in a different place than they were, say, 10 years ago. We are now engaged in a major war. We have people fighting on the front lines. We have more attention to the situation of the service. And we are all concerned that the situation will be worse in terms of their labor market experiences.

So I want to tell you that as of now, I do not think there is any strong evidence that labor market experiences for veterans have gotten worse when they are coming back, either active duty or reservists. But I want to say that we need to be careful about that. There have been a series of recent studies that have noted that a significant number of people who are serving overseas are suffering some form of difficulties—post-traumatic stress disorder or traumatic brain injury—and there is some evidence that those problems are associated with poor labor market outcomes when people come back. And it is worth studying whether or not in the future those are an issue.

The preliminary work that I have seen so far suggests that that is not a problem, but that work is still very early, and we need to keep an eye on that, because obviously the situation for veterans today is very different than 10 years ago, because today we actually have a large number of veterans that are serving in combat situations and are having the stresses that come from that position, and we want to be careful that that does not mean they are having significantly worse outcomes. There is no evidence of that so far.

And then the fourth point I want to make is a warning for this Committee—"warning" is too strong, but a cautionary tale. Senator Kerry pointed out that we did a set of focus groups for employers, and we talked to the employers. We got a whole bunch of relatively negative perceptions about veterans. In particular, we heard concerns that veterans are mentally unstable. And as we talk today about the problems that veterans are having, we all want to be careful not to make that a self-fulfilling prophesy. To some extent, all the employers in the Nation are listening to the types of things we are saying, and while it is true that some veterans are having difficulty, it is not true of most of them, and we do not want to overstate that situation so that employers have a negative perception and are, therefore, more reluctant to hire our veterans.

Thank you, Senator Kerry.

Chairman KERRY. Let me follow up on that for a minute. I was just listening. As we sit here, you talked a fair amount about sort of a preliminary set of findings, preliminary here, preliminary there. What do we know—I am trying to crystallize out of what you have just told us. Give us the short and sweet of how you would summarize where the focus ought to be. You are not sure of what happens to a certain reservist level here or the differentials. It is hard to wrap your hands around that a little bit. What do we know well enough to say this is priority number one that we have got to address?

Mr. KLERMAN. We know that young veterans have higher unemployment rates than their non-veteran counterparts. There is no doubt about that. We know that that gap closes over time so we have reason to believe that that will be a relatively short-term phenomenon. But all the services and the Department of Labor and the Department of Veterans Affairs have a variety of programs to try and ease that——

Chairman KERRY. But do we know why? Is there a lack of a sort of connecting flow as they are separated from the service and then go out in the sector? Are they just decompressing and are they going through PTSD issues? I mean, is there a—can we hang our hat on something?

Mr. KLERMAN. I do not think there is any reason to think it is anything other than the fact that it takes a while to settle into the civilian labor market, that all new labor market entrants spend a lot of time finding the right job for them, and that implies some amount of time out of the labor force and some amount of time finding a job that pays enough that it pays you for your skills. And that process always takes a long time, and at least so far, I have not seen any evidence that it is much worse for veterans than it is for any other new job market entrant—a high school graduate or a woman who is coming back to the labor force after she was away raising her children. There may be significant problems, but I have not seen the evidence.

Chairman KERRY. That is for folks who are kind of going through a normal separation after a period of active duty, et cetera. Does that include reservists?

Mr. KLERMAN. Yes. The same thing is true for reservists. In fact, the evidence suggests that reservists come back in faster. If they had jobs before, they are guaranteed the right to go back to that job later, and there are procedures in place that say if your employer does not offer you your job back, call this number because we want to know about it. There are procedures the Department of Labor runs for guaranteeing those rights. The number of complaints is relatively small, but there are complaints, and they do get acted on, as I understand it. I think there is someone here from Labor who can speak to that.

Chairman KERRY. Well, we will come back to that probably in a moment.

Mr. McWilliam.

Mr. MCWILLIAM. Sir, I am John McWilliam from the Department of Labor. I just wanted to expand a little bit on Mr. Klerman's discussion of the young veterans returning to the employment sector.

Chairman KERRY. Before you do, there is one other question I forgot and that I wanted to ask. You talked about the quality levels and the graduate of high school, et cetera. But it is a fact that to meet recruiting quotas in the last months or year or so, there has been an increasing waiver of many of those requirements. Has that impact been felt?

Mr. KLERMAN. Well, the longer version of my statement said something about that, and I did not get a chance. There is no doubt that there have been declines in the, quote-unquote, quality of the people that are coming to the military as the Department of Defense has tried to expand the number of people who were being re-

cruited, and the fraction of people who are coming in with lower test scores, were not high school graduates, who have some form of waiver for often a previous—often low-level or moderate-level criminal conviction has gone up.

There are two things to say about that. The rates still are—the quality remains quite high over historical standards, and even if that was a significant issue, it would not be the veterans that we are seeing now, because those issues for the most part have only been observed in the last year or two. Those people would not be cycling off until 2 or 3 years from now. So even if that is an issue, it does not explain the data we are looking at today. We may have a problem with that in a year or two.

Chairman KERRY. All right.

Mr. McWilliam, thank you.

Mr. MCWILLIAM. Thank you, Mr. Chairman. I just wanted to expand a little bit about the young veterans returning to the civilian workforce from the military. The research that we have done has showed that they have a very high unemployment rate immediately following separation, 32 percent. However, it steadily decreases as they go long away from being in the military. By 39 weeks, it approaches that of the general population. It is, therefore, our belief that—and our emphasis has been on the Transition Assistance Program and assisting people——

Chairman KERRY. General population by a national statistic or general population by a local or State statistic?

Mr. MCWILLIAM. By the general one, sir, on the current population survey that the Bureau of Labor Statistics puts out on a monthly basis. And so it approaches it at the 39th week. Mr. Klerman mentioned that it does take a long time, and anecdotally, people tell us it takes a while to adjust themselves. There, of course, is the financial safety net that they have for UCX, Unemployment Compensation for Ex-servicemembers, which generally lasts 26 weeks and provides that ability for people to move into the civilian workforce area. And as I said, the emphasis, we believe, should be on the Transition Assistance Program. The Department of Defense has signed up to achieve a goal of 85 percent of transitioning servicemembers attending the 2½-day workshop that we present at all military installations from a current 60 percent.

Chairman KERRY. Mr. Weidman. Rick. You had your card up, and then you put it down. You yielded. It is a very effective maneuver here.

[Laughter.]

Chairman KERRY. Go ahead.

Mr. WEIDMAN. Good morning, Senator, and thank you very much, Mr. Chairman, for the opportunity to be here today. I am interested in Mr. Klerman's study and Mr. McWilliam's profession of how well the system is working, and that is not our perception, particularly having to do with the DVOP/LVER Program.

Chairman KERRY. DVOP and LVER being?

Mr. WEIDMAN. Disabled Veteran Outreach Program and the Local Veterans Employment Representative Program. Essentially, they are the veteran staff in the local one-stops. Most of the money that goes to United States Department of Labor Veterans Employment and Training Service is channeled to the States, to the work-

force development agencies in the 53 jurisdictions that actually do the workforce preparation, or reputedly do so.

There is no accountability in this system. The Jobs for Veterans Act, which was enacted in 2002, was essentially a tradeoff. DVA never went along with that bill, particularly with part-time DVOPs. Having run at the time the second largest DVOP/LVER Program in the country, with the full backing of Governor Cuomo and the State legislature on a bipartisan basis and all the VSOs, I can tell you how difficult it is to keep managers from misusing the veteran staff in those local job service offices when they are overrun with people because they do not have enough general staff. And that is still the case today.

The Jobs for Veterans Act shifted to something that perhaps made some great deal of sense, and I was part of the thinking at the time, although we objected to many of the particulars in the Jobs for Veterans Act, that we would switch from proscriptive behaviors to measuring results. And so the tradeoff was supposedly giving the workforce development agencies more latitude in return for much more rigorous accountability. Does anybody get a job here? And is it at a higher level? And for veterans. And particularly for disabled veterans and special disabled veterans, those with 30 percent or more.

And, in fact, the latitude was given to the workforce development agencies almost immediately, and I believe it is still pending and still has not been published, all of the regulations that have to do with the accountability portion of it, 6 years later. And that is being done now, I understand, only because the legislation was passed last year that required them to publish the regulations to implement the 2002 law. This does not impress us.

One of the biggest problems in Government throughout, whether it be all of the fine legislation that you have had a significant and leading role in for veteran entrepreneurs, when it comes to Federal procurement, the problem is in the accountability about what actually happens out there and does anything bad happen if people do not do the right thing and do not obey the law, and does anything good happen if they do a heck of a job. And it is that lack of accountability that we feel that it is struggling. It had led DVA to the point where we believe that when it comes to the DVOP/LVER Program, there are only two responsible options without betraying the young people coming home. One is to Federalize all the DVOPs and LVERs and put them under the direct control of the VETS and the State directors and assistant directors and not keep them just processing people into one-stops, but them wherever the vets are and where the employers are. The job listings for disabled vets over the last 20 years of my talking to DVOPs all around this country comes right back to the same thing. The DVOPs will say that for disabled vets, they develop—almost every one of them——

Chairman KERRY. Is the reporter getting all these acronyms? Are you OK with that?

Mr. WEIDMAN. I am sorry. For the veteran staffer, for a special disabled vet, meaning 30 percent or more, that they develop the job around the individual, and then they go work with an employer to create that job. It is very labor intensive, no pun intended, and it is not a high-gross game. And so we need to get away from that

and understand what can we do for the high-risk veterans and especially for those who are service-connected disabled who are coming home today so that they do not wind up like a lot of our guys 25 years down the line with a resume that looks like Swiss cheese. And a job is the key to the readjustment process. It is really the nexus of the readjustment process. And everything else ought to be aimed toward that flash point of obtaining and sustaining meaningful employment, and currently the aspects of the system, some run by the VA, some run by Labor, do not work very well.

In regard to USERRA, I will just offer a very brief comment that I offered last week at the Veterans' Affairs Committee hearing that Senator Akaka and Senator Burr held in regard to USERRA. And there was a law, we said, well, we do not object to this, and it is—possibly toughening up the law will do some effect, but maybe after all the things we have done over the last 25 years, what the young people still tell me—and I spend a lot of time with young people, from Walter Reed and from other hospitals—is that they do not even bother—I am talking about the Guard and reservists—because they hear it takes up to 2 years and most of them do not get satisfaction, and that it is justice delayed is justice denied. If it does not happen quick, it does not matter. He or she——

Chairman KERRY. So how do you pull them in? How would you pull them in? What is your way to make sure——

Mr. WEIDMAN. Well, I think maybe we ought to rethink our approach. A very small percentage of the employers in this country are paying the economic cost of this war, in other words, because they have Guard and reservists working for them. Let's give them a tax break, one. And, two, let's take some of that WIA money and make it available to employers, particularly small employers, not only to train their replacement for the individual who gets activated into the Guard and Reserves, but also for the individual who comes home after the deployment who oftentimes, after 15 months away, has to be retrained. So let's focus on that because right now some few large corporations are making a mint on this war. Maybe it is time for another Harry Truman style hearing. But the small guys are paying.

Chairman KERRY. Right, but are those reservists and guardsmen the people who are—are they the ones who are really being dropped through the cracks, in your judgment? Or is it a more chronic problem for the person who winds up with that Swiss cheese resume that you have talked about who is really somebody who may not have the training, did not have a solid job necessarily, or does not know where they are going? You know, I am not thinking about the employed person, but the person who was not necessarily already employed in the civilian sector who is coming out for the first time to look for the job and so forth?

Mr. WEIDMAN. Well, the experience of those employers—employers who have hired Guard and reservists and veterans once are more likely to do it again. But if that returnee is a young person that went out of high school directly into the Reserves and National Guard, which often happens, and then comes home, they are in that category, just as the separating active duty folks. They have a high school diploma and have never been in the job market.

The same veteran-friendly employer is reluctant at this point to hire more, and we have talked about this, and you heard testimony a year ago January——

Chairman KERRY. Because of the cost to the company.

Mr. WEIDMAN. Because they are going to take care of the people they have.

Chairman KERRY. Right.

Mr. WEIDMAN. But they are not going to extend more, and Mr. Klerman talked about the attitude of many employers. It is a great danger, and it was a great danger with Vietnam veterans, that you had to fight so hard to get the neuropsychiatric and readjustment counseling services that it made it difficult for people to get a job. But at the same time, in order to get and keep that job, you need those supportive services for many combat vets.

So I am not sure what the solution is, but one thing that would be a good watch word, if I may suggest, is—our good friend Max Cleland, a former Member of this Committee, had a great phrase for it: "strong at the broken places." People who—combat vets are strong at the broken places if they get the care they need to help make them as whole again as humanly possible, both neuropsychiatrically as well as physiologically. And I will stack that combat vet up against the kid who hung around and never served their country in the military any doggone day as being the person I would bet on to be the best employee.

Chairman KERRY. Yes, well, I do not disagree with that at all. The question is how to get these connections, how to make it attractive for that employer to actually do that, which is what we are talking about here, which is good.

Mr. Elmore, do you want to pick up? And then we will go to Mr. Rooney from there.

Mr. ELMORE. Yes, sir.

Chairman KERRY. I am going to have to dog out of here in a minute, but——

Mr. ELMORE. And thank you for having this today. I think a couple of points really for Mr. Klerman. I found his report very interesting, and I am still digesting much of what is in there. But there are a couple of points that I wanted to make in the context of the question about the quality of the recruits. I think DOD recognizes this, and perhaps Dr. Winkler might want to address this later.

We have been working with the Department of the Army for about 4 years now on the development of what is called the Army Advantage Fund, and that fund, in fact, is going to support the creation of future homeownership and future entrepreneurs of Army recruits. And they have to be in the 50th percentile or higher to be eligible for that program. So DOD is also taking these steps to try to recruit high-quality recruits, and I applaud them for that.

A couple of points, though, that I wanted to make about the report. One of his primary recommendations was this lack of network amongst servicemembers coming home, and I think that is critically important, and I think that is important in the small business side as well, because entrepreneurship is a lonely profession, and if you do not have an ability to link up with others who are entrepreneurs and you do not have family support, the prospect for success can suffer. So I would like to have a little more exploration

of how we get around and get to this development of the kind of support networks that are more typically available for those who do not serve.

Second is there is other evidence in some other reports that talks about rural self-employment, and there has really been a pretty dramatic increase in self-employment in rural communities. It is about 240 percent over the last 40 years. But at the same time, self-employment income is only about half of those who have regular jobs in the regular civilian marketplace. And given that many of our Reserve and Guard members are from rural areas, I think that is an area that certainly I am trying to push my program focus increasingly toward. How do we get out and affect opportunity in the rural areas, especially as we continue utilizing Reserve and Guard?

Thank you.

Chairman KERRY. Well, that is interesting. Does the SBA have a—I mean, is it targeting that in some specific way?

Mr. ELMORE. Given the experience that we have had with the Patriot Express Loan and I think the initial really pretty good success on that, we do have a new Rural Express Loan Program that is targeted out to the rural areas. And I know in the work that I have done with our Small Business Development Centers, for example, with my district office outreach initiative as well, we continue to push out to engage Reserve and Guard, whether they are rural or urban, and through that trying to bring them in touch with the services and resources we do have available in the hopes that that will be——

Chairman KERRY. When do you begin that? When do you initiate that? Is there some awareness at separation that this is available to people?

Mr. ELMORE. Yes, I think—one of the other points in his study is that a significant number of Reserve and Guard and active servicemembers begin to think about that transition before they get to TAP. I think it was 30 percent, if my memory is correct, pretty close to that, begin their job search prior to separation. So I think it is not just TAP. In that sense, it is really almost pre-TAP. You know, how—we certainly do not want to encourage people to get out. But at the same time, we want to make sure those who have made that decision that they are not going to continue to serve, whether it is because their enlistment is up or retirement, that they know about and have access to the services and information available from all of us here at the table and others. So that is the direction that we are trying to move.

Chairman KERRY. Mr. Rooney.

Mr. ROONEY. Thank you, Senator. My name is Roderick Rooney. I am a citizen, and I am speaking in that capacity. I am a special veteran, disabled vet, an entrepreneur. I suffered dealing with some of the programs in the Northeast Veterans Center. They closed. I have a master's degree. I am a WIA, the one-stop centers, but there is nothing that was out there—I was out of work for 2 years. There is nothing out there for a person who has, a veteran who has some skill sets, some training, some tangible—have a resume that does not have gaps. There is plenty of programs for individuals with PTSD or who are homeless or some of these issues,

but most of—from my journey—and I audited, Rick, you know, one-stops. From my journey it is only—there is a lot of information, you know, from Veteran Express or Career to Success, all the buzz words and new-fangled attempts to disseminate information. But it is just that—information.

What I found from the individual service centers that were specializing in veterans, they had that—they understood simplified. They understood esprit de corps. So when you walked in, you felt—you got—what I needed most was someone to give me some hope, because you get rejection and rejection and rejection. And to have some skill sets and still getting all these rejections, like even if you do a Federal job—and I am on the special list—the manager gets to choose from that, which list he picks from. And if you are not on that list that he chooses from, you still do not get that special preference. That is a flaw.

Chairman KERRY. Interesting dilemma. Go ahead.

Mr. ROONEY. But, in general, it is—I was reading some report, and it had a lot of repetitiveness in the communities that specialize in veterans services. I think that is not so because for a person who is in the local area, when you go to the one-stops, something like that, that is the big mountain on the hill. The one that is in your community, you kind of know and are familiar with, and the individuals that work there are familiar with you. And the service centers reps—there is only one. He may have like 25, 30 veterans. You get to see him maybe once every 2 weeks, and he is just giving you information that is on the Internet. You know, I live on the Internet. I am originally a New Yorker, so I just—you know, I am on the phone, Internet, everything. But it is no information that I could not find myself. And I found that the services that are out there from Department of Labor and all those agencies is general information. No one shakes hands anymore. At my former job was a fellow who also could not find a job. So maybe I was not that good at it, right? But no one goes and shakes hands and looks someone in the eye and builds that relationship of trust, giving the veteran a chance or saying, "I have this perfect person for you. Let's give him a shot," and coach them in the job and follow up with them. Instead of having a referral, have a linkage. My hand is still on this individual. It is not like that when you go to, I guess, the larger agencies. And this is like—the ones at the smaller agencies, when I went in, they gave me a free seat for grant writing. You know, I could barely pay for gas to even go from Boston to Lawrence, you know, but I did. And I was out of work for—I got a 6–month contract job with the State of Massachusetts as a contract monitor. But that is the most I can squeeze out in 2 years from unemployment. And if you go to the SBA or SCORE, you have to be pretty much polished when you get there.

You know, if you are a young veteran, a returning vet, you do not have that polish like that. You are still plowing and you are still readjusting, and you have to have a polished business plan that is, you know, good to go through the—I mean, they have got representatives there and experts there to help you muddle through to get it to the level of if the banks will give you a loan. But to go through that process is a big turn-off, and it is not even really—you know, if you knew, especially if you are young and com-

ing home, you know, that is like going to college. I have got to put math down. I have got to put my thoughts on paper. It is a fighting task, and so it is just missing the mark, just from my——

Chairman KERRY. Well, that is a very important—that is a very eloquent and important statement. I think it is helpful, and it needs to be fleshed out a little bit here as we go forward, sort of what is the reality versus the policy or the concept. And I think if we can flesh that—I have got to go down to this other hearing for a minute, but I know, Dr. Winkler, you have had your card up for a moment, so I am going to leave it in the hands of Karen and Matt, if I can. But this is good. Keep fleshing this out a little bit, and I think there is a lot more yet to be added to it. We have a lot of experts at the table. Have we made you a Red Sox fan yet?

Mr. ROONEY. No way. No way.

Chairman KERRY. You just lost my sympathy.

[Laughter.]

Mr. WINKLER. Good morning. I am John Winkler, Principal Deputy Assistant Secretary of Defense for Reserve Affairs, and I am very grateful to have this chance to come and talk about this issue.

The issue of veterans' employment and unemployment is important to the Department of Defense, and Reserve Affairs, in particular, as far as guardsmen and reservists are concerned. We have a role to play in many ways in assisting guardsmen and reservists and understanding the source causes of problems that people may face with their employers. We also are responsible for the National Commission for Employer Support of the Guard and Reserve, which is the front line for the Department and the employer community dealing with issues.

And so we have been really thinking hard and looking hard at this issue from our perspective for a couple of years, and I think the general point I want to make in response to points that have come up so far along the way is while there is no doubt there are problems out there with respect to individuals and veterans getting jobs, keeping jobs, finding jobs, and so on—we certainly admit that and understand that. However, from a perspective of public policy, what we have really put our effort into is in really nailing down the facts, trying to understand empirically what is going on so we can target our efforts or respond to your initiatives in terms of targeting them toward the populations or the problems that take precedence over others. As Senator Kerry says, first find the drivers and then prioritize among them.

But one thing I want to offer today then is just a few facts as context for the discussion. Again, yielding that you will no doubt be able to find somebody whose personal experience may contradict what I am about to say, these still are the facts as we understand them from surveys, through research, and so on and so forth.

The first point I want to put out for us is at least speaking to the Guard and Reserve community, you know, what is their employment status and to what degree are they facing difficulties when they come back from deployment and getting jobs and so forth? So the first fact coming from the June 2006 Status of Forces surveys that the Department conducts shows that looking at that point in time, 76 percent of Guard and Reserve members were employed when they were activated at that point. And of that 76 per-

cent, 79 percent returned to the same employer and 19 percent returned and found a different employer. Do the math: 98 percent of those guardsmen and reservists who were employed prior to activation came back and were able to successfully find a job.

So the problem now turns to the 2 percent. What is going on with the 2 percent who had a job, came back, did not return to work? What the surveys, again, tell us is that there are reasons for that. Some people decided they did not really like their previous job and they wanted to leave it. Some of them are taking advantage, properly, of educational benefits they have earned and have decided they wanted to upscale and they go to school. Some of them say simply they want to take a break.

Now, that then brings us to the Unemployment Compensation for Servicemembers Program which Mr. McWilliam mentioned earlier. Recall that guardsmen and reservists who serve 90 days or more on active duty are entitled to up to 6 months of unemployment compensation. There is some evidence that the word is getting out, and that, in fact, the guardsmen and reservists who are eligible for unemployment compensation for ex-servicemembers are appropriately utilizing their entitlement. That is supported by the notion that they are taking a break, changing course.

So the first conclusion I draw from that is that at least some of what you may observe overall in terms of unemployment among veterans is driven by that segment of the veterans, the guardsmen and reservists, who are utilizing unemployment compensation for servicemembers and are doing so, in effect, to provide them with a transition as they sort out where they are, where they were, and where they want to go. So I think that is part of it. The implication of that for me from a public policy perspective may then be that if people are taking time to readjust and to chart their futures, are we supporting them in the best way to help them make their decisions and make good contacts, and that might be one dimension of this that would be important, too.

The other thing is the issue of those reservists coming back and who are facing issues with USERRA and so forth. And, again, no doubt there are people who have had problems, but, again, what the basic situation appears to be—let's look at June 2005 to March 2007: 246,200 guardsmen and reservists de-activated. Cases that ultimately rose to the level of a USERRA violation, less than 2,000, 1/10 of 1 percent of the de-activated population. One-tenth of 1 percent.

Now, again, will some people say, "I didn't want to bother, I didn't think I could get any recourse to that"? Yes. But how much bigger would one-tenth of 1 percent grow based on that?

One indication of that would be, again, going back to our National Commission for Employer Support of the Guard and Reserve ombudsman activities, we have hotlines. We are actively working in the fields to talk with employers, talk with guardsmen and reservists who may have difficulty. We are fielding over 13,000 calls a month lately and resolving most of them. So there is certainly at least some people who are at least making the effort and are getting relief and don't rise to the level of a USERRA violation.

Again, then, kind of a conclusion I would draw from that, if you are trying to prioritize the problem list here, the veteran commu-

nity who were previously employed and returning to work would not necessarily be the first population in most need. It might well be others, such as disabled vets, such as people entering the workforce for the first time. And, in turn, I would say going forward, one useful thing to continue to do is to segment this population and really understand which individuals are most in need.

Thank you.

Mr. WALKER. I am here to mostly listen versus to talk myself and to speak, but I did have a quick follow-up question for you. The report made one note which was that one of the suggestions was rebranding the military to potential employers.

Now, I am sad to say, as a member of the Guard and reserve myself, that many members that I have talked to have actually told me—and this is very, very disconcerting—that they have actually questioned whether or not when they apply to employers, whether they should include their military service on their resume because of fears of how that could react. And I am wondering, have you been doing anything to sort of rebrand these members to potential employers to talk about their skill sets, what benefits they have, what value they can bring to the civilian world?

Mr. WINKLER. Yes, and, again, John Winkler, Reserve Affairs. We hear this, we appreciate it, we understand this. We talk with employers, we talk with the guardsmen and reservists to understand the degree to which this is potentially an issue.

But I have to say, again, there are anecdotes and there are experiences, and then there is other evidence and experiences. And I can only really address this in a very preliminary way right now because the study we are supporting is still finishing its final stages. But we have been conducting an employer economic impact survey looking at impacts on employers and costs that are imposed on them when their employees are called up for military service. And the findings initially provide a very strong counterpoint, which is, when asked about—these employers asked about their experience with reservists, they are very, very positive. In fact, they rate them as equal or better than non-military members across various dimensions related to their job effectiveness.

So there are employers out there who appreciate this. Perhaps it is true. We can continue to communicate the value of military service. But, again, anecdotally, we understand that employers appreciate the fact that they are getting workforce members that are drug free, that are on time, that are focused, that can work in teams, and these kinds of attributes I think are ones we can continue to emphasize.

Ms. RADERMACHER. Mr. Dever, you have had your placard up for a while. Would you like to comment?

Mr. DEVER. Sure. I am very pleased to be here, and thanks to Joan and yourself for making things so that I could be here today. I didn't think when I came here this morning that immediately USERRA would jump to the front of what it was that I wanted to say to people here.

First, let me say I am a member of the community. I am a service-disabled veteran. I am a small business owner. I am a small business owner because, after coming back from Iraq, I went through a period of unemployment. And the way I became em-

ployed was through the assistance of the Veteran Business Outreach Centers. I went through the legislation. I think it is a wonderful thing and want to encourage that more be done along those lines, because my experience was a positive one. I know that the Business Center that I work with, Louis Celli, Louis is always busy, which tells me that there are a lot of people utilizing his services, a lot of people who need his services. And as I said, at a very difficult time for me, Louis was the contact point that made me getting myself stood back up and back to work possible.

I will try to go very quickly and hit a couple things.

USERRA is there, and I will tell you an anecdote that I find very, very disturbing, and I can tell you—you know, and go with Mr. McWilliam through the specifics of the case. However, due to the nature of the injuries, the illness, and the problems that returning reservists and National Guard soldiers are having, there are some things in there that then preclude them from being able to use the things that are immediately available to them.

I have TBI. I didn't know I had TBI until I had been back for nearly 18 months. At that point, my recourse under USERRA had expired. I had no recourse. That needs to be changed, because I will tell you, yes, it may be 2 percent today and it may be 2 percent at 60 or 90 days. It is not 2 percent at 18 months, I don't believe. And I think if somebody looks at that particular data set, they will find that there are other issues. And, again, it is because of the nature of the conflict and the nature of the injuries that people are sustaining.

A couple of people mentioned taxes and mentioned the tax incentives that are given to employers when Guard and Reserve soldiers leave to go onto active duty. I will tell you that as an employer, and in a previous capacity working as chief financial officer/general manager, you know, and basically at the nexus of the hiring process, that from the standpoint of a company, yes, recognizing the sacrifice that the company makes by providing that soldier, airmen, whatever it might be, to the Reserve component to go and serve the country is absolutely important, and taking care of that incremental wage difference. But what I would also say is that maybe more important in my mind, I think more important is that on the 2nd of June I am going to hire a gentleman to work for me. He is a service-disabled veteran. He is transitioning from one career to another, a career police officer, and now needs to go into something different because his disability precludes him from continuing on as a law enforcement officer. It sure would be great if I could get some kind of tax break, because I am putting him, you know, back to work and putting him into a new career path, not just a job but a career path that will, you know, sustain him for many years to come. And I think that kind of a tax incentive might get some of the people who are maybe on the fence or who have gone over to the other side.

The anecdotal evidence about people saying that they have concerns about putting their military record service on their resume, I will tell you, again, anecdotally, I applied for 148 jobs in 8 months. How do you know that? Because I have every single one of them, and I did not know it was 148 until I looked at it last night in anticipation of coming to talk about it today. Every single

one of those, you know, loud and clear declares that not only have I served, but that I continue to serve because I am still an active member of the Army National Guard, meaning that, you know, could I deploy again or could I be called again? Most certainly. And I would say that I am happy that I am self-employed and that I do not have to float resumes any longer. But I can certainly understand in the larger community how a lot of reservists have come to the point where they don't know whether it is an advantage or a disadvantage.

I certainly believe—-personally, if someone were to ask me, I would say that it was absolutely a disadvantage for me to be listing those things, and particularly to say that I was still an active member because I choose and want to continue to serve.

I have made some other notes, and I will cut myself off here, and let some other folks talk, and give those back to you afterwards. Thank you.

Ms. RADERMACHER. Thank you.

Mr. WALKER. I just had a very quick comment for Mr. McWilliam, and that was Senator Snowe's home State actually has the second highest per capita existence of veterans of any State in the Nation. One in every 10 people in the State of Maine is a veteran, so it is an issue that is very, very deep to her heart.

The person who runs the DVOP and LVER Program in the State of Maine is Paul Luce, a phenomenal individual who recently returned from Afghanistan, does a phenomenal job with veterans. Even when he was over there, he was hitting up soldiers before even returning about how he can help them find jobs. So, to that extent, I want to mention that I feel that the program was very successful, at least in her home State.

But I wanted to briefly mention that a very big concern to my boss is the fact there has been an 11-percent drop in funding in real dollars to the program from 2001 through 2008. And when you figure in for inflation, that is a 25-percent cut. Some of the problems that we are talking about within the program I think can be directly attributed to the fact that when we are talking about a 25–percent cut in funding to those programs at a time when certainly our soldiers need this the most, as we are hearing here today, I am curious to hear your thoughts on that. Are you asking for additional funds? Will you ask for additional funds? Why has there been the cut? Not to put you on the spot, but I am just trying to figure out where things are at, and if you have any thoughts on if there is more money that is needed for the program or what else could be done.

Mr. MCWILLIAM. Well, it is a very good point, and I appreciate your comments about the program in the State. I met the Sergeant Major. He is a very dynamic person. He just took over the program I believe about when he deployed or while he was there, and we have seen real major changes in his leadership of the DVOPs and the LVERs in the State since I was up there in November and talked to him and everything.

The problem between the States, comparing 2001 to 2008, is that the new law, the Jobs for Veterans Act, changed the funding formula and the way the funds are allocated to the States. And it made some major changes in States, and there were a lot of States

who saw a decrease in funds available because of the funding formula.

The funding formula is based on the number of veterans looking for employment in your State divided by the number of veterans in the United States looking for employment. And so it shifts every year. There is a change every year to it. I will have to look and talk to you specifically about how much in Maine was caused by the change in the funding formula.

The appropriation itself has increased slightly each year. Our 2009 recommendation shows an increase of about $7 million for the program. But I will have to get back to you on the specifics.

Mr. WALKER. Thank you. I appreciate that.

Ms. RADERMACHER. We do have a couple of other people who wish to talk: Mr. Levine, Pat Heavey, Rick Weidman, Justin Brown. We do want to move along. We have been talking about this a little bit as we have been going along, some of the solutions and also following up on our hearing from last time. We are going to focus on that here, and then after a few minutes, actually probably about 10 or 15 minutes, we do want to take a short break and then start talking about vet centers, ideally leaving enough time to have a full conversation about that as well.

But I do want to go to—Mr. Levine, you have had your card up, and I would like to give you a chance to comment as well.

Mr. LEVINE. I would like to indulge the Committee and our guests for a brief statement. Ms. Radermacher, Mr. Walker, members of the Committee, my name is Bill Levine of W.L. Concepts and Production, New York.

Ms. RADERMACHER. Mr. Levine, just to check, is this about—if it is in regard to the Veterans Business Outreach Centers——

Mr. LEVINE. Yes.

Ms. RADERMACHER. We are going to talk about that more in depth right after the break.

Mr. LEVINE. Do you want me to hold then?

Ms. RADERMACHER. It is probably best, if you do not mind. If you would like to comment on some——

Mr. LEVINE. It is down. Not a problem.

Ms. RADERMACHER [continuing]. Of the more recent comments, absolutely. But we will focus after the break——

Mr. LEVINE. I will wait. Thank you.

Ms. RADERMACHER. Who else? Did you want to comment on what we have been discussing?

Mr. BROWN. First off, I would like to thank both of your bosses for supporting S. 22, as well as some other legislation, your bosses' legislation on home foreclosures and caps, and that is all very good and we thank you.

However, I would like to address Mr. Klerman, and I guess I am surprised how you suggested that our recruitment standards are maintaining a quality level. All of the information I have seen and research that I have seen done suggests that we are at our lowest recruitment standards in a period of about 15 to 20 years. The worst recruitment standards we have had was following the introduction of the all-volunteer force from about 1973 to about 1985, when we introduced the original GI bill.

We know that this era of veteran, from 1973 to about 1980, were four times more likely to be homeless than their non-veteran counterparts. So I am cautious in saying that, you know, we are maintaining the same recruitment standards, and I believe that we need to be very careful about the recruitment standards and the veterans we are allowing in the military. We do not want the military to once again become an employer of last resort.

In consideration of that as well—I think today we have broadly been talking about veterans in two capacities, one being veterans in general and employment issues and reservists. I think that there is not a one-size-fits-all, if you will, to look at these solutions. And a person that is separated from the military as an enlisted veteran is going to need different transitional tools than somebody that departed as an officer, and similar with reservists as well.

It is the belief of the VFW that the best transitional tool we have for the majority of these people separating, which is the enlisted veteran, in our current state, I mean, they are typically only doing one tour, is a robust educational GI bill. We believe that this is going to allow them to further their education and thereby more easily transfer into the workforce.

No offense to Mr. McWilliam, my personal experience with DOL's programs and the majority of my counterparts and fellow Iraq and Afghanistan veterans are not using the DVOP/LVER Program, and that has been my experience as well with the Officer Corps that have done one or two—well, I don't know how you phrase it, but if they are mid-grade level officers and they have gotten out, they are typically also not using the DVOP/LVER Program.

So, with that, I just kind of wanted to put that forth, and I appreciate everything you guys are doing. Thank you.

Ms. RADERMACHER. Thank you very much for those comments.

I do a little bit want to change the focus of the conversation to kind of thinking about things that we can actually do to address some of the things that have been raised. I am going to throw out one question. I see we have more people who would like to comment, and I will give everyone a chance to do so.

One of the things that I kind of want to raise, just based on what I have heard here today, and that is what I have heard repeatedly about disabled veterans and the issues of PTSD and TBI and some of the other injuries. You know, we have heard about segmenting the population to figure out exactly what individuals need, and I think that is an important point. And I was wondering if anyone had any comments there, what is needed or necessary.

Mr. HARDY. I will pass.

Ms. RADERMACHER. You will pass that round.

Who else? Do you guys still want to—well, I was just mentioning that one of the issues that seems to have come up is what about individuals who are leaving the military who have a disability, whether it is PTSD or TBI or some form of injury, and how does that affect their employment and what can we do about it as well. So a couple different people, and I did not see who put up—but, actually, I think either—did you have your—actually, if you would like to go ahead, I think you had your placard up first.

Mr. HARDY. OK. I did not want to directly address the TBI, but something that might be germane. My name is G. Mark Hardy. I

am an entrepreneur and also captain in the Navy Reserve. And so I don't want to talk about my situation so much as it is possibly representative of many other guardsmen and reservists.

Since 9/11, I served over 1,000 days on active duty. None of those have been in the capacity of mobilization for the Global War on Terror, and as a result, what we find out is that none of the protections that would come under things such as USERRA or some of the benefits that are often offered to individuals who are mobilized under these capabilities would apply to me.

As a small businessman and as an entrepreneur, if I were an employee, I could come back and USERRA would protect my job. But because I am an entrepreneur, my clients are not bound by USERRA. Often, many entrepreneurs come back to nothing.

And so without the right type of orders, it is a difficult situation. As a Navy officer, we are not put in combat roles as often as our Army brethren, and as a result, many Army vets experience things differently than Navy or Air Force, who are put in backfill positions or support positions, so that they are not necessarily in the line of fire, which is perhaps a good thing, but also what it means is that in the flexibility administratively to create the orders, we often bypass the mobilization process entirely to get administrative expediency, but the net result is that a whole class of reservists and guardsmen are denied a lot of the benefits the way that the law is written. And here is potentially the reason why.

If you look at the Commission for the National Guard and Reserve, their report that came out earlier this year, Item 22, Recommendation 22, identifies 29 types of duty statuses that a reservist or guardsman could hold; 28 of those 29 are not qualified for some of the benefits that are specified in the legislation, such as the Military Reservist and Veteran Small Business Reauthorization Act. So I would encourage taking a close look at how we define eligible veterans, because you may find that they are individuals who have served honorably, continue to serve honorably, share a disproportionate burden economically as a result of their voluntary participation, and yet are afforded none of those legal provisions because we are focusing on those who have been mobilized through this particular process. And, of course, for the disabled veterans that come back, they need, you know, special consideration. I absolutely have no concern or no grudge against that. I think it is wonderful. But I think we are leaving a whole class of folks out.

That would be my input on that.

Ms. RADERMACHER. I do think that is a really interesting point and one that I have not heard actually made that often, so I think it is an important thing to add to the discussion.

Just for our sake, you mentioned that you are a reservist/small business owner. Is there any thoughts that you would like to add about other things that would be helpful for you as you have served the Nation repeatedly over the last few years and continue to run a small business? Are there any things that would be helpful to you or——

Mr. HARDY. I would think so, and thanks for asking the question, because right now, again, looking through the legislation, it provides—it makes it easier for me to get access to loans. But I don't need access to cheap money. I have already built a business. I can

access funds. What I need is access to opportunity, and we have structures that are already well in place. For example, the Small Business Administration has an 8(a) Program which will support culturally disadvantages and socioeconomically disadvantaged businesses.

Well, I can think of no greater disadvantage than to be gone all the time serving your Nation, and yet because of my genetics, which I have no choice of, I don't fit in any of those categories that would describe me as potentially disadvantaged.

So one thought may be to take a look at programs such as 8(a) and to extent the eligibility under title 13 to include returning veterans to allow for—and, again, it is a part-time program. It does not exist indefinitely. It has certain eligibility criteria. But it would require no new bureaucracy or it would require no new structures, simply a change in a line of the law which then would permit SBA to provide that type of meaningful assistance, and not only have access to opportunity, which currently all I have access to is potentially loans.

Ms. RADERMACHER. OK. That makes sense. It makes a lot of sense.

I was just informed actually that, Bill Elmore, you are going to be leaving, you have to leave early today. And we do have a couple questions that we wanted to ask beforehand. And so actually if you guys can remember, we would like to hear from all of you. Before he leaves, we do want to follow up on some of what is happening with the bill. Did you have a specific question that you wanted to start——

Mr. WALKER. Well, actually, Bill, if you wouldn't mind, just more so for the benefit—we have heard a little bit about what is being done in terms of the status and implementation, but for the benefit of the people that are sitting around the table, if you could just quickly give an idea of where things are at in terms of implementing the legislation, we would appreciate that.

Mr. ELMORE. Yes, sir. Thank you.

There is a number of the parts of that legislation that we are actively implementing, but probably the easiest and the most straightforward was the permanency of the old Advisory Committee on Veterans Business Affairs. That has now been rechartered. We have scheduled the first meeting. It is going to be in June, and we are actually actively recruiting new members as well because some of the members are reaching their expiration dates in June. So we are doing that now.

The SBDC Program is going to be announcing very soon grant opportunities for SBDCs under that part of the law. So I think you are aware of that, but that is coming, and I would expect within the next 30 to 60 days you will see that grant announcement out on the street and for SBDCs to compete.

The DOL–TAP part, we had already provided a number of materials to DOL. We have pulled those materials back, and we are now updating some of those materials for part of the TAP manual. And we are also in discussion with DOL about—and with DOD, but we are starting with DOL because they basically run the TAP Program itself—to try to update the materials there and make sure that those materials are available at every TAP seminar in the country,

and that is about 4,000 seminars. So you know I have five centers. It is kind of hard for five centers to get to all 4,000 of those seminars. So we are working with DOL, and will with DOD, to get that done.

We have changed the Vet Business Outreach Center Program announcement, and, Coreena, this will be the first time you have probably heard this. One of our five centers expires this year. They are in their fifth year. So that program is going to be recompeted for one center, and that announcement will likely be out in the next 30 days, and have now included the authority in there for them to be able to do the grants or the contracts or subcontracts out for other organizations to participate in TAP. So we have taken that step.

I know there is a number of things that I am missing here.

We have already put up a mock—or basically a startup website on how to promote MREIDL more efficiently and more effectively to reservists. We have not gone to DOD with that yet, but we have put it up internally, and we are still working—actually, I was working on that this morning on some of the banners and things that will go into that.

We are working on the regulations for the changes to the MREIDL Program itself. We will be extending not only—there will be this pre-activation program. We also will do the reprioritization so that those loans will be the ones that are processed first. And we are also in discussion—other regs have not come out yet, so please do not hold me to this in final form, but at this point, we believe that the extension on the timeframe to apply will be equal to the time that someone has been activated. So we are working on those regs now, but as you know, the regulatory process, I cannot just pronounce that as done. There is still a ways to go with those kinds of things.

There is a number of other steps in here that I am sure if I took the time to read my list—you know, we have met with GAO on one of the reports. We are working internally to identify what we think the cost will be so that in future budget requests we can come back to you and say here is the amount of funds we would need to implement the new loan program, here is the amount of funds we would need to do the study, here is the new funds that we would need to expand the Veterans Business Outreach Center Program, those kinds of things. So we are working actively on all of those.

Mr. WALKER. I just want a quick follow-up on this one.

Mr. ELMORE. Yes, sir.

Mr. WALKER. One of the things that was extremely important for my boss—and it was from the hearing that was held back in January—is that she heard that there is a lot that is being done by everyone to help veterans, but that there seemed to be people going in different directions. And she called for the creation of the Interagency Task Force, and it is something that is really near and dear to her heart because she thinks this is needed to coordinate and leverage what is being done. And I specifically wanted to bring this up before you left, but as well as others in the room are still here—SBA, DOD is here, VA is here, VSOs are here. She wants this to be implemented soon, but she also wants it to be truly effective. This is not some interagency task force that is just out there for

the sake of saying that there was one. So all the people in this room, I really encourage you to work together, because this is a tremendous opportunity to really speak to your agencies and tell them that from her perspective she is going to hold people accountable to do this, to stand straight and make sure that they are working together so that we are coordinating and leveraging what can be done.

Mr. ELMORE. I can tell you that we are actively working on that as well at the highest levels of not only SBA but inside the administration to identify how to put this thing together properly and to make sure that we have a level of participation that the law I think envisions. So we are working on that as well. It is not a piece that I manage in that sense because we have to do some coordination across other agencies.

Ms. RADERMACHER. I just want to follow up a little bit about the Military Reservist and Economic Injury Disaster Loan Program. First of all, is there a sense of when we might see the regulations for the changes?

Mr. ELMORE. You know, I cannot give you an explicit timeframe, also because we have to go through this whole regulatory process. I can tell you that we are, in fact, drafting the regs and we are drafting the changes to the SOPs and those kinds of things internally to implement that. We don't think there is any real significant cost association, so it is really a paper process. You know, in fact, some of the things that—you know, the prioritization of the loan applications, we were already doing informally. We simply had not put it in the regs. So some of that stuff is already in play. Certainly we have had a lot of work going forward with Dr. Winkler's office, with ESGR, and many others in the promotion of MREIDL and trying to put that information out in front of Reserve and Guard members and their employers.

So, you know, we can get back to you, I think, with a timeframe, but I will have to go back to our disaster office and ask them specifically where they are at in the process.

Ms. RADERMACHER. OK. The other question I wanted to ask about is I am glad to hear that you are increasing efforts to get the word out about the MREIDLs. But the question—I have been reading a lot of news stories about the Patriot Express Loan and the number of loans that have been approved since—I think it was June 13th when it was rolled out.

Mr. ELMORE. Yes.

Ms. RADERMACHER. And it is something like over 1,000 for something like over $100 million. And then when I compare that to what has happened with the MREIDLs—and I think it is about 290 loans for about $26,000 or so, and I recognize that they do apply to different people. However, I just had another conversation with someone before the roundtable, a reservist/small business owner who actually again said to me, he was, like, you know, "I really wish we had something like a loan that would apply to reservist/small business owners who are affected by deployment." And I was, like, "Well, there is." I mean, it is out there.

And so I guess I am not understanding why SBA is managing to get the word out about Patriot Express, yet it seems that far fewer people know about this other program that is far older.

Mr. ELMORE. You know, they are all good questions, and those are the same questions we wrestle with internally. We know we approve about 60 percent of the applications that we receive, which is higher than our regular disaster portfolio. So we are pleased that we are able to help make this thing fit.

I think what you run into—and the law helps change this—part of it was the timeframe. You could not make application until you got activated. After you got activated, you are not going to make application if your activation notice was a very short timeframe. So you are not going to make application likely until you get home. If there has been significant damage to the business, the idea of entering into additional debt to support that business, you know, that is a real challenge. And you know this as well, we are also constrained in that we cannot approve loans unless the customer, the potential customer, can show an ability to pay it back.

So I think there have been a number of things that have tended to push against additional debt for those that really suffer the significant damage.

The other problem is—and it is a real problem, and John and I have worked on this now for a long time—there is no one simple way to identify those that are affected. So how do we identify amongst that million two or million eight reservists out there those that are self-employed, those that are activated, those that may suffer damage, or those that have been damaged? We all recognize there is damage, but it is a significant minority of those self-employed reservists, and there has been no one way to identify them. And that continues to be a real challenge for us.

Ms. RADERMACHER. OK.

Mr. WALKER. Sorry, and I want to apologize to everyone for doing this because I want to just quickly go into something that we actually have earmarked for later to discuss. But on the Veterans Business Centers, both VBOCs and VBRCs, I do want to ask you, because you do have a flight and it is important that before you leave we get the SBA's position, particularly from you.

Mr. ELMORE. Yes, sir.

Mr. WALKER. As someone that specializes in this issue within the SBA, and that is why I apologize for deviating, but I want to catch you on record here.

There have been discussions about the benefit of Veterans Business Centers, and both of our bosses are clear in our strong support for that and why they support it. And one of the issues that people brought up is the question of is there duplication, and the question is: Are they duplicative of Women Business Centers, SBDCs, other entities that are out there? And we clearly think that it is not. We know that it is not. We realize that there is specialization, that they have a different network, that they have special skill sets. We understand that, but I want to hear from your perspective your thoughts on that, particularly as someone from the SBA that works with people both in SBDCs, WBCs, VBOCs.

Mr. ELMORE. I do not believe they are duplicative. I think if you look at the reach that SBA has, given our size especially, you know, we assist in some sense or another around 1 million, 1½million, up to 2 million entrepreneurs a year. There are 25 to 26 million entrepreneurs in America, so clearly we do not reach,

even with all of our programs, all the entrepreneurs. And you layer that with veterans and reservists and those that have been activated and those that have gone away and come back, I do not think there is any way that they are duplicative. I do not think there is a single system in America that can reach every Reserve/Guard veteran.

I can tell you as well that if you will look at—and it is anecdotal, and we have not done research to demonstrate this. But I will pick Florida for an example because they are not here. That is one my five centers, one of the original centers. Twenty percent of the SBDC customers in Florida are veterans, but yet only about 10.5 percent of the adults in Florida are veterans. So if you look at the percent of veteran participation in all of our programs across the agency, it comes nowhere near that 20-percent level.

Now, I do not know why, but we have now invested $150,000 a year into the Florida SBDC as an adjunct. It is not the SBDC. It is a program that is associated with SBDC. Make that clear. But I think that relationship of having a veteran focus, whether it is inside that system or outside the system, like California, and working with the SBDC—or St. Louis or Boston or any of the others—shows that there is value in knowing the common language, the common history, the common background, the common experience, and the common issues and the common resources available to anybody that has worn the uniform. Those that have not simply do not know those things.

So you accelerate the engagement, and I think you said it, sir. Having somebody look you in the eye—a veteran is not afraid to look another veteran in the eye. Sometimes there are others in the world of human services—and I have been doing this for 35 years. I have only been a Fed for 8. In the world of human services, there is a number of people I dealt with would never look me in the eye, and almost to a person, they never wore the uniform. So there is always great value.

You know, if you don't mind me rambling on here a second, because I think this is really important. We have the Vet Center Program at the VA, which is, I think, one of the most important and incredibly effective programs VA has. Before the Vet Centers were created, there were mental health services all across America. But yet we created the Vet Center Program because there was great value in bringing that commonality of experience to the table to make sure that those men and women could get the services they needed and get on with their life and succeed.

Everywhere you look across the Federal sector, we have veteran-specific program activity like the GI bill, like the Home Loan Program, because it makes sense. It works. So how—back to, I think, the final point. I believe that a veteran-specific approach through our centers and in concert with SBDC and SCORE and others is not only more cost-effective, but I believe it is more service-effective, because the first time a vet walks in the door, they are going to get an answer. It may not be the answer they want to hear, and I expect my friends would say the same. But they are going to get an answer. That is not always the case in the broader human service delivery system in America that does not know about what it means to wear the uniform.

Thank you.

Ms. RADERMACHER. Thank you very much for that.

I would like to start talking about Vet Centers. I did promise that I would also break. Due to time, if we do not need it, I would like to skip it. But if anyone would like a very short break to run out, we can do that at this time.

OK. Let's take a quick break. If you can be back maybe in 5 minutes.

[Recess.]

Ms. RADERMACHER. All right. Let's go ahead and get started. Matt will be back in 1 second.

I would like to start this next portion, and this will be talking about Veterans Small Business Centers. Ideally, I would like to start by actually giving Mr. Heavey and Mrs. Conley an opportunity to talk about what it is that they do. If you would like to start?

Ms. CONLEY. Absolutely. My name is Coreena Conley, and I am the Director for the Veterans Business Outreach Center, which is a statewide business and economic development initiative. I serve the State of California and also the State of Nevada. We have a sub-center in Nevada.

The core mission of our program is to be able to advance the growth and commercial competitiveness of veteran-owned small business enterprises through education and services focusing on business development, technology deployment, and e-commerce. And how we effectuate those services are in three forms of—three capacities. We provide free one-to-one business consulting services for veterans, reservists, and Guard members, and there are initiatives to either start a business infrastructure and/or expand an existing endeavor.

We also offer a plethora of educational workshops series, and we host 1- to 3-day conferences which has an emphasis on Government contracting, both on a Federal level, a State level, with prime contracting capabilities. We also have a component of financing which has an emphasis with the Patriot Express Loan Program and franchise capabilities as well.

Our center is located and co-housed through the Vietnam Veterans of California. We are actually a division of them. And the other component of the services that we offer is transitional housing. We also have clinical psychologists and counselors that provide services with post-traumatic stress disorder. And that is based out of our California facility. We have about four housing facilities throughout northern California.

Our center has collaborated with numerous agencies throughout the State of California and Nevada, both on a Federal level, a State level, and a local municipality level, allowing us to be able to provide these consulting services to the veterans small business sector, and not allowing us to duplicate our efforts with agencies such as the Small Business Development Center's Service Corps of Retired Executives.

So what our organization has done is we have entered into cooperative agreements with the Small Business Development Centers throughout the State of California and Nevada and the Service Corps of Retired Executives and Women Business Enterprises. So

we are the point of contact, our California center is, for any veteran that is looking to receive any form of business consulting services. They will refer that client to our office so we can help do a needs analysis to either help them start that business infrastructure and/or expand that endeavor, or if it is an exit strategy due to today's current state of economy.

Just to give you an example of the amount of clients that we serve—and what you have to realize is that we operate this Statewide initiative on a nominal budget. Our budget is $150,000 each year. For contract period last year, from 10/01 of 2006 to 9/30 of 2007, between our training and our conference activities, we served over 24,940 clients. We did over 101 training activities. On our one-to-one consulting hours, we provided over 1,040 consulting hours and served over 425 veterans, reservists, and Guard members. And what you need to take into consideration is some of these individuals were actually serving overseas at this time. So they had a business infrastructure in place, and they were very concerned about the operational infrastructure and the survival mode when they came back home. The spouse was usually left behind to manage it, and they had no expertise in that industry sector. So what we did is we stepped in, did a needs analysis, and either put together an exit strategy or bootstrapped them until they returned.

The prior year, in 10/1 of 2005 to 9/30 of 2006, our program was beginning to expand and grow. And if you take a look at these numbers, you can truly see how the increase in demand with the reservist and Guard members is truly at the forefront of our military people returning home.

In 2005 and 2006 contract period, in our training and conference attendees, we served over 14,000 veterans, reservists, and Guard members. At that point in time, we facilitated only 36 training activities. We provided 886.8 consulting hours and served 313 clients.

In this new contract period from 10/1 of 2007 to 3/31 of 2008, we have actually provided for training and conference attendees 18,702 veterans throughout California and Nevada. We provided 39 training and conferences. We provided 565.5 consulting hours and served over 261 clients. So you can actually see how the demand and the increase is fluctuating due to our current economic state.

In California, too, we have an economic downturn in the construction industry, and from that downfall, we have had a lot of construction companies come in to be able to put together a feasibility study in order to have the business survive.

So that is when we partner with the California State Department of General Services for the DVBE initiative due to Public Law 106–50, where they do a 3-percent set-aside contracting capabilities for all service-disabled veterans with a preference. So a prime contracting agency will get the main aware, and they will subcontract out to the DVBE to be able to fulfill those contracting capabilities, and those forms of services to the disabled veteran business community is what is strapping them through on a contracting level.

And to give you an example of some of the agencies that we work with, because the earlier question that you talked about was duplicating services, we work, obviously, with local universities and community college districts. We work with the Small Business Administration, with all six district offices throughout the State of

California, and the main district office and area office in Nevada. And we work with GSA, DGS, the Federal Technology Centers, PTACs, SBDC, SCORE, BA, U.S. Corps of Engineers. We work with all prime contracting agencies for the 3-percent set-aside contracting capabilities for the Disabled Veteran Business Enterprises. We work with the California DVB Alliance. We worked with each one of the California DVB Alliance networks, the Elite SDVOB network, California Department of Veteran Affairs, the Women's Business Centers, all the VFWs, the Chambers of Commerce, the military bases throughout California and Nevada. We also partner with EDD, so if a veteran comes in or a reservist comes in and at this point and venue they are not sure if they want to be self-employed or if they want to receive an employment capability, we have EDD that comes into our facility twice a week, which they will sit down with them, and they will teach them how to either put together a viable resume and to help them search for employment capabilities as well. We also work with one-stop centers and the Center for International Trade for businesses that are in the manufacturing assistance programs as well.

So that is in a nutshell what we do.

Ms. RADERMACHER. Great. Actually, thank you very much.

Ms. CONLEY. You are welcome.

Ms. RADERMACHER. Pat, if you would also like to——

Mr. HEAVEY. Thank you. Good afternoon. My name is Pat Heavey, and I am the founder and executive director of the St. Louis Veterans Business Resource Center, which is operated by the Veterans Advocacy Foundation. We opened our doors in June of 2004. We were the first of these to open, and we were a pilot.

My own background, which goes back to about 1971 with this stuff—I helped to put together the first Vietnam veterans self-help center in the country, and I sure know your boss real well because he did the first—was that these agencies are—these operations would best thrive if they were integrated with the community. So we are on a community-based organization model. That is what we do.

We serve St. Louis and about a 150-mile radius therefrom. We also serve about 400 clients a year via the Internet and they are everywhere. They are all over the place.

We have two other centers. One is in Boston, and one is in Flint, Michigan. The three centers together in fiscal year 2006 counseled and trained about 6,000 veterans—6,088. I have some numbers here for you that I can just leave with you. But we also took on the task of raising private funds, and in my case, I took it on with a passion, and I put together a board of directors of 30 veterans, successful veteran business people, who serve yet another function with us. They are a board, and they help us raise funds. But, more importantly, they are all successful business people. Hence, they are all mentors in our mentoring program.

And there is a third thing that comes into play here that folks who are familiar with the private business world certainly know, and that is that contacts are invaluable. We have some contacts. Our board has many, many, many more. And we fully utilize our board members for that sort of thing.

Case in point, Ray Hill. Ray Hill's American Pilsner Beer. Ray came in to see us about a year ago. He had a business plan, and it was in pretty good shape, and he had worked on his beer for 6 or 7 years, testing it on his friends, including me. And he had a very fine formula down. He came in to see us as a client. Ray was in the Air Force; then he worked for the Department of Agriculture for a while. And we were able to introduce him through that network to the owner of the largest supermarket chain in Missouri, Scott Schnuck being the owner. And he, of course, was interested to some degree, particularly after he met Ray, and he began to put his beer on their shelves.

Two months later, Anheuser-Busch walked in the door because if you live in St. Louis, you know that Anheuser-Busch monitors everything about the drink industry all the time. And they saw this out on the shelves. Ray walked out with a deal, 51 percent for him, 49 percent for Anheuser- Busch. And that had largely to do with this private network of individuals helping him out.

I was very impressed by Mr. Dever's story because I have heard it a few times, and Mr. Rooney's tale. We deal with our clients in the same way as I used to deal with individual clients in an MBA consulting practice. I am an MBA type. We first assess where they are, and approximately two-thirds of the people who come through our doors go right back out our doors with instructions that maybe they should get a job. We are interested in not culling out, but including in those businesses and those situations with a high possibility of success. We aim toward that.

My center has now been open 4 years. In that period of time, we have raised private funds approximately equal to the Government funds that we have been allocated. And as a matter of fact, in this year of short funding for us, that is why our doors are open still, is because we raised those funds for that purpose.

And we have also put together some unique programs. One is called the Bootstrap Loan Program. A Bootstrap Loan works like this: You take a series of classes from us, and right now we are using Kaufmann, which is the industry standard, pretty much. When you complete that, you may submit a business plan. If your business plan is chosen by a committee selected from my board, we will give you a $5,000 grant, bootstrap, to get you going, and you are eligible for a micro loan of up to $5,000. Now, that is not a lot of money, but $10,000 helps a lot of smaller businesses to get going.

It is important to note that those funds do not come from the Federal Government. They come from the community. We raise those bootstrap funds from people like Emerson Electric, Anheuser-Busch, those kinds of companies. The micro loan funds, even more astonishingly, came from my board members' pockets. They formed an LLC to do this, and everybody kicked in five grand, and that was our micro loan fund.

We are concerned at all times about the total veteran. I have worked, as I say, with vets since the early 1970s, and that is a long time, and that makes me pretty old. But it gives our clients the advantage of when they come in our door, we may not be able to help them, but we know who to refer them to, and we know what indi-

vidual at that place to refer them to. And we often see them back after they have had help from other agencies.

When we were talking about the Guard and Reserve, we attend all of the TAP training that happens in our area. We have an hour-and-a-half session in there where we talk about self-employment, so that is the Air Force base and—Fort Leonard Wood and Whiteman Air Force Base. And from that pool, we pull quite a few clients. The important thing—and I am sure you would agree with this. The important thing to realize is that because the guy walks in the door today does not mean that 6 months from now he will walk out with a business. He may have a 3-year process to get to there. He may have a 6-day process to get to there if he comes in with a shiny, well-thought-out business plan.

What we do know for sure is that in fiscal years 2006 and 2007, we created 161 new businesses, and those new businesses employ an average of three people apiece. And since many of them are sole proprietorships, some of them are somewhat larger. The largest one is probably 45 or 50 employees right now at that point.

We put a lot of the impetus and the emphasis upon the local community to support their veterans, and we call upon our community's veterans to support our clients. There is a camaraderie that exists there that is very hard to duplicate, and we figured this out back in the 1970s when we did the Veterans Service Centers of Southwest Illinois. We had five locations, and we were open for 7 years. This was back in the golden days of the Comprehensive Employment and Training Act, CETA. And there was plenty of money around with CETA.

We learned a lot of things there, but one of the things that we learned is that veterans deal particularly well with other veterans in these settings, and it is because we have a common culture and we have a common background. All of us at some point in our lives got on a bus in the middle of the night, drove out to some God forsaken place, had the bus unloaded by bald-headed maniacs in funny hats, and found out that we were suddenly in a whole new universe. That is a binding experience. That is the kind of thing that you do remember 30 years later, for sure.

In conclusion—and I am not going to hold you up a big long time here—we have worked out a method of integrating Federal dollars—which were not big enough to do anything with. I stand in awe at the amount of work that you do for $150,000. I stand in awe, because it costs me almost twice that much to do that, nearly. We have found a way to integrate local resources, local experts, local folks into our process, so the fact that we have only three people on our staff, including me, is greatly magnified by the fact that we have ranks of volunteers who are willing to come in and counsel with folks.

For instance, we have lots of people who wanted to join janitorial services, wanted to do janitorial services. There are all kinds of franchises out there to do janitorial services. Most of them are kind of questionable in terms of their economic terms. So we take those folks, and we get them together into like a little coffee group, and then we ask Tom Bolt to come down and talk to them about the janitorial business. Tom Bolt employs 750 people in his service. He is willing to share everything he knows because these folks are not

really going to be competitors to him. They are probably going to be feeders to him at some point in time as these jobs get larger than they can handle.

We have had 3 years of consistent funding. That has now pretty much come to an end, and I do not want to talk about that side of it because we are working hard with a lot of people to solve that. But our goal is and has always been to deliver veteran-to-veteran services in a consistent manner that gives people a path of progress to follow. And I deal personally with about half of our clients myself and would not give up that opportunity for all the money in the world.

That is it.

Ms. RADERMACHER. Thanks so much, Pat.

Mr. HEAVEY. Pretty extemporaneous. I am sorry. You were so prepared.

Ms. RADERMACHER. We are going a bit over. I know that I told people 12. I would, if people are willing, like to continue the discussion for a little bit, possibly be done by 12:30. That being said, I recognize that there are some people who do need to leave. I was told that Dr. Winkler needed to leave. I did want to ask you one more question before you left, and then I also wanted to give those clients who had worked with the centers a chance to speak as well, as well as giving everyone a chance to comment before we close.

This was actually in follow-up to the hearing from last time, and I recognize that you were not there. One of the things that was mentioned is that the DOD was working on a data base that would list all the employers of Reserve and Guard. Is that now completed?

Mr. WINKLER. Well, yes, you are referring to our civilian employer information data base, which is now mandatory that each guardsman and reservist enter information on their employer. We reached our effective objectives around a year ago in terms of populating that data base, and now our challenge is to keep it current. But it is live and running.

Ms. RADERMACHER. Great. And just to ask, is that something—because the other part—and I again recognize you were not at that conversation—was that SBA wanted to reach out to reservists ahead of time, especially reservist small business owners, to let them know what was available. Is that something that is an option, or is there——

Mr. WINKLER. We actually intended the data base to be used for outreach purposes, and it is the source of the statistics that we frequently cite now, for example, the 9 percent of guardsmen and reservists who are self-employed, 18 percent work for small businesses with 100 or less employees.

Bill is not here. Bill has been talking more directly with our people about how to do that, but in principle, that is doable.

We do have, obviously, some privacy concerns. If we are reaching out to the employer, it needs to be sort of independent of the employee.

Ms. RADERMACHER. OK. Well, thank you very much for being here.

I did want to continue to talk about vet centers, and also we do have some individuals here who actually did get help from some of

the Veterans Small Business Centers, and I wanted to give them a chance to comment, if they would like to.

Mr. ROONEY. My name is Roderick Rooney. I am from AAA Constable Services, a small business in Boston, Mass. But as I explained earlier, I was unemployed for 2 years. I couldn't get help from the service centers. Voc. rehab. paid for my master's, and they couldn't get me a job. I had more contacts than they did, because they had data bases that they would lean on. And that is just another information, and so you get bombarded with information. But the pressing of the flesh and going and developing a relationship with employers is never done. I ran a workforce development agency and training development classes, and we came up with a curriculum with the input of employers, asking what they wanted from employees, and we implemented it through the curriculum, so we have that relationship.

I haven't found in my journey for 2 years, I haven't found any relationship like that. The service reps are into the one-stops or the SBA levels, unless you had a polished, you know, business plan. Sometimes Maslow's theory is you have got to eat first, and you might not want to work on that business plan, as much as you should, you know, to get it polished enough to get considered for even a micro loan.

But with that said, those agencies have had just information which I pretty much found on my own, through USAJobs or whatever. You know, I had access. But what helped me was the service—the Northeast Veterans Service Center, which I was—I live in Boston, and I had to go all the way up in Lawrence to even find that type of service because there was nothing—there was nothing for me to—there was no place that would give me the individual one-on- one—not holding my hand, but that one-on-one. I walked in the door. Louis Celli, he just—he gave me a free seat through a grant I guess they had from—they worked out, to take a grant-writing course that everyone else had to pay. Employers paid the employees, too. And I was sitting with persons from MIT and all that, and meanwhile I am still woozy from all these—he said he's got 188 resumes out. I must have sent at least 500. You know, I have been on 30 to 50, you know, interviews. I am a professional interviewer now, you know?

But I found out when I did get help, it was—when I was with the DVOPs and all that, I got my own jobs, and I still would call them and told them I did and let them at least get the credit, you know. But what I didn't get from them was I needed that vitamin of my spirit, and that is what I got from the Veterans Service Center. I needed it, and it was unconditional esprit de corps. He understood me. He understood me, man enough, he understood me and worried about—I am a single, I have sole—my son, I have full custody, 16-year-old, and so he understood that stress of, you know, still trying to make it through and getting the gas money to come to there. I was on unemployment, but unemployment, you are still like at the poverty level, you know, and it doesn't address your true needs. You know, and I did the hard work to try to educate myself and be a productive citizen and serve my country. But when Mr. Ritchie opened the door for me and allowed me have that seat for that 5- or 10-day course, it was—then he offered me other avenues

for me to do tangible things instead of just floating resumes and waiting for the letter, another rejection, another rejection. You know, or go to this interview and hoping, hoping. I had tangible paths to follow, and he provided that unconditionally. He even took me out for—he didn't know me. He took me out and bought me a sandwich. He didn't have to do that. And not trying to make light of the work that, you know, the larger agencies are doing, the Government agencies are doing, but that serves a particular individual. And if you don't have that—you know, if you are not homeless or substance abuse or PTSD, or severe handicaps, we get, like the gentleman was saying about the Navy, the ones who don't get that full service, we get lost if you have a degree, because you employ them. But I didn't go to school to get a master's or working at Mickey D's, even though you could be a manager, I guess, in there. But I would like to own a Mickey D's. How do I do that? You know, and so I started a constable business and certified and bonded. But when it was time for me to try to get information for the next level, how to get Federal—how to get more money, that is when the service center closed where I was at with Mr. Celli. I didn't know where to go, and Maslow's theory still is always in effect. You have got to eat, shelter, you know, safety. I still have got to be an example to my son and other people's sons.

So it just gave me the path to follow, something tangible that I could grasp and some measurement that I could be measured by because we need to be measured and felt that we are making a difference. And we don't have that now.

Ms. RADERMACHER. Well, thanks, Mr. Rooney.

Mr. Levine, I see that yours is up as well. And did you want to speak or did your placard just fall over?

Mr. DEVER. I keep putting it up, and it keeps falling over.

Ms. RADERMACHER. Oh, OK. So we will go to Mr. Levine, and then we will go to you next. And, actually, just because we are starting to run short on time, if people can try to hit the highlights of what they would like to say, I would like to give both of you a chance to speak, and then anyone else who would like to chime in, I would like to give them a chance as well.

Mr. LEVINE. Ms. Radermacher, Mr. Walker, and Committee Members and guests, before I begin, I am going to take a little bit of a different approach.

First of all, I want to thank the likes of Ms. Conley and also Mr. Elmore, because if it wasn't for people like him, I wouldn't be the success I am. And, you know, we all could say that we want different things out of committees, but I could tell you my experience has been one that has just been outstanding. And to all those who—Mr. Heavey types, I guess want to say from the bottom of my heart thank you, because I would not be where I am today if it wasn't for organizations that are out there for veterans.

I prepared a few-second issue and just some statement on the SBDC and VBOP Program from New York, and I would like to just read it. It is brief. I will not bore you, I promise you. And I will make my time quick.

The Veteran's Business Outreach Program, the VBOP—one of four original pilot programs in the U.S.—was funded through the SBA's Office of Veterans' Business Development Center and

launched in September 1999. This highly successful program will complete its 9th year in September 2008. The VBOP Program provides targeted business counseling and training directed toward veterans with a priority for service-related disabilities. The program consists of a Statewide Coordinator on Long Island and a VBOP dedicated Business Adviser at Centers—VBOC—collocated with the Farmingdale Small Business Development Center, the Albany Small Business Development Center, and the Buffalo Small Business Development Center.

This program includes business counseling, research, and training to assist veteran startups and existing veteran-owned businesses to obtain long-time and long-term success. I truly know only one of the four VBOP Programs, the one in New York, but my SBDC adviser, retired naval Captain John Narciso, networks with all of the programs, and he speaks highly of them and I respect his judgment.

I just want to stop while I am reading and tell you that I could look into Captain John Narciso's eyes, and he could look into my eyes, and there is nothing like that except if you are dealing with a parent. And I want you guys, everybody here, to know how important it is to maintain these programs. I am a success, and I am sure that there are going to be other people. We just have to keep nourishing that ground and bringing up the people that serve this country.

In New York, before I speak about my experience with the SBDC, it assists over 100 vets each month, plus 10 disabled vets, with one-on-one business advisement. Over the last 4 years, 40 of those vets a month were impacted by jobs saved or created. That is batting almost 400 percent, guaranteed to be in the Cooperstown Hall of Fame.

These vets accessed capital, usually with an SBA guarantee, at a rate of almost $1.5 million each month or an investment of $35,000 per job. That is nothing, gentlemen and ladies. I think this is important because giving owners and workers appropriate levels of capital increases their productivity and ensures that we can compete in the domestic and global economies,

That is my statement. You can all have a copy of it.

On a personal note, I just want to give you a brief story on my business and how John helped me. This program, fortunately, came into existence 2 years before I ever needed services from the Veterans Outreach Program. I am a Vietnam vet, was successful working for a firm for many, many years. Unfortunately, with the business downturn, my business went—the one I worked for, actually, went out of business. This was the first time in my life that I was ever in need of some sort of support with unemployment. I went to New York State, and they had a program called the SEAP Program, which is a self-employment program. I am not sure if any other States have it, but basically instead of giving you unemployment benefits, they gave you the same benefits, but in that time you had to start your own business.

With that, I did not realize I was getting a business partner—the Veterans Outreach Program. I was whisked away into a special room with John, and John says, "I am now your new boss."

John worked with me in one room of my home at 9 o'clock at night, at 8 o'clock in the morning, because I was going to be something that he was going to be proud of, Long Island was going to be proud of. My business now is 8 years old. We have won numerous awards in New York State, and I could say it—and I do not mean to bore everybody, but if it was not for the help from the Veterans Outreach Programs, you would not be seeing a success story like the one I had.

Again, I want to thank this Committee for inviting me. I want to thank all of you who do whatever you can for veterans, because without your help, Lord knows where we would be. And this country must respect our veterans and put them up on a level that they should deserve.

Thank you for your time, and any questions or anything, I would be delighted to answer.

Ms. RADERMACHER. Thanks so much, and thanks so much for sharing what your experience has been. Very helpful.

Mr. Dever.

Mr. DEVER. Just one of the things that you spoke to, Mr. Heavey, that, you know, particularly struck home with me. Before I spent time in Iraq, I never spent a lot of time thinking about electricity and distribution grids and, you know, a number of other things that we take for granted here. And I kind of wanted to make an analogy of what some of the discussion talked about, and in particular, you know, an overlapping of services and that, you know, there are many organizations that are in not the same business but the same kind of business and that type of thing.

What I will tell you is that, sure, you could look at it that way. The way that I would look at it is that the SBA, the VA, Department of Labor, you know, they are on the main power grid. They are generating a tremendous amount of, let's call it, electricity from the standpoint of they are the big transmission lines in the system.

Now, what I discovered while I was in Iraq is that although the transmission system is of great and tremendous importance and, in particular, I have had a lot of involvement in doing an awful lot of things that facilitated making sure that, you know, high amounts of hundreds and thousands of kilowatts of electricity were available on those grid systems, if you did not have the transformers to step down the electricity off of the transmission line into the local neighborhood, the local neighborhood had no electricity.

So the fact that, you know, we took Iraq to electrical levels that it had not seen before the war during the time that I was there and, as I said, had the privilege of being able to influence some of these things, local communities did not have service. The Veterans Business Outreach Centers are those types of things where you take, you know, the things that—you know, making an approach to the VA or making an approach to the SBA or the Department of Labor or whatever, you know, there is not the access there.

Yes, there is the capacity there, and that is where the electricity is. But in order to be able to tap into it, you need to be able to have those step-downs, you know, that bring it into the local community. And without that, there are an awful lot of things generated, but the access is not there for individuals like myself and, you know, Mr. Rooney, as he said. And it is very important.

Those things cost a lot less than, you know, the efforts that we did. I saw lots and lots of money spent on those things, and when we figured out part of the problems, again, it was on the order of tens of thousands and small hundreds of thousands of dollars making big differences, because we put transformers in place and we were able to get electricity into small communities where it was needed.

And I would tell you that I will take from this, you know, an aspiration of I hope that in the next 2 to 3 years, I pay enough Federal income taxes that you are completely paid for, because for the return on $150,000, a small investment like that, based on—you know, as Mr. Heavey said, you know, putting people to work and putting people back to work so that they can, you know, pay taxes and keep the cycle going, I think these veterans centers, if you did an analysis and I would say if the centers do not ask for it now, if you would ask for people to voluntarily give back the information, you know, about what it is that they are making, what it is that they are paying back in, you know, State, Federal, and local taxes, Federal taxes, and things like that, I am happy to give that information to Louis if it helps, you know, people say, hey, these things are making an impact at the local level.

Thank you.

Ms. RADERMACHER. That is great. Actually, any information that people would like to submit for the record, like the data that you mentioned, we would love it. The record is open for another 2 weeks, and any information is helpful to the work of the Committee.

Before I ask anyone else, could you in maybe 30 seconds say kind of what the role of the Veterans Small Business Center played in helping you start your business?

Mr. DEVER. I was not planning at the point in time where I went back into business for myself. I had been in business back in 2000–2001. The army afforded me the opportunity to go to the Army War College, so I stopped working for myself. I went there, I came back, and then I deployed and went to Iraq.

I just could not find a job, so when the last job thing that I had fell through, I picked up the phone, I called Louis, and I said, you know, I need to do this and I need to do this now because I have an opportunity to put my first contract in place, you know, as a self-employed small business owner. And, you know, we put the things in place. I got my tax ID number, and, you know, the other parts of it. But it was really, you know, again, a very critical timing issue.

I looked back, I actually had Louis' name and contact information from January of 2006, and it was actually, I think, June of 2007 when Louis and I first started corresponding directly, and then in December, because it was just about the first of December when, you know, the last job opportunity that I had fell through that I said, you know, enough is enough, as Mr. Rooney said, you know, bills to pay and things to do. And it facilitated that process because I was in a very short time window to exploit what was available to me, and with Louis' help and the center's help, I was able to do that and not miss that opportunity.

Ms. RADERMACHER. Great. Thank you so much.

Mr. DEVER. Took more than 30 seconds. Sorry.

Ms. RADERMACHER. Well, thank you. It was helpful.

Would anyone else like to make a comment. Oh, I apologize. I didn't see your placard. If we could keep it short since we are trying to wrap up, but go ahead.

Mr. ST. JOHN. My name is Bruce St. John. I am with the VA Center for Veterans Enterprise. A couple of times in the hearing, the word "duplication" has come up, and I would say that an alternate word might be "overlap."

There are a number of organizations that the Federal Government has created—Small Business Development Centers, Veterans Business Resource Centers, Procurement Technical Assistance Centers, the Center for Veterans Enterprise, the Veterans Business Resource Centers, and I have forgotten probably some others. So what exists today is a veteran has the ability to get pretty much all the advice, information, and access to the Federal marketplace at a relatively low cost. If these did not exist, the cost of paying lawyers, accountants, you know, conference planners, things like that, would be much higher and would be a big barrier to many people.

So I think in our experience and in our opinion, these organizations are a very cost-effective and valuable resource for the veteran community and for the small business entrepreneur to get the advice, the assistance, the support that they need, and so that they can decide and figure out the pathway to whatever success is for them.

And so I would just, you know, propose that an alternate word to "duplication" is "overlap."

Mr. WALKER. But just to be clear, because I want to make sure that we are clear on this, particularly in regards to who you represent, you do see that there is a very profound need for these organizations and what they do that goes above and beyond what is being done by the other organizations, correct?

Mr. ST. JOHN. I think each of the organizations is valuable, and you have 2 million veterans; you have 2,000-some-odd SBDCs; you have 5 VBOCs. Different veterans will go to the same place and decide it works or does not work. We get—people call us, and they have been one place, and they did not like it. Other entrepreneurs went there and loved it, you know.

So what has happened is we, the Federal Government, have provided a number of avenues whereby each person can find the pathway that leads to success for them. And for some, they find a job. We know that. Some, they find a job. Some, they become entrepreneurs.

So, yes, I agree, you know, they are all valuable, and some of the numbers—I was over here dividing. I mean, this is cents on the dollars of what you would have to pay lawyers, accountants, and training organizations to get, you know, the approximate equivalent. So, yes.

Mr. WALKER. Thank you.

Ms. RADERMACHER. We actually are going to wrap up. We so appreciate all of you for coming. I feel like there has been a lot of really valuable information and testimony that has been presented.

Personally, I wish we could continue the conversation since I still have a lot of questions and things that I would like to know. But

we are going to wrap up, so thank you all very, very much for coming. Please send any additional information. The record is open for 2 weeks, and we would be happy to include that.

[Whereupon, at 12:33 p.m., the roundtable was concluded.]

APPENDIX MATERIAL SUBMITTED

SENATE COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP
ROUNDTABLE: REDUCING UNEMPLOYMENT AND INCREASING BUSINESS OPPORTUNITIES FOR VETERANS
Senator Olympia J. Snowe
Ranking Member
May 14, 2008

Thank you, Mr. Chairman, for holding this roundtable on veterans' unemployment and business opportunities and for working with me on these critical issues for years. And to the panelists, thank you for your enormous contributions today, and each and every day, without the recognition you so rightfully deserve. For those of you who served in our military – we owe you a debt of gratitude for your selfless service to our great nation!

As Ranking Member and former Chair of this Committee, I have long fought to provide our country's veterans the entrepreneurial support they so rightfully deserve. That is why I am pleased that today the attendees will be discussing steps toward implementing the "Military Reservist and Veteran Small Business Reauthorization and Opportunity Act," which Chairman Kerry and I introduced last July. The Act combines provisions from four bills that I offered in the 109th and 110th Congress together with those that Senator Kerry offered in both Congresses as well.

While not a silver bullet, this comprehensive legislation addresses numerous problems discussed during this Committee's January 2007 hearing into the issues facing veteran entrepreneurs, and it takes great strides toward assisting veteran entrepreneurs and the small businesses

that employ veterans. For instance, it vastly improves the crucial Military Reservist Economic Injury Disaster Loan program, establishes an Interagency Task Force to better coordinate and leverage veteran entrepreneurship efforts, authorizes increased appropriations for the Small Business Administration's (SBA) Office of Veterans Business Development, and makes permanent the SBA Advisory Committee on Veterans Business Affairs. This key legislation was enacted last February 14th, exactly three months from today, due in great part to the people in this room – and for that – I thank you!

While I am pleased that Committee members will be updated today on the progress toward implementing the Act, a recent report for the Department of Veterans Affairs (VA) reminds us of why our endeavors are so vital. The report paints a grim picture for *recently-separated* service-members, finding that the unemployment rate for these courageous veterans is 18 percent, a full 360 percent higher than the national April 2008 unemployment rate of five percent! Even if the number is overinflated, the rate would still be staggering at half, or a third, of what was reported.

This makes me particularly alarmed by the reductions in veteran employment assistance programs in my home state of Maine, which has a rich history of service to this nation. In fact, as of 2006, one in ten Mainers is a veteran, for a total of 139,000, the *second highest per capita concentration of veterans of any state*! Regrettably, from Fiscal Year 2001 through Fiscal Year 2008, there has been an 11 percent *decrease* in Maine's funding for the Department of Labor's Disabled Veterans Outreach program, and its Local Veterans Employment Representative

program. This is a 25 percent drop when adjusting for inflation – a downward trend that is unacceptable at a time when our returning service members require all the transition assistance they can get!

Undoubtedly, veteran entrepreneurship is fundamental to our economy. According to the most recent U.S. Census Bureau data, there are 24 million U.S. veterans. Additional Census research demonstrates that as of 2002, 14.5 percent of all business owners are veterans. We must ensure that whether America's veterans seek to own a small hardware store in Maine, or work as a computer technician in California, they receive the targeted and concentrated tools necessary to succeed. We owe that much – and so much more! As such, it is critical that we continue to support organizations like Veterans Business Outreach Centers (VBOCs) and Veteran Business Resource Centers (VBRCs) so they can provide veterans and Reservists the focused and specialized business counseling and training they deserve. That is why the Military Reservist and Veteran Small Business Reauthorization and Opportunity Act calls for additional VBOCs and why I continue to fight along side colleagues on both aisle, to seek emergency funding for VBRCs.

I am optimistic that, together, we can better serve those who have given so much for our freedoms and our safety. Thank you once again for your continuing labors on behalf of veteran employment and entrepreneurship.

Thank you, Mr. Chairman.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. OLYMPIA J. SNOWE TO JUSTIN BROWN

Question. Would you support a national network of veterans business centers whether they are Veterans Business Outreach Centers (VBOCs), Veterans Business Resource Centers (VBRCs) or some combination of both types of centers?

Answer. On behalf of the 2.3 million members of the Veterans of Foreign Wars of the United States and our Auxiliaries, I would like to thank you and your Committee for this question and the opportunity to participate in your roundtable discussion. Small business and entrepreneurship are issues of great importance to our members, and the entire veteran population.

The Veterans of Foreign Wars (VFW) is highly supportive of expanding veterans' small business and entrepreneurial resources. The VFW is aware of the great work veteran business centers have been conducting and would like to see these programs replicated and expanded to cover a greater geographic area and a larger population of veterans.

The VFW believes that proactive veterans' programs such as career training, education and the veteran small business centers are the best way of ensuring our veterans enjoy a high quality of life after having served their country. If we give veterans the tools and the opportunity to succeed they will do so.

In consideration of recent developments, the VFW believes SBA would be the best Department to have oversight of an expansion of veterans' business resources. As this Committee is well aware, the Veterans Corporation (TVC) was supposed to fund Veterans Business Resource Centers under its umbrella and failed to do so at sufficient levels. We believe that TVC has lacked legitimate oversight and would like to see its funds redirected toward expanding veterans small business programs via the SBA, similar to that of the women's' business centers.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. OLYMPIA J. SNOWE TO WILLIAM D. ELMORE

Question. Would you support a national network of veterans business centers whether they are Veterans Business Outreach Centers (VBOCs), Veterans Business Resource Centers (VBRCs) or some combination of both types of centers?

Answer. Currently, the Small Business Administration (SBA) supports veterans and other critically important audiences through its national network of business and technical assistance programs. This includes business counseling services provided for current and prospective business owners through 1,000 Small Business Development Centers (SBDCs), 114 Women's Business Centers and over 10,000 SCORE volunteers located across the country.

Employment training and career development assistance for veterans is also provided by both the Department of Veterans Affairs and Department of Labor.

In addition, veterans may also utilize SBA's procurement specialists and large portfolio of loan programs, including two specifically for Veterans, the Patriot Express Loan Program and the Military Reservist Economic Injury Disaster Loan program (MREIDL).

Given this wide variety of programs and services, we do not believe that a separate national network of veterans' business centers would be the most efficient way of delivering services. Rather, we believe that full and aggressive utilization of the existing extensive network of SBA, VA, and Labor programs would be more effective.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. OLYMPIA J. SNOWE TO JACOB A. KLERMAN

Question. How can we find ways to re-brand recently separated service-members and make them more attractive to potential employers?

Answer. Abt Associates' study for the Department of Veterans Affairs did not include a detailed analysis of rebranding strategies. Our interviews suggested positive and negative perceptions of veterans as employees. On the positive side, veterans were perceived as reliable, disciplined, mature, team players, having integrity, with a strong work ethic, and leadership and project management skills. On the negative side, veterans were perceived as rigid and inflexible, only good at taking orders, but lacking creativity, higher education, business and financial skills, and specific business knowledge. Potential employers also expressed concern about the effects of combat and Post Traumatic Stress Disorder (PTSD).

As rebranding strategy would want to emphasize the positive factors and correct mis-perceived negative factors. The standard approaches to rebranding would involve public service announcement (on TV, the radio, and in newspapers; emphasizing the good qualities of veterans and their recent public service), targeted outreach to appropriate employers (e.g., DVA booths at meetings and conferences with representation from major potential employers), partnerships with selected temporary help agencies that now serve as an important entry path into the labor market, and targeted outreach to potential franchisers (for those seeking to start small businesses using a franchise).

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. OLYMPIA J. SNOWE TO JOHN MCWILLIAM

Question 1. I am informed that in my home state of Maine, funding for the Disabled Veterans Outreach Program (DVOP) and for the Local Veterans Employment Representatives (LVER) Program has dropped from $940,000 in fiscal year 2001 to $837,000 in fiscal year 2008. This represents an 11 percent drop in real dollars and when you adjust for inflation it's a 25 percent cut. At a time when our returning veterans need the best assistance we can offer, it is unconscionable that we would slash funding to give them the training and help they need to get a job. Why have the cuts been made to these vital programs?

Answer. In fiscal year 2003, Maine was funded $1,040,832 for the Jobs for Veterans State Grant (JVSG). This grant comprises the Disabled Veterans Outreach Program (DVOP) and for the Local Veterans Employment Representatives (LVER) Program. In fiscal year 2009, it is estimated that the funding will be $858,000.

The decrease in the funding for the state of Maine is attributable to the change in the statutory funding formula. Please see the response to Question 2.

Question 2. During the Roundtable, you mentioned that DVOP and LVER funds are allocated through a specific funding formula. Can you explain that funding formula in detail, and why this funding formula has led to decreased funds for my home state of Maine?

Answer. Under the law in effect prior to fiscal year 2003, the DVOP and LVER programs were allocated to the states using a staffing formula. Generally, the DVOP program was based upon the number of veterans living in the state, and the LVER allocation was based upon the number of LVER positions in the state as of January 1, 1987.

In November 2002, the passage of the Jobs for Veterans Act (PL 107–288) (JVA) changed the manner in which funds were allocated. The JVA stipulated that the amount of funding available to each State would reflect the ratio of the total number of veterans residing in the State who are seeking employment to the total number of veterans seeking employment in all States.

The Department of Labor implemented this requirement by publishing regulations in 2005. These regulations are at 20 CFR Part 1001 and specify that the funding formula will be based upon the 3 year average of the Current Population Survey (CPS) and the 3 year average of the Local Area Unemployment Statistics (LAUS).

The relative allocation of funding to States is developed based on a combination of the ratio of the general unemployment level in each State compared with the unemployment level in all States using LAUS data, and the ratio of the number of veterans in the civilian labor force in the State as compared to the number of veterans in the civilian labor force in all states using the CPS data.

The formula was phased-in over a 2-year period beginning in fiscal year 2004. The result was that states with low numbers of veterans residing in the State who are seeking employment would receive less funding under the new formula. The chart below indicates the funding amounts and the statistics used to determine the funding provided to Maine since the passage of the Jobs for Veterans Act.

Jobs for Veterans State Grants for Maine

	Total funding allocation	Change from previous year	3-year average LAUS	Percentage of national total	3-year average CPS	Percentage of national total	3-year average distribution
FY 2009**	$858,000	3%	33,190	0.46%	84,333	0.66%	0.56%
FY 2008	$831,000	2%	32,784	0.43%	87,000	0.66%	0.55%
FY 2007	$813,000	4%	33,823	0.41%	89,000	0.66%	0.54%
FY2006	$784,000	1%	32,341	0.38%	88,000	0.64%	0.51%
FY 2005*	$777,000	-7%	30,562	0.38%	88,000	0.64%	0.51%
FY 2004*	$838,000	-20%	26,966	0.39%	87,667	0.61%	0.50%
FY2003	$1,040,832						

* Phase in period for new funding formula.
** Estimate.

Question 3. Do you believe the DVOP and LVER programs receive sufficient funding? Please explain why or why not.

Answer. The funding level for the Veterans' Employment Training Service (VETS) allows the agency to carryout its statutorily mandated functions, while emphasizing the highest priority programs. We recognize that, as a result of the new funding formula, many smaller states and those with fewer veterans have received less funding. However, we believe that the increased emphasis on priority of service for veterans in the One-Stop Career Centers, in conjunction with the existing DVOP and LVER programs, allows the states sufficient resources and the flexibility to provide the full range of employment services to those veterans. In addition, since the beginning of the Global War on Terror, VETS has placed additional emphasis on the Transition Assistance Program (TAP) in order to better prepare service members to make a smooth, seamless transition to from the military to civilian employment, and on the provision of intensive employment services for the severely injured and wounded. In sum, we believe the funding level requested in the President's fiscal year 2009 budget is appropriate and meets our mission requirements.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. OLYMPIA J. SNOWE TO BRUCE ST. JOHN

Question 1. Does the US Department of Veterans Affairs agree that there is a specific need for Veteran Business Outreach Centers (VBOCs) and Veteran Business Resource Centers (VBRCs) because of the targeted services that they provide, or does the Department believe that veterans are adequately served through general business assistance and counseling programs, such as Small Business Development Centers (SBDCs)? Please provide a detailed explanation for your answer.

Answer. The small business development centers (SBDC) identified in Public Law 108–183 as the service provider for small business courses are eligible for funding support through the G.I. Bill. The Association of Small Business Development Centers (ASBDC) is a well-established national network comprised of academic and business professionals who specialize in small business matters. The ASBDC requires continuing education for its center counselors and provides regular communications to keep field personnel apprised of changing legislation and regulations. The veterans corporation partnered with the SBDCs to provide FastTRAC training on its behalf. Given its statutory footprint, its national presence, its unsurpassed professionalism and historical relationship with the Small Business Administration, veterans are well-served by interactions with SBDC.

Question 2. Would you support a national network of veterans business centers whether they are Veterans Business Outreach Centers (VBOCs), Veterans Business Resource Centers (VBRCs) or some combination of both types of centers?

Answer. The Department of Veterans Affairs encourages consideration of expanding funding to the SDBCs and increasing the number of SBDCs that are also procurement technical assistance centers (PTAC), funded by the Defense Logistics Agency. The SBDCs are identified in Public Law 110–186 as eligible for grant funding from the Small Business Administration to deliver counseling to veterans. We further encourage expanding funds for the Association of Procurement Technical Assistance Centers. Our experience with the PTACs is that they provide exceptional value to business owners seeking Federal prime and subcontract opportunities. Owners are well-served by both the SBDCs and the PTACs.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. OLYMPIA J. SNOWE TO JOSEPH SHARPE

Question. Would you support a national network of veterans business centers whether they are Veterans Business Outreach Centers (VBOCs), Veterans Business Resource Centers (VBRCs) or some combination of both types of centers?

Answer. The American Legion strongly supports increased funding of the Small Business Administration's Office of Veterans' Business Development to provide enhanced outreach and community based assistance to veterans and self employed members of the Reserves and National Guard.

Additionally, The American Legion supports allowing the Office of Veteran Business Development to enter into contracts, grants, and cooperative agreements to further its outreach goals. The Office of Veterans' Business Development must be authorized to develop a nationwide community-based service delivery system specifically for veterans and members of Reserve components of the United States military.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. OLYMPIA J. SNOWE TO DR. JOHN D. WINKLER

Question 1. How can we find ways to re-brand recently separated service-members and make them more attractive to potential employers?

Answer. One of the most undervalued assets of American life is the repeated ability of the American military to recruit the nation's young people and over the course of a career, prepare a valuable pool of leaders who become the key contributors to America's civil society. Mayors, city managers, police officers, teachers, health care professionals, school board members, and the full range of non-governmental practitioners started their careers as military Service members.

In our work with employers, we've found that there is an extreme demand for highly trained and skilled men and women. The qualifications of Veterans that made them valuable and dependable assets while protecting our country are the same qualifications that are in demand by prospective employers: they are educated and highly trained individuals who are flexible, diverse leaders and team members and who are proven to perform well under pressure.

There have been some barriers to creating a pipeline to connect those with military experience to the needs of the civilian community. The Department of Labor's (DOL) Advisory Committee on Veterans' Employment, Training and Employer Outreach (ACVETEO) which is made up of major employers, veteran service organizations, the Department of Defense, DOL, the Department of Veterans Affairs and the Small Business Administration, among others, is making suggestions to assisting veterans and employers. The ACVETEO is devoted to improving the means of connecting our separating Service members with the employers who need them, while recognizing that technology available today can assist in this effort.

The Department thinks the new 24/7 tools, one of which is TurboTAP, will be a means that Service members can use to identify employer needs and employers can use to reach out to Service members.

Question 2. The Department of Defense has recently altered some of its recruiting guidelines to allow recruits who would not have been considered qualified to join the armed forces. The vast majority of these recruits will eventually leave the armed forces to seek employment, most within the next few years. Does the Department recognize that these recruits may have greater difficulty in finding employment than previously separated servicemembers? If so, has the Department made any plans to prepare for these servicemembers for re-entry into civilian service?

Answer. The Department's enlistment standards have not been altered. They have remained the same since 1990, when those standards were first established. The Department's recruit quality benchmarks require 60% of the fiscal year non-prior service accessions to score at or above average and no more than 4% score below the 31st percentile on the enlistment aptitude test, and 90% of those accessions to be high school diploma graduates.

As stated in the response to the question on "re-branding" recently separated Service members, the Department of Labor's (DOL) Advisory Committee on Veterans' Employment, Training and Employer Outreach (ACVETEO), which is made up of major employers, veteran service organizations, DoD, DOL, the Department of Veterans Affairs and the Small Business Administration, among others, is devoted to improving the means of connecting our separating Service members with the employers who need them. They continue to explore ways to assist veterans in transitioning to civilian employment and connect with employers. The ACVETEO

also recognizes that technology available today provides tools—such as TurboTAP—that veterans' can use at their convenience (24/7) to help them tailor a plan specific to their skills and interests.

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Alexandria, VA 22312
chip@syskin.com
443 543 7723

SUMMARY OF KEY SKILLS:

Project Management Professional Certified by the Project Management Institute

Proven senior leader, an experienced and polished business management and sales professional that is equal to the challenges of time, resources and the toughest customers to deliver superior products and services to them, deliver a positive environment in which to work for employees, and deliver a positive bottom line to the company.

Experienced Profit and Loss (P & L) manager with more than 15 years of experience and training in all aspects of project and program management, corporate finance and fiscal management, government contracts, contracting as a prime government vendor and budgeting and fiscal management

More than 15 years of experience in the management of degreed technical and staff professionals

More than 15 years of experience in development of winning proposals from 5 to 8 figures and the fulfillment of these projects and programs from womb to tomb

More than 15 years of experience in the development of pricing, budgeting, sales and sales forecasting, market analysis and development

More than 15 years of Earned Value Management (EVM) and other metric evaluation processes used to measure, monitor and control multifaceted projects and programs

More than 15 years of experience in the development and delivery of custom technical training solutions utilizing all available computer and internet technologies to provide tailored solutions

More than 8 years of experience in the development of strategic and corporate business plans

Experience with equity investment in and by the company and in the securing of credit and bank financing

Significant sales and business development experience and documented success in three small businesses and one large business

Combat veteran with demonstrated experience and success solving complex problems when faced with time and resource constraints in an environment with less than optimal conditions for success

CIVILIAN WORK EXPERIENCE:

December 2007 – Present, Senior Budget Analyst, Headquarters Department of the Army (HQDA), United States ARMY G-8, Force Development, Precision Strike Division, Pentagon

Responsible to the Division Director and the Army G-8 for the development and analysis of budget data for major Army procurement activities

Responsible for the development and maintenance of the database and architecture that supports the database for all current budget data and for all future forecast budget data

Responsible for the synchronization of G-8 activities within the Army Staff and the procurement activities at each of the major procurement commands

Responsible for the development of funding requests to Congress to support the Global War on Terror

Responsible to provide the Director and the G-8 any and all financial data and supporting documentation to support Congressional inquires and fact finding that support reviews by the respective Armed Services Committees

Develop courses of action and supporting analysis to meet emerging requirements and baseline program funding to ensure maximum rate of return is achieved on investments in equipment and technology research

November 2005 – November 2007, Senior Vice President, Chief Financial Officer & General Manager, 8(a) Defense Contractor

Prepared for and passed several critical government audits during 2006 that set the foundation for future success and opportunity. This was accomplished by replacing the network architecture of the company and upgrading the accounting software applications to systems that were compliant with government contracting requirements.

Implemented critical processes and procedures to ensure accurate and timely forecasting of revenue, expenses and cash flow during a period of rapid growth and a need to make critical personnel and capital asset investments.

Company grew from less than 40 employees to more than 80 by the end of 2006, and to over 100 employees by mid 2007

Company grew from 1 prime contract and 3 subcontracts to more than 10 prime and 30 subcontracts by the end of 2006

Company infrastructure requirements grew from 2 locations to 5 locations by the end of 2006

Developed and mentored an immature staff of 12 employees in 3 offices responsible for Finance and Administration, Pricing, Procurement, Human Resources, Information Technologies and the Legal and Contracting departments.

Worked with and mentored the operations group to understand markets and to develop competitive pricing strategies to expand the current business base. These

efforts resulted in an increase in proposal win rate from below 30% in 2005 to 44% win rate for proposals submitted during 2006.

Ensured that accounting practices were maintained and incompliance with current law in the twenty plus states in which we have nexus and in accordance with all public and government standards for Defense Contracting

Managed several Information Technology contracts that support Army, Marine Corps and Civil Agencies of the Federal Government with database, portal, server & satellite technology services, system design and architecture services, and field technical support and training.

April 2004 – December 2005, Colonel, United States Army National Guard, 42nd Infantry Division Artillery Commander, Operation Iraqi Freedom – Iraq

Reception, Staging and Onward Integration (RSOI) OIC for the 23,000 strong 42nd Infantry Division

Responsible for all Air and Port operations

Responsible for reception and staging of all arriving units in coordination with Coalition Forces Land Component Command HQ into camps in Kuwait

Responsible to coordinate all required life support & theatre specific training requirements for all incoming units

42nd Infantry Division Artillery Commander

Responsible for integration of fires throughout the Division AO and in conjunction with corps as the TACON CDR of the MLRS Bn(-). Fired first operational combat mission using G-MLRS round

Had more counter-fire weapons locating systems in the division AO than the rest of the MNCI combined, with highest acquisition and readiness rate in theatre

First unit in theatre to integrate Unattended Transient Acoustic MASINT Sensor

Forward Operating Base Summerall Commander

Responsible for integration between area maneuver commanders and the FOB to ensure security of the base and the MSR

Responsible for all life support operations on the FOB for more than 400 permanent civilians and over 2000 coalition forces

Responsible for all force protection measure and security of the base as well as contracting, interpreters and life support provided to the Iraqi Army forces located on the facility

TF Liberty Effects Coordinator (ECOORD)

Primary division staff responsibility for the integration of non-lethal fires and effects into division wide operations

Staff representation from all G sections, and all special staff sections

Controlled the CG's Commander's Emergency Response Program (CERP) funding and made primary recommendations for use and coordinated all contracting requirements

Coordinated with Brigade Combat Teams to provide division, corps and above level assets to support division lethal and non-lethal effects

August 2003 – April 2004, Vice President, Business Development & Operations, 8(a) Defense Contractor

Increased technical services revenue from $0 since the company was established in 1999, to more than $250K in 2003, and over $2.5M in 2004

Successful in the establishment of several key relationships with large, well established defense contractors as a preferred subcontractor for network engineering & network training services for Cisco and other network technologies

Responsible for award of company's first several professional services and information technology services contracts, which enabled the company to demonstrate sufficient past performance needed in order to be awarded a GSA Information Technology 70 Services Schedule in 2005

Established the company as a integrated solution provider, able to deliver hardware, software and the technical skilled personnel to develop and deliver turnkey solutions to IT customers for networking, database solutions and web portals

Nov 2001 – Aug 2003, Federal Sales Manager, Small Business in CA

Expanded Federal Sales from less than 5% to more than 30% of overall sales

Established solution sales that included hardware, training, network engineering/design and technical support as standard package offering

Established key GSA partnerships with OAO, Lockheed Martin and Northrop Grumman for training and network engineering & design services

Established strategic partnership with several large Cisco partners as their sole source provider for certification training and key engineering design and troubleshooting solutions

Managed technical staff of 12 certified network engineers

Dec 1999 – Nov 2001, Federal Sales Manager, Small Business in DC

Expanded Federal Sales from less than 15% to more than 45% of overall company sales

Responsible for consulting sales that supported a staff of 23 Cisco Certified Internetworking Experts (CCIE)

Expanded consulting sales to both Federal and Commercial customers from under $5M to more than $10M in 12 months

Established key relationship with Cisco to support new technologies training materials development

Jun 1989 – Dec 1999, Project/Program Manager, Large Defense Contractor

Managed technical training and field services for several major Army and Air Force programs including the Mobile Subscriber Equipment network and the 39Delta nodes deployed by both the USAF and US Army throughout the world.

Managed technical staff at Fort Hood, Fort Gordon and in Raleigh NC in support of major hardware and software initiatives support fielding of Army systems.

Developed several engineering change initiatives for hardware and software upgrades to USAF and US Army baseline systems.

OTHERE MILITARY EXPERIENCE:

Details provided separately upon request.

SECURITY CLEARANCE: TOP SECRET / SCI (Current)

EDUCATION:

2003 M.S. Strategic Studies, United States Army War College, Carlisle Barracks, PA

1997 Command and General Staff College, Fort Leavenworth, KS

1992 M.S. Management, Lesley University, Cambridge, MA

1994 Combined Arms Staff Services School, Fort Devens, MA

1986 B.S. Biology, University of Massachusetts, Boston, MA

1982 Officer Candidate School, Fort Benning, GA

PROFESSIONAL CERTIFICATIONS:

Project Management Professional (PMP), Certified by the Project Management Institute

Comments from the Round Table Discussion of 14 May 2008 with Senator Kerry.

1. Employer incentives:
    a. As a longtime member of the reserves, I know that many employers provide the benefit of paying salary differentials to employees during annual training periods. I know that many also provide this same benefit for differing amounts of time for employees that are mobilized. It is encouraging that the congress has recognized this positive behavior by providing these employers with a tax credit to recognize their support to the members of the reserve components that are mobilized. This is reinforcement of a positive behavior that helps make the reserve component, its members and families stronger and enable the United States to have a strong reserve component that can aid each of the services in providing critical national security.
    b. I am concerned that several potential negative behaviors are not being addressed regarding employers that are reluctant to make veteran hiring a focus within their company. During our discussion the statistic that 61% of interviewed employers seeking candidates don't see prior military service as a hiring benefit was brought up by the gentlemen representing either the VFW or the American Legion. My personal experience concerning my job search over the last 2 years I stated during our discussions. I applied for more than 150 jobs in just the last 6 months of 2007. I stated with pride that I was still a member of the reserves, and highlighted how my military service, unique experience and training related to the positions I was seeking. My biography and resume are attached to these comments. As I think any reasonable person would see, I am not without skills, education and the ability to succeed. In the period of 6 months I had not a single job offer. Many of these employers asked in their screening about veteran status, and even asked about service connected disabilities. I responded in the affirmative anytime these questions were asked. They didn't seem to help me. In the past I would have told anyone I knew that highlighting your military experience and making a point of stating that you were still in the reserves to be a positive differentiator to potential employers. I don't believe this is true today.
    c. I had firmly believed that employers looked at prior military service as an indicator of past success and reflected what I as a hiring manager usually found in prior service employees and potential employees; namely confidence, an earlier maturity that was evident in their attitude toward adversity, aptitude and ability to handle changing environment and challenges. As I have spent more time considering this point I am now doubtful that there is an advantage to a reservist to advertise their service, unless they've terminated their service by retiring or leaving the reserves. One of my close friends is a CPA. He went 10 months without a job offer after he returned from Iraq.

Maybe it's because we're older professionals in transition. Here is what I'd say if I had to make a guess. Employers that may have at one time thought that the quality of the employee offset the inconvenience of the annual training and remote chance of extended absence due to mobilization, are now seeing or have experienced the tremendous burden that the reserves have bourn in the past 10 years to provide for the nations defense. They simply can't see the benefit they used to see in hiring veterans who continue to serve in the reserve forces. If this trend is true, then other incentives need to be provided to employers to help reserve members move back into the workforce.

d. What exactly is going on I'm not sure. But I would ask that the following things be considered when looking at ways of giving veterans and still serving reservists a leg up in finding and keeping a job:
    i. Give employers that hire a veteran, any veteran, a tax break for the first 12 months that the person is employed. If a returning veteran can find a job, I'd wager they can keep a job, and the most difficult thing for a returning veteran is to be out of work immediately after their separation from the service or for a reservist after returning from a deployment.
    ii. Clarify for everyone, because I'm a service disabled veteran and I'm not sure of what it means to me as a job seeker or might mean to anyone looking to hire me. What advantage is there to any employer to hire a service disabled veteran? Based on what I've seen, read and looked at, and experienced, little or none. I recently hired a friend who left his reserve career after his second deployment in 4 years due to a severe leg injury. He was a career law enforcement officer. He retired from both the reserves and his police job because he can't ride in a patrol car or run any more. It gives me great pride to help someone like him to make a significant change in life and to start a new and meaningful career outside of law enforcement. But in order to help veterans there needs to be an expanded awareness in the greater community about "what's in it for me" when it comes to veterans, veterans who are still reservists, and for disable veterans who are moving into new careers due to disability. I can live with the warm and fuzzy feeling that putting my friend back to work gives me. But I think that the dynamics have changed and will continue to change for military reservists who are seeking new careers or new jobs because they've been hurt or they have a need to change jobs due to their service to their country. The federal government is not coming close to meeting the goal of hiring veterans and disabled veterans. Why should anyone expect that outside the government hiring of veterans has any priority at all without some type of recognition and support?

iii. It was sited by a representative of one of the Departments that 98% of returning reservists are back at civilian work within 90 days of returning from mobilization. Sounds great and really is great news. I put this statistic in the category of a "blinding flash of the obvious". Without going right back to work, a returning reservist is without an income. Of course nearly everyone goes right back to work. I believe the measuring point would be more meaningful at later intervals. May be at the 18 or 24 month mark. After 1 year the USERRA protection of returning to the previous employer runs out. Many reserve soldier return injured. Many need to change jobs and careers. Many can't do this with the employer they worked for prior to mobilization and the job that is protected for them when they return. Yes, this is where the VA steps in with Vocational Training, etc. and disability compensation for those that qualify. But as a mid career professional, with dependents, etc. there is no way to live on what the VA provides. The time horizon on evaluation of reservists is also critical because of the nature of the conflicts in Iraq and Afghanistan. TBI injuries and PTSD are being seen in increasing numbers. These injuries are often not recognized until after the reservist returns to work and civilian life. USERRA is a great thing and should not be turned into something that is a further inhibitor to companies that hire reservists. It should however be reviewed to see if it is providing adequate protection to injured reservists and if necessary provide additional recognition and assistance to employers that continue to hire reservists and to honor a commitment to keeping them employed over the long term when they return from mobilization. I was diagnosed with TBI nearly a year after I had returned. I'm in the 98%, I went back to work immediately when I came back. When I had trouble at work, USERRA and DOL couldn't help me. I may be the exception. But I believe that I'm part of what is a growing trend for reservists who need to change jobs or careers after returning hurt from mobilization.

2. Business Outreach Centers
   a. I spoke briefly about my experience in Iraq concerning distribution of electricity off the power grid. The discussion here about overlap of what each agency provides and the obvious concern about putting money into something two or three times because no one truly understands completely what the other does is expected. However I find the level of due diligence inconsistent with the amount of money that is being discussed to support these small but entirely necessary conduits of resources into the community.
      i. The VA, DOL and the SBA should be thought of as the power plants in the network. They generate the electricity and

provide the infrastructure that provides service to the country. You don't plug your toaster into the 300KW high tension line that runs from the power plant. You'd wreck the toaster and likely get a jolt of electricity that would kill you. I am here to state that for anyone that has not experienced direct contact with anyone of theses agencies, the experience can be exactly that. Brief, a blinding flash of light, and you the customer, are left with a toaster you can't use anymore and the possibility of a serious burn. A first negative experience can form an impression with young veterans that can last a lifetime. I've met Vietnam Vets that stayed away from the VA for 30 years because of their initial attempt at plugging in the toaster. Although well intentioned and without malice of forethought, the VA, SBA and DOL can be not only intimidating, they can be overwhelming to someone that has zero experience and high expectations when they make their initial contact with them.

ii. In Iraq we had communities that had high voltage lines run right past or through the community. The village often times had little or no electricity. They couldn't and wouldn't plug their toasters into the infrastructure. What we provided was transformers and repairs to long neglected substations to step the power down into a voltage they could use. The infrastructure is critical, but without a local distribution system to bring it down to a level that can be used by the consumer, a fully functional power grid with all the electricity in the world, you're still left with the poor guy standing there with a toaster in his hand, and no place to plug it in.

iii. Small independent business centers that are based on the model of the veteran's centers that are outside of the main VA are critical in providing a low voltage, low threat environment to veterans that need help. As with the veteran centers in the local communities these centers act as the transformer on the light pole in the neighborhood and provide what is needed without the risk of electrocution that can come with going to the power source to try and get what you need.

iv. A veteran can get one to one assistance from a subject matter expert and someone that has connections into the larger power grid to get additional information and resources. The presence and I would advocate expansion of these centers is critical in any effort to expand the availability of not only job placement, job and business creation, but also as another conduit into the larger systems of the VA, SBA and DOL.

v. I know that today I would not be at work if I were not self-employed. I know that without the help of the business center I would have potentially missed that opportunity to put myself to work. I'm an educated professional. If I struggled, I can only

imagine what it might be like for a younger person without the benefit of life experience and a network of support to help them at a critical junction to get back on their feet. The centers are a small investment that I believe create a return that is many times the expense. I pay roughly $2200 every 15 days in taxes to social security, federal income tax and income tax to the Commonwealth of Virginia. I'm one veteran. Next month I will hire my first employee. He'll be paying roughly $1500 in taxes twice a month.

vi. I don't want another extension of unemployment benefits; I wanted help with getting back to work and finding a job. I got help and created a job for myself. I would state emphatically that if concerns about the investment are holding back continued funding of the business centers that reporting by customers be part of the initial contract for use of the resource. I would gladly report what I make and what I pay if it helps people see in real dollars what these centers provide and what tax revenue is provided back to the federal government and the local communities and states.

vii. People need to set aside the duplication worries, of course there is overlap. Some of it may be unnecessary, but that can only be fixed through better organization and understanding of what each organization is responsible and capable of doing. The measure within the new funding that forms the joint committee is a positive step in that direction. Let that process work on making needed changes. In the interim just because all the parts of the system handle electricity, it doesn't mean that the people that generate it are in the same business as the people that give you an outlet to plug an appliance into. It is a classic distribution model that works in every network from electricity, to water, to network architecture that supports the world wide web. At the local level someplace to connect is needed. For veterans seeking help with starting businesses and growing businesses local business centers provide that resource.

3. The system we have is a tremendous resource. It is not without its issues. But it is the only system we have. My comments are meant to support the system by indentifying what I think will help. I have not had any medical care outside of the VA system in 2+ years. I've found people to be what you find everywhere, some good and some not so good. I'm making my comments based on nearly 300 medical appointments ranging from physical therapy to surgery.
    a. Vocal condemnation of the system may be warranted but it is far too widespread and provides little help to veterans. And just for the record, Walter Reed is NOT a VA Hospital. Hold the agencies accountable, but do it in a way that helps improve or change the

system. The public perception is of another government bureaucracy that can't possibly help. This is reinforced by the widespread publication of the horror stories. Necessary as that is, if left unbalanced; one negative experience by some young kid is validated. "The VA sucks, it can't help you and you found that out by going and trying to get help." Success is never reported. I am still a work in progress, so I refrain from cheering success; however I am back at work and my health is significantly improved since my return from Iraq at the end of 2005.

b. Without the VA and without the local veteran's centers and veterans business center in Boston, I would not be back on my feet. I attribute an equal part of my success to the fact that I am older and recognize that working with the system is a full contact sport. If you're not ready for the initial jolt or sock in the mouth it is easy to walk away and not come back no matter how desperate your situation. The chance of that happening in the local center is much lower. I have been to many and I have never come away with the feeling I have come away with from direct contact I have had with a regional SBA, DOL or VA center. And I have had many interactions with each of these agencies both as a business professional and as a veteran.

c. I have had many friends and members of my family ask why I don't go to a private hospital, etc. I use the system and will continue to use the system because I am a veteran that believes that only through using can I help the system become better. I urge any veteran that reads this to try again even if you've had a bad experience. Don't give up, go back. Better still, find the local veteran's center and ask them to help you go back. Share your frustrations and your success with a fellow veteran.

May 14, 2008

Statement of

WILLIAM D. ELMORE

Associate Administrator for Veteran Business Development

U.S. Small Business Administration

Before U.S. Senate Committee on Small Business & Entrepreneurship Roundtable

I am William Elmore, the Associate Administrator for Veterans Business Development, and I am pleased to be here today representing Administrator Preston and other SBA employees who work every day to support the small business success of America's veterans, reservists, and family members. The mission of the Office of Veterans Business Development (OVBD) is to maximize access to the Small Business Administration programs and services for Veterans, Service-Disabled Veterans, and Reserve Component Members of the U.S. Military.

SBA is hard at work implementing the Military Reservist and Veteran Small Business Reauthorization and Opportunity Act (PL 110-186). The Office of Veterans Business Development has already received two requests from Veteran Service Organizations (VSO) requesting appointment to the Interagency Task Force. The charter for the SBA Advisory Committee on Veterans Business Affairs has been revised and the first meeting of the now permanent Committee has been scheduled for June 24-25. Veteran Business Outreach Centers (VBOC) Program Announcements have been modified to allow them to provide grants to entities in Transition Assistance Program locations. SBA is working with the Department of Labor to provide program materials and "hotlinks" from the DOL-TAP website to SBA funded VBOCs.

SBA plans on awarding five grants to SBDCs for a marketing campaign to promote awareness and education of the SBDC services available to veterans. SBA is in the process of drafting regulations to allow reservists to have their MREIDL applications filed and processed before reservists are formally called up for duty. SBA is also extending the filing period and extending eligibility through the full active duty period. Finally, SBA is drafting regulations to provide veteran loans processing priority.

It is important to note that SBA's efforts to support veteran entrepreneurs go significantly beyond the activities of SBA's OVBD. Each program at SBA is tasked with expanding and improving their services specifically for veterans, service-disabled and reservists veterans. This includes our Capital Access (loan) programs, our business counseling and training programs, our procurement programs, our field offices and our Disaster Assistance program. The Patriot Express pilot loan program, in the past 10 months, has produced 1,300 guaranteed loans amounting to more than $135 million with an average loan of nearly $104,000. Additionally, SBA business outreach, counseling and training services assist more than 100,000 veterans, reservists, active service members and spouses each year, including the growth of special outreach and coordination efforts through our district and regional offices.

The Administration is committed to enhancing all of our entrepreneurial programs and services for veterans and reservists returning from duty in the Global War on Terror, and more specifically for those service members injured or disabled in service to America.

SBA has strengthened our written agreements with our Small Business Development Centers, encouraged SCORE to increase its online assistance for veterans and reservists, funded five Veterans Business Outreach Centers, grown our District Office Veterans Outreach initiative, targeted veterans and veteran reservists in our Community Express Loan program, established the Patriot Express loan program, focused more PCR/CMR activity on veterans, implemented the procurement goal scorecards for Federal agencies, and worked to reconcile the differences between the SBA and the Federal Acquisition Regulation procurement rules for veterans. We are also working with the Department of Defense (DoD) and the Department of Labor (DOL) to enhance our involvement in TURBO TAP (Transition Assistance Program) in efforts to improve small business opportunity and employment support for returning veterans and reservists, and we are assisting components of DoD in various planning initiatives.

SBA is strongly committed to working with all of our programs and with all of our Federal agency counterparts to reach out to and help create more veteran-owned small businesses, and to make use of their talents and services in federal procurement, in strengthening the American economy and in strengthening America's involvement in the International economy.

This concludes my comments, and I welcome any questions you might have.

14 May 2008
Statement of
CAPT G. MARK HARDY, USN
President
National Security Corporation
Before U.S. Senate Committee on Small Business and Entrepreneurship Roundtable

Executive Summary: Many small business owners who serve in the Guard and Reserve do not receive intended benefits because they are called to duty in as many as 29 duty statuses, few of which create eligibility. Existing SBA structures to support disadvantaged businesses can be readily extended to assist veteran-owned companies.

My name is G. Mark Hardy, President of National Security Corporation, and a Captain in the United States Navy Reserve. I also serve in a voluntary capacity as a national officer of the Naval Reserve Association. I thank you for the privilege of addressing this Roundtable today. It is not my intention to highlight my personal situation; rather, I believe that my experiences are representative of those encountered by many Guardsmen and Reservists, who are "twice a citizen."

Since 9/11, I have served over 1,000 days on active duty, while trying to maintain a viable small business. Unfortunately, small business owners returning from active duty encounter difficulties that are not adequately addressed in current legislation. Unlike large employers whose employees may return to find their job waiting for them, clients of small businessmen and women are not bound by USERRA to wait for key employees to return. Often entrepreneurs come back to nothing. Additionally, many reservists not assigned to combat duties are used as "backfills" to enable active duty personnel to move to the front. Often, these orders to active duty are not considered mobilization orders in support of the GWOT, and thus these veterans do not qualify for special benefits that Congress has so graciously established for those who enjoy the "right" kinds of orders. Self-employed individuals returning from orders less than 90 days don't qualify for unemployment insurance, and so are left without this support net when returning from duty.

I would like to highlight some of the language of the Military Reservist and Veteran Small Business Reauthorization Act, signed into law by the President in February. This law specifically designates certain benefits for those called up for GWOT mobilization or those injured while on duty[1]. However, it does not provide for those called to active duty under other types of orders, as discussed previously. As identified in recommendation 22 of the report of the Commission on the National

[1] H.R. 4253, *Military Reservist and Veteran Small Business Reauthorization and Opportunity Act of 2008*, 110th Congress, Second Session, 2008, section 205.

Guard and Reserve, there are 29 types of duty status in the military today[2]. Guardsmen and Reservists serving in 28 of those 29 statuses do not qualify for these provisions. Nonetheless, the business impacts are identical in every respect: loss of key persons for extended periods resulting in loss of business or clients.

I am a participant in America's robust service economy. This legislation makes it easier for me to get a government loan, but access to cheap money isn't my biggest business issue -- it's the predictability of being able to accept commitments on the part of my clients without worrying about being called away and leaving them (as well as my business revenue and reputation) hanging. There is an existing model to assist disadvantaged businesses, and any veteran entrepreneur would attest to frequent military duty as being a clear and present disadvantage.

Our Federal government relies on competent help from the private sector to accomplish the vast mission set before it. In the world of government contracting, preference is often accorded to companies owned by certain individuals considered "socially and economically disadvantaged."[3] The 8(a) business development program of the Small Business Administration has been immensely helpful in assisting minority-owned small businesses achieve a head start through contract preference.

Since this structure is already established, funded, and proven, I recommend that the Committee consider adding military veteran to the list of qualifying individuals in Title 13, particularly those who serve some cumulative amount of active duty, regardless of order type. Additionally, I recommend that language in existing legislation that restricts benefits to "a veteran who was called or ordered to active duty under a provision of law specified in section 101(a)(13)(B) of title 10, United States Code, on or after September 11, 2001"[4] be expanded to include veterans ordered to duty in any capacity who serve some cumulative amount of active duty. This would ensure that military members issued certain types of orders for administrative expediency enjoy the same benefits as those with whom they fight alongside protecting America from her enemies.

Thank you.

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[2] Commission on the National Guard and Reserve, *Transforming the National Guard and Reserves into a 21st-Century Operational Force*, (Arlington, VA: US Government Printing Office, 2008), 163.
[3] *Section 8(a) of the Small Business Act*, U.S. Code, vol 13, sec 124.103 (2003).
[4] H.R. 4253

Statement

of

Mr. William (Bill) Levine

On the

Veterans Business Outreach Program
Of the
NYS Small Business Development Center

Before the
Senate Small Business Committee

May 14, 2008

Mr. Chairman, Members of the committee, my name is Bill Levine of WL Concepts & Production, Inc New York. I'm a veteran and a past client of the Small Business Development Center (SBDC) and I appreciate the opportunity to testify today.

OVERVIEW OF THE NEW YORK STATE SBDC VBOP PROGRAM

The Veteran's Business Outreach Program (VBOP)—one of four original pilot programs in the United States, was funded through the SBA's Office of Veterans' Business Development—and launched in September 1999. This highly successful program will complete its ninth year in September 2008. The VBOP program provides ***targeted*** business counseling and training directed toward veterans with a *priority for service-related disabilities*. The program consists of a Statewide Coordinator on Long Island, and VBOP dedicated Business Advisers at Centers (VBOC) co-located with the Farmingdale SBDC, the Albany SBDC, and the Buffalo SBDC. The program includes business counseling, research and training to assist veteran start-ups and existing veteran-owned businesses to obtain long-term success.

I truly know only one of the four VBOP programs, the one in NY, but my SBDC Advisor, retired naval Captain John Narciso, networks with all of the programs and he speaks highly of them and I respect his judgment. In NY, before I speak about my experience, the SBDC assists over 100 vets each month, plus 10 disabled vets, with one-on-one business advisement. Over the last four years, 40 of those vets each month were impacted by jobs saved or created, that's batting almost 400 and a guaranteed Hall of Fame career trip to Cooperstown, NY.

These vets accessed capital, usually with an SBA guarantee, at a rate of almost $1,500,000 each month or an investment of $35,000/job. I think this is important because giving owners and workers appropriate levels of capital increases their productivity and ensures that we can compete in the domestic and global economies.

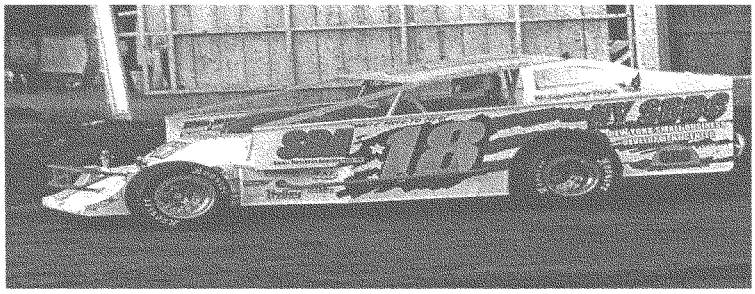
GENERAL INFORMATION

Other key activities provided by VBOP are the outreach and training programs. Usually, about 1,000 vets a year participate in one or more of these specialized training

events. The event pictured here included 125 veterans in the Syracuse area who spent four hours speaking with vet service programs interested in meeting veteran needs.

In NY, there is a focus upon the regional Veteran's network, the *Albany SBDC's* VBOP Business Advisor has been a monthly speaker at the Navy's Transition Assistance Programs with SBA Veteran's Officer Dan O'Connell the SBA Veterans' Advocate. The program has expanded significantly due to the large numbers of Veterans coming through the area following current deployments. The VBOP Business Advisor has placed focus on the reserve units, activated from the region in response to the ongoing conflicts. Reservists often represent a demographic match with successful entrepreneurs and their leadership qualities, willingness to accept risk and training help contribute to that success.

One recent veteran honored the assistance he received from the SBDC by recognizing the program on his car, a clear sign of his enthusiasm and appreciation. The following picture was sent to the SBDC after he rejoined his vocation:



Another important ancillary program of the New York program has been the *Veterans Behind Bars* (VB^2) initiative. The Veterans Behind Bars initiative has been operating for seven years in partnership with the New York State Department of Correctional Services and is directed at veterans who are within three years of release or parole from a NYS Correctional Institution. It was started on a pilot basis at two medium-security facilities—Arthurkill on Staten Island, and Groveland near Rochester. The Arthurkill program was suspended after the retirement of the person who founded the veteran TAP program there.

Under the VB^2 initiative, SBDC business advisers provide business planning seminars and business plan preparation workshops to incarcerated veterans who sign up for the program. The goal is to equip veterans with the tools they need to start a business, once released. Over 700 veteran inmates have completed from the combined programs. The VBOP Business Adviser, based at the Albany SBDC, performs outreach to veterans at the McGregor and Cobleskill Correctional Facilities. In the VB^2 locations, the SBDC has donated basic business reference libraries for use by veterans. Additional locations are seeking participation in the Veterans Behind Bars program if funding becomes available. The total program costs for this effort is less than the incarceration costs of one inmate for 1 year, so that a 1% drop in parolee recidivism would create a positive return.

An innovative development from the New York VBOP has been a special Web-based or CD-ROM-based interactive educational program that helps teach veterans the basic business skills necessary to be successful entrepreneur or small business owner. EntreSkills® for Veterans is based on the very successful EntreSkills® program developed over four years by the NYS/SBDC's Office of Entrepreneurial Education. The original EntreSkills® program has been implemented in over 250 high schools and middle schools across New York. VBOP Business Advisors re-engineered the material to upgrade content and make it appropriate for veterans and active military personnel. EntreSkills® for Veterans takes veterans through the cumulative stages of developing a small business concept, addresses legal and marketing issues, helps prepare financial statements, and, ultimately, allows them to build a business plan suitable for financing. EntreSkills® for Veterans is available for veterans unable to participate in more traditional environments.

The NYS SBDC VBOP program has great partners in delivering the services.

The US Department of Veteran Affairs
The New York State Division of Veteran Affairs
U.S. Department of Labor, Veterans' Employment and Training Service (VETS)
NYS Department of Labor
New York State Division of Military and Naval Affairs
US SBA

As you can see VBOP and the SBDC just makes good sense for America's veterans.

COMMENTS FOR THE RECORD

May 12th, 2008

To whom it may concern:

My name is Curtis Federick; I'm currently vice president of Royal Linen Service. I joined the National Guard Reserve in 2002. During AIT training my unit 1460th tc out of Midland MI, received orders for deployment out of Fort McCoy, WI. March 31st of 2003 we were deployed to Iraq and spent 13 months attached to the 3rd infantry division. During deployment I received letters from my partner (to be father in law); about a business we would start up together financially backed by him, a prior 30 year business owner.

The day after I returned I invested my time, money, and honestly my life into Royal Linen. In the beginning of my fourth year business was doing great. James, my partner gifted me 24% of Royal Linen. He offered to sell his reaming shares to his daughter and me. So we went looking. I'm very proud of my military experience so I looked into government related help. I knew about the SBA and how they help military veterans receive small business loans. I attempted to contact the first bank. They knew little about the SBA but they did bring up vetbiz central. The contact was Ed Ronders.

My first appointment with Ed was educational. He helped prepare me for what was needed to be accomplished before attempting for a loan. Ed educated us about business plans, meetings about the SBA, and many contacts the he knew that could help us out. After I returned from deployment I had credit issues due to VA medical hospital mix ups. We have been denied a few times from various local banks blaming it on economy but with Ed's help and vetbiz we have not gave up. Ed believes and can see the hard work that I have done to grow our business. He understands that it's hard to build any equity when you are so involved in a business.

I feel that Ed wants to help a hard working young vet who was in combat and upon returning, and after years of hard work, just wants to get the opportunity he has earned. My partner is giving me an opportunity of a lifetime and I am unable to take advantage of it. My partner has been very understanding by giving me time to overcome the obstacles I have faced.

I really appreciate the time and effort Vetbiz has done for us and Royal Linen. They have been big help and a very educational experience. We recommend any veteran entrepreneur to contact Vetbiz for guidance.

Sincerely,

Curtis Federick

Royal Linen Service, Flint Mi., 48502

Genesee Regional Chamber of Commerce
PROCUREMENT TECHNICAL ASSISTANCE CENTER
502 S. Saginaw St., Suite 200, Flint, MI 48502
810-600-1432
FAX: 810-600-1461

May 12, 2008

Letter of Support

This letter is to acknowledge that VetBiz Central at 717 S. Grand Traverse, Flint, MI is and has been a valuable asset to the Procurement Technical Assistance Center (PTAC) of Genesee and Shiawassee counties located at the Genesee Regional Chamber of Commerce, Flint, MI.

The working relationship with VetBiz Central has been very valuable to the veteran status community. We have cohesively presented numerous seminars, training classes and referrals in relations to government contracting. Throughout the years Mr. Ed Ronders has referred clients to our offices and vice versa.

Our business-to-business relationship has created a bond for veterans throughout our counties. We have organized and managed the whole customer/partner lifecycle in the veteran status arena.

Our customer relationship capabilities have helped companies understand their customers and business practices, and allow them to adjust accordingly. The multi-channel interaction has helped companies derive value from each and every interaction.

If there should be any further questions or concerns please contact our office.

Sincerely,

Dustin Frigy
Director, Procurement Technical Assistant Center
dfrigy@thegrcc.org

Michael William Ledwick
9221 Maplewood Drive
Clio, Michigan 48420
(810) 687-4982

To Whom It May Concern:

This letter is my testimony for the service and assistance I have received from Ed Ronders at VetBiz in Flint, Michigan.

Approximately four years ago I was reviving from a *service connected disability* when I became aware of VetBiz in the Flint Journal newspaper. The article stated there was a federally funded facility designed specifically for veterans. VetBiz major function was to assist veterans in securing government contracts.

I immediately contacted VetBiz and was invited into the office where I met Ed Ronders. I explained I had lost an established 15 year old successful plant health care business. This was do to my service connected disability.

VetBiz worked in conjunction with my vocational rehabilitation plan and assisted me in preparing a business plan, attending seminars that were specifically designed to assist veterans in starting (or building) a business, and procuring government contracts.

I just recently received my degree in family counseling at Spring Arbor University through the Veterans Rehabilitation Program. My goal is to assist veterans returning home from combat. I believe one vet helping another vet is unparalleled. I also witness an overburden need in medical & mental health issues in out veterans returning home from combat that need to be addressed.

In behalf of several veterans that are receiving assistance from VetBiz, I plea to you for the perseverance of VetBiz, and because of VetBiz, I am able to give back to my country a part of which has so abundantly been given to me.

Respectfully,

Michael W. Ledwick, CFLE

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Seidman College of Business
510 West Fulton Street
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Regional Centers

Escanaba

Traverse City

Alpena

Harrison/Mt. Pleasant

Saginaw

Flint

Grand Rapids

Lansing

Detroit

Mt. Clemens

Kalamazoo

Ypsilanti

May 12, 2008

To: Congressional Leadership

From: Carol Lopucki
State Director, Michigan Small Business &
Technology Development Centers (SBTDC)

Re: Support of VetBiz Central

I would like to take this time to commend the work done by Ed Ronders and the staff of VetBiz Central, and to communicate the importance of the continuation of his programming. The SBTDC has worked closely with VBC its entire period of operation, as highly synergistic partners.

VetBiz Central, under Ed's leadership, has orchestrated events and trainings that provide tremendous opportunity for Veterans to explore the development of a new business, find resources to strengthen an existing business, or pursue a procurement opportunity with the government. As a strategic partner of the SBTDC, VetBiz Central then connects these (Veteran) clients to our 12 Regional and 30+ Satellite Offices across Michigan. These Veterans are given high priority. Once connected with our consultants, we provide the one-to-one assistance needed, most often: business plan development, financial plan development, access to capital, and marketing strategy. As a partner program of the U.S. Small Business Administration and the Michigan Economic Development Corporation, we also work closely with VetBiz Central and programs that benefit Veterans through these two entities.

I am aware that Ed Ronders will be meeting with Congressional leaders in Washington DC this week; I want to take this time to provide a letter of support for the good work he has done in the State of Michigan for our Veterans.

Regards,

Carol Lopucki

Carol Lopucki

May 12, 2008

To: Small Business and Entrepreneur Committee
From: John McMurray, President
Commercial Weather Services, Inc. (CWS)
Re: Support for VetBiz Central

Sir,

I would like to take this opportunity to inform you of the excellent work done by Mr. Ed Rounders and his staff at VetBiz Central. As an Air Force veteran (1965-1969), and in business since 1973, Ed was instrumental in making me aware of the various opportunities of doing business with the government. Initially, he took me through the steps to register our company, Commercial Weather Services, Inc. (CWS) as a Veteran Owned Business. He then took the time to introduce me to Ms Cynthia Maschat, the local PTAC officer for Genesee County, Michigan. Without Ed's knowledge and enthusiasm I would not have been aware of such a program.

Ed has been very active in recruiting other veterans throughout the State of Michigan promoting opportunities directly related to veterans. In November 2007, he along with the Genesee County Chamber of Commerce, the PTAC staff and other sponsors organized a daylong seminar aimed specifically at veterans and their opportunities of doing business with various governmental agencies. He arranged for several such governmental agencies, viz. Air Force, Army, Veteran Administration, among others, to set up one on one consultation in addition to specific agency information handed out to those interested. The seminar was well attended with over 350 veterans for this full day presentation. Ed personally promoted this seminar via the local media and arranged to have Mr. Walter Cotton to be the keynote speaker. Mr. Cotton is a well know veteran advocate. A similar daylong seminar is scheduled for May 31, 2008 in the Detroit area at the John Dingle Veteran's Medical Center. I am confident this will also be well attended. I urge the committee to continue the funding to VetBiz Central. This group has done an excellent job in the past and I am confident the work will continue. In this time of poor economic conditions in Michigan and over the nation, any and all assistance to veteran owned businesses need all the help they can get. I am confident Ed and his staff will continue to champion the cause of veterans, old and new, in the future.

Respectfully submitted

John McMurray

UNITED STATES DEPARTMENT OF LABOR
VETERANS EMPLOYMENT AND TRAINING SERVICE

MEETING THE EMPLOYMENT NEEDS OF OUR NATION'S VETERANS

- **Veterans Unemployment Statistics** - The veterans' overall unemployment rate for 2007 was 3.8 percent compared to 4.1 percent for their non-veteran counterparts. Also, the rate for 18-to-24-year-old male veterans who served since September 2001 is 11.2 percent, which is not statistically different than the rate for young male non-veterans, which is 10.5 percent.

- ***Transition Assistance Program (TAP)*** - The TAP employment workshops provide those exiting the military with the opportunity to learn about current occupational and labor market opportunities, receive instruction on resume and cover letter preparation and interviewing techniques. Nearly 150,000 servicemembers participated in DOL VETS-provided TAP employment workshops in the past four quarters.

- ***Uniformed Services Employment and Reemployment Rights Act (USERRA)*** - Through USERRA, VETS protects the employment and reemployment rights (health benefits, vacation, pensions, seniority, promotions, pay, retirement, etc.) for members of the armed services.

    - In 2005, VETS issued implementing regulations for USERRA – the first implementing regulations since USERRA was enacted in 1994.

    - Since September 11, 2001, VETS has provided USERRA assistance to over 491,000 service members, employers, and others, including nearly 3,000 mobilization and demobilization presentations to 287,000 National Guard and Reserve component members.

- ***REALifelines*** - Through the Recovery and Employment Assistance Lifelines (REALifelines) program, and in partnership with DoD and the VA, VETS provides servicemembers and their families with employment assistance while servicemembers are recovering at military medical treatment facilities. The REALifelines program also provides continuing counseling and other follow-up services. Since its inception in 2004, REALifelines has provided assistance to nearly 7,000 severely injured servicemembers with employment services.

- ***Hire Vets First*** - The Department is raising awareness among employers about the value of hiring veterans. As part of the Hire Vets First campaign, VETS coordinated over 100 job fairs with all 50 state workforce systems last November where we reached over 30,000 veterans.

- ***Jobs for Veterans State Grants*** - VETS distributed nearly $154 million to states in Fiscal Year (FY) 2007. These grants enable states to provide employment specialists to work with veterans, employers, veterans' organizations, and community-based organizations to identify employment opportunities and provide training and other services to help veterans overcome barriers to employment. These grants provided for 2,100 dedicated veteran employment specialists and produced over 537,000 veteran entered employments for Program Year (PY) 2006.

- ***Priority of Service*** - Veterans and certain spouses receive Priority of Service for employment, training, and placement services under DOL-funded qualified job training programs, a $12 Billion annual investment in workforce improvement.

- ***Homeless Veterans Reintegration Program (HVRP) grants*** - HVRP awarded 87 grants in Program Year (PY) 2007. In PY 2006, HVRP placed over 65% of the homeless veterans they served in employment, with an average hourly wage of $ 10.50 per hour.

- ***Veterans Workforce Investment Program (VWIP) grants*** -VWIP is expected to achieve a 62% placement rate and an average wage of $12.30 per hour in PY 2006.

- ***Success for VETS*** - Veterans have an entered employment rate of 61% for recently separated veterans and an 80% retention rate (after six months) for the last quarter.

○