

**IMPLEMENTATION OF
THE VOW TO HIRE HEROES ACT OF 2011**

HEARING
BEFORE THE
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
OF THE
COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
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IMPLEMENTATION OF THE VOW TO HIRE HEROES ACT OF 2011

THURSDAY, DECEMBER 15, 2011

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

The Committee met, pursuant to notice, at 10:09 a.m., in Room 340, Cannon House Office Building, Hon. Marlin A. Stutzman [Chairman of the Subcommittee] presiding.

Present: Representatives Stutzman, Bilirakis, Johnson, Braley, Walz.

OPENING STATEMENT OF CHAIRMAN STUTZMAN

Mr. STUTZMAN. Good morning. And I want to welcome everyone this morning to the Subcommittee on Economic Opportunity. And I want to thank our witnesses for being here this morning. We are here today to begin this Subcommittee's review of the implementation of Public Law 112-56, the Vow to Hire Heroes Act of 2011. This will be just the first in a series of oversight hearings we will hold through July of next year.

This bipartisan and bicameral legislation was signed into law by the President in November and is the culmination of many months of work by this committee and many others to reduce unemployment among veterans. These efforts began with oversight hearings by this Subcommittee last winter, which led to the introduction and passage of H.R. 2433, the Veteran Opportunity to Work Act of 2011 earlier this fall.

The major provision of both H.R. 2433 and the Vow to Hire Heroes Act is the temporary extension of Montgomery GI Bill benefits to eligible veterans to receive up to 1 year of training at a community college or technical school for in demand occupations. Eligible veterans would have to be between the age of 35 and 60, be unemployed, and not have eligibility for other VA education programs.

The latest numbers from the Bureau of Labor Statistics show that there are an estimated 531,000 unemployed veterans between the ages of 35 and 64. This represents about two-thirds of all of unemployed veterans in this country. It is this population that this program is intended to help. And it is our obligation to ensure that VA and VETS meet the July 1, 2011 implementation deadline so this provision can help this group of aging veterans as quickly as possible.

While there are many other worthwhile provisions in the Vow Act, the implementation of this provision and the provision extend-

ing vocational rehabilitation benefits to veterans who have passed their delimiting date will be this Subcommittee's focus.

While I am aware that the legislation was only signed into law a few weeks ago, I am anxious to hear about the progress the VA and the DOL have been making on implementation in their plans for future collaboration as required by law.

I cannot stress enough that the proper implementation of this law is extremely critical. And as such, I want to put both agencies on notice that this will our Subcommittee's top priority in the next session of Congress and we need your help. And we look forward to working with you in identifying obstacles and problems as soon as possible so we can work together and work them out, and get this law implemented.

Together we can ensure that our veterans are not cheated out of this wonderful benefit because of any bureaucratic delays or hurdles. Our veterans deserve and will receive nothing less. So I thank our witnesses for being here today to inform us on the progress the departments have made. At this time I want to yield to the distinguished Ranking Member from the great State of Iowa, Mr. Braley.

[The statement of Marlin A. Stutzman appears on p. 20.]

**OPENING STATEMENT OF HON. BRUCE L. BRALEY, RANKING
DEMOCRATIC MEMBER**

Mr. BRALEY. Well thank you for acknowledging the greatness of the State of Iowa, Mr. Chairman. I can tell you after visiting Fort Wayne with you earlier this summer, I extend the same warm greeting to all of your constituents and colleagues back in Indiana. This has been a delightful Subcommittee to work with this year and we have a great panel, and we welcome all of you especially a special guest from the State of Iowa who has roots in Mason City. So welcome to all of you.

I am very proud to have worked with this Committee to pass the Vow to Hire Heroes Act and I am optimistic that this legislation is a step in the right direction to putting our veterans back to work. In August when we were doing our field hearings in Waterloo, Iowa and Fort Wayne, Indiana I introduced the Combat Veterans Back to Work Act, which provided tax incentives to employers to hire veterans who recently returned from service overseas. And I am pleased that the Vow Act includes tax incentives for hiring veterans that I have been pushing all year.

Additionally in October I joined Chairman Stutzman to host two field hearings, one in Iowa and one in Indiana, that focused on the important issue of veterans unemployment. And one of the things that came up at those hearings was the need to help returning servicemembers translate their military skills to the civilian workforce, which is why I am pleased that the Vow Act includes veterans retraining provisions. This will ensure that they have the skills necessary to be competitive in today's tough job market.

Section 211 of the bill which focuses on retraining has an implementation date of July, 2012. This new program will be very beneficial for older veterans that have exhausted their educational benefits or other available VA educational programs. And it is my hope that they Department of Veterans Affairs and the Department of Labor have already begun discussions on how to jointly carry out

this program and administer this section as scheduled. The inter-agency program will change the lives of 99,000 unemployed veterans and that is a goal we can all be focused on and hopefully help reduce.

Section 233 of the Vow to Hire Heroes Act provides disabled veterans up to 12 months of additional vocational, rehabilitation, and employment benefits. In the past we have had hearings and discussions surrounding VR&E counselors workload. During our March hearing we expressed our concern with the VR&E veteran to counselor ratio of one to 136. I look forward to hearing from our witnesses today on what steps will be taken to ensure there is adequate staff at VR&E who are prepared to handle proper implementation of this section. And I hope the VA is ready to discuss how they will prepare to handle additional workload without sacrificing the counseling services that veterans need.

And with that I thank you all and yield back.

[The statement of Bruce L. Braley appears on p. 20.]

Mr. STUTZMAN. Thank you, Mr. Braley. And at this time I want to welcome our panelists. And our panel consists of Mr. Curtis Coy, who is accompanied by Mr. Keith Wilson. Welcome. And both of these gentlemen are from the Department of Veterans Affairs. And Mr. Ortiz, who is accompanied by Ms. Gerri Fiala, both from the Department of Labor. And I had the opportunity to visit with Mr. Ortiz just a couple of days ago. Some remarkable stories, four sons in the military. So I am looking forward to working with you. You should be very proud of your family and what you have accomplished yourself, as a veteran yourself. And so thank you for being here this morning, and we will recognize you for five minutes for your testimony.

STATEMENTS OF ISMAEL ORTIZ, JR., ACTING ASSISTANT SECRETARY, VETERANS' EMPLOYMENT AND TRAINING SERVICE, U.S. DEPARTMENT OF LABOR; ACCOMPANIED BY GERRI FIALA, DEPUTY ASSISTANT SECRETARY, EMPLOYMENT AND TRAINING ADMINISTRATION, U.S. DEPARTMENT OF LABOR; AND CURTIS L. COY, DEPUTY UNDER SECRETARY FOR ECONOMIC OPPORTUNITY, VETERANS BENEFITS ADMINISTRATION, U.S. DEPARTMENT OF VETERANS AFFAIRS; ACCOMPANIED BY KEITH M. WILSON, DIRECTOR, EDUCATION SERVICE, VETERANS BENEFITS ADMINISTRATION, U.S. DEPARTMENT OF VETERANS AFFAIRS

STATEMENT OF ISMAEL ORTIZ, JR.

Mr. ORTIZ. Good morning, Mr. Chairman, Mr. Braley, and distinguished Members of the Subcommittee. My name is Junior Ortiz of the Department of Labor's Veterans' Employment and Training Service. And I am accompanied by Ms. Gerri Fiala, Deputy Assistant Secretary for the Employment and Training Administration. Thank you for the invitation to participate in today's hearing on the implementation of the Vow to Hire Heroes Act of 2011.

This legislation is an integral part of President Obama's efforts to ensure that America fulfills its obligation to our returning servicemembers, veterans, and their families. The Department of Labor has various responsibilities under the Vow Act. However, per

the Subcommittee's request my testimony today will focus on Section 211, the Veterans Retraining Assistance Program, and Section 233 that provides training and rehabilitation for veterans with service-connected disabilities who have exhausted rights to unemployment compensation under state law.

I am particularly grateful for this opportunity to discuss DOL and VA's collaborative efforts to implement and administer these two provisions. The department is fully committed to working with our Federal partners to implement the Act.

I would like to begin by first discussing Section 211 of the Vow Act, which establishes the Veterans Retraining Assistance Program for unemployed veterans between the ages of 35 to 60. Eligible veterans have up to 12 months of retraining assistance when they pursue a qualified education and training program. The Vow Act specifies that VA and DOL will jointly administer the process for determining veterans' eligibility into the program. As a result, the two agencies are working together to make sure this implementation happens.

Even before the Vow Act was enacted DOL and VA had already initiated planning to get a head start on implementation of this critical legislation. During the next 7 months DOL and VA will jointly manage and accomplish the following milestones. One, establish a memorandum of agreement and project charter that will delineate agency specific processes and responsibilities from initial intake through the completion of the program. Two, seek consultation on process design with veterans employment and training experts in state and local workforce agencies and other appropriate stakeholder organizations representing veterans' interests. Three, design, test, and implement customized application processing systems to manage DOL and VA's joint responsibility under the program. Four, develop, test, and implement enrollment and participation tracking systems to enable the agency to report program results. And five, develop and execute outreach and technical assistance strategies to both stakeholders and program delivery staff.

As we complete the project charter and the memorandum of agreement we have identified two major operational implementation challenges which will need to be addressed over the next few weeks. First, we must find a way to connect and facilitate a successful interaction between the public workforce system and the VA's federally centralized GI Bill system. Second, we need to develop a mechanism to enable DOL and VA to appropriately access each other's administrative and performance data systems. Now VA and DOL are working together to address these issues to ensure the program is successful while protecting privacy and data sharing agreements.

We are also working together to implement Section 233 of the Vow Act which provides additional benefits to disabled veterans that have exhausted their unemployment insurance (UI) benefits. The VA is primarily responsible for the administration of this provision. However, DOL will have a key role in developing the eligibility determination process. Currently there is no single unified system that can be used to determine whether a person has exhausted his or her rights to regular compensation under state law. As a result, we expect the state UI agencies will be involved in

making the determination. DOL is exploring possible operational methods to successfully execute this provision.

In addition to Sections 211 and 233 the Vow Act contains several provisions that DOL is working to implement in collaboration with other Federal agencies as needed.

In conclusion, Mr. Chairman, both DOL and VA are committed to the full and speedy implementation of the Vow to Hire Heroes Act of 2011. We will keep you and the Subcommittee apprised of implementation milestones through regular briefings as requested.

Members of the Committee, this concludes my statement. I would be pleased to answer any questions you may have. Thank you.

[The statement of Ismael Ortiz, Jr. appears on p. 21.]

Mr. STUTZMAN. Thank you. Mr. Coy, we will recognize you for five minutes for your testimony.

STATEMENT OF CURTIS COY

Mr. COY. Thank you, sir. Good morning, Chairman Stutzman, Ranking Member Braley, and Members of the Subcommittee. I appreciate the opportunity to appear before you today to discuss the progress made by the Department of Veterans Affairs toward implementing the provisions of Title II of Public Law 112-56, the Vow to Hire Heroes Act of 2011. I am accompanied by Mr. Keith Wilson, our Director of VA's Education Service. My testimony will discuss the relevant sections of the legislation and explain how we plan to address them, with particular emphasis on Section 211.

Secretary Shinseki has emphasized that this critical legislation will materially help our servicemembers and veterans with employment and transition. We are absolutely committed to executing in collaboration with other agencies and stakeholders all provisions of this law. Section 211, the Veterans Retraining Assistance Program, requires the Secretary of Veterans Affairs to establish a program of retraining assistance for eligible veterans in collaboration with the Secretary of Labor not later than July 1, 2012. The number of veterans who participate in the program may not exceed 45,000 in fiscal year 2012, and 54,000 during the period beginning October 1 and ending March 31, 2014. Eligible veterans will receive Montgomery GI Bill Active Duty Chapter 30 full time benefit rate for up to 12 months. Training must be completed at a VA approved community college or technical school leading to an associate degree, certificate, or other record of completion. And the training must pertain to an occupation deemed by the Department of Labor to be in high demand. The training programs must begin on or after July 1, 2012 and the authority for VA to make payments ends on March 31, 2014.

The law establishes a set of criteria that veterans must meet in order to participate in the program. Specifically, ages 35 to 60, unemployed, not eligible for GI Bill assistance, not receiving VA disability compensation by reason of unemployability, and not enrolled in a Federal or state training program.

The law requires that VA and DOL form a close partnership to successfully implement this retraining assistance program, including establishing a formal memorandum of agreement with a process for resolving disputes and appeals. We are close to agreement on concept of operations, project charter, and draft project schedule

as well. We must track collaboratively participants, payments, and degrees awarded, and submit a final report on the impact of the retraining program.

Prior to the President signing Vow, VA and DOL representatives met to discuss plans for implementing the provisions of Section 211. Included were senior level VA and DOL staffs, as well as IT staffs from both agencies. We identified high level roles, responsibilities, decision points, and discussed preliminary framework for an integrated master schedule for managing the implementation of this new program.

VA also provided a high level summary of the claims and payment process from VA's perspective to initiate these collaborative discussions regarding information sharing and other logistical needs between the two departments. At follow up meetings, including an all day off site between VA and DOL just two days ago, we discussed how to successfully administer this program without duplication of effort and within the required time frame. Including existing benefit processing and payment systems within VA and one stop career centers and other veteran intake centers within DOL.

A project of this magnitude and complexity requires multiple hand-offs between VA and DOL to include but not limited to conducting initial veteran intake; making DOL specific eligibility determinations on employment, high value career fields, etc.; ensuring that required information is collected and appropriately disseminated.

We have also discussed mechanisms to be put in place to meet the law's extensive reporting requirements. While VA and DOL are on track and perhaps even a little bit ahead of schedule in implementation planning and tackling the more complex aspects of the law, we anticipate challenges associated with implementing this program. The law requires a rapid establishment of a broad partnership between agencies with vastly different operating structures and information technology systems. Provisions of this law, including wide ranging eligibility criteria, present IT and logistical challenges in addition to an increased workload the program generates. The aggressive time frame also magnifies the complexity of this effort. VA and DOL are working hard to mitigate these risks.

To ensure this program's success, VA and DOL staff and leadership currently participate in weekly meetings to track progress, share information, and develop strategies. Internally VA staff and project leads meet daily to discuss implementation status and ensure we remain on track to meet this July 1 deadline.

The implementation of the Veterans Retraining Assistance Program will include outreach programs for the appropriate target population. We would like to thank the Committee staff for including VA in the creation of the Retraining Assistance Program. That collaboration has helped us mitigate some of these challenges in this program.

Enhancements to VR&E or Vocational Rehabilitation. The new law will also enhance services provided by VA's Vocational Rehabilitation and Employment Program. The law extends VA's authority to provide vocational rehabilitation services to injured active duty servicemembers and promotes collaboration between VR&E and other organizations to provide additional services to aid vet-

erans' transition to civilian employment. This law also allows VR&E to fund special employer incentives who did not previously qualify for on the job training. In addition, VR&E can now provide an additional 12 months of benefits to veterans who have exhausted their unemployment benefits, and is also now able to provide additional services to assist veterans returning to employment.

In addition, Section 262 of Vow extended through September 30, 2016 the provisions which limit to \$90 the pension payable to certain recipients of Medicaid covered nursing home care, and protect that pension payment from being applied at the cost of the recipient's home nursing care. This limitation was previously set to expire on May 31, 2015. But because Section 262 extends this existing authority VA has already implemented and we anticipate no delay in implementing this revised law.

The same applies for Section 264. With the enactment of Vow funding fees for VA home loans were set at the same rate through September 30, 2016, the next 5 years. VA has already drafted and posted a new program policy circular which outlines the fees in effect. This circular along with other news updates about the bill's signing and the new fee rates was posted to the Home Loans Program Web site on the day after the President signed the legislation. Additionally, VA worked with Treasury to update FFPS with the current rate structure.

Mr. Chairman, this concludes my statement. I would be pleased to answer any questions you or other Members of the Subcommittee may have. Thank you, sir.

[The statement of Curtis L. Coy appears on p. 23.]

Mr. STUTZMAN. Thank you, Mr. Coy. And I will begin the questions for the Committee here. Obviously I know that there is a lot of work in front of us and this is the first hearing that we are having. And Mr. Ortiz, you had mentioned the MOU. When do you expect the MOU and the operating agreement for the retraining provision between the two agencies to be finalized? You had mentioned that that is something you are working on. Can you give us any more specifics? And are there any other outstanding issues that may potentially slow that down?

Mr. ORTIZ. Yes, sir. As of right now the department anticipates that the MOA or the MOU will be finalized and made available to the Subcommittee in January of 2012, sir.

We are working on it. VA and DOL, as Mr. Coy has already alluded to, are working on a daily basis not only internally but externally on making sure that we meet the obligations needed, sir.

Mr. STUTZMAN. Do you believe, either one of you, that the departments have sufficient resources in fiscal year 2012 budget to implement all provisions? And if not, or if so, I mean hopefully so, but if not any readjustments to your 2013 budgets to meet those particular staffing issues?

Mr. COY. I will take that initially. Mr. Chairman, as you know I testified on this in July and we intimated then that we thought it would take about 130 FTEs to implement the bill. We currently are looking at all of our resources at this time. And we are also working with our department's Chief Financial Officer and they are talking with OMB as well to identify any resources that we may

or may not need to implement that. But rest assured, sir, we are not waiting for any of those additional resources. As you can see from the very aggressive schedule that we put up already and the work we have already done, we are moving ahead with the implementation of this bill with or without those resources.

Mr. STUTZMAN. Good.

Mr. COY. With respect to 2013, I am not at liberty to discuss what the department has put in their 2013 budget.

Mr. ORTIZ. Sir, I echo a lot of what Mr. Coy has said. The department is currently operating under short term continuing resolutions and we are working to implement related Vow Act provisions by relying on current funding and staffing resources. This definitely presents some challenges for us. But we are balancing our current strategic priorities to make it work.

Mr. STUTZMAN. Very good. You know, as we did the hearings in Iowa and Indiana we heard from several veterans about the challenges that they have. And of all of the different bullet points of the legislation that was in the Vow to Hire Heroes Act the one that continually kind of popped out at me was the challenge that veterans have in translating their skills from military skills to a civilian workforce. And I know maybe this is getting a little bit further into the weeds on this particular issue, maybe too soon. But I guess that is one thing that we heard a lot about, and how do we help our veterans, how do they as they come out of the military translate those skills in their efforts, whether it is through resume, whether it is through communicating that to potential employers. Could you discuss that a little bit? Have you had any discussion about that? I think that is a real challenge for a lot of our vets.

Mr. ORTIZ. Mr. Chairman, I think that is probably one of the biggest challenges that we have. There are two pieces that play a big role. One is the fact that the veteran has to be able to show his or her values, as they come out. The second piece is educating the employer on the value of our young men and women.

There are numerous programs, numerous things out there to help veterans translate their skills so that they can get that information to put it on their resumes, and give that information to the employer. In response to the second part, we are conducting employer outreach, having hiring fairs and things of that nature, to make employers aware of the value of our veterans. We are hoping to do that. And we are working, not only ourselves in DOL, but with DoD, with VA, and other departments throughout the government.

One of the things that I want to tell you about is our Web site called My Next Move for veterans, created within our area to help that young man and woman actually translate their skills into a specific occupation, for example, servicemembers or veterans can input their MOS or their military occupational specialty, and translate what that specialty is. With my next move they are able to actually see what job availabilities there are where they are going to go. It also gives them information on what to put in their resume. You know, what the key phrases are if you will. How they need to include certain key words that employers will pick up on. So that is one piece.

There are others services such as career one stops for veterans reemployment; career one stops are keys to success. Also the Department of Defense has Army credentialing opportunities, Navy credentialing opportunities, and Air Force certification. So there is a multitude of services. What we have done is to organize the services in the Veterans Job Bank, which is something that just came out, the President announced it a few weeks ago, there are a lot of those places where they can actually go. VA is part of it, DoD is part of it, and DOL is part of it, sir.

Mr. STUTZMAN. Well, and I know you know this. I was just over in Afghanistan this past weekend and I had this question come up frequently. What is going to happen back home when I get home? And I know you are very aware of that. And to me that is a high priority, to help, it is a difficult challenge. But it has to happen one way or the other. And I think as a small business owner and coming from the business sector I think that it is important for small businesses. We have to connect them somehow. It is more difficult for them. Larger corporations obviously have larger staff and resources to develop these, to develop a program. But it is that communication and networking that we have to somehow organize so that those small businesses out there who will do most of the hiring for these, for veterans, and in translating our, or informing them of the skills and the abilities that our veterans have when they do come home. So I appreciate that.

I yield to Mr. Braley.

Mr. BRALEY. Thank you, Mr. Chairman. I want to continue on this line questioning because when we did our field hearings and many of the hearings we have had here in Washington, this whole issue of what I will call interoperability, which was the problem identified in the 9/11 Report, is the one that keeps coming up over and over again. And I appreciate your explanations, Mr. Ortiz, about what resources are available. But something you said caught my attention. And you said there is a multitude of them out there. And in fact that is part of the problem we have. Is that there is no uniform system, uniform language where these MOSs are translated into civilian workforce language. And at the hearing we had in Iowa, the field hearing, we had a lot of great employers, some of the biggest ones in Iowa, many of whom hire a lot of veterans. Some of whom are defense contractors and hire a lot of veterans who have those skill sets they are looking for in their civilian workforce. And as the chairman noted they have much more sophistication in trying to make that translation than a lot of small business owners who frankly do not even know where to go to try to make that determination. So I would be interested in both of your thoughts on what we can do to provide a centralized Rosetta Stone, if you will, that will help us definitively bridge this gap which most people believe is one of the most serious obstacles veterans have in marketing themselves to civilian employers.

Mr. COY. I will make a couple of comments, sir. VA is incredibly supportive of what DOL is doing with respect to this. I would agree with Mr. Ortiz that there are multiple systems out there. And I think our initial discussions have been let us take a look at what is out there now and do that sort of analysis. For example, VA just finished their program called VA for Vets, of which they also have

a translator of MOSs of civil service jobs within VA. And so looking at those challenges of those various structures that are out there, VA has our VetSuccess.gov Web site, and that also has an MOS translator. I would agree that across the board veterans are looking out at all of these things and looking to us, DOL and VA, and DoD to some extent, to tell them which is the translator that we need to use. And so you have the veteran perspective. You also have the employer's perspective that you very articulated, such that employers do not know where to go into and take a look at these things. I get employers that come in to my office often and saying, this is what I do. I want to hire 300 vets. How do I go about doing that? Where do I find them and what do I do? So it is a unique challenge. And I would agree, and we are very enthusiastic about working with DOL to make sure that we come up with a good solution to this.

Mr. ORTIZ. Along those same lines, sir, I think one of the things that we have, all of us have come together around is the veteran job bank that the President announced that is a place where a lot of these things are housed. It is part of the National Resource Directory. And right there is one point where anyone, including employers, can put their information or access information. And our young men and women can actually go in there. We just got results about a week ago, where we wanted to see what was happening, and who went in there, and so on. Our servicemembers were in there. We went from zero when it opened up on the 7th of November and within 1 month we had over 200,000 hits. And a lot of them, 49 percent were from the Army. And then the other services fell right in place. And they were talking specifically on things of that nature.

But you know, there is also another piece to this. Our one stops have information. I am going to pass it over to Ms. Fiala to give you an understanding of what the one stop may have also.

Ms. FIALA. Thanks. Very quickly, the one stop delivery system is a decentralized system, a partnership if you will between the Department of Labor as well as states and local workforce areas. And there are nearly 3,000 one stop career centers located around the United States, either full service or ancillary service centers. Plus there also is a virtual access to one stop services. And these centers are charged with providing information on job openings and the skills required for those jobs. They are required to provide information on how to translate, assess individual skills, and perhaps reshape resumes if you will to communicate to employers the skills and abilities of an individual to fill job openings.

Mr. BRALEY. And let me just interrupt you for a second.

Ms. FIALA. Yes?

Mr. BRALEY. I mean, one of the things we keep hearing is that a lot of employers do not even use resumes any more. They use an online application process—

Ms. FIALA. Exactly.

Mr. BRALEY [continuing]. That is tailored to their employment needs to analyze a high number of applicants in a short period of time. And the reason why I bring this up is because it is a symbol of the changing nature of the workforce and how we have thought

traditionally of helping people update their resumes when that may no longer be a priority to a lot of employers.

Ms. FIALA. And that is true. And in those centers there computer resources there for everyone to be able to go online and respond to employers who have required applications be submitted online. And I wanted to go back a little bit to My Next Move for Veterans, because I think that it is an excellent example of an electronic service. In that case veterans can go into my next move and literally find jobs, they can figure out what military skills translate to civilian jobs, learn what they need and communicate to employers and actually apply for jobs. Because it drills down to actual job openings in communities.

Mr. BRALEY. Thank you. I yield back.

Mr. STUTZMAN. Thank you. Mr. Bilirakis.

Mr. BILIRAKIS. Thank you, Mr. Chairman. I appreciate it. Thank you for holding this hearing. Mr. Ortiz, you mentioned in your testimony and we talked just now about the one stop career centers, and they will play a key role in implementing the Veterans Retraining Assistance Program. But it will be challenge to link the 3,000 centers with VA. We spend over, it is my understanding we spend over \$165 million per year on the Disabled Veterans Outreach Program, the DVOP specialists, and then also the local veterans employment representatives. Their job is to find training and employment opportunities for veterans. Do you think they should play a central role in coordinating the validation of the employment status and providing eligible applicants names to a central source, either at the Veterans Employment and Training Services or at the VA? Should they play a central role?

Mr. ORTIZ. Well sir, I—

Mr. BILIRAKIS. Mr. Ortiz, thank you.

Mr. ORTIZ. Yes, sir. Through the normal intake process that is conducted by the one stop staff, sir, veterans are identified. And if they meet the eligibility requirements they go to our DVOP and LVERs depending on their needs. If there is an absence of a DVOP and LVER the actual one stop personnel work on that. As for the question will they play a major role in this effort? Am I understanding your question, sir?

Mr. BILIRAKIS. Yes, sir.

Mr. ORTIZ. Yes, sir, they will. Because no matter what in the 2011 piece when the individuals come in from 35 to 60 years old they need to have somebody to give them counseling. If they are a veteran they are going to be referred to our DVOP and LVERs directly. I want to pass this question over to Gerri.

Mr. BILIRAKIS. Please. Please.

Mr. ORTIZ. Because she can tell you a little bit more as far as the connectivity, sir.

Ms. FIALA. I guess I would just add, because I think that is a good description, is DVOPs and LVERs are generally located in one stop career centers. And a veteran would walk into a reception area. And if they identify themselves as a veteran, they are going to be referred to DVOPs and LVERs for specialized services and counseling. There may be some centers where there is not direct access to a DVOP or LVER. In that case they would be served by,

through the one stop staff to ensure that their needs are addressed right away.

We have a priority of service within the one stops for veterans, regardless of whether they are in the age group which is targeted by Section 211 or in general. So that when a veteran walks into a one stop they will receive priority of service.

Mr. BILIRAKIS. Thank you very much. Mr. Coy, in your testimony you mentioned that your primary outreach plan for the Veterans Retraining Assistance Program included using the G.I. Web site and *Facebook* page. While these are great tools, how are you going to reach out to the veterans, the targeted population is between 35 and 60, those who may not be high tech and do not use *Facebook* or the internet. Do you have a plan?

Mr. COY. Yes and no. I would like to go back to something that Mr. Ortiz mentioned. We also with respect to your questions about DVOPs and LVERs, we have DVOPs and LVERs colocated in each one of our 57 regional offices within VA. And our VR&E counselors work very, very closely with those DVOPs and LVERs. So we are already plugged into that DOL, DVOP, and LVER network.

With respect to the communication plan, we have a draft communication plan. But we plan on not only using, you know, our GI Bill Web site, our GI Bill social media sites, we also have our state approving agencies, we have VSOs in our communication plan. We have the approved community colleges. We have the non-college degree program facilities. As I mentioned, we have 57 regional offices. We have over 800 VA voc rehab counselors that are going to get the word out. We have 147 VA medical centers that we are going to leverage and that infrastructure. Our 200 VA VETS Centers. Our 240 plus community based outpatient clinics. We are including this program as well, updating our TAP presentation. We have a call center that we are also going to be updating to ensure that our call center representatives have that information. We are going to push emails out through our ebenefits system. We are going to also do what we can to leverage Mr. Ortiz' 3,000 one stops that they have. So the yes and no question is we have a draft communication plan. We plan on leveraging all of those infrastructure items as well as not just the GI Bill and those social media sites.

Mr. BILIRAKIS. What about a national advertising campaign?

Mr. COY. We do not have that in our current program budget, if you will. But we certainly would love to have something like that and we will look at that. As I mentioned, our communication plan right now is in its draft format.

Mr. BILIRAKIS. Okay. Very good. I would love to work with you on that.

Mr. COY. Yes, sir.

Mr. BILIRAKIS. Thank you very much, Mr. Chairman. I yield back.

Mr. STUTZMAN. Okay, thank you. Mr. Walz.

Mr. WALZ. Well, thank you Mr. Chairman and the Ranking Member for holding this, and thank you to all of you for the work with veterans and the commitment we are all on this team together and trying to get it right. I think some great points got brought up. I am going to go back to, I know that I am a broken record on this, and it is once again the lack of seamless transition.

Once again we do not have armed services folks here with us, or talking with them on that. I bring up we recently had the honor of hiring one of our heroes in our office, Brendon Gehrke sitting behind me, a Marine that just got out 2 months ago, did his TAP program. No representative from the VA at his TAP. So I know that it is still falling through the cracks. They are not getting the tools. I think, the thing I noticed in here that I think is the most effective, and I would argue that this is again, your efforts are going in all the right directions I believe. But we have to figure out this seamless transition piece that every year we come back to. But this idea of allowing servicemembers to begin the process before they are actually out, I have a story in Minnesota, the 34th Division, the Red Bulls, have been deployed again. They are in Iraq right now as part of the final wrap up there, and Kuwait. The Department of Economic Development, along with the Veterans, the Commissioner and the Veterans Affairs in Minnesota, has identified every single person on that deployment status, work status. They have identified 511 who would probably be looking for work on the way back. They have matched them up to employers in Minnesota. And by the time January comes along they will have 100 percent of people placed into the community they are going back to when they are done. Now we do not have to pay unemployment benefits. We do not have the drop off. We have some security for the family and we know it is coming.

I think it is possible with some technology and some commanders' initiative on this for us to implement that. I just thought I would get maybe some of your folks feedback on that. And we know people make transitions. They get out. They may move to another state. But especially with our Guardsmen, I think we are going to have a zero percent unemployment on a returning brigade combat team. And that is pretty impressive. And it saves money.

So I do not know if you have any insight on that, if there are more ways we can do that, or if this issue of seamless transition would help us if we did more?

Mr. ORTIZ. I think you hit the nail on the head on a few things. The biggest thing is the TAP. The Vow Act, actually making TAP mandatory has probably given us the best tool that we can give to our returning servicemembers, and our Guards and Reservists. This is because it gives them at least the basic tools. The basic tool-kit, if you will, for transitioning servicemembers to be able to walk out, get what they need, go to the right places and get the information that they need in order to be successful in finding a job. We have been working, including Mr. Coy and myself on the task force to do a lot of these things that you mentioned.

Mr. WALZ. So you think this is, like with Brendon, and that is exactly what he mentioned, that his folks did not know about the tools. They are out there. They do not search the VA Web site. They do not know anything about the VA. They are 24-year-old Marines coming out, or whatever. And this new, you think that now he should be one of the last ones that miss that opportunity, and this next group should be hitting it?

Mr. ORTIZ. Sir, we hope that is the truth. And I think we are heading in the right direction. As you know, I have a vested interest in that myself. It is important for our young men and women

to have that capability. I think one of the biggest things that we are seeing right now, that the services are also realizing, that mandatory TAP, at least the two pieces are important. The VA benefit piece, and the transition employment workshop. Those two pieces are very, very important.

Mr. WALZ. Do you think culturally they are getting that, Mr. Ortiz? That the services are getting that? Because I mean I know it is, this is kind of hard for them. As a sergeant major for me, I am telling my first sergeants do whatever you can to get them to reenlist. And my concern was to keep them in uniform. But I also cared when they left. But I mean, we put a lot of pressure on them to fill their numbers, keep them up. They cannot spend a lot of time preparing to go work at Joe's Roofing, or whatever it is. Are we getting that right, and giving them time and the resources? I am just curious on your insight of, you talk about the Department of Labor. How about the service?

Mr. ORTIZ. Sir, I tell you what, I spent the last 2 weeks in different summits and speaking to different services. Both myself and Curt have had some exposure on this directly. The services do get it. They understand it. The Vice Chief himself gets it. And says you commanders are going to do what needs to be done. You sergeant majors, go out there and take care of the troops like you are supposed to.

We are living in a time when we are bringing back our troops. We need to give them the tools they need to be successful. And it is happening, sir. It is happening very much. And the Vow Act is going to help implement a lot of those things directly.

Mr. WALZ. Well, again, thank you for your commitment to veterans. Thank you for coming and updating us and leading forward on this. I yield back, Mr. Chairman.

Mr. STUTZMAN. Thank you. Mr. Johnson.

Mr. JOHNSON. Thank you, Mr. Chairman. Mr. Coy, first of all thanks for providing the timelines.

Mr. COY. Yes, sir.

Mr. JOHNSON. Can you give us some additional information on the timeline of events for implementation of the training provision, such as the first checks going out in August?

Mr. COY. Absolutely. As I think you have it up there, and you may have it in front of you, we started very aggressively working through the timeline. One of the questions I had earlier was why are you paying in August and not sooner, if you will? We cannot start any programs until 1 July. So August, once we got the information, we would be able to reimburse and start paying in August, that is the point of August, or the timeline for the August pay.

This notional schedule as we walk through it, you can see that we believe that in the next few weeks we are going to be able to finalize the MOUs, the charter, the schedule. It is a breathing document. This is just sort of a snapshot of those key dates that we have in there. But looking at the various systems that you see on there, whether they be BDN, VA1s, ECAP, the generated letters, we are all shooting toward starting to accept the requests for the eligibility determinations by May. And starting the payment system procedures, we are going to use the same payment system that we currently have for Montgomery GI Bill. We pay currently about

180,000, I think last year if my numbers are correct, 185,000 service, or veterans, received Montgomery GI Bill payments last year. So adding 45,000 this year on an existing payment system we think will lessen and mitigate some of those risks.

So I would be happy to answer any of the specific questions—

Mr. JOHNSON. That is okay. You have answered, and that is good. Can you explain how employment service staff will provide retraining and VR&E applicants' names to the VA?

Mr. COY. That is one of the procedures and one of the pass throughs that is one of the complex problems we have not figured out yet, to be quite frank. We have begun those discussions but I do not have an answer right now.

Mr. JOHNSON. Do you have a time frame to resolve that?

Mr. COY. I do not have that in front of me, but I will be happy to get back to you, sir.

Mr. JOHNSON. Okay.

Mr. COY. And get you that information.

Mr. JOHNSON. All right. And I would appreciate that. During implementation of the Post 9/11 Act VA set up a system where users could sign up and get email alerts when more information on the implementation of the Post 9/11 GI Bill was posted on the GI Bill Web site. Do you have similar plans for this retraining provision?

Mr. COY. I will let Keith answer that question. He was our Post 9/11 GI Bill implementer. If anybody knows anything about implementation of Post 9/11 it is Mr. Wilson.

Mr. WILSON. Thank you for the question. The short answer is yes. We have that capability built into our existing systems. We have what we refer to as right now web capabilities through our internet web page, and we create different topics and individuals can sign up for updates on those topics. We plan on doing the same type of procedure for this piece of legislation as well, yes.

Mr. JOHNSON. Okay. What, or how will you reach out to VR&E applicants or participants about the new eligibility that is provided under the Vow Act?

Mr. COY. I would suggest that is another one of those key challenges. It is both a technology challenge and it is a pass over the transom challenge between us and DOL. We have begun those discussions but we, I do not have an answer right now, sir. But we will make sure that the Committee and your staff is updated as we go down that path.

Mr. JOHNSON. Okay. One more, one more, Mr. Coy. Can you please tell us why the plan to implement Section 233 that provided additional VR&E benefits on June 12, 2012, when the deadline for implementation is listed in the law as June 1, 2012?

Mr. COY. That is meant to be 2012, not June 12.

Mr. JOHNSON. Okay.

Mr. COY. And so we hope and expect to be ahead of this schedule. But quite frankly, sir, what we wanted to do is lay out the steps that we needed to accomplish for each one of those steps to implement the law. And as you can see, we expect to develop all of those verification procedures next month. We expect to develop the training between January, February, and March. Deliver that training and policy to the field personnel—

Mr. JOHNSON. So you are anticipating it all being there prior to June 1?

Mr. COY. Absolutely, yes, sir.

Mr. JOHNSON. On or before June 1? Okay.

Mr. COY. And the June 12, June 1–2, was June of 2012.

Mr. JOHNSON. Okay. All right. Great. All right, that is all the questions I have, Mr. Chairman.

Mr. STUTZMAN. Thank you. I have just got a couple of follow up questions. And then if anybody else wants to ask any additional questions we will do that. But for Mr. Ortiz, would veterans who are no longer looking for work and are considered not in the labor market be eligible for the retraining provisions?

Mr. ORTIZ. Yes, sir. If they are unemployed, yes sir, they would be.

Mr. STUTZMAN. Okay. All right. And then can you kind of just give us just a minute or two on, just how is this all going to work? Just broad strokes. We all know this is just getting started here. But kind of just how do you foresee this starting? And hopefully by the time we have the next hearing some of the things that are hanging out there that you mentioned, where you might be at?

Mr. COY. I will do a quick intro and then pass it over to Keith who has helped us develop the entire project plan. I will just make a quick statement with respect to implementation of this particular law. I have been a senior executive within the government for over 11 years now. I served in the Navy for 24 years. I do not think I have ever been associated with anything that between two government agencies that we have been more proactive in going after this for the common cause. There is no one up and down the chain in each agency that is not a firm believer in what we are trying to accomplish here. So the enthusiasm of the boots on the ground, from the senior staff down to the IT specialists, are all on board.

Keith can, I will ask Keith to walk through the schedule and how he is physically doing it. But as I indicated earlier we are having daily hot washups, weekly hot washups. We are quite frankly tired of seeing each other, because we are meeting so much.

Mr. STUTZMAN. You will get a Christmas break here hopefully—

Mr. WILSON. Let me start by thanking the Committee again for engaging us from the technical perspective. Engaging us early on allowed us to leverage a lot of the existing systems we have in place right now and that has made the lift much more manageable on this. We have had a lot of discussions over the past couple of weeks with Department of Labor. Our discussions have gone beyond the 50,000-foot level and are really more at the granular level right now. The overall manner in which we see this process working is number one, a web portal that would be stood up by the Department of Labor that will be completed by the individuals at the one stop centers. The one stops will be the initial intake point of contact for this. The information that will be collected there will meet the needs of both VA and Department of Labor. We do not expect for the veterans to have to apply once again for VA benefits when we are at the point of making our eligibility determinations. So we will have that single piece of information. That portal that Labor is setting up will come through a new gateway we are estab-

lishing within our image management system now, which is how we process and manage all of our education claims right now. That pass through is going to put that work into queue in front of the claims examiners that work our education claims right now.

Once Department of Labor has done their determinations, the person is unemployed, etcetera, etcetera, etcetera, information is transmitted over to VA that allows us to make our determinations, processing it as an education claim just like any other education benefit we administer.

Leveraging that capability then allows us to use the internal interfaces we have now between our processing systems and our payment systems. So we will simply process those claims. For those people that we determine eligible, we already have the mechanism to transmit information into our payment system and then into Treasury. So that will be the vehicle that payments will use to get out the door.

Mr. STUTZMAN. Thank you.

Mr. ORTIZ. Sir, I cannot say anything more than what Mr. Coy said as far as the amount of collaboration that has happened between our two agencies has been nothing less than outstanding. As Mr. Coy and I are both military members, we are looking at it almost like an operational plan. We have been given a task and we are doing what needs to be done to make sure that task is accomplished. We are meeting and on his side he is meeting on an internal basis constantly, we are doing the same thing on our side. And the idea of being able to share this information without any kind of prejudice or restrictions in any way, shape, or form. We are here to do one thing and one thing only, that is to make sure that we take care of our troops. Bottom line. To make sure that we do what we need to do in order to make sure that they get the tools they need to be successful. So that when they come out they do not have to worry about having to look for a job, or having to pay a considerable amount of unemployment compensation in order for services, while they look for a job.

So yes, there are some challenges. There are some things that we need to do. We need to be able to do our systems, our technology pieces, and so on. But we are, we are working on it. You asked, Mr. Chairman, how is this going to turn out? This is going to be successful. As far as we are concerned it is going to do what needs to be done. It may take some time, and it may take some effort, and hopefully you all will be patient in how we accomplish this. But we have a lot of great people that are doing what needs to be done to make it happen.

I am going to pass it over to Gerri to give you an idea of the intensity with which we have been working on this.

Ms. FIALA. Thank you. I will not add much. I think you actually have heard the intensity and the commitment voiced by both of the agencies. I would just simply say to begin to make this work we are going to reach out to all our respective stakeholders to make sure that both the veterans that are targeted by the Vow Act, as well as the employers, who need to be informed and encouraged to hire them, have the information about the services and about how they can benefit from what you have established. We will be providing clear guidance on both sides of the system. We are going to

promote this with all of our employer partners, from the United States Chamber of Commerce on down to make sure that everyone gets the information.

You have heard that there are some challenges. But our staff actually met Tuesday for almost 8 hours to begin to work out the technical challenges so that our systems can talk to each other and can make sure that there is one form to be filled out, there is one set of information and that it does flow from one agency to the other. There will be challenges because we have a decentralized public workforce system and a highly centralized system for the GI Bill. And we are going to ensure that we can share the data and respect the privacy, both of the individuals who are applying and can benefit from the system, as well as the security concerns for the agencies.

Mr. STUTZMAN. And I appreciate that from all of you. Because, as Mr. Walz always says we cannot afford not to get this right. We have to get this right. And I know you all know that. And you know, expectations are high for all of us. And we have to answer to people back home and I know you, you are answering to not only our vets but to this committee. And we want to make sure that we are here to help but also to hold everybody accountable as well to make sure that this is done right. Because these guys and gals are coming home, and we want to make sure that they are coming home to the best situation that we can possibly provide. So, Mr. Braley.

Mr. BRALEY. Mr. Wilson, I understand you are going to be leaving us soon. And we want to thank you for the tremendous work that you have done on behalf of our veterans. And I know everyone on the Committee joins me in wishing you the best in everything you do in the future. And I know that a lot of times the work that you and others do is unseen by our Nation's veterans and underappreciated. But I just wanted to acknowledge the tremendous efforts you have made. We really appreciate it.

Mr. WILSON. Thank you.

Mr. BRALEY. Mr. Ortiz, I just have a question about the next item on the timeline which it seems to be allocated to your agency, and that is the uptake analysis of the top ten states with the highest number of unemployed veterans with a timeline of February, 2012. Can you give us some sense of where we are heading into next year with that coming up on the horizon?

Mr. ORTIZ. Sir, I will get back to you on it. Sir, we are working on the different angles and I will make sure I get back to you for the record, sir.

Mr. BRALEY. Okay. The other question I raised in my opening statement, and I will pose for you and Mr. Coy both, and that is the VR&E benefits and the alarming counselor to veteran ratio that we have had in the past that I mentioned of one to 136. My question to both of you is how are we dealing with that ratio moving forward? Do we have enough counselors? If not, what are we going to do about it? Are we looking at ways to maximize the benefits of those existing counselors through programs like telecounseling? And what are the outreach programs that we are targeting?

Mr. COY. I will take that first, if that is all right with Mr. Ortiz. For VR&E counselors, this fiscal year in 2012 we have allotted an

additional 110 VR&E counselors, mostly stationed at our IDES sites. And so we are on our way to ensure that we can try and reduce that caseload with respect to that. I cannot speak for the fiscal year 2013 and on budgets, if you will. But we believe that with the preplanning of the IDES sites and the collaboration between the services, our IDES coordinators and Ruth Fanning's VR&E folks, we should have most of those concerns taken care of.

Mr. BRALEY. Thank you.

Mr. ORTIZ. In our case the flexibility of our DVOPs and LVERs to be able to work with VA and their VR&E counselors is probably going to be the most effective piece that we have right now, sir.

Mr. STUTZMAN. Okay. Mr. Walz? Okay. All right. Well that concludes the questions. I just I would like to make just one follow up to Mr. Walz' suggestion about what they are doing in Minnesota in identifying those who are unemployed. I think that is something that we could follow up on. I appreciate that suggestion. And it is something that we could work on right away in the near future. I think that is, it would be valuable for us to look at that, and also for you all as well.

I want to thank you all for being here today. And I know we will be meeting again soon. And I appreciate your input and the work that you are doing. As I mentioned earlier, this is important to all of us and especially our veterans. And so at this point I would like to ask unanimous consent that all members have five legislative days to revise and extend their remarks on today's hearing. Hearing no objection, so ordered. I want to wish you all a happy holiday season, and again I know we have veterans that are coming home for the holidays thankfully and we cannot wait until they are home safe and sound. So at this point, if there is no further business, we are adjourned.

[Whereupon, at 11:14 a.m., the Committee was adjourned.]

A P P E N D I X

Prepared Statement of Honorable Marlin A. Stutzman, Chairman, Subcommittee on Economic Opportunity

Good morning. We are here today to begin this Subcommittee's review of the implementation of Public Law 112-56, the Vow to Hire Heroes Act of 2011. This will be just the first in a series of oversight hearings we will hold through July of next year.

This bipartisan and bicameral legislation was signed into law by President Obama in November and is the culmination of many months of work by this Committee to reduce unemployment among veterans. These efforts began with oversight hearings by this Subcommittee last winter which led to the introduction and passage of H.R. 2433, the Veteran Opportunity to Work Act of 2011 earlier this fall.

The major provision of both H.R. 2433 and the Vow to Hire Heroes Act is the temporary extension of Montgomery GI Bill benefits to eligible veterans to receive up to 1 year of training at a community college or technical school for in-demand occupations. Eligible veterans would have to be between the ages of 35 and 60, be unemployed, and not have eligibility for other VA education programs.

Latest numbers from the Bureau of Labor Statistics show that there are an estimated 531,000 unemployed veterans between the ages of 35 and 64. This represents about two thirds of all of unemployed veterans in this country. It is this population that this program is intended to help, and it is our obligation to ensure that VA and VETS meet the July 1, 2011 implementation deadline so this provision can help this group of aging veterans as quickly as possible.

While there are many other worthwhile provisions in the Vow Act, the implementation of this provision and the provision extending vocational rehabilitation benefits to veterans who have passed their delimiting date will be the Subcommittee's focus.

While I am aware that the legislation was only signed into law a few weeks ago, I am anxious to hear about the progress VA and DOL have been making on implementation and their plans for future collaboration as required by law.

I can't stress enough that the proper implementation of this law is extremely critical, and as such I want to put both agencies on notice that this will be this Subcommittee's top priority in the next session of Congress and we need your help in identifying obstacles and problems as soon as possible so we can work them out and get this law implemented.

Together we can ensure that our veterans are not cheated out of this wonderful benefit because of bureaucratic delays or hurdles. Our veterans deserve and will receive nothing less.

I thank our witness for being here today to inform us on the progress the departments have made, and I now yield to the distinguished Ranking Member from the great state of Iowa for any remarks he may have.

Prepared Statement of Honorable Bruce L. Braley, Ranking Democratic Member

I'm very proud to have worked with this Committee to pass the *Vow to Hire Heroes Act*. I am optimistic this legislation is a step in the right direction for putting our veterans back to work. In August, I introduced the *Combat Veterans Back to Work Act*, which provided tax incentives to employers to hire veterans and recently returned servicemembers. I am pleased that the Vow Act includes tax incentives for hiring veterans that I've been pushing for all year.

Additionally, in October, I joined Chairman Stutzman to host two field hearings—one in Iowa and one in Indiana—that focused on veterans' unemployment. One of the things that came up at these hearings was the need to help returning service-

members translate their military skills to civilian skills, which is why I am pleased that the Vow Act includes veterans retraining. This will help ensure that they have the skills necessary to be competitive in today's tough job market.

Section 211 of this bill, which focuses on retraining, has an implementation date of July, 2012. This new program will be very beneficial for older veterans that have exhausted their educational benefits or other available VA vocational programs. It is my hope that the Department of Veterans Affairs and Department of Labor have already begun discussions on how to jointly carry out this program and administer this section as scheduled. This interagency program will help change the lives of 99,000 unemployed veterans.

Section 233 of the *Vow to Hire Heroes Act* provides disabled veterans up to 12 months of additional Vocational Rehabilitation and Employment (VR&E) benefits. In the past we've had hearings and discussions surrounding VR&E counselors' workload. During our March hearing we expressed our concerns with the VR&E veteran-to-counselor ratio of 1:136.

I look forward to hearing from our witnesses today on what steps will be taken to ensure that there is adequate staff at VR&E who are prepared to handle proper implementation of this section. I hope the VA is ready to discuss how they will prepare to handle additional workload without sacrificing the counseling services veterans need.

**Prepared Statement of Ismael Ortiz, Jr., Acting Assistant Secretary,
Veterans' Employment and Training Service, U.S. Department of Labor**

Good morning Chairman Stutzman, Ranking Member Braley, and distinguished Members of the Subcommittee. Thank you for your invitation to participate in today's hearing on the implementation of the Vow to Hire Heroes Act of 2011 (Vow). This legislation is an integral part of President Obama's efforts to ensure that America fulfills its obligations to our returning servicemembers, veterans, and their families. The Vow Act also incorporates several important components of the American Jobs Act, including the Wounded Warrior and Returning Heroes Tax Credits. The bill garnered broad bipartisan support in Congress and the President signed it into law on November 21, 2011.

Although recent data from the Department of Labor's Bureau of Labor Statistics shows that payrolls have climbed and the unemployment rate has dropped to a 2-year low, we need faster economic growth to put Americans back to work. Moreover, high unemployment rates among veterans remain an area of concern. The Vow Act is intended to lower the unemployment rates of veterans by providing a broad array of new and expanded services to assist them in acquiring the enhanced skills needed to compete in today's labor market and thus facilitate veterans' return to work.

The Department of Labor (DOL) has various responsibilities under the Vow Act; however, per the Subcommittee's request, my testimony today will focus on section 211, the "Veterans Retraining Assistance Program" (VRAP), and section 233, "Training and Rehabilitation for Veterans Who Have Exhausted Rights to Unemployment Compensation Under State Law". I am particularly grateful for this opportunity to discuss DOL's collaborative efforts with the Department of Veterans Affairs (VA) to implement and administer these two provisions in a coordinated and cost-effective way that will facilitate eligible veterans' access to the valuable services available under the law.

The Vow Act recognizes that providing comprehensive services to veterans requires Federal agencies to work together, leverage collective resources, and streamline processes. The Department is fully committed to working with our Federal partners to implement the Act. We believe that this commitment is demonstrated not only by DOL and VA's recent collaboration on sections 211 and 233 of the Vow, but also by other ongoing efforts in support of our Nation's veterans. Therefore, before I turn to a discussion of the Vow Act, I want to update you on some of our other recent work with the VA.

On November 7th, 2011, the President and DOL announced the "Gold Card Initiative" which offers a set of intensive services to post-9/11 veterans through DOL's nationwide network of approximately 3,000 One-Stop Career Centers. The goal of this initiative is to jump-start the job search process for post-9/11 veterans through enhanced in-person services that help them reconnect to the civilian labor force. In order to maximize outreach, DOL partnered with the VA to ensure that the promotion of the Gold Card was visible through both DOL and VA resources, including posting easy-to-access links on our respective Web sites.

On the same day, the Administration launched a new Veterans Jobs Bank, an easy-to-use tool to help connect veterans looking for jobs with employers looking to hire them. It already allows veterans to search nearly one million job postings and is still growing. In a few easy steps, employers can make sure the job postings on their own Web sites are part of this Veterans Jobs Bank. The Veterans Job Bank is found at <http://www.nrd.gov/>, the National Resource Directory, which has been a successful joint effort and example of past collaboration among DOL, VA, and the Department of Defense.

Interagency collaboration is an essential component in ensuring that the public workforce system effectively implements the requirements of this legislation. For example, DOL plans to consult with the VA in preparing guidance related to the recent revisions to the Post-9/11 GI Bill. This guidance will be issued to the One-Stop Career Center line staff and Disabled Veterans Outreach Program Specialists and Local Veterans Employment Representatives so that they are familiar with these revisions. The guidance will also help them tap into the resources made available in the GI Bill to better direct veterans to training and other such services critical to helping veterans attain the credentials necessary to secure employment.

The Veterans Retraining Assistance Program

Section 211 of the Vow establishes the Veterans Retraining Assistance Program (VRAP) for unemployed veterans aged 35 to 60. The VRAP, which entitles eligible veterans to retraining assistance for up to 12 months when they pursue a qualified program or training, must be up and running no later than July 1, 2012. The Vow Act specifies that VA and DOL will jointly administer the process for determining veterans' eligibility for VRAP. Specifically, DOL will be responsible for determining applicants' initial eligibility based on age, employment status, and previous participation in other job training programs. Following DOL's determination, the VA is required to certify applicants based on several additional criteria, such as the conditions of the applicants' discharge and eligibility for other forms of assistance. Other DOL-specific requirements include identifying the high-demand occupations that will be the focus of VRAP training, and contacting veterans within 30 days of completing or terminating the VRAP training to inform them of the employment placement services that are available to them. The Vow Act also requires DOL to work with VA to establish a process for resolving appeals of eligibility determinations made by the agencies. DOL and VA are still discussing the processes and systems that will be used to carry-out the VRAP program but it is very likely that the One-Stop Career Center System will play a key role.

Before the Vow Act was enacted, DOL and VA had already initiated planning to get a head start on implementation of this critical legislation. During the next 7 months leading up to the July 1, 2012 deadline for the commencement of VRAP, we will accomplish the following milestones that will be jointly-managed by DOL and VA:

- Establish a Memorandum of Agreement and a Project Charter delineating agency specific processes and responsibilities covering participants' initial intake through completion of the VRAP program;
- Seek consultations on process design with veterans employment and training experts in state and local workforce agencies and other appropriate stakeholder organizations representing veterans' interests;
- Design, test and implement customized application processing systems to manage DOL and VA's joint responsibilities under the VRAP program;
- Develop, test and implement enrollment and participant tracking system(s) to enable the agencies to report program results; and
- Develop and execute outreach and technical assistance strategies to both stakeholders and program delivery staff.

We have identified two major operational and implementation challenges which will need to be addressed over the next few weeks as we complete the Project Charter and Memorandum of Agreement. First, we must find a way to connect, and facilitate a successful interaction between the public workforce system—a decentralized, nationwide network of approximately 3,000 One-Stop Career Centers managed through a combination of Federal, state, and local partnerships—and the VA's Federally-centralized GI Bill system. Second, we need to develop a mechanism to enable DOL and VA to appropriately access each other's administrative and performance data systems, so that we can ensure the successful execution of the VRAP, while also protecting the agencies' respective privacy and data sharing agreements and requirements.

Expanded Benefits for Veterans with Service Related Disabilities

Section 233 of the Vow amends current law to allow individuals with service-connected disabilities who have exhausted Unemployment Insurance (UI) benefits under state law to seek assistance from additional rehabilitation programs specified in the legislation. The VA is primarily responsible for the administration of this provision; however, DOL will have a key role in developing the eligibility determination process. To avail themselves of the assistance provided for under section 233, applicants must have exhausted their rights to regular compensation under State law and must not be receiving unemployment compensation under Canadian law. Because there is currently no single unified system that can be used to determine whether a person has exhausted his or her rights to regular compensation under State law, we expect that State UI agencies would be involved in making this determination. DOL is exploring possible operational methods to successfully execute this provision. In particular, we are examining the process utilized in other Federal benefit programs, such as the Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP), that would allow state UI agencies to be reimbursed for the workload in making the necessary determinations.

Additionally, while we can determine if someone is receiving unemployment benefits based on wages in both the United States and in Canada, we do not, at present, have the ability to determine if an individual is eligible for Canadian unemployment benefits solely based upon the wages the person earned in Canada. DOL anticipates that we will need to review Canadian confidentiality laws to ascertain if there are any existing, reasonable methods to reliably obtain that information.

Other Provisions of Note

In addition to sections 211 and 233, the Vow contains several provisions that are designed to enhance the Department's current activities and programs targeted towards veterans. These enhancements include, but are not limited to: (1) required participation in the Transition Assistance Program, which designed to increase veterans' awareness and utilization of the employment, education, and training programs that are available to them; (2) increased veterans' access to apprenticeship and pre-apprenticeship programs; (3) clarified priority of service reporting requirements within the public workforce system; (4) identification of skill equivalencies between military and civilian occupations; and (5) amendment and expansion of the categories of veterans eligible for the Work Opportunity Tax Credit. The Department, working in collaboration with other Federal agencies, as needed, is actively developing a strategic plan to implement these provisions within the time frames contained in the Vow Act.

Conclusion

Mr. Chairman, as I stated earlier, both DOL and VA are committed to the full and speedy implementation of the Vow to Hire Heroes Act of 2011 in support of veterans' success in the civilian labor market. We will keep you and the Subcommittee apprised of implementation milestones through regular briefings, as requested.

Members of the Committee, this concludes my statement. I would be pleased to answer any questions you may have.

**Prepared Statement of Curtis L. Coy, Deputy Under Secretary
for Economic Opportunity, Veterans Benefits Administration,
U.S. Department of Veterans Affairs**

Good morning, Chairman Stutzman, Ranking Member Braley, and Members of the Subcommittee. I appreciate the opportunity to appear before you today to discuss the progress made by the Department Veterans Affairs (VA) toward implementing the provisions in title II of Public Law 112-56, the "Vow to Hire Heroes Act of 2011." I am accompanied today by Mr. Keith Wilson, Director of VA's Education Service. My testimony will discuss the relevant sections of the legislation and explain how we plan to address them, with particular emphasis on section 211.

Many of the provisions outlined in the Vow to Hire Heroes Act of 2011 closely align with the improvement of economic opportunities for Veterans. Secretary Shinseki has emphasized that this critical legislation will materially help our Servicemembers and Veterans with employment and transition. VA is committed to executing, in collaboration with other agencies and stakeholders, all provisions of this law for which we have responsibility, and I have outlined our coordinated approach in my testimony.

Section 211—The Veterans Retraining Assistance Program

This section requires the Secretary of Veterans Affairs to establish a program of retraining assistance for eligible Veterans in collaboration with the Secretary of Labor not later than July 1, 2012. The number of Veterans who participate in the program may not exceed 45,000 in fiscal year (FY) 2012 and 54,000 during the period beginning on October 1, 2012, and ending on March 31, 2014, when the authority to make payments under the program will terminate. Eligible Veterans will receive the Montgomery GI Bill-Active Duty (chapter 30) full-time benefit rate for up to 12 months. Training must be completed at a VA-approved community college or technical school; it must lead to an associate degree, certificate, or other record of completion; and the training must pertain to an occupation deemed by the Department of Labor (DOL) to be in high demand. The training programs must begin on or after July 1, 2012, and the authority for VA to make payments ends on March 31, 2014.

The law establishes a set of criteria that Veterans must meet in order to participate in the program. VA and DOL must evaluate a Veteran's age range, employment status, character of discharge, type of training, and other key elements when determining eligibility. The law requires VA and DOL to form a close partnership to successfully implement this retraining assistance program, including establishing a formal memorandum of agreement with a process for resolving disputes and appeals. VA and DOL must also track participants, payments, and degrees awarded, and submit a final report on the impact of the retraining program to the Senate Committees on Veterans' Affairs and Health, Education, Labor, and Pensions, and the House Committees on Veterans' Affairs and Education and the Workforce.

In mid-November, VA and DOL representatives met to discuss plans for implementing the provisions of section 211. The participants identified high-level roles, responsibilities, and decision points, and discussed a preliminary VA-developed framework for an integrated master schedule for managing the implementation of this new program. VA also provided a high-level summary of the claims and payment process from VA's perspective to initiate collaborative discussions regarding information sharing and other logistical needs between the two Departments. At follow-up meetings, representatives from both Departments discussed how to successfully administer this program without duplication of effort and within the required time frame, including existing benefit processing and payment systems within VA, and One-Stop Career Centers and other Veteran intake centers within DOL.

Initial DOL responsibilities identified in these meetings center on conducting initial Veteran intake, making DOL-specific eligibility determinations (unemployment, high-value career fields, etc.) as directed by the legislation, and ensuring that required information is collected and appropriately disseminated to VA. Initial VA responsibilities include conducting VA-specific eligibility determinations (eligibility to VA benefits, prior benefit usage), communicating eligibility decisions, processing enrollment information, and administering payments. VA is also focused on ensuring mechanisms are in place to meet the law's extensive reporting requirements.

While VA and DOL are on an excellent track in implementation planning and tackling the more complex aspects of the law, we anticipate challenges associated with implementing this program. The law requires rapid establishment of a broad partnership between agencies with vastly different operating structures and information technology (IT) systems. Provisions of this law, including wide-ranging eligibility criteria, present IT and logistical challenges in addition to the increased workload the program generates. The aggressive time frame also magnifies the complexity of this effort. VA and DOL are working hard to mitigate these risks using innovative solutions.

To ensure this program's success, VA and DOL staff and leadership currently participate in weekly meetings to track progress, share information, and develop implementation strategies. Internally, VA staff and project leads meet daily to discuss implementation status and ensure we remain on track to meet the July 1, 2012 deadline. Additionally, VA is currently developing program management documentation, including a draft memorandum of agreement to outline the relationship and operation of the program between VA, DOL, and key representatives at the executive- and working-group levels.

The implementation of the Veterans Retraining Assistance Program will include an outreach program for the appropriate target population. VA will use a variety of means and resources available to raise awareness about this new retraining benefit program, including the GI Bill Web site and the Education Service *Facebook* page.

As VA and DOL work together to successfully implement the new training program many intricacies will need to be worked out within the time frame provided by the law.

Enhancements to Vocational Rehabilitation and Employment Services

The new law will also enhance services provided by VA's Vocational Rehabilitation and Employment (VR&E) program. The law extends VA's authority to provide vocational rehabilitation services to injured, active-duty Servicemembers, and promotes collaboration between VR&E and other organizations to provide additional services to aid Veterans' transition to civilian employment. This law also allows VR&E to fund special employer incentives for Veterans who did not previously qualify for on-the-job training. In addition, VR&E can now provide an additional 12 months of benefits to Veterans who have exhausted their unemployment benefits, and also is now able to provide additional services to assist Veterans returning to employment. I would now like to provide specific information regarding implementation for each of the VR&E provisions.

Section 222—Individualized assessment on equivalence between military occupational specialty (MOS) and qualifications for private sector employment

This section requires DOL, in consultation with the Department of Defense (DoD) and VA, to contract for a study to identify equivalencies between MOS-related skills and civilian employment. VA will work with DOL and DoD to review existing job-skill translators and to support the analysis required for DoD to comply with the requirement to ensure that all Transition Assistance Program participants receive an individualized assessment of civilian positions in the private sector for which they may qualify based on their military experience. DoD is expected to begin providing the individualized assessments to Servicemembers and sharing them with DOL and VR&E in November 2012. VR&E will be able to immediately use the assessments provided by DoD to develop education and employment goals for transitioning Veterans that have applied for VA education or VR&E benefits.

Section 231—Two-year extension to provide Vocational Rehabilitation to Servicemembers

Section 231 of the bill provides a 2-year extension of section 1631(b)(2) of Public Law 110–181. This provision expedites rehabilitation services by allowing automatic eligibility and entitlement to VR&E services to be granted to active-duty Servicemembers referred by DoD with severe injuries or illnesses through December 31, 2014. This provision will enable VR&E to provide rehabilitation services, including career counseling, retraining, and placement services, to active-duty Servicemembers early in the disability evaluation process. In addition, it allows VA to help Servicemembers with maintaining or obtaining a new MOS, or to prepare them for civilian employment that does not aggravate their service-connected injuries.

A memorandum of understanding (MOU) with DoD is in place, and VR&E has drafted procedures for immediate implementation. This MOU implements VR&E counseling for Servicemembers transitioning through the Integrated Disability Evaluation System (IDES) at designated locations. Early access to VR&E services and assistance offers Servicemembers resources that aid their recovery, transition, and reintegration into civilian life. Eligible Servicemembers will be referred to VR&E if they are: evaluated by a DoD or VA physician and are determined to have a severe injury or illness that could cause their referral into the IDES; assigned to a Service's Wounded Warrior program and are participating in the Education and Employment Initiative (E2I) program; or being processed through the IDES and referred to a Physical Evaluation Board. The IDES project plan, which provides for 110 VR&E counselors to be stationed at selected IDES sites in FY 2012, will enable aggressive implementation of this section. VR&E expects to begin providing these services in February 2012.

Section 232—Expand VA authority to pay employers for on-the-job training

Section 232 of the bill allows VA to expand the Special Employer Incentive (SEI) program to employers who hire Veterans participating in a VR&E program even if the Veteran has not completed a training program. Prior to this law, a Veteran needed to have completed rehabilitation services, such as job retraining or education, in order to qualify for SEI. As a result of this legislation, VR&E will implement use of the SEI program for Veterans who choose to pursue employment, even if they were unable to fully complete their training programs, as well as for those Veterans who pursue a program consisting of solely employment services. VR&E is drafting procedures and developing staff training so that this provision may be implemented by January 20, 2012.

Section 233—Additional VR&E services to Veterans with exhausted rights to unemployment benefits

Section 233 of the bill entitles Veterans who have completed a VR&E program and exhausted state unemployment benefits to an additional 12 months of voca-

tional rehabilitation services. This legislative authority enables VR&E to provide services to Veterans who continue to struggle in obtaining employment. These services include an additional short-term training program, extensive job-seeking skills training, and job-placement services. It also allows for the provision of employment services to Veterans who are beyond the 12-year delimiting date and are not determined to have a serious employment handicap. VR&E will work with DOL to identify and conduct outreach to Veterans who may qualify for these services. VR&E will be ready to accept referrals and applications in February 2012 so that rehabilitation programs for these individuals may be in place on June 1, 2012, the effective date of this provision.

Sec. 262—Extension of reduced pension for certain veterans covered by Medicaid plans for services

In section 262, Congress extended through September 30, 2016, the provisions of 38 U.S.C. § 5503(d), which limit to \$90 the pension payable to certain recipients of Medicaid-covered nursing home care, and protect that pension payment from being applied to the cost of the recipient's nursing home care. This limitation was previously set to expire on May 31, 2015. Because section 262 extends existing authority, which VA already implemented, we anticipate no delay in implementing the revised law.

Sec. 264—Extension of authority for Secretary of Veterans Affairs to obtain information from Secretary of Treasury and Commissioner of Social Security for income verification purposes

In section 264, Congress extended through September 30, 2016, VA's authority under 38 U.S.C. § 5317 to enter into data matching agreements with the Internal Revenue Service and the Social Security Administration. This authority expired on September 30, 2011. VA uses this authority to identify reporting discrepancies by beneficiaries in the Department's income-based programs. Because section 264 extends existing authority, which VA already implemented, we anticipate no delay in implementing the revised law.

Section 265—Extend VA Home Loan Funding Fees

As you know, on October 5, 2011, Public Law 112–37 extended VA's home loan funding fees at a higher rate structure through November 17, 2011.

On November 18, those fees reset to a lower rate structure, as prescribed in statute. In response to the reset, our Home Loan Guaranty program took action to provide Veterans, our program lenders, and key industry trade groups with guidance regarding the closing of loans during this time period. The Home Loan Guaranty program issued a program policy circular containing the necessary guidance, and posted that, along with a newsflash, to its Web site. We also ensured that Treasury's Funding Fee Payment System (FFPS), wherein lenders remit the funding fees to Treasury, was properly coded with the lower rate structure.

With the approval of Public Law 112–56 on November 21, funding fees were once again set at the higher rate structure. Specifically, section 265 of the law amended 38 U.S.C. § 3729(b)(2) by extending VA's authority to collect certain fees and by adjusting the amount of the fees, through September 30, 2016. The Home Loan Guaranty program once again communicated these important program changes to Veterans and the mortgage industry. VA personally contacted the Home Loan program's largest lenders and several key industry trade groups to notify them of the bill signing and of the new funding fee rates. VA also drafted and posted a new program policy circular, which announced the signing of the bill, and outlined the fees in effect. This circular, along with another news update about the bill signing and the new fee rates, was posted to the Home Loan program's Web site on the day after the bill was approved. Additionally, VA worked with Treasury to update FFPS with the current rate structure. We are not aware of any Veterans having difficulty closing their VA-guaranteed home loans during this time period.

As you know, Mr. Chairman, there is one provision in the bill not connected with VBA that relates to ambulance reimbursement. That is a subject of Veteran Health Administration operations, so I will not address it in this testimony, other than to note my understanding that VA has brought one technical issue to the Committee staff's attention, as well as their counterparts in the Senate.

Mr. Chairman, this concludes my statement. I would be pleased to answer any questions you or other Members of the Subcommittee may have.

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Questions from Honorable Bill Johnson to Mr. Curtis Coy, Deputy Under Secretary for Economic Opportunity, Veterans Benefits Administration, U.S. Department of Veterans Affairs

Mr. Johnson: Can you explain how employment service staff will provide retraining and VRE applicants' names to the VA?

Mr. Coy: That's one of the procedures and one that they have passed through is one of the complex problems. We have not figured it out yet, to be quite frank. We've begun those discussions, but I don't have an answer right now.

Mr. Johnson: Do you have a time frame to—to resolve that?

VBA Response: VBA will leverage the existing VA electronic application system (VONAPP). It will be modified to allow DOL access to submit Veterans' applications to VA. There is no retraining required for VBA staff, as VONAPP data is electronically transferred into VA's processing systems. There would only be minimal training required for DOL staff to enter the applications, as VONAPP is designed to be used directly by our Veterans and is therefore user-friendly. VA and DOL have not finalized a date when DOL will receive access to the system, but DOL will be able to submit applications to VA prior to July 1, 2012.

