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A REVIEW OF THE PRESIDENT'S FISCAL YEAR 2016 BUDGET REQUEST FOR THE DEPARTMENT OF LABOR'S VETERAN EMPLOYMENT AND TRAINING SERVICE (VETS)

HEARING

BEFORE THE

SUBCOMMITTEE ON ECONOMIC OPPORTUNITY

OF THE

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

ONE HUNDRED FOURTEENTH CONGRESS

FIRST SESSION

THURSDAY, FEBRUARY 12, 2015

Serial No. 114–8

Printed for the use of the Committee on Veterans' Affairs

Available via the World Wide Web: http://www.fdsys.gov

U.S. GOVERNMENT PUBLISHING OFFICE

98–571 WASHINGTON : 2016

For sale by the Superintendent of Documents, U.S. Government Publishing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512–1800; DC area (202) 512–1800
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A REVIEW OF THE PRESIDENT'S FISCAL YEAR 2016 BUDGET REQUEST FOR THE DEPARTMENT OF LABOR'S VETERAN EMPLOYMENT AND TRAINING SERVICE (VETS)

Thursday, February 12, 2015

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

The subcommittee met, pursuant to notice, at 1:59 p.m., in Room 334, Cannon House Office Building, Hon. Brad Wenstrup, [chairman of the subcommittee] presiding.

Present: Representatives Wenstrup, Zeldin, Costello, Radewagen, Bost, Takano, Titus, Rice, McNerney.

OPENING STATEMENT OF CHAIRMAN BRAD WENSTRUP

Dr. WENSTRUP. I want to welcome you all to the Subcommittee on Economic Opportunity's hearing today entitled A Review of the President's Fiscal Year 2016 Budget Request for the Department of Labor's Veteran Employment and Training Services, otherwise known as VETS.

Just to say up front, I apologize if we may have to break to go to votes, but I thought we would get underway.

DoL's VETS or Veteran Employment and Training Services manages several programs for servicemembers and veterans alike. Within VETS is the Jobs for Veterans State Grant Program which funds Disabled Veterans' Outreach Program specialists, DVOPs, and local veterans' employment representatives, LVERs.

There is also the Homeless Veteran Retraining Program which provides grants to providers for job training services and stand-downs for homeless veterans, the employment workshop portion of the Transition Assistance Program, TAP, enforcement of the Uniformed Services Employment and Reemployment Rights Act, USERRA, and the promotion and outreach for veterans' hiring throughout the country and Federal Government, these are all very critical services and they are all vital to our servicemembers' and veterans' well-being after they leave active duty.

As more and more men and women are returning from deployments or separating from the military, it is imperative that we place a focus on these individuals and the services that we provide to them through VETS programs while also helping veterans of past conflicts who face underemployment and unemployment issues.

Unfortunately for years, it has been clear that senior leaders at the Department of Labor do not put the focus that is needed on the Veterans' Employment and Training Service. And to be quite frank, many in the veterans' community, and we will hear from them next, have said over and over again that more often than not, DoL has ignored the agency altogether.

Now, this is not just a current issue and it is not a political one. This seems to have been a trend throughout many administrations regardless of party. I know we can all agree that the country's veterans deserve to be the top priority, yet I worry that DoL does not always prioritize and coordinate their services for veterans as well as they could and should.

The President's fiscal year 2016 budget for the VETS Program is once again basically flatlined while the rest of the department is not. The budget as a tool is the ultimate list of an administration's priorities and it is clear where DoL's true priorities lie.

In addition to reviewing the President's proposed budget for VETS, I also believe today's hearing is an important opportunity to examine the Department of Labor's ability to measure long-term outcomes and the department's efforts to coordinate with the Department of Veterans Affairs and the efficiency of the Jobs for Veterans State Grant and VETS State Program.

JVSG which funds DVOPs and LVERs has been a constant concern of the subcommittee over the years and time and time again, we have heard concerns from the VSO community on the outreach or lack thereof that these DVOPs and LVERs are doing to help veterans find jobs.

What is truly upsetting is that despite spending millions and millions of dollars on this program over the years, VETS is still unable to accurately track if the services provided by DVOPs and LVERs led to a veteran finding meaningful employment. Results matter.

Reading through testimony for today's hearings and previous hearings held by this subcommittee, it is clear that VSOs and other stakeholders are ready for a change, a concrete change to bring better coordination between DoL and VA, better accountability and efficiency within VETS programs, and better data to show what VETS is doing to provide positive long-term outcomes for our Nation's veterans.

We have been told by VETS time and time again that this time it will be different and this time they have a seat at the table at the Department of Labor, but it doesn't seem that anything is ever different. As the old saying goes, the definition of insanity is doing the same thing over and over again and expecting a different result.

So in this vein, it appears that many are pushing to create a fourth administration at VA and move VETS out of DoL to VA, a concept that has been discussed and included in legislation in previous Congresses.

I look forward to hearing more about this proposal and discussion by the VSOs as well as other avenues we can explore to improve employment opportunities and consistency of services provided by DoL and the State Grant Program across the country.

Before I turn it over to the ranking member, Mr. Takano, I just want to reiterate that I believe that the new senior leadership team at VETS is trying to turn the ship around and by and large, the employees of VETS do good work. But they are only a small piece of the puzzle at an agency as large as DoL.

The problem is that no matter how small of a player VETS is within the larger mission of the department, the services they provide to our Nation's veterans are too important to be overlooked. And that is our challenge here today and I look forward to hearing from everyone about how we can improve the performance and focus of the program.

[THE PREPARED STATEMENT OF CHAIRMAN BRAD WENSTRUP APPEARS IN THE APPENDIX]

I now recognize Ranking Member Takano for his opening comments.

OPENING STATEMENT OF RANKING MEMBER MARK TAKANO

Mr. TAKANO. Thank you, Mr. Chairman.

Thank you. Thank you to our witnesses and welcome to them all.

I am happy to say that the job market for veterans and other Americans is continuously improving. We are now in our 59th consecutive month of private sector job growth. Eleven point eight million jobs have been added to our economy in the longest uninterrupted period of private sector job creation in our history.

However, we must not confuse positive employment numbers with the need to provide our servicemembers with a successful transition from the military. We must remain vigilant in ensuring that we are providing our servicemembers with the tools and training that they need to successfully navigate this transition.

Let me be clear. A servicemember's transition is incredibly challenging. I would ask you to consider a servicemember that joins the military at 18 years of age, deploys to a war zone on numerous occasions, and four years later at the age of 22 is leaving the service.

She has received a great deal of training, had significant life experiences, some good, some bad. She may or may not have physical disabilities. She probably has never written a resume. Short of a job in high school, she has never had an interview.

She has financial needs. She likely has a car, cell phone, maybe a mortgage, maybe a child. She will most likely go home or stay at the location of her last duty station. More likely than not, she will become unemployed.

So while our country's economic situation is arguably better than it has ever been, if transitioning servicemembers are having trouble finding jobs, there is a problem.

Veterans spend three days in employment workshops designed by the Department of Labor prior to exiting the military, but their effectiveness is unclear.

I am pleased to hear that the Administration has created the military life cycle to provide continuous touch points in a servicemember's career to prepare them for this transition. How it is integrated with the Veterans Administration for a seamless transition is also unclear.

The bottom line remains more needs to be done. With regards to the bottom line, DoL-VETS budgets largely reflect the continued

request to fund states to hire employees that focus on assisting veterans with employment.

While laudable in theory, I remain concerned that the impact this resource provides is unclear. I encourage DoL VETS to strongly consider what its intended outcomes are and then determine how you can measure those outcomes to drive those results.

I look forward to working with DoL VETS in moving forward. You have a substantial budget to help veterans transition and find employment. I look forward to hearing on how you plan to make great things happen for veterans with this substantial budget.

Thank you, Mr. Chairman, and I yield back.

Dr. WENSTRUP. I thank the ranking member.

And I now welcome our only witness on the first panel to the witness table. We do welcome Ms. Teresa Gerton, the Deputy Assistant Secretary for Policy, Veterans' Employment and Training Services, U.S. Department of Labor.

Unfortunately, they have called votes and there is about seven minutes left on the vote. So at this time, we will break and come back. And I apologize for the inconvenience to everyone. And we will see you back after votes.

[Recess.]

Dr. WENSTRUP. Well, again, we welcome Ms. Teresa Gerton, Deputy Assistant Secretary for Policy, Veterans' Employment and Training Services, U.S. Department of Labor.

Thank you for being here with us today, Ms. Gerton. Thank you for your service to veterans and for your service to our country and uniform as well. It is appreciated.

You are now recognized for five minutes for your opening statement.

STATEMENT OF TERESA W. GERTON

Ms. GERTON. well, Good afternoon, Chairman Wenstrup, Ranking Member Takano, and distinguished Members of the subcommittee.

Thank you for the opportunity to participate in today's hearing. I appreciate the invitation to discuss the Department's fiscal year 2016 budget submission supporting our programs and initiatives pertaining to veterans' employment.

VETS is the Federal Government's leader on veteran employment. The coordinated actions and collaborative relationships between VETS and the 12 other departments in DoL create synergy through the integration of all departmental resources and expertise on veterans' employment, bringing all of DoL's resources to bear for America's veterans and servicemembers.

VETS mission is focused on four key areas, preparing veterans for meaningful careers; providing them with employment resources and expertise; protecting their employment rights; and promoting the employment of veterans and related training opportunities to employers across the country.

VETS prepares veterans for meaningful careers through the Transition Assistance Program where DoL teaches a mandatory and comprehensive three-day employment workshop at U.S. military installations around the world. We provide a vast array of services to transitioning servicemembers, veterans, and their spouses to help them with job searching, accessing training pro-

grams to bridge skill gaps, and identifying employment opportunities.

At the center of the department's efforts are two VETS administered grant programs: the Jobs for Veterans State Grants or JVSG and the Homeless Veterans' Reintegration Program, or HVRP.

HVRP offers competitive grants to nonprofit organizations to provide employment and training services to homeless veterans so that they can be reintegrated into the labor force. There are currently 154 of these grantees across the Nation.

JVSG funds are provided to fund two staff positions: Disabled Veterans' Outreach Program specialists, known as DVOPs, and the Local Veterans' Employment Representatives, or LVERs. These staff work for state governments at the Nation's nearly 2,500 American Job Centers.

DVOP specialists provide intensive services to eligible veterans and spouses to meet their employment needs, prioritizing service to special disabled or other disabled veterans, and to other eligible veterans in accordance with priorities determined by the Secretary. DVOPs must place maximum emphasis on assisting veterans who are economically or educationally disadvantaged.

In response to concerns expressed by the Veteran Service Organizations regarding constraints in meeting the number of veterans eligible for DVOP services, VETS recently modified definitions for the duration of unemployment and ex-offenders to expand the population eligible for those services.

LVERs perform a wide variety of duties specifically related to outreach to the employer community. They advocate for all veterans served by the AJC with local businesses and other community-based organizations. We recently released clarifying guidance about the role of the LVER in order to address concerns raised by our VSO partners.

VETS protects veterans' employment rights by receiving, investigating, and resolving claims arising under the Uniformed Services Employment and Reemployment Rights Act. We also investigate claims of violations of veterans' preference in federal hiring.

In a related effort, VETS collects annual reports on veteran employment from federal contractors and partners closely with the Office of Federal Contract Compliance Programs to ensure that federal contractors understand their obligations regarding veteran hiring. We then connect these employers with employment ready veterans to help them meet their hiring goals.

VETS Office of Strategic Outreach promotes engagements with federal, state, and local governments; private sector employers and trade associations; institutes of higher learning, nonprofit organizations; and Veteran Service Organizations to establish and develop a network that enables service members, veterans, and families to successfully integrate into their communities.

VETS continues to work closely with our partners across the government to support veteran employment initiatives. We also work with industry-wide veteran hiring efforts and have participated in numerous job summits in military installations around the country.

Additionally, we have partnered with over 50 major companies to help institutionalize their veteran hiring by connecting them with local AJCs to bring in job ready veteran talent.

VETS is making a difference. Our veterans are obtaining meaningful employment. With the veteran unemployment rate continuing to trend lower than the national average and significant improvement amongst our youngest veterans, we would have strong concerns with any legislation that would interrupt our progress or constrain our ability to help veterans, transitioning service members, and their families continue to achieve positive employment outcomes.

We look forward to working with the Subcommittee to ensure that our transitioning service members, veterans, and families have the resources and training they need to successfully transition to the civilian workforce.

Thank you for the opportunity to be part of this hearing. I welcome any questions you may have.

[THE PREPARED STATEMENT OF TERESA W. GERTON APPEARS IN THE APPENDIX]

Dr. WENSTRUP. Thank you, Ms. Gerton.

I am now going to yield myself five minutes for questions.

And the first concern I have or one of the most common concerns that we have heard from VSOs and from Members alike is the lack of real solid performance data for DVOPs and LVERs that truly show if the services they provide actually lead to a veteran receiving a meaningful job.

And that really is the bottom line of where we want to be, and I know you understand that. And I understand that one of the issues that prevents DoL from having this data is the myriad of state IT and data systems that DoL relies on for that information which I understand to be very complicated.

But can you describe to us some of the challenges you have with tracking these types of performances and then, if you would, how will or will not the department's fiscal year 2016 budget request, address these challenges that you face?

Ms. GERTON. Thank you, Mr. Chairman.

Data is a very important piece of our agenda. And, of course, as we all want to be able to track outcome-related metrics for the performance of DVOPs and LVERs, I think we are making some progress and especially under the Workforce Innovation and Opportunity Act that will drive changes in those reporting systems.

We expect to continue to see improvement, but right now we do track three department-wide common measures for outcome. We track the entered employment rate, that is do veterans or Americans who receive services through the job center secure employment within 90 days after their last service in the job center. We track the retained employment rate which is do they retain employment for the following two quarters after they have obtained employment. And then we also track their six-month earnings.

Within those, those are common measures tracked across the entire workforce system, we are able to segregate out the population of veterans who have received services at an American Job Center and further below that the population that has received services from a DVOP so that we can differentiate between the levels of service.

We have great performance measures right now. We are continuing to see an upward trend in the entered employment rate for

veterans, for all veterans who are served at the job center and then within that, the JVSG rates are even higher. For fiscal year 2014, the entered employment rate for veterans who received services through the JVSG Program was at 55 percent and the retained employment rate was at 80 percent. And those numbers have continued to trend upward.

We also just this week released a study commissioned by our chief evaluator's office that laid out more specifics in detail. They took the first look at the new reporting structure and they looked at over 20 million employment records. Two million of those were veterans. So we have a very large statistical sample.

Dr. WENSTRUP. Let me ask a question. I mean, those are good statistics, obviously helpful to follow, and DoL tracks those types of statistics.

But I am not certain that I am hearing that these employment numbers are a result of those programs. Like you may have said they took part in the program, but did the employment that they end up with, is that a result of being in those programs?

Ms. GERTON. I think you are correct in saying that they are correlated and it is difficult to track causality, but the correlation is very close and very tight. And that is especially prominent in the Summit Report which, again, we just released. It has over two million veteran records in it, so we have a very statistically sound sample there.

Dr. WENSTRUP. From our standpoint here, we want to know if the program that we are endorsing is actually having the result or is the result coming from somewhere else?

And so with the budget constraints and no uptick in this budget proposal, are we really going to be able to track that? Are there any changes that let us know if these programs are working? It is nice to see the numbers go up. I agree with you there. But what is the cause? And you addressed that to some degree. So how can we get that information?

Ms. GERTON. I think there is another indicator of the level of service and the involvement of the DVOPs, particularly in supporting veterans as they are getting job ready, and that is the level of intensive services. So that measures how much time DVOPs are spending with their clients in the JVSG Program.

A few years ago, that number was down around 20 percent. When we implemented the JVSG refocusing effort, we set some pretty ambitious goals. By the end of fiscal year 2015, we expect to be at 75 percent. We are at 55 percent right now across the program.

We know that as a result of the refocusing, the DVOPs are able to spend more time with their clients. They are spending more time with their clients. And as that happens and the numbers are trending upward, we believe that there is a really strong correlation between those two factors.

Dr. WENSTRUP. Thank you.

I now recognize the ranking member, Mr. Takano, for questions he may have.

Mr. TAKANO. Great. I have a number of 53 percent of veterans who are experiencing a period of unemployment are adequately being trained during the DoL workshop, employment workshop.

Ms. GERTON. I am sorry, sir. Is your question whether or not the training is adequate to prevent unemployment?

Mr. TAKANO. No. The 53 percent of veterans that we know are experiencing—that is the number of I have—who are experiencing a period of unemployment are adequately being trained during the Department of Labor employment workshop.

Ms. GERTON. I do believe that the training that is within the Employment Workshop does address the skills that those transitioning servicemembers need to begin to be introduced to the job search program.

I think there is an important part in that the way we track those is not only do we teach that in the Employment Workshop, but now as a result of the military life cycle, we touch those servicemembers again at their capstone counseling just before they are transitioning. So we now have another point at which we can enforce the preparation and make sure that they are adequately prepared.

And in partnership with DoD, we have a memorandum of understanding that allows us to execute what we call a warm handover so that if individuals at that point are determined not to be career ready by their chain of command, they are handed directly over to an American Job Center for additional support prior to that transition.

We have also taken aggressive action over the last year to help servicemembers understand their eligibility under the dislocated worker provisions. And Congress has helped us by allowing us to provide DVOP services to transitioning servicemembers who may be determined to be at risk of securing civilian service.

So that 53 percent number which was recently in the VA's economic opportunity report is true. But since those samples were taken, we have implemented a number of programs to help remediate those. We look forward to seeing the numbers in the next go round.

Mr. TAKANO. Well, are there redundancies between the work done at DoL, DoL VETS and the VA Office of Economic Opportunity?

Ms. GERTON. So we partner very closely with the Office of Economic Opportunity. They administer two very important benefits that help veterans and servicemembers in that transition, the GI Bill and the Vocational Rehabilitation and Employment Program.

We partner with them to make sure that transitioning servicemembers and veterans are adequately apprised of those and know how to leverage those benefits.

In the Vocational Rehabilitation Program, in fact, we are just at the point of signing an updated memorandum between the two organizations that addresses data sharing that clarifies responsibilities so that the Department of Labor has the employment responsibility piece and provides labor market information to the VA so that they can provide clear guidance to their clients about what job opportunities might be appropriate for them in job growth areas or local labor market information.

So that partnership is very tight. It is tight on the pre-transition side. It is tight on the post-transition side and along the way for

veterans. And it is absolutely critical to delivering the best possible support that we can for veterans.

Mr. TAKANO. But I know that you have a tight relationship, but are there redundancies?

Ms. GERTON. We are working hard to make sure that there aren't. I think it is important to differentiate the counseling responsibility and the administration of benefits of the VA side from the actual job training and employment services provided on the Department of Labor side.

Mr. TAKANO. Okay. So there are redundancies from what I am hearing?

Ms. GERTON. There could be if we are not careful, but we try to be again very clear and transparent in those relationships.

Mr. TAKANO. Well, let's go back to TAPs since we have some experience with it. If we were to start all over and build a new transition and veteran employment program, transition and veteran program which goes beyond TAPs that would be funded at the current $233 million, how would it differ from the program we have today if you were to try and rebuild it?

Ms. GERTON. There is a challenge with the TAP Program in all of the things we would like to be able to teach servicemembers while they are going through that and the amount of time that they can spend away from their unit to participate. The balance of that right now sits at a five-day, eight-hour-a-day class. Within that, you are constrained in terms of the amount of material that you can provide.

I think we are in partnership with DoD and VA trying to maximize not only what we teach in that class, but then to offer alternative classes, additional modules. For example, the career and technical training track or the entrepreneurial track that servicemembers may take in addition to the core curriculum.

And the other piece of that is we do an annual curriculum review to make sure that what we are teaching reflects current state of the art, that we are capturing as many of the resources as possible, and that we can make the resources available for review as servicemembers proceed through and into their veteran status. They may need to go back and reference that material, so it is important to make sure that it is always online as well.

Mr. TAKANO. Well, thank you.

My time is up, Mr. Chairman.

Dr. WENSTRUP. Mr. Costello, you are recognized for five minutes.

Mr. COSTELLO. Thank you, Mr. Chairman.

Ms. Gerton, thank you for your testimony.

I want to focus on the Transition Assistance Program. Two-part question or two elements of that program that I would ask that you share some of your observations on.

First, the $100,000 in the budget that is intended to develop a mobile application, is that intended to supplant the classroom or is that intended to be a supplement to the classroom?

And I ask that question because one of the issues raised about TAP is that at the end of the program, there is oftentimes, at least the thought that the returning servicemember might actually want to refer back. And so it is oriented around whether that mobile app

may actually be the conduit through which TAP can live on after the classroom.

So if you would offer even beyond that any content that you might be thinking of putting in that mobile app in order to accomplish that objective.

The second part of the question or the second question is Military Compensation and Retirement Modernization Commission, that is a mouthful, specifically recommended having DVOPs and LVERs more involved with TAP. What are your views on those recommendations?

Ms. GERTON. Thank you, sir.

Let me take the first one, the $100,000 for the mobile TAP app. Our vision for that is that it would be in addition to the classroom curriculum, that it would be a way for servicemembers to continue to refer to it either while they are in class or after.

One of the opportunities that we are hoping to take advantage of is making it modular so that each part of the curriculum is accessible on its own so that individuals who come back later and maybe just want to review the resume writing piece, for example, can just look at the resume writing piece without having to scroll through the entire curriculum deck that is currently available online.

We hope to make it much more accessible not only to transitioning servicemembers while they are going through the class but to veterans at any point after their separation. And as we do right now with the online curriculum, we make it available to anyone, not just servicemembers and veterans and families, but anyone who can access the material online.

We would envision this being a global application. The content would be whatever is in the curriculum at the time we develop it and then we would continue to modernize it as we change curriculum. Does that answer your question, sir?

Mr. COSTELLO. Yes.

Ms. GERTON. All right. So let me take the second question, the proposal about allowing DVOPs and LVERs to work more closely with the on-base Transition Assistance Programs.

In September of last year, in fact, DoL VETS published a veterans' program letter out to our workforce and to the employment and training workforce actually encouraging that engagement. There is a limit to what we can direct those state employees to do.

But we did especially encourage them to be responsive to the on-base TAP administrator so that when there were capstone programs, for example, that they could be invited to too attend, if at all possible, to be active with the transition assistance centers there on the base and to build that working relationship. So we have already published that guidance and that was after our initial interviews with the folks on the commission.

Mr. COSTELLO. So just to clarify your second answer, you've made that recommendation; however, there's nothing that you can do to compel, for lack of a better term, the DVOPs or LVERs becoming more involved. It's on a state by state basis; is that what you are saying?

Ms. GERTON. It is dependent upon the work loads and the work forces at the individual centers. But in most cases those folks who

are in American Job Centers who are proximate to military installations already have a great relationship and there's certainly nothing that prohibits them from being more involved. We published that guidance specifically to encourage them to be more involved in the Capstone opportunities.

Mr. COSTELLO. Thank you.

Dr. WENSTRUP. Mr. McNerney, you are recognized for five minutes.

Mr. MCNERNEY. Thank you, Mr. Chairman. And I'm thrilled to be back on the veterans committee and your sub-committee.

Dr. WENSTRUP. Welcome back.

Mr. MCNERNEY. Ms. Gerton, thank you for your work and I want to compliment you on your presentation a few minutes ago. My first question has to do with federal contractors, they are required to make reports on their hiring practices on compliance. What's the enforcement mechanism and how do they cooperate? Is the information you get from them accurate?

Ms. GERTON. Sir, we partner very closely with the Office of Federal Contractor Compliance programs, that executes the reporting mechanism, and then the Office of Federal Contractor Compliance monitors compliance with that. If you will give me a moment, I think I have statistics on that. But it's through the VETS 100 report which we are modifying in fiscal year 2015 to be the VETS 4212, and we are clarifying a lot of the reporting.

In the old version the characteristics of covered veterans were overlapping, so it's very difficult to tell exactly how many veterans had been hired. The new version that goes into effect this year will be much clearer and will allow for much greater and more accurate compliance on the part of OFCCP.

So those numbers were 14,000 federal contractors submitted veteran hiring filings in fiscal year 2014 and they demonstrated over half a million veterans employed by those federal contractors, including over a hundred thousand disabled veterans.

Mr. MCNERNEY. So you feel that that is an effective program?

Ms. GERTON. We do. And one of the things that we have expanded on with the Office of Federal Contractor Compliance is outreach to those federal contractors so that when they are having difficulty meeting the floors that are now set in the new federal rules that we can help introduce them to the job center network so that they can help expand their affirmative action plans with regard to veteran hiring. And we think that's going to have a very positive effect.

Mr. MCNERNEY. And one of the things that kind of struck me about your presentation is it seemed to me you were saying that your programs are effective and you don't want legislation to be written that will mess those up. Did I hear that? Am I interpreting that correctly?

Ms. GERTON. So we absolutely believe that VETS is an integral part of the Department of Labor. And that to understand the veteran programs, you have to take a whole of department approach to it and understand the relationship of the programs in the Employment and Training Agency, for example, Office of Federal Contract Compliance and others to get a whole grasp of all of the things that DoL is doing on behalf of veterans employment.

Mr. MCNERNEY. That sounded a little weird to me and I think the Secretary said something like that yesterday, well, he really didn't need our help, he will let us know when he did. And that kind of makes me nervous, so I would like you to keep that in mind.

Ms. GERTON. Sure.

Mr. REGNER. Do you have statistics on veterans' job retention?

Ms. GERTON. The most recent statistics for fiscal year 2014 tell us that 80 percent of the veterans who received service through an American Job Center retained their employment for at least six months after gaining it. We do only have statistics on the veterans who receive services through the American Job Center network.

Mr. MCNERNEY. Well, do you have any quantitative information on what might be the biggest barriers that veterans that are seeking employment, what are their biggest barriers?

Ms. GERTON. It is difficult to have quantitative information, but I can tell you based on the feedback that we have from the DVOPs and folks out in the field, there are really two areas where our transitioning service members are challenged, and perhaps also longer term separated veterans.

The first is really an understanding of the civilian job search process. As the Chairman said in his opening statement, these are folks who have never really had that experience before, and so the transition process is especially important in preparing them to navigate that sort of uncertain world for them.

And a recognition on their part that the job search process can take months, not just days or weeks. We think it is especially important in the transition process as DoD implements the military life cycle and that concept of transition becomes an ongoing one, to keep them engaged in that. But also then to help them post transition with one-on-one assistance through the American Job Center. That can very much ease the transition process. But I think that's the first piece.

The second piece is actually working with the veteran to help understand the technical skills gap that they may have coming out of the military, and looking to target specific training solutions, so that, especially in the short-run, we can find short-term training that magnifies and amplifies their military skills training and delivers to them the civilian credentials that businesses are looking for.

Sometimes that is a full four-year degree and we certainly encourage the maximum opportunity for folks to take advantage of the G.I. Bill. But for many, that middle skills space may be the more important short-term solution. Learning how to leverage the entire workforce system to deliver the right training to the right person to get them the credentials that that employer is looking for is really a powerful tool. We are trying to maximize the department's investment in job-driven training to help support that objective.

Mr. MCNERNEY. Thank you, Mr. Chairman.

Dr. WENSTRUP. Ms. Radewagen, you are recognized for five minutes.

Ms. RADEWAGEN. Welcome back, Ms. Gerton.

Ms. GERTON. Thank you.

Ms. RADEWAGEN. It's good to see you. I have a couple of questions for you. Do you have a VA rep from the Department of Labor in American Samoa working employment issues for our veterans?

Ms. GERTON. Ma'am, we do not have a JVSG grant funded individual in American Samoa.

Ms. RADEWAGEN. Why not?

Ms. GERTON. Well, in fact, we were just looking at that before we came over to the hearing. It is certainly something we would welcome the opportunity to discuss with your office.

Ms. RADEWAGEN. Thank you. Secondly, are American Samoan veterans eligible for re-employment rights under USERRA? Every state and territory except for American Samoa has an ESGR rep. Why doesn't American Samoa have one?

Ms. GERTON. Ma'am, I don't know the answer to that question and I will have to take it for the record.

Ms. RADEWAGEN. Thank you. Thank you, Mr. Chairman.

Dr. WENSTRUP. Well, thank you. If there are no other questions, I want to thank you, Ms. Gerton. You are now excused, and I appreciate your being here today to answer our questions.

Mr. GERTON. Thank you, sir, it has been my pleasure.

Dr. WENSTRUP. I now invite our second and final panel to the witness table. Joining us is Mr. Davy Leghorn, Assistant Director of the Veterans Employment and Education Division for the American Legion. Mr. Rick Weidman.

Dr. WENSTRUP. Executive Director of Government Affairs for the Vietnam Veterans of America. And Mr. Paul Varela, Assistant Legislative Director for Disabled American Veterans. I thank you for being with us today, and for all of your service in uniform, and your continued service to our nation's veterans.

Mr. Leghorn, let us begin with you. You are now recognized for five minutes.

STATEMENT OF DAVY G. LEGHORN

Mr. LEGHORN. Chairman Wenstrup, Ranking Member Takano, and distinguished members of the sub-committee, on behalf of our National Commander Michael Helm and the 2.4 million members of the American Legion, we thank you for this opportunity to testify on the President's budget request for DoL-VETS, and on the recommendations offered by the Military Compensation and Retirement Modernization Commission regarding DoL programs.

Among the 15 recommendations offered in the Commission report was a recommendation to better prepare service members for transition to civilian life by expanding education and granting states more flexibility to administer the Jobs for Veterans State Grants program.

The American Legion believes that these recommendations are common sense ideas that would ensure that service members are able to transition smoothly and successfully into civilian careers, and that veterans are adequately cared for should they require employment assistance.

We would, however, recommend that Congress consider adding the Department of Education and the Small Business Administration to those who review the TAP curriculum, given that they con-

tribute important content to the curriculum and they maintain expertise in those areas covered by that content.

Furthermore, while the American Legion agrees with the recommendation that Congress amends relevant statutes to permit state Departments of Labor to work directly with state Veterans' Affairs, we would add that these departments should work together to ensure that operations of the one-stop centers exceed the federally mandated priority of service for eligible veterans.

We find that the model employed by Texas, consolidating veterans' employment services within a state's veterans commission is effective in addressing the needs of veterans. Texas currently sees the lowest unemployment rate for veterans of any state in the Union, and as such we would encourage Congress to examine that model and to consider touting it as an example to other states that are looking to effectively serve their veterans population.

Bluntly stated, we were disappointed when we examined the budget request offered by the Administration on behalf of DoL-VETS. We were even more disappointed when we compared their requests with the requests on behalf of VA. The latter represented a nearly eight percent increase on a previous year, while the former represented a marginal increase over the previous years, with JVSG and the Homeless Veterans Reintegration Program receiving almost no increase in funding.

Additionally, VA has stepped up their presence in the employment arena and invested in increasing the number of veterans employment specialists and creating the Veterans Employment Center, a single point of entry which offers online tools such as a skills translator, a resume builder, and a searchful veterans job bank.

Looking at the Small Business Administration. Their office for veterans business development's budget has increased over 400 percent and their entrepreneurial services to veterans have more than doubled since fiscal year 2013.

At a time when seemingly every agency with veterans programs is increasing their capacity to provide services to more veterans and transitioning service members, VETS budgets requests have nearly flatlined even as other portions of Labor's budget requests have increased. This indicates to us that VETS is either unwilling or unable to fight to secure their requisite funding to meet the high volume of demand for Veterans Employment Services, or to meet the Administration's goal of effectively ending homelessness by the end of 2015.

The American Legion has long supported DoL–VETS because we believe that when it comes to employment, no one has more expertise and experience. For our efforts, we have been rewarded with ongoing program management problems, a lack of accountability in oversight, an agency too truculent to make sensible policy changes, and a veterans office within the agency that fails to view veteran service organizations as partners for all working in tandem toward similar goals.

It has become transparent that DoL is either unable or unwilling to give the requisite attention to veterans' employment issues that the American Legion knows our veterans deserve.

In short, the American Legion believes that the best way to improve DoL-VETS is to transfer the JVSG and HVRP program to

VA. While we continue to believe that there is a place for VETS within the Department of Labor to handle the ancillary functions with that office, we know that veterans will be better served if these two programs were administered by the Department of Veteran Affairs.

The American Legion understands that our proposal is neither an easy task nor is it amendable to all the stakeholders, but we know that this is the right thing to do and the right time to do it because, frankly, our veterans deserve better.

The American Legion is ready to work with DoL, VA, and especially this sub-committee to ensure that interagency transition of the JVSG and HVRP programs occur as seamlessly as possible. Thank you, and I look forward to any questions you may have.

Dr. WENSTRUP. Thank you, Mr. Leghorn. Mr. Weidman, you are now recognized for five minutes.

[THE PREPARED STATEMENT OF DAVY G. LEGHORN APPEARS IN THE APPENDIX]

STATEMENT OF RICK WEIDMAN

Mr. WEIDMAN. Thank you, Mr. Chairman and members of this committee, for allowing us to participate in this hearing today.

For over 30 years VVA has believed in a wellness model which is that all, and I mean all, services offered by the VA and by other entities should be directed to the flashpoint of assisting veterans to get to the point where they can obtain and sustain meaningful employment at a living wage.

And that is really the heart of the readjustment process, particularly for those more recently separating veterans, but also for veterans who, at a later point in their life, have been hit with neuropsychiatric wounds coming to the fore, et cetera, and it (indiscernible) serious problems.

VETS centers can help, but they can't help, and you are asking people to go through what happened to you on the field of combat, to get all dressed up, all cleaned up, dried out, drug free, in order to do what? To stand on the corner and not be unemployed again? That's not going to work and it's going to focus into a recycle or a churning, if you will, of our intent.

In regard to the $175 million, I was interested, and I apologize to you, I was told that I would be out in time to, at the clay hut signing, to be here by 2:00, Mr. Chairman, and that turned out not to be the case. A lot of people fight to get in the White House; I was in a position where I couldn't get out. So I apologize.

But the point is, is that all the readjustment counseling and the millions we spend, billions, on VHA to help people get up-to-speed, if we can't help them get a job and keep that job, then it all is for naught. Directly affects, and I'm sure you know, Doctor, from your own practice, that people who are unemployed don't go to the podiatrist when they should, they don't go to the dentist when they should, they don't do all kinds of things when they should, and they don't eat right because they don't have money.

So the best readjustment program that we can have ever is meaningful work at a living wage. It's as simple as that. And that's true for disabled vets of any generation, for veterans who are at risk who have run into difficulties later in their life, often related

back to their military service, and it certainly is true for the young people coming home today.

A hundred and seventy-five million is probably not enough for the DVOP, LVER, or the State Grants as they now call them. I did notice, and maybe it was in the verbal testimony, but in the statement it didn't say how many DVOPs and LVERs they get for $175 million, and it didn't say anything at all in there.

The other thing is I would like to bring your attention to the fact that there are no good measures for how effective they are on enforcement of USERRA. The problem there is it often takes too long, and justice delayed is justice denied when it comes to getting your job back. The same is true of the other enforcement functions that Labor has. There's no real monitoring on all of that.

The HVRP program, or Homeless Veterans Reintegration Program, is the most cost-efficient, cost-effective program operated by the Department of Labor. And they actually do placements as opposed to what the rest of them do, which is go look at UI tax reports the quarter later, and you may or may not have gotten a job because something somebody did at a DoL facility or a DVOP or LVER did, but there's no way of putting that together because they don't measure placements.

If you look on Page 5 of my testimony about the vision and mission statement of VETS, this is straight from their Web site, sir, "Meaningful and successful careers for all vets. VETS proudly serve veterans and service members. We provide resources and expertise to assist and prepare them to obtain meaningful careers, maximize their employment opportunities, and protect their employment rights."

Nowhere in that does it say we exist to help get vet jobs. It's as simple as that. And that is the task at hand. The proof is in the pudding. The proof is in the action. And it used to be, once upon a time, placements over there at the Department of Labor and the state workforce development agencies, but they have gotten out of that business a long time ago.

Just to reinforce Mr. Leghorn and the Legion, it is past time to move this function out of the Department of Labor where we are always in the position of tugging at somebody's sleeve, and usually being ignored. And it is an anti-veteran atmosphere that is driven by the Employment and Training Administration, ETA. It's been that way all of my adult life, since I first started to try and help other vets with employment problems in the early '70s, and it continues to be that way today.

The cast of characters, the persons change, but the corporate culture continues on. We need a fourth division of VA and I encourage the committee to do that before this Congress is up. I thank you very much, distinguished Members of the committee, and for the opportunity, and look forward to working with you on solving some of these problems. Thank you.

Dr. WENSTRUP. Thank you, Mr. Weidman. Mr. Varela, you are now recognized for five minutes.

[THE PREPARED STATEMENT OF RICK WEIDMAN APPEARS IN THE APPENDIX]

STATEMENT OF PAUL R. VARELA

Mr. VARELA. Chairman Wenstrup, Ranking Member Takano, and members of the sub-committee, good afternoon. On behalf of Disabled American Veterans and our 1.2 million members, all of whom were wounded, injured, or made ill in wartime military service, I am pleased to testify today on issues related to the release of the President's fiscal year 2016 budget request for DoL's—VETS program.

The Administration requests $271 million in funding to operate the VETS program for fiscal year 2016, an increase of roughly $1 million over that requested for fiscal year 2015. A hundred and seventy-five million dollars is requested to support the JVSG program which funds DVOP and LVER activities. A hundred and seventy-five million dollars was also requested for fiscal year 2015.

Veterans who are seriously wounded, injured, or made ill as a consequence of military service face daunting challenges and sometimes outright barriers to obtaining and maintaining substantial and gainful occupations and trades. Adequate, reliable, and effective support and services must be provided to ensure their economic prosperity.

DAV understands the vital role employment plays for all veterans, and especially for our wartime disabled veterans. Realizing the challenges they continue to face in the employment marketplace, we established the new national employment department in 2014. One key element of this mission is a partnership DAV formed with RecruitMilitary®, a full-service military-to-civilian recruiting firm providing free online and offline products to connect employers, franchisers, and educational institutions with veterans and their spouses.

Chairman Wenstrup, and members of this sub-committee, in order to achieve better outcomes for veterans, VA programs designed to promote veterans' financial security such as those focused on employment, training, vocational rehabilitation, and education should be consolidated into a fourth new administration within the VA equivalent to VA's Health Administration, Benefits Administration, and National Cemetery Administration.

Headed by a new Undersecretary, facilitation of these federal programs dealing with economic opportunity assistance for veterans, their dependents, and survivors would fall within this administration's purview. We envision the new VA administration consolidating existing programs and offices in VA with responsibility for veterans vocational rehabilitation, employment, training, transition, and economic empowerment as well as the transfer of the VETS program in its entirety along with all its resources and personnel from DoL to VA.

Within DoL's VETS program, DVOPs provide intensive services to targeted veterans, primarily to the service disabled, and LVERs conduct local employer outreach to assist veterans in gaining employment. Within VA, vocational rehabilitation specialists, VRSs, provide veteran services that are almost identical to those provided with their DVOP and LVER counterparts. But VRS services are provided only within the VA setting.

VRSs identify and provide suitable training and placement services for individual veterans being served by the program. To guide

and monitor individual progress and then provide follow-on support throughout the training and job adjustment periods.

The VRSs provides personalized services that involve ascertaining the training requirements to meet individual objectives, and also provide placement services that involve identifying suitable employment opportunities or maintaining day to day contact with employers, and keeping alert for job and small business opportunities.

DVOPs, LVERs, and VRSs display many commonalities. However, VRSs primarily provide assistance to veterans with compensable service connected conditions. The VRS is empowered to authorize VA payments for expenses associated with a service disabled veteran's participation in courses of education and employment training.

Given the nature of their shared responsibilities, collaborations should be occurring among DVOPs, LVERs, and VRSs but generally they operate in separate spheres. Because VA and VETS are actively engaged in providing similar services which can appear to be overlapping or even competing at times, veterans often must negotiate between two federal entities to obtain individualized services, a situation that can become cumbersome and confusing for the individual veteran, and thereby discourage participation.

Finally, we believe that a new VA administration responsible for managing these programs is logical, responsible through a legislative mandate. Plus, important to DAV, consolidation offers the potential to streamline and enhance the prospects in training possibilities for wounded, injured, and ill veterans for them to overcome employment obstacles and provide meeting opportunities in their post-service lives.

Thank you, Mr. Chairman, and members of this sub-committee. DAV welcomes the opportunity to work together to see this justified reform enacted into law. This concludes my testimony, and I am prepared to answer any questions the sub-committee may have.

[THE PREPARED STATEMENT OF PAUL R. VARELA APPEARS IN THE APPENDIX]

Dr. WENSTRUP. Thank you, Mr. Varela, and I thank you all for your testimony today. And I just have to say in response to one of the things that Mr. Weidman brought up. I would agree that the best social reform or opportunity for an independent life that anyone has is a job. That is the best way out. And very often, people, either veterans or non-veterans, they make their budget and adapt it by giving up healthcare, and that is a problem as well. And I recognize that and appreciate your comments.

With that I am going to yield myself five minutes for questions. And my question is, can you comment on your opinion or how you perceive the level of funding for fiscal year 2016 for the VETS program, and what this might say about the priority of that program within DoL?

Mr. WEIDMAN. We are at the bottom of the totem pole, if we are on the pole at all. And in terms of priorities, the only time we are a priority is when they hold ceremonies and to salute the all American veterans that they hold in various venues and in Frances Perkins buildings are empty exercises. They are by invitation only. No homeless veterans or unemployed veterans get an invitation.

And the rhetoric rings hollow, as hollow and echoes in the great hall of the Perkins building, at least to us. And, to me, I frankly, I don't mean anybody ill or disrespect, but I flat quit going because it was ashes in one's mouth to hear them saying things that I knew they weren't trying to achieve.

And that's what we need. We need an agency that pays attention and takes your role and Mr. Takano's role, and all of distinguished members of this committee serious as a heartbeat when it comes to whether or not they are doing the right thing by veterans in the field.

So I will just say that because of a lack of accountability, we can't recommend an increase in any part of that budget, with the exception of HVRP which should be at the fully authorized level of 56 million as opposed to 37. I mean I never understood what part of this people don't get? Jobs for veterans who are homeless to get off the tax dole and onto the tax rolls. I mean it makes no sense to me. So that is where we ought to be putting our money where we are getting the bang for the tax payer dollar, sir.

Mr. LEGHORN. So with regards to the budget, it clearly shows that Labor's priority is in funding other programs and not JVSG or HVRP. We understand that the Secretary is responsible for employment for everyone and not just for veterans, so we understand to a certain degree why that isn't given the time of day where they are within Labor.

And one thing we would like to note is that if DLS is correct and unemployment is relatively low now compared to where it was before, what we don't understand is what would account for the massive increases in budget requests for other non-veterans' employment programs.

You know, 70 percent of our transitioning service members claim some sort of service connected disabilities, and even if under a current model where DVOPs are only seen, 20 percent of the veterans population that are disabled or have various new employment with the anticipated draw down, that 20 percent is about to grow and the current budget request is not getting our DVOPs ready for that.

Dr. WENSTRUP. Mr. Varela.

Mr. VARELA. Thank you, Chairman. My colleague to my right here put on a very good point. We have about 250,000 service members that are leaving active military service every year, and I think around 2017 or 2020 we are excepting to see about a million of them to have separated between 2013 and that time frame.

So how many of them are going to require employment services? And we feel there is going to be a great number of them that require employment services. And looking at their budget, we don't feel that that displays a sense of urgency, we don't feel it is adequate.

Dr. WENSTRUP. Well, I thank you all. And now recognize Ranking Member Mr. Takano for any questions he may have.

Mr. TAKANO. Thank you, Mr. Chairman. This is a very informative hearing, I really appreciate that we are doing it. Mr. Weidman, you mentioned that there is no placement, can you elaborate on that some more?

Mr. WEIDMAN. Concerning as to what, sir?

Mr. TAKANO. You were referring to a lack of job placement. Did I hear you correctly in your testimony?

Mr. WEIDMAN. You did. And if you look carefully, they don't actually measure placements anymore and they haven't for a long time. If you press them hard at Employment and Training Administration or at the state workforce development agencies what business they are in, they will tell you they are in the information-sharing business. That is not what our vets need. They need one-on-one counseling, particularly the priorities that we should be focusing on.

This is true for 40 years that folks have been trying to do this on the cheap, particularly for combat veterans returning or veterans with multiple problems, and you can't do it on the cheap. Trying to serve—we serve hundreds and thousands or hundreds of thousands of people. All those stats they put out are post hoc ergo propter hoc numbers. What I mean by that, they are saying, they look at the UI tax rolls and if you go into a career center in your district and you enroll, they call that counseling. And if you then show up three months later after they have done nothing else on the UI tax rolls as being employed, they take a positive termination and they said, well, they have a job because of us. Well, no, you don't, you know.

And we need to focus particularly on the veterans with problems and that is why the veterans staff is there. And they are not allowed to do their job and that is why we need to move much better control over to VA. Many of them will stay with the state workforce development agencies if the state workforce development agencies will finally let them do their job, but if not, then they should contract with whoever in the community. And it is just as simple as that. The job is not getting done and the bottom line for us is does it work in California and does it work in Ohio and does it work wherever people are delivering this service, and it is not happening. And that is not a rap on the DVOPs and LVERs. Some of the finest people I have ever met are DVOPs and LVERs who work their tail off and do great things for vets no matter how much they are punished for doing the right thing, and that is what we have to get away from.

Mr. TAKANO. Are you familiar with a program in California out of the National Guard called Work for—it is called Work for Warriors, right? Work for Warriors that does direct placement. It has now been expanded to include our veterans population. If you are not, I mean, I just wanted to be—I am interested in—you caught my ear, because I know that this program does direct placement for the Guard and it has been very successful for about $500 per placement, which is fairly inexpensive compared to the other programs that are out there. But you also—so you can answer. Have you heard of it at all or——

Mr. WEIDMAN. I'm sorry?

Mr. TAKANO. Have you heard of the program Work for Warriors in California?

Mr. WEIDMAN. Actually, I have. I haven't worked as much recently with—but when I was in New York, which was at that time the second largest program, DVOP/LVER program in the country, I had a lot of contact with EDD in California and with my counter-

part in California. And we did a lot of things together, including putting together outreach programs that went to blinded veterans and worked in terms of getting people substantive jobs, they were placements. But it is intensive, you know, you can't do it on the cheap and expect it to work.

I will check out the program that you are talking about, sir.

Mr. TAKANO. Okay.

Mr. WEIDMAN. And I will be happy to talk——

Mr. TAKANO. I appreciate your feedback to us.

Mr. Leghorn, you mentioned that you would like to see in the TAPs some work with the Education Department. Can you elaborate on what you mean by that?

Mr. LEGHORN. As you know, it is an educational track within TAP GPS and the American Legion has always felt that the Department of Education needed to take a larger role in coming up with that curriculum, so that is what we were referring to.

Mr. TAKANO. And why? What do you find that is missing that you are asking for that to happen?

Mr. LEGHORN. Mr. Takano, can I take this question for the record? I am actually not the person that works the education——

Mr. TAKANO. Sure. I am curious, because I want to know what is missing. That is fine.

Mr. LEGHORN. Absolutely, I will provide those answers for you.

Mr. TAKANO. That is fine, that is fine.

Dr. WENSTRUP. my time is up.

The CHAIRMAN. Mrs. Radewagen, you're recognized for five minutes.

Mrs. RADEWAGEN. Thank you, Mr. Chairman. And I want to thank the panel.

Mr. Varela, I want to applaud DAV for taking initiative to partner with RecruitMilitary® to help transitioning service members find employment. Have you coordinated your efforts with DVOPs and LVERs? And if you have, do you find their services to be helpful or harmful to your efforts?

Also, how do you market this new service to service members?

Mr. VARELA. Congresswoman, the feedback that we get from the field relative to DVOP and LVER activities is they don't work well with us. And what I mean us, DAV and potentially maybe some other VSOs as well. Again, they are kind of isolated.

We do recognize an outstanding DVOP and LVER within the community. It is part of DAV's annual award program, but those are the two that rise to the top and are really engaged with us trying to help veterans find employment. But oftentimes there is a big disconnect, so the relationships aren't that stable, aren't that effective.

And the second question you had about RecruitMilitary® that relationship and how we market it and how we——

Mrs. RADEWAGEN. Yes.

Mr. VARELA. Okay. So basically what we will do is we use our media online services to pump out information. We will send out notices within the communities. That is the extent of my knowledge, that is how deep I go with it. I can certainly get you more information on the full extent of our outreach within communities.

Mrs. RADEWAGEN. Thank you, Mr. Varela.

Mr. VARELA. Yes, ma'am.

Mrs. RADEWAGEN. Thank you, Mr. Chairman.

Dr. WENSTRUP. Mr. McNerney, you are recognized for five minutes.

Mr. MCNERNEY. Thank you, Mr. Chairman. Some interesting testimony. Thank you.

My first question. Mr. Weidman, you were pretty clear about your feeling that the employment services should be run out of the VA instead of the Department of Labor. Mr. Leghorn, do you concur with that assessment?

Mr. LEGHORN. So currently the American Legion believes that there is still a place for vets within the Department of Labor. However, the two programs, HVRP and JVSG, must move. And then the reason why we believe that there should still be a veterans office within Labor is that during the transition there still needs to be a go-between and having an entity there would provide that go-between.

Mr. McNerney. Mr. Varela?

Mr. VARELA. Congressman, I was taking down some notes from the Congresswoman. If you wouldn't mind repeating the question?

Mr. MCNERNEY. Sure. Mr. Weidman was pretty clear about his belief that the employment services ought to be run out of the VA instead of the Department of Labor, I was wondering if you concurred with that.

Mr. VARELA. We do concur with that.

Mr. MCNERNEY. Thank you.

Mr. Leghorn, I was going to follow up on one of your comments. How effective do you feel that Web sites can be in helping vets find meaningful employment with living wage?

Mr. LEGHORN. Congressman, did you say the VEC?

Mr. MCNERNEY. No, no. How effective do you think Web sites can be in helping veterans find meaningful employment?

Mr. LEGHORN. Web sites help some people, and at other times it doesn't. As we have seen in a particular state where a large swath of its population is in rural areas, the folks that the DVOPs and LVERs need to help most don't have Internet connectivity. And so in that instance, it doesn't work. And we also know that the Internet doesn't exactly help people, it doesn't triage people for priority of service adequately. You really need another veteran or a DVOP to do it. Just a veteran job seeker punching in some information sometimes, a lot of times, are precluded from DVOP services from the get-go when they are registering on a jobs link Web site.

Mr. MCNERNEY. So is the availability of personal services, is that sort of a barrier then which forces people to go to a Web site or try to go to a Web site?

Mr. LEGHORN. Can you repeat that question, sir?

Mr. MCNERNEY. Well, we are talking about whether Web sites can be effective or not, but what would make a veteran go to a Web site as opposed to going to seek personal service from the Department of Labor?

Mr. LEGHORN. Well, when you are talking about services, most veterans I know would go out and seek face-time type services. But in terms of job search, the vast majority of veterans I know do that online.

Mr. MCNERNEY. Well, I think—go ahead.

Mr. WEIDMAN. I was just going to make the comment, sir, there is no single silver bullet. It is not one way, it is all of these together. I will use as an example Veterans Entrepreneurship Task Force has joined with VETS Group, which is the Veterans Employment Training outfit. And we are having job fairs around the country working with the airline industry and also small business matchmaking with larger employers in that area. We always make sure to involve the local workforce development agency and give them every chance, the local vet center and VocRehab from VA, and also everybody who comes to these is registered with *vetjobs.com*, which was selected by Business Week as the top Internet job board, period. Not for vets, but the top board, period, because it works and there are a lot of tools on there. It works for a lot of people, but as Mr. Leghorn said, there are many people who need one-to-one contact.

Mr. MCNERNEY. Thank you. Mr. Chairman.

Dr. WENSTRUP. Miss Rice, you are recognized for five minutes.

Miss RICE. Thank you, Mr. Chairman.

Mr. Leghorn, so I guess all three of you agree that you would rather see the employment aspect of helping veterans be run out of the VA instead of the Department of Labor. My concern is that the VA is, as we all know, the largest consolidated healthcare provider in the country. How and why do you think they are best suited or qualified to run an employment training program?

Mr. LEGHORN. The reason why the American Legion believes that VA is the right home for JVSG and HVRP is because Labor is not giving these programs the right type of attention that our veterans deserve. And so——

Miss RICE. Why is that? Why do you think that is?

Mr. LEGHORN. So the American Legion looks at transitioning services for veterans in a holistic way and, you know, what better way to do it than to put employment services with healthcare services. I mean, it just makes sense because, as Mr. Weidman said before, one of the best ways to help somebody recover is to get them a job. And not to mention that the Department of Veterans Affairs has only one singular focus and that is on veterans, spouses and their orphans, period. Labor has a lot of other focuses and things that they have got to worry about, whereas the Department of Veterans Affairs, again, does not.

Miss RICE. I don't ask the question because I necessarily disagree with that, but obviously we have seen, we have had hearings about the problems within the VA themselves and, while a great Secretary in charge, it is still a lot of reforms that have to take place.

Mr. Weidman, if the VA were to establish a fourth administration, as you have suggested, to oversee veterans employment, any claim coming under USERRA, who would handle that claim? And I ask this because we have seen claim backlogs at the VA before in the past and would this just be piling more claims onto a plate that is already full?

Mr. WEIDMAN. Well, a lot of these things were add-on duties to the DVET and they weren't set up to do them. And that is why there is no enforcement of veterans preference with federal facilities across the states for two reasons. One is, nobody measures and

gets on the DVETs whether they do a good investigation or an investigation at all and, number two, it takes forever. If I come home and I don't get my job back, I am not going to be able to wait. I have got to make car payments, I have got to feed the kids, I have got to make mortgage payments. If they blow me off while I file that complaint, I am going to go take three other jobs but don't pay that much while I look for a good one in order to be able to meet my daily needs. And people hear about this stuff, the vets know. They ask them, why didn't you file a complaint? And they said because I didn't have a year and a half to wait around, I had a family to feed. So, I mean, that is just one example.

The implication is, do we think that the VA is a perfect solution? And the answer to that I can assure you is—my family gets worried that sometimes I get so agitated about VA that I am going to have the big one, as they say, and that is going to be the end of me just dealing with them. And as a matter of fact clinicians literally say that dealing with veterans benefits administration is contraindicated for the PTSD patients, because it sets them back six to twelve months in therapy because it is so crazy.

We have got to take the empowering functions and get it away from comp and pen and establish a corporate culture of accountability, of independence in the new administration. And if you have got to let go 48 SESs and 60 GS–13s in order to be able to create that culture of independence, then so be it, but it needs to be physically and culturally separated from what is in there now and wherever it is and certainly when you move over there. That is why the redress mechanism of the 800 number is absolutely essential. Without that redress mechanism that is effective, I don't care where you put the services, it is not going to be for real at the local level.

So what we are saying is several things.

Miss RICE. Mr. Weidman, and forgive me, because I apologize for coming in late, but my question and I don't believe it has been asked, has the DoL–VETS 100 federal contractor reporting resulted in increased hiring of veterans? And, if not, what can be done? Or Mr. Varela?

Mr. WEIDMAN. Are you asking is it effective? The answer is no. It is certainly not what Gerry Solomon envisioned. And it was Mr. Solomon from upstate New York and active in the Republican House leadership at the time who carried the ball on that. And, unfortunately, there is no bang for the buck and a lot of that has to do with the Office of Federal Contract Compliance, which is not particularly useful. Nobody takes that information and does anything with it, even asking for job listings.

And so it once again has to do with the lassitude of the Department of Labor as an institution—I am not attacking individuals—as an institution towards veterans as a group, we are just another group. Well, we are not just another group. We cut across every other subset of the American population. We are black, we are white, we are women, we are men, we are Native American, we are Irish, we are Jewish, we are whatever it is, and we are of all economic strata. And they don't get that and so veterans are not a priority for them. We at least have a fighting chance if we put it at VA.

Miss RICE. Well, I want to thank you all so much for your incredibly passionate advocacy. And I yield back my time, Mr. Chairman. Thank you.

Dr. WENSTRUP. Thank you. We have time for a couple more questions and, with that, I would like to ask one.

Mr. Leghorn, you talked about the Texas model and, Mr. Weidman, you talked about a corporate culture. And in corporate culture, you look for best practices and things that are working. So I would like to take a second to talk about something that is working well and also get your opinion. Is the methodology of what Texas is doing the reason it is working well or is the Texas economy a part of it, or both?

Mr. LEGHORN. Well, I definitely believe the oil industry in Texas has something to do with it. But you still can't ignore that, when they put everything within one commission. I mean, that is what the American Legion has been talking about all the time with the holistic approach. That commission becomes a clearinghouse of services from healthcare to employment and it is all exclusively there for veterans. And, again, with a Veterans Commission they too, like the Department of Veterans Affairs, have a singular focus and that is veterans. And they also operate I believe independent from other agencies, which makes them a little bit less susceptible to state politics.

Now, I also know that Texas puts their own money into the program at the services level, so that every veteran that walks through the door is at least greeted or triaged by a veterans' representative and that is something that the American Legion has always asked for. With the Commission, we also know that they have better accountability of the dollars from JVSG, because that comes straight from federal and goes directly to the Commission, as opposed to any other agencies, and their line of reporting is also a little more linear than a lot of other states.

Now, the only other state I know that has a Veterans Commission is the State of Wisconsin. I just wanted to add that.

Dr. WENSTRUP. Thank you very much, I appreciate that.

Do you want to add something?

Mr. WEIDMAN. I did. Texas is a little bit different, but it is a model that could be adapted to other states. And as you know, unlike most states, they have set up many commissions. So that the Texas Railroad Commission, the Texas Veterans Commission doesn't report to the governor actually, it reports to the commission. And certainly they take seriously what the governor says, but that is because of their respect for whoever is occupying the governor's chair. But it is the same thing of independence that you are not being—your resources aren't being purloined to go to other purposes other than vets. It is a sharp focus and they maintain a sharp focus and have communicated over the last three, four years via social media with the folks who actually work at the service delivery point across Texas and I find them just amazing. They have created the corporate culture that we are talking about.

Dr. WENSTRUP. Thank you very much.

Mr. Takano, you are recognized for five minutes.

Mr. TAKANO. Thank you, Mr. Chairman.

Mr. Weidman, you used the word, you know, in Texas the independence prevents resources from being purloined. Are you saying that what is going on with DoL-VETS, this $250 million—billion dollar—it is $250 million, is it? So a quarter of a billion dollars is going over to DoL, that the focus is not there on veterans, there is a kind of diffusion of that resource somehow into its other mission, the larger mission of DoL?

Mr. WEIDMAN. Well, I am, and it is particularly true at the state workforce delivery level. You have got admin overhead, indirect admin overhead that ranges to over 30 percent. And I believe the Congress finally had to cap it, because in one state it went up to 39 percent. Indirect, that doesn't account for direct overhead that was taken out of the grant. So the grants were not going very far and you really only had with the DVETs the nuclear option, they don't have any other power. They can yank the grant and declare the state noncompliant and shut off the money all together, but at that point governors get involved, senators get involved, and you better really have your ducks in a row. So you can't pit the nuclear option, so you can't do anything about an office manager who is misusing DVOPs and LVERs.

Mr. TAKANO. Okay. So you helped clarify. So the chunk of money that goes to the states in the form of grants, you have all these local employment offices and you are saying that is where you were painting the picture of how this money loses its focus on vets.

Mr. WEIDMAN. In 1980, DVOPs and LVERs made up about between five and eight percent of the staff in the local job services office. Today, it is often half the staff. And so they are paying much more of the high proportion of keeping the lights on, the rent, the parking lot plowed, et cetera, than we were in years past. We get less and less bang for the buck every year, because it is not going into personnel who are trained and backed up to actually meet with veterans.

Mr. TAKANO. But is that because we are failing to fund the DoL function? The DoL funding that funds the non-veteran portion of it, you are saying that the veteran portion has become a greater percentage of the personnel that is funded there and they are not dedicating their attention and time to the veterans as they should?

Mr. WEIDMAN. It is two things. Wagner-Peyser funding continues to go down and, if you have 100 people coming into the office and 20 of them are vets and half of your staff is DVOP and LVER, what are you going to do? You are going to tell the people to serve the people who are walking through the door as opposed to concentrating on the mission. And so what happens is people get into the people-processing business as opposed to what all the folks in that office are supposed to be doing, which is helping people get a job, an actual job. Not a program, a job.

Mr. TAKANO. Okay. Thank you, Mr. Chairman. I yield back.

Dr.WENSTRUP. Mrs. Radewagen, you are recognized.

Mrs. RADEWAGEN. I have one last question for Mr. Varela and Mr. Weidman. Can you please tell us how you believe a fourth administration would streamline the delivery of education and training benefits to veterans and bring greater visibility to these vital programs?

Mr. VARELA. It is a win-win situation, in our opinion. First, it will alleviate the claims and appeals responsibilities already being managed by the Veterans Benefits Administration. So right now, kind of circling back to the Congresswoman's question about VA's plate being full, right now they have three plates, we would be adding a fourth plate potentially. And on that fourth plate they would handle education, employment, vocational rehabilitation, USERRA matters, as was mentioned earlier. It would be again taking that staff from DoL that performs those functions and using them under the fourth administration. Also, veterans requiring education services and employment services would go one place. They would go to the VA and they would deal with that administration for all of those needs.

Mr. WEIDMAN. Twenty five percent of DVOPs are supposed to be out-stationed at another facility, veterans facility, they have never hit that 25 percent of DVOPs nationally at other facilities. And where you really need them is in the VA vet centers or readjustment counseling centers and we now have 280 of those across the country. Without the employment function as part of the treatment modality and the treatment team, the team is flying on one wing, if you will, because all of the efforts of the vet centers, good vet centers over the years has been to keep people employed and to keep families together. People went to the hospital if they wanted to get comp, they went to the vet centers to get well and to keep their families together and to keep their jobs. So if it is all part of VA then it will be much easier to have DVOPs stationed in those vet centers and as part of the treatment team, and same with VocRehab, which are supposed to be working together. It happens maybe three or four places in the country where they really work together all the time.

Mrs. RADEWAGEN. Thank you, gentlemen. Thank you, Mr. Chairman.

Dr. WENSTRUP. Mr. McNerney, you are recognized for five minutes.

Mr. MCNERNEY. Thank you, Mr. Chairman.

Mr. Weidman, I appreciate when you spelled out that you thought the employment services should be run out of the VA, but at the same time the VA often drives you crazy and it is a big bureaucracy, you know. Do you believe that the VA is improving now and in such a way that it could take on another function like that and actually be effective? Or do you think it is just in the nature of the VA since it is focused, as Mr. Leghorn said, toward veterans that would make it more effective?

Mr. WEIDMAN. Is it actually going to work? The answer to that, Congressman, is I don't know. Do I know that what we have now ain't working? I do know that what we have now ain't working. We have made all kinds of suggestions, we have tried to get legislation through that would have money follow performance, and we have failed on that for the last 20 years. So it is time to try something new, because the young people separating need a job now, they don't need a job in 15 years. By that time the die will be cast, they will either have a career or they won't.

So it is not just putting it at VA, we resisted that when they tried to do that in 2003 of just throwing it over there under

VocRehab. And VocRehab has improved dramatically in the last 15 years. But it still needs to be a separate division, if you will, and away from comp and pen and away from the gimme mind set and with a whole new corporate culture. So it is the corporate culture that you are talking about and the focus on accountability of this number. This number also holds managers accountable. It is not just the DVOPs and LVERs, it holds the whole operation accountable and if it is all under VA.

Mr. McNerney. Mr. Chairman.

Dr. WENSTRUP. Thank you. Miss Rice, you are recognized for five minutes. No further questions?

If there are no further questions, I want to thank everyone here today for taking time to come out and share your views on the President's proposed fiscal year 2016 budget for vets, and for discussing how we can better improve employment outreach at the local level and long-term outcomes for our service members and veterans.

And, Mr. Weidman, if you have the big one here, I will do my best to bring you back.

Mr. WEIDMAN. I am grateful for that, sir.

Dr WENSTRUP. Thank you. And, finally, I ask unanimous consent that all members have five legislative days to revise and extend their remarks and include extraneous materials.

Without objection, so ordered.

This hearing is now adjourned.

[Whereupon, at 4:02 p.m., the subcommittee was adjourned.]

APPENDIX

PREPARED STATEMENT OF CHAIRMAN BRAD WENSTRUP

Good afternoon everyone and I want to welcome you all to the Subcommittee on Economic Opportunity's hearing today entitled, "A Review of the President's Fiscal Year 2016 Budget Request for the Department of Labor's Veteran Employment and Training Service (VETS)."

DoL's VETS manages several programs for servicemembers and veterans alike.

Within VETS is the Jobs for Veterans State Grant program which funds Disabled Veterans Outreach Program Specialists—DVOPS—and Local Veterans Employment Representatives—LVERs; the Homeless Veteran Retraining Program which provides grants to providers for job training services and stand downs for homeless veterans; the employment workshop portion of the Transition Assistance Program (TAP); enforcement of the Uniformed Services Employment and Reemployment Rights Act (USERRA); and the promotion and outreach for veterans hiring throughout the country and Federal Government.

These are all very critical services and they are all vital to our servicemembers' and veterans' wellbeing after they leave active duty. As more and more men and women are returning from deployments or separating from the military, it is imperative that we place a focus on these individuals and the services that we provide to them through VETS' programs while also helping veterans of past conflicts who face under-employment and unemployment issues.

Unfortunately, for years, it has been clear that Senior Leaders at the Department of Labor do not put the focus that is needed on the Veterans Employment and Training Service.

And to be quite frank, many in the veterans' community have said over and over again that more often than not, DoL has ignored the agency all together. This is not just a current issue and it is not a political one, this seems to have been a trend throughout many administrations, regardless of party.

I know we can all agree that this country's veterans deserve to be the top priority, yet I worry that DoL does not always prioritize and coordinate their services for veterans as well as they could and should. The President's FY 2016 budget for VETS is once again basically flat-lined while the rest of the Department is not. The budget is the ultimate list of an Administration's priorities and its clear where DoL's "true" priorities lie.

In addition to reviewing the President's proposed budget for VETS, I also believe today's hearing is an important opportunity to examine DoL's ability to measure long-term outcomes and the Department's efforts to coordinate with the Department of Veterans Affairs and the efficiency of JVSG–VETS' state grant program.

JVSG, which funds DVOPS and LVERs, has been a constant concern of this subcommittee over the years, and time and time again we have heard concerns from the VSO community on the outreach, or lack thereof, that these DVOPS and LVERs are doing to help veterans find jobs. What is truly upsetting is that despite spending millions and millions of dollars on this program over the years, VETS is still unable to accurately track if the services provided by DVOPS and LVERs led to a veteran finding meaningful employment.

Reading through testimony for today's hearing, and previous hearings held by this subcommittee, it is clear that VSOs and other stakeholders are ready for a change; a concrete change, to bring better coordination between DoL and VA, better accountability and efficiency within VETS' programs, and better data to show what VETS is doing to provide positive long term outcomes for our nation's veterans.

We have been told by VETS time and time again that this time it will be different, and that this time they have a seat at the table at the Department of Labor. But it doesn't seem that anything is ever different. As the old saying goes, the definition of insanity is doing the same thing over and over again and expecting a different result.

In this same vein, it appears that many are pushing to create a 4th administration at VA and move VETS out of DoL to VA, a concept that has been discussed and included in legislation in previous Congresses. I look forward to hearing more about this proposal mentioned by the VSOS as well as other avenues we can explore to improve employment opportunities and consistency of services provided by DoL and the State Grant Program across the country.

Before I turn it over to the Ranking Member, I just want to reiterate that I believe that the new Senior Leadership team at VETS is trying to turn the ship around and by and large the employees at VETS do good work, but they are only a small piece of the puzzle at an agency as large as DoL. The problem is that no matter how small of a player VETS is within the larger mission of the Department the services they provide to our nation's veterans are too important to be overlooked.

That is our challenge here today and I look forward to hearing from everyone about how we can improve the performance and focus of this program.

STATEMENT
OF
TERESA W. GERTON
DEPUTY ASSISTANT SECRETARY FOR
VETERANS' EMPLOYMENT AND TRAINING SERVICE
U.S. DEPARTMENT OF LABOR
BEFORE THE
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

February 12, 2015

Introduction

Good afternoon, Chairman Wenstrup, Ranking Member Takano, and distinguished Members of the Subcommittee. Thank you for the opportunity to participate in today's hearing. As Deputy Assistant Secretary for Policy at the Veterans' Employment and Training Service (VETS) at the Department of Labor (DOL or Department), I appreciate the opportunity to discuss the Department of Labor's programs and initiatives pertaining to veterans' employment.

The Department's charter, for over 100 years, has been to "foster, promote and develop the welfare of working people, to improve their working conditions, and to enhance their opportunities for profitable employment." The Department's collective resources and expertise are integrated with state workforce agencies and local communities to meet the employment and training needs of all Americans, including veterans, transitioning service members, members of the National Guard and Reserve, and their families.

As the Federal government's leader on veteran employment, VETS ensures that the full resources of the Department are readily available for veterans and service members seeking to transition into the civilian labor force.

DOL's Employment and Training Administration (ETA) administers the national workforce system – a system that supports economic growth and provides workers and employers with critical resources and support to maximize employment opportunities. Each year, more than 16.9 million Americans, including 1.2 million veterans, receive employment assistance through the workforce system at nearly 2,500 American Job Centers (AJCs) across the country. ETA and VETS fund the counselors in the AJCs who work directly with veterans on their employment and training needs. ETA also funds and oversees the state-operated Employment Service and the Federal-State partnership for the administration of unemployment compensation, including the Unemployment Compensation for ex-service members (UCX) program that provides unemployment benefits to separating service members. VETS' partnership extends to ETA's Office of Apprenticeship, which leads the effort to provide apprenticeship opportunities to our transitioning service members and veterans.

Section 2 of the Jobs for Veterans Act of 2002, as codified at 38 U.S.C. 4215, established "Priority of Service" for veterans, which allows veterans and their eligible spouses to receive priority access to workforce training programs directly funded, in whole or in part, by DOL. The Department is committed to Priority of Service for veterans.

The Federal Government took important steps last year to improve how the nation's training programs serve job-seekers and workers, including veterans. Last year's Workforce Innovation and Opportunity Act (WIOA) is the culmination of a four-year bipartisan effort on the part of the Administration and Congress to design a modern workforce system that grows our economy by equipping job seekers, workers and veterans with the skills and credentials needed to secure good jobs and advance in their careers, and matching employers with the skilled workers needed to compete and win in the global economy. Implementing WIOA, along with the Administration's other job-driven training reforms, will help to strengthen the network of nearly 2,500 American Job Centers, provide greater accountability and transparency for consumers, and establish an effective blend of job training and postsecondary education known as career pathways that will help veterans advance in their careers while earning an industry-recognized credential. VETS will continue to work closely with ETA to finalize implementation of WIOA. During FY 2016, the agencies will implement performance management systems to collect the outcome metrics defined in WIOA and other data on services provided to veterans served through AJCs.

The President's Fiscal Year (FY) 2016 Budget builds on these improvements, including a number of investments of particular benefit to veterans. The Budget includes a $500 million increase for employment services to ensure that all displaced workers, including veterans, get the in-person assistance they need to find a new job or be connected to the services or training they need to prepare for one. Included in this request is funding to provide Reemployment and Eligibility Assessments and Reemployment Services (REA/RES), an approach with demonstrated success, to all transitioning veterans receiving UCX. Veterans would also benefit from the increases in the Budget to expand registered apprenticeship and training.

VETS also collaborates with several other agencies within DOL in support of veterans' employment. For example, the Office of Disability Employment Policy (ODEP) focuses on disability policy and employment services and has a long history of working with us and with our military and civilian partners on issues affecting disabled veterans.

The Office of Federal Contract Compliance Programs (OFCCP) is responsible for administering the affirmative action provisions of the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (VEVRAA). This law prohibits employment discrimination against protected veterans by covered Federal contractors and subcontractors. VEVRAA also requires contractors and their subcontractors to take affirmative action to employ these veterans. In March 2014, new rules became effective that require businesses with federal contracts of $100,000 or more to establish annual hiring benchmarks for protected veterans that we anticipate will increase veterans' employment opportunities.

DOL's Wage and Hour Division enforces important leave entitlements for veterans and their families through the Military Family Leave provisions of the Family and Medical Leave Act

(FMLA). The Military Family Leave provisions were first added to the FMLA in 2008 and revised in 2010 to provide protections specific to the needs of military families.

DOL's Women's Bureau develops policies and standards, and conducts inquiries to safeguard the interests of working women, including women veterans. The Bureau also advocates for equality and economic security for women veterans and their families, and promotes quality work environments.

The Bureau of Labor Statistics (BLS) publishes monthly, quarterly, and annual employment data on veterans and, each March, publishes an annual supplemental report called the "Employment Situation of Veterans." BLS recently published a report on women veterans in the labor force examining the demographic, employment, and unemployment characteristics of women veterans. This data is critical to understanding the veteran employment situation. In addition to BLS, the Department's Chief Evaluation Office sponsors research and studies to measure the effectiveness and efficiency of veteran employment programs.

Our partnerships throughout DOL extend VETS' ability to achieve its mission, and bring all of DOL resources to bear for America's veterans, separating service members, and their families. VETS' mission is focused on four key areas: (1) preparing veterans for meaningful careers; (2) providing them with employment resources and expertise; (3) protecting their employment rights; and, (4) promoting the employment of veterans and related training opportunities to employers across the country.

Prepare: The DOL Employment Workshop

As the military drawdown continues through FY 2017, the Department of Defense estimates that approximately 250,000 service members (including members of the National Guard and Reserve) will leave the military annually over the next several years. Many separating service members will face a difficult transition and will struggle to find a job worthy of their talents in an improving, but still-challenging, labor market.

Under the leadership of President Obama, the Administration is committed to ensuring that America fulfills its obligations to our separating service members, veterans, and their families by providing them with the services and support they need to successfully transition to the civilian workforce. As nation-wide unemployment peaked in 2010 and veteran unemployment rates reached 8.7 percent, Congress and the Administration sought to assist veterans with the "VOW to Hire Heroes Act of 2011" (VOW Act). Also in 2011, First Lady Michelle Obama and Dr. Jill Biden created the Joining Forces Initiative to coordinate public- and private-sector resources to better meet the employment, education, and health care needs of our veterans and their families.

VETS contributes to the Administration's commitment through the redesigned Transition Assistance Program (TAP). TAP, as codified at 10 U.S.C. 1144, is a collaborative effort led by the Departments of Labor, Veterans Affairs (VA), and Defense (DoD), aimed at providing separating service members and their spouses with the training and support they need to transition successfully to the civilian workforce. Through TAP, DOL brings its extensive expertise in employment services to bear to provide a comprehensive three-day employment

workshop at U.S. military installations around the world. In 2003, VETS expanded the Employment Workshop to overseas military installations, and in FY 2005, VETS began to offer courses to returning members of the National Guard and Reserve via the Yellow Ribbon Reintegration program. The VOW Act made participation in the DOL Employment Workshop mandatory for most transitioning service members, including those demobilizing from the National Guard and Reserve.

In FY 2014, as a member of the TAP Senior Steering Group Curriculum Working Group, DOL began an annual curriculum evaluation. This included analysis of results from the web-based Transition GPS participant survey instrument developed by DoD, and input from various stakeholders. Based on this evaluation, DOL revised the Employment Workshop curriculum to include Equal Employment Opportunity and Americans with Disability Act content, the Veteran Employment Center content, and enhanced information on Workforce Innovation Opportunity Act training, dislocated worker training, and registered apprenticeship programs. The FY 2015 curriculum review will begin in April 2015, in conjunction with the TAP Senior Steering Group Curriculum Working Group's planned review of the entire Transition GPS curriculum.

The Department's FY 2016 budget request includes $14.1 million for the TAP program, an increase of $100 thousand over the FY 2015 appropriated level. This additional funding will allow VETS to develop a mobile application for the online delivery of TAP course curricula, in order to better reach overseas service members who are unable to attend an in-person TAP course, as well as to allow TAP attendees easier access to course materials after they leave the classroom.

Since the inception of the TAP program over 20 years ago, the Department has provided training and services through Employment Workshops to over 2.6 million separating or retiring service members and their spouses. Last year, DOL conducted more than 6,600 Employment Workshops for over 207,000 participants at 206 military installations worldwide. Of the 207,000 participants, more than 9,000 were members of the National Guard and Reserve.

DOL is pleased to report that the new Employment Workshop curriculum has been well received. Of the over 11,000 participants who most recently responded to a survey in FY 2014 Q4, 91% reported that they would use what they learned in their own transition planning and 89% reported that the DOLEW enhanced their confidence in transition planning. The data strongly suggest that the Department's revised Employment Workshop is meeting the high expectations of its audience. The Department's administration of the TAP program has also generated strong support from Veterans' Service Organizations, including The American Legion, who testified before this subcommittee last month that, "was highly impressed both by the amount and the quality of information that was conveyed....by instructors who were contracted by the Department of Labor."

The Department is in receipt of the Report of the Military Compensation and Retirement Modernization Commission. We appreciate that the level of cooperation between government agencies is recognized in the Commission's report. DOL looks forward to working with our federal partners to address the Commission's recommendations to better prepare service members for transition to civilian life.

Provide: Employment Resources and Expertise (Competitive and Formula Grants)

The Department provides a vast array of services to transitioning service members, veterans, and their spouses to help them with job searching, accessing training programs to bridge skills gaps, and identifying employment opportunities. At the center of the Department's efforts are two VETS-administered grant programs: Jobs for Veterans State Grants (JVSG), a formula program that supports State staff positions at approximately 2,500 American Job Centers (AJCs) across the nation to promote veterans employment, and the competitive Homeless Veterans Reintegration Program (HVRP). The President's 2016 Budget maintains FY 15 funding levels for VETS' grant programs ($175 million for JVSG, and $38.1 million for HVRP).

Jobs for Veterans State Grants (JVSG)

JVSG provides funding to 54 states and territories so they can exclusively serve eligible veterans, as defined in 38 U.S.C. 4101(4) and 4211(4), and other eligible spouses as defined in 38 U.S.C. 4101(5) and can perform outreach to employers. JVSG funds are provided to fund two staff positions: Disabled Veterans' Outreach Program (DVOP) specialists and Local Veterans' Employment Representative (LVER) staff.

Disabled Veterans' Outreach Program Specialists (DVOP)

DVOP specialists are authorized by 38 U.S.C. 4103A and must provide intensive services to eligible veterans and eligible spouses to meet their employment needs, prioritizing service to special disabled and other disabled veterans, as defined by 38 U.S.C. 4211, and to other eligible veterans in accordance with priorities determined by the Secretary. The statute also requires that DVOP specialists place maximum emphasis on assisting veterans who are economically or educationally disadvantaged. An eligible veteran or eligible spouse is determined to have a Significant Barrier to Employment (SBE) if he or she attests to belonging to at least one of the six criteria below:

1. A special disabled or disabled veteran, as those terms are defined in 38 U.S.C 4211(1) and (3); who are entitled to compensation (or who but for the receipt of military retired pay would be entitled to compensation) under laws administered by the Secretary of Veterans' Affairs; or, were discharged or released from active duty because of a service connected disability;
2. Homeless, as defined in Section 103(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11302(a));
3. A recently-separated service member, as defined in 38 U.S.C 4211(6), who at any point in the previous 12 months has been unemployed for 27 or more weeks;
4. An offender, as defined by WIOA Sec. 3(38), who may be incarcerated or who has been released from incarceration;
5. Lacking a high school diploma or equivalent certificate; or
6. Low-income (as defined by WIOA at Sec. 3(36)).

VETS recently modified the definitions for unemployment duration and for ex-offenders, as reflected in the above criteria, in response to concerns expressed by Veteran Service

Organizations (VSOs) regarding constraints in meeting the number of veterans eligible for DVOP services. These changes expand the definitions to be more consistent with new language in WIOA and increase the number of veterans who are eligible for DVOP services.

As explained in 38 U.S.C. 4101(9), the "intensive services" provided by DVOP specialists are the same "intensive services" defined in WIA, and include: comprehensive and specialized assessments of skill levels and service needs; development of an individual employment plan to identify the employment goals, appropriate achievement objectives and appropriate combination of services for the participant to achieve the employment goals; group counseling; individual counseling and career planning; and short-term prevocational services that may include development of learning skills, communication skills, interviewing skills, punctuality, personal maintenance skills, and professional conduct to prepare individuals for unsubsidized employment or training.

As an example of the impact our DVOP specialists make, consider the story of Specialist Scott Butcher. Scott enlisted on July 12, 2005 and served honorably in the US Army through March 29, 2013. He completed three tours in Iraq and received the Iraq Campaign Medal with Campaign Stars and the Combat Infantry Badge. When he first entered his AJC in Cincinnati in August 2013, he was 28 years old, married, and living with his parents. His wife was pregnant and due with their first child in February 2014. Scott had just begun receiving unemployment insurance, lacked job search skills and did not have a current resume.

During intake, an AJC staff member determined that Scott had significant barriers to employment and scheduled him for intensive services with DVOP specialist Douglas Oliver. Scott received training in resume writing, job search, and interviewing skills. He was also referred to the Clermont County Veterans' Services Commission to receive assistance in applying for a VA disability rating for a service-connected condition. Mr. Oliver then provided Scott with job development contacts, submitted his resume to potential employers, and notified employers of Work Opportunity Tax Credit and on-the-job training funding availability.

Scott started employment on September 30, 2013, as a Sales Associate with Total Quality Logistics in Milford, OH, nearly six months after separating from the Army, but less than two months after walking in to an American Job Center. As of February 2, 2015, Scott remains employed with Total Quality Logistics.

Local Veterans' Employment Representatives (LVER)

LVERs perform a wide range of duties on behalf of our veterans specifically related to outreach to the employer community and facilitation within the state's employment service delivery system. These duties are outlined in law in 38 U.S.C. 4104(b). LVERs must be assigned duties that promote to employers, employer associations, and business groups the advantages of hiring veterans. When employer outreach is primarily accomplished by a "business services team" or like entity, the LVER must be included as an active member of that team. LVERs advocate for all veterans served by the AJC with local businesses, and other community-based organizations

by participating in appropriate activities such as: planning and participating in job and career fairs; conducting employer outreach; in conjunction with employers, conducting job searches and workshops, and establishing job search groups that include veterans; coordinating with unions, apprenticeship programs and businesses or business organizations to promote and secure employment and training programs for veterans; informing Federal contractors of the process to recruit qualified veterans; providing training and technical assistance to AJC staff and stakeholders regarding veteran issues and concerns; promoting credentialing and licensing opportunities for veterans; and coordinating and participating with other business outreach efforts.

LVERs are also responsible for "facilitating employment, training, and placement services furnished to veterans in a state under the applicable state employment service delivery systems" (38 U.S.C. 4104(b)(2)). VETS defines this facilitation duty as the act of capacity building within the state's employment service delivery system to ensure easier access to the appropriate employment and training services for job seeking veterans. LVERs play an important role in assisting with the development of the service delivery strategies for veterans in their assigned AJC as well as educating all AJC partner staff with current employment initiatives and programs for veterans.

Development and Training for DVOP Specialists and LVER Staff

DVOP specialists and LVER staff must receive job-related training within 18 months of their appointment. This training is provided by the National Veterans' Employment and Training Institute, which is administered by VETS. In FY 2014, 100 percent of staff completed the required training courses in case management, labor employment, and employment partnership promotion.

JVSG Refocusing

On April 10, 2014, VETS and ETA jointly released a refocusing strategy that provided clarifying guidance to state workforce agencies (SWAs) on the roles and responsibilities of the Wagner-Peyser (WP), Workforce Investment Act (WIA), and JVSG programs. The Department implemented the JVSG refocusing initiative for numerous reasons including, but not limited to the following: to improve workforce programs' service delivery strategies for veterans and eligible spouses; to meet anticipated demand for services from an increase in transitioning service members; and to ensure compliance with the VOW to Hire Heroes Act of 2011, Public Law 112-56. This guidance consists of three main pillars:

- Ensuring veteran participants are referred to the appropriate program (WP/WIA, JVSG);
- Ensuring DVOP specialists and LVER staff are performing their statutorily-mandated responsibilities; and,
- Increasing the rate of intensive services to JVSG eligible participants.

The DVOP corps nation-wide has the capacity to support 328,000 participants and deliver intensive services to 90 percent of them. However, over 1.2 million veterans seek assistance annually at AJCs. In order to comply with statutory requirements to prioritize employment

assistance to those veterans most in need, the Secretary of Labor identified categories of veterans with significant barriers to employment as the population eligible for DVOP services. Using the definitions provided in Veterans' Program Letter 03-14, VETS estimates that approximately 417,000 veterans annually meet those conditions.

Additionally, the Secretary identified veterans between the ages of 18-24 as a special population eligible for DVOP services because of the exceptionally high rate of unemployment experienced by this cohort. Subsequently, the Consolidated Appropriations Act of 2014 added to the population eligible for DVOP services those transitioning service members who are in need of additional assistance to secure civilian employment, and those who are wounded, ill or injured and in Medical Treatment Facilities along with their caregivers.

VETS has established metrics to track the number of veterans receiving intensive services, setting an ambitious goal of 75 percent of JVSG participants receiving intensive services in FY 2015 and 90 percent by end of FY 2016. Additionally, VETS and ETA ensure that no veteran is ever turned away from an AJC. All veterans receive Priority of Service, and all recent separatees are entitled to six months of intensive employment services.

VETS understands that some stakeholders are concerned that LVERs can no longer provide case management services to veterans. Under refocusing, VETS clarified the roles of LVERs so that they are focused on employer outreach as required in statute, as it is absolutely critical to ensure that the job provider side of the veteran employment equation is as thoroughly addressed as the job-seeker side. VETS has also recently issued further guidance in response to concerns that LVERs' focus on employer outreach means LVERs have been prohibited from any contact with veterans. VETS is addressing its internal audit procedures to ensure that scores are not adversely impacted when LVERs have contact with veterans in the course of connecting them with employers, given current limits in reporting systems.

Wagner-Peyser and JVSG Performance Metrics

As shown in Table 1, average six-month earnings, employment entry, and retention for all veterans improved from Program Year (PY) 2012 to PY 2013.

Table 1. Common Measure Results, PYs 2012-2013, Combined Outcomes of Wagner-Peyser Employment Service and Jobs for Veterans State Grants*

Measure	PY 2012 Result	PY 2013 Result
Percent of Veterans employed in the first quarter after exit (Entered Employment Rate (EER))	50.2%	52.9%
Percent of Veterans employed in the first quarter after exit still employed in 2nd & 3rd quarters after exit (Employment Retention Rate (ERR))	79.6%	81.0%
Average six month earnings of Veterans in the second and third quarter after exit (Average Earnings (AE))	$16,870	$17,243

*Table1: As reported in the Labor Exchange Reporting System, ETA-9002D and forms 9132 for the states of Texas, Utah and Pennsylvania.

The Department's Chief Evaluation Office recently completed an analysis of services and outcomes for veteran and non-veteran job seekers served by federally funded employment services, using statistical adjustment to account for demographic, educational, and other differences in the two groups. The data in the study were comprised of 28 million unduplicated customers—two million of whom were veterans—and covered employment services enrollments for nine quarters from January 2011 to March 2013.

Table 2. Employment, Employment Retention, and Average Nine-Month Earnings by Veteran Status, Regression Estimates*

Performance Outcomes	JVSG Veterans	Non-JVSG Veterans	Non-Veterans
Entered Employment	48%	46%	47%
Employment Retention	69%	68%	68%
Nine-Month Earnings	$ 20,625	$ 20,297	$ 19,654

*Table 2: Wagner-Peyser Data Files, PY2010 Q3 through PY 2012 Q3 (nine quarters, January 2011 through March 2013).

Table 2 shows that, veterans utilizing JVSG services, compared to the adjusted results for non-veterans, exhibited had the highest employment rates, highest earnings, and quickest time to first staff assisted service. The wage gap is considerably smaller for women veterans served by JVSG than for non-veteran women. In the first nine months after exit, male-female gender earnings gaps for JVSG veterans ($2,386) are 34 percent smaller than gender earnings gaps for non-veterans ($3,638).

Homeless Veterans Reintegration Program (HVRP)

The Department is committed to the Administration's goal of ending homelessness among veterans by the end of 2015. In leading this effort, the U.S. Interagency Council on Homelessness (USICH), currently chaired by Secretary Perez, has generated powerful national partnerships at every level to work toward ending homelessness across the nation. Through these interagency efforts and many others, the Administration has achieved historic progress. While homelessness among veterans has declined, much work remains to be done.

Authorized by 38 U.S.C. § 2021, VETS administers the HVRP to provide employment and training services to homeless veterans so that they can be reintegrated into the labor force, and to stimulate the development of effective service delivery systems which address the complex problems homeless veterans face. The HVRP is one of the few nationwide federal programs focusing exclusively on helping homeless veterans to reintegrate into the workforce.

VETS awards HVRP funds annually on a competitive basis to eligible applicants, including state and local Workforce Investment Boards, tribal governments and organizations, public agencies, for-profit/commercial entities, and non-profit organizations, including faith and community based organizations.

Successful HVRP grant applicants must specifically describe how their outreach to homeless veterans will build an effective level of collaboration with other entities, such as VA's Grant and Per Diem grantees, the HUD-VA Supportive Housing Program, VA's Supportive Services for Veteran Families grantees, Health and Human Services (HHS) grantees, and VA's Homeless Veteran Supported Employment Program. Legislation is needed to allow veterans who are residing in HUD-VASH or were identified as homeless in housing assisted through targeted homelessness programs to be eligible for HVRP.

HVRP operates on the principle that when homeless veterans attain meaningful and sustainable employment, they are on a path to self-sufficiency and their susceptibility to homelessness is diminished. HVRP is employment-focused; each participant receives customized services to address his or her specific barriers to employment. Services may include occupational, classroom, and on-the-job training, as well as job search, placement assistance, and post-placement follow-up services.

Historically, through HVRP, VETS has funded two additional types of grants designed to address difficult-to-serve subpopulations of homeless veterans: the Homeless Female Veterans and Veterans with Families (HFVVWF) and the Incarcerated Veterans' Transition Program. Through HVRP the VETS also supports "Stand Down" events and technical assistance grants.

One example of a veteran served through the HVRP program is Ms. Catherine Vidal of New York, a 36-year-old Army veteran who was referred to the HVRP program by the VA's Supportive Services for Families Program on Long Island. She was homeless and very eager to find a job so she could support herself and maintain contact with her child. Catherine was staying with friends, but when that was no longer possible, she slept in the city parks.

Catherine's work experience was in the field of graphic arts and she was a chemical operations specialist in the Army. However, when she came to the HVRP grantee Services for the Under Served (SUS), she was seeking a position where she could "give back" and was hopeful of obtaining a peer specialist position or other entry-level work in human services. She took full advantage of the computer lab for her job search and enthusiastically participated in job club workshops and meetings with her career coordinator and job developer in spite of her housing issues. Catherine was steered toward several employment interviews through the HVRP, one of which was as a Veteran Peer Support Specialist within SUS' Veterans division. She applied and was interviewed for the position by a human resources staff member who was impressed with her motivation and obvious desire to assist veterans in need.

Catherine was hired shortly thereafter and began work as a Veteran Peer Support Specialist on July 11, 2014. In her position, she plays an important role in supporting veterans' wellness and personal recovery goals. She is also heavily involved in community outreach activities to educate and recruit Gulf War era-II veterans. This is a full time position and Catherine currently earns $40,000 per year with benefits. She has now been in her position for six months and is stably housed in her own apartment.

Homeless Female Veterans and Veterans with Families (HFVVWF)

HFVVWF are competitive grants that specifically assist the subpopulation of homeless female veterans and veterans with families who are at risk of becoming homeless. The grants support direct services through a case management approach that leverages federal, state, and local resources. Eligible veterans and their families are connected with appropriate employment and life skills support to ensure a successful integration into the workforce.

Stand Down Grants & Technical Assistance Grants

Through HVRP, the Department also supports "Stand Down" events. These events, typically held over one to three days in local communities, provide an array of social services to homeless veterans. Stand Down organizers partner with federal and state agencies, local businesses and social services providers to offer critical services, including temporary shelter, meals, clothing, hygiene care, medical examinations, immunizations, state identification cards, veteran benefit counseling, training program information, employment services, and referral to other supportive services. Funding for employment services and incentives for homeless veteran participants, such as hot meals and climate appropriate clothing, are provided through non-competitive grants awarded on a first-come, first-served basis until available funding is exhausted.

The HVRP grant program also provides funding to the National Veterans Technical Assistance Center (NVTAC). The NVTAC provides a broad range of technical assistance on veterans' homelessness programs and grant applications to existing and potential HVRP, HFVVWF, and Stand Down grantees; interested employers; Veterans Service Organizations (VSOs); and federal, state, and local agency partners.

HVRP Program Performance

HVRP's client-centric, hands-on approach has successfully placed thousands of previously-homeless veterans, some of whom were chronically homeless, on a path to self-sufficiency. In FY 2014, the HVRP program received an appropriation of $38,109,000 with which the Department awarded 37 new HVRP grants, 82 option year HVRP grants, 18 HFVVWF grants, and 66 Stand Down grants. Table 3 lists, for HVRP and HFVVWF grants, the following: participants enrolled, participants placed into employment, the average costs per participant, and average hourly wage at placement.

Table 3. HVRP, including HFVVWF Participant Statistics, PYs 2012-2013*

Performance Outcomes	PY 2012	PY 2013**
Participants Enrolled	17,480	16,133
Placed Into Employment	11,317	10,225
Average Cost Per Participant	$1,985.34	$1,901.38
Average Hourly Wage at Placement	$11.22	$11.50

* As reported in the Veterans' Employment and Training Service Operations and Program Activity Report (VOPAR) System, HVRP Program Status Report.
**The PY 2013 data listed is as of December 31, 2014. PY 2013 will be finalized on March 31, 2015.

Protect: Employment Rights Through USERRA, Veterans' Preference, VEVRAA, and VETS 100/4212 Reporting

Uniformed Services Employment and Reemployment Rights Act (USERRA)

VETS receives and investigates claims arising under USERRA, 38 U.S.C. 4301-4335. The Act prohibits discrimination in employment based on prior service in the uniformed services, an individual's current service in the uniformed services, or intent to join the uniformed services. USERRA also provides reemployment rights with the pre-service employer following qualifying service in the uniformed services. Additionally, USERRA prohibits discrimination against individuals who attempt to enforce their rights under USERRA and prohibits retaliation against those who testify in any proceeding under the Act. VETS also has two separate compliance assistance tools, the USERRA and Veterans' Preference Advisors which assist users in determining if they have a valid reason for complaint, and allows them to electronically file a complaint. These two Advisors are among the Employment Laws Assistance for Workers and Small Businesses (elaws) program's most popular Advisors averaging over 15,000 users per month. VETS provides its USERRA Annual Report to Congress each year, which includes more detailed information regarding program and enforcement outcomes.

In FY 2014, VETS and the Office of Special Counsel (OSC) concluded a three-year demonstration project (from August 2011 to August 2014) to assess each agency's performance in reviewing and resolving Federal-sector USERRA cases. The Government Accountability Office (GAO) evaluated the agencies' performance using metrics, including case outcomes, customer satisfaction, timeliness, cost, and capacity. As reflected in GAO's final report, GAO-15-77, released on November 25, 2014, VETS scored better than OSC in each measured category.

GAO reported that, between August 2011 and August 2014, VETS resolved 308 (or 97 percent of the 319) USERRA cases, and OSC resolved 366 (or 84 percent of the 434) cases it received. On a survey sent to claimants and administered by OPM, VETS respondents reported higher average satisfaction on every question than OSC respondents, with pronounced differences in scores on timeliness, access to staff, and overall experience. VETS' average investigation time of closed cases was about 41 days and OSC's was about 151 days. DOL spent about $1,112 per case, whereas OSC spent about $3,810.

Veterans' Preference

Under the Veterans' Employment Opportunities Act (VEOA), 5 U.S.C. 3330a-3330c, VETS is responsible for investigating claims alleging a Federal agency's failure to apply Veterans' Preference in hiring or during a reduction-in-force, and claims from veterans alleging a lack of access to a Federal agency's covered employment opportunities. Additionally, Secretary Perez co-chairs the Council on Veterans Employment Steering Committee and VETS actively participates in the development of policy and oversight addressing federal veterans' preference.

VETS 100/4212 Reporting

In March 2014, the Department's published rulings, updating regulations under Section 503 of the Rehabilitation Act of 1973 and the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (VEVRAA), went into effect. These laws prohibit employment discrimination against qualified individuals on the basis of disability or veteran status by federal contractors and subcontractors, and they require affirmative action to recruit, employ, train, and promote qualified individuals with disabilities and protected veterans. VETS is responsible for collecting annual reports on veteran employment from Federal contractors. The VETS-100 report applied to government contracts entered into prior to December 1, 2003, with a value of $25,000 or greater. The VETS-100A applied to government contracts entered into on or after December 1, 2003, with a value of $100,000 or greater. The reports included the total number of a contractor's employees who belong to the categories of veterans protected under VEVRAA, and the total number of those employees who were hired during the period covered by the report.

Beginning with the 2015 reporting cycle, VETS implemented a new form to replace the VETS-100 and VETS-100A reports for reporting veteran hiring, the VETS 4212. This change was undertaken pursuant to President Obama's 2011 direction to federal agencies to reduce burdens on the regulated community by streamlining existing regulatory requirements where possible. The VETS 4212 report reduces reportable items by nearly 50 percent compared to the former reports, and is expected to save Federal contractors nearly $245 million in costs and more than one million burden hours over the next ten years. In addition, the data collected through the VETS 4212 Report will enable contractors to better assess their effectiveness in hiring veterans and complying with VEVRAA.

VETS partners closely with the Office of Federal Contractor Compliance Programs (OFCCP) to ensure that federal contractors understand their obligations regarding veteran hiring, and then connects these employers with employment-ready veterans to help them meet their goals. Most recently, VETS met with the Dulles Regional Chamber of Commerce to discuss veteran hiring initiatives. As a result, five companies are now engaged with their local AJC in Northern Virginia and three are already in the process of hiring additional veterans.

Promote: Employer Outreach, Intra/Inter-Agency Coordination, and Stakeholder Outreach, Women's Veteran Program

Employer Outreach

VETS' Office of Strategic Outreach (OSO) was chartered to develop a national engagement and integration strategy that informs and coordinates action within and between the government, private sector and communities to enhance veterans' employment opportunities and leverage the national workforce system. OSO conducts engagements with federal, state, and local governments; private sector employers and trade associations; institutions of higher learning; non-profit organizations; and Veteran Service Organizations to establish and develop a network that enables service members, veterans, and families to successfully integrate into their communities. This office provides a valuable bridge between national and regional employers who are eager to commit to hiring veterans and workforce development staff at American Job Centers who are tasked with building local employer relationships and assisting veterans in entering gainful employment.

VETS has initiated a regional engagement and integration strategy by staffing a Regional Outreach Specialist with each of the six Regional Offices nationwide. These outreach specialists will coordinate outreach activities with the corresponding VETS Regional Administrator and corresponding state directors of VETS at the direction of VETS OSO.

The partnerships and working relationships initiated and developed to facilitate veteran employment have been significant. VETS continues to work closely with its government partners including the Departments of Veterans' Affairs, Defense, Energy, Transportation, Agriculture, and the Small Business Administration. VETS is also engaged with the Office of Warrior Care and Policy and the Wounded Warrior organizations of each military service, and plans to support the DoD's federal internship program exclusively for recovering service members, Operation Warfighter.

VETS is working closely with Joining Forces, "Warriors for Wireless," "Troops to Truckers" and "Helmets to Hardhats", several trade associations and several labor unions regarding industry-wide veteran hiring initiatives. VETS has partnered with over 50 private industry leaders and companies including JP Morgan Chase, US Bank, Sodexo, Blackstone Group, JB Hunt, UPS, Tesla, Toyota, Humana, Hospital Corporations of America, Sprint, Home Depot, Walmart, Starbucks, Kraft, Coca-Cola, General Electric, Microsoft, and many others to implement practical strategies to help each company institutionalize their veteran hiring initiatives.

Registered Apprenticeships

VETS is working to increase the use of apprenticeships in the United States, not only to expand opportunity for workers, but to expand opportunity for businesses, too. And, the GI Bill is a vital way that employers and other Registered Apprenticeship sponsors can help veterans meet their expenses during an apprenticeship. DOL (Office of Apprenticeship and VETS) has collaborated with the White House, VA, State Apprenticeship Agencies, State Approving Agencies, and other

stakeholders to negotiate and develop a new outreach campaign for over 10,000 Registered Apprenticeship programs to encourage them to be "Approved for the GI Bill." The outreach campaign included a joint letter from ETA's Assistant Secretary Portia Wu and VA's Under Secretary for Benefits, Alison Hickey to all Registered Apprenticeship programs as well as fact sheets for veterans and employers, and the two required VA forms for the employers to become certified to allow their current and future veteran apprentices to use their GI Bill benefits in an apprenticeship.

In 2014, the VA and DOL developed a streamlined system for new Registered Apprenticeship programs so that, at the time of registration with DOL, Apprenticeship staff will assist employers with the VA certification for GI Bill benefits. This new process will provide employers with "one door to the government" for their Registered Apprenticeship and veterans benefit needs.

Through this outreach campaign, more employers and Registered Apprenticeship programs than ever will be certified to provide the GI Bill benefits that their veteran apprentices have earned.

Women Veterans Program (WVP)

DOL has the lead for the Administration on many issues facing women in the workplace, including paid family leave, increasing the minimum wage, gender pay equity, and increasing women's participation in non-traditional career fields. Women veterans, who comprise 10 percent of the veteran population, but only two percent of all working women in America, are a critical segment of this constituency. The Women Veteran Program (WVP) collaborates with the Women's Bureau and Federal partners, such as VA's Center for Women Veterans, Center for Minority Veterans and Office of Rural Health, and non-profit organizations to continuously monitor the issues facing of women veterans and ensure that DOL's employment services are meeting their needs.

In FY 2014, WVP conducted broad meta-analysis of the employment situation for women veterans. The analysis included a review of 18 years of unemployment rates for women veterans, women non-veterans, male veterans, and male non-veterans, and a more in-depth examination of the 2013 and 2014 Current Population Survey Annual Averages. Annual averages were used because the monthly data for women veterans is extremely volatile due to the small sample size.

This review demonstrated that women veterans are younger, more educated, and more likely to be of racial/national origin minority status than male veterans. As such, women veterans are more likely to be in the subpopulations that have higher unemployment rates, such as veterans currently enrolled in school, those under 35 years old, and those who served in Gulf War II.

Women veterans who utilize JVSG services experience higher entered employment rates and higher wages than their non-veteran female peers. JVSG services are successful because they are customized for each woman veteran and her individual needs.

Advisory Committee on Veterans' Employment and Training and Employer Outreach (ACVETEO)

One of the primary means by which the Department engages with key stakeholders from both the public and private sectors and VSOs is through its ACVETEO. The ACVETEO is a non-discretionary advisory committee established under 38 U.S.C. 4110 that is required to assess the employment and training needs of veterans and their integration into the workforce; determine the extent to which VETS' programs and activities are meeting such needs; assist the Assistant Secretary for VETS in conducting outreach activities to employers with respect to the training and skills of veterans and the advantages afforded employers by hiring veterans; make recommendations to the Secretary, with respect to outreach activities and employment and training needs of veterans; and carry out such other activities necessary to make required reports and recommendations.

For FY 2014, the ACVETEO focused its efforts on considering how, and with what effect, the resources of VETS could be best positioned to advance the employment situation of the nation's veterans. Specifically, the Committee focused on the following themes: (1) veterans and employer outreach activities, (2) transition assistance and support (employment), and (3) employment and training activities/needs impacting focused populations.

ACVETEO's report was submitted to both Senate and House Veterans Affairs Committees on January 9, 2015. The Department is currently preparing its response to recommendations and looks forward to sharing these observations with this Committee upon completion.

Conclusion

DOL's focus is clearly targeted on employment – this is our core mission and competency. Creating opportunity for our veterans to thrive in the civilian economy through meaningful employment is a priority for DOL leaders and for every agency within the Department, and we work closely with our partners at the Department of Veterans Affairs and Defense to do so. DOL's connection with the state workforce agencies in nearly 2,500 AJCs across the nation facilitates veterans' employment with large national employers as well as small and medium sized businesses that do most of the hiring. DOL's long-established relationship with State Workforce Agencies is a partnership that delivers proven and positive results. The Administration wants to ensure that we build on these established relationships and the improvements called for in WIOA to build a workforce system and American Job Centers that can better help our transitioning service members and veterans move into family-sustaining jobs. For this reason, the Administration would have strong concerns with any legislation that would undermine our progress or ability to help veterans and transitioning service members achieve positive employment outcomes. The Department looks forward to working with the Subcommittee to ensure that our transitioning service members, and veterans, and their families have the resources and training they need to successfully transition to the civilian workforce.

Chairman Wenstrup, Ranking Member Takano, distinguished Members of the Subcommittee, this concludes my written statement. Thank you for the opportunity to be a part of this hearing. I welcome any questions you may have.

STATEMENT OF
DAVY G. LEGHORN, ASSISTANT DIRECTOR
VETERANS EMPLOYMENT AND EDUCATION DIVISION
THE AMERICAN LEGION
BEFORE THE
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
ON
"A REVIEW OF THE PRESIDENT'S FISCAL YEAR 2016 BUDGET REQUEST FOR THE DEPARTMENT OF LABOR'S VETERAN EMPLOYMENT AND TRAINING SERVICE (VETS)"

FEBRUARY 12, 2015

Chairman Wenstrup, Ranking Member Takano, and distinguished members of the subcommittee, On behalf of our National Commander, Michael Helm, and the 2.4 million members of The American Legion, we thank you for this opportunity to testify regarding The American Legion's thoughts on the President's Department of Labor Veterans' Employment and Training Service (DOL-VETS) budget and on the recommendations offered by the Military Compensation and Retirement Modernization Commission (MCRMC) regarding DOL-VETS.

MCRMC Recommendations

The MCRMC report is a project that has been in the making for just over two years. Authorized by the 2013 NDAA, the Commission's mandate was to examine the benefits necessary to "ensure the long-term viability of the All-Volunteer Force"[1], to include "health, disability, survivor, education, and dependent support programs of the Department of Defense (DoD) and the Department of Veterans Affairs (VA)".[2] Among the fifteen recommendations offered in the report was a recommendation to "Better prepare Service members for transition to civilian life by expanding education and granting states more flexibility to administer the Jobs for Veterans State Grants Program [JVSG]" (Recommendation 12).

Here, the report offers ways to improve the Transition GPS portion of the Transition Assistance Program (TAP), and DOL-VETS JVSG program. Specifically, it offers three recommendations for improvement – two for Congress, and one for the Department of Labor (DOL). It further recommends that Congress "require a one-time joint report from DoD, VA, and DOL to the Senate and House Committees on Armed Services and Veterans' Affairs regarding the challenges employers face when seeking to hire veterans."

[1] Public Law 112–239
[2] Ibid.

The recommendations for improvement state that Congress should "require DoD, VA, and DOL to review and report on the core curriculum for Transition GPS to reevaluate if the current curriculum most accurately addresses the needs of transitioning Service members," should "amend the relevant statutes to permit state departments of labor or their equivalent agencies to work directly with state Veterans Affairs directors or offices to coordinate implementation of the JVSG program" and should "encourage One-Stop Career Centers to have employees attend Transition GPS classes, to ensure personal connections between veterans and One-Stop Career Centers. The Congress should require DOL to track when and where its employees attend Transition GPS classes, and the number of veterans they interact with and follow up with after separation." Additionally, it is recommended that DOL "require One-Stop Career Centers to track the number of job fairs their employees participate in and the number of veterans they connect with at each job fair." These latter two also recommend that DOL include the information in Labor's annual report to Congress.

The American Legion believes that these recommendations are good, common sense ideas, and would further the goal of ensuring that servicemembers are able to transition smoothly and successfully into civilian lives and careers, and that veterans are well cared for should they require employment assistance. We would, however, recommend that Congress consider adding the Department of Education (DOE) and the Small Business Administration (SBA) to those who review the TAP curriculum, given that they contribute important content to the curriculum, and they maintain expertise in those areas covered by that content.

Furthermore, while The American Legion wholly agrees with the recommendation that Congress amend the relevant statutes to permit state departments of labor to work directly with state veterans affairs, we would add that those departments should work together to meet or exceed the federally mandated priority of service for eligible veterans. This would entail ensuring that current practices incentivize DVOPs and LVERs to increase the level of service they provide, rather than getting bogged down in processes or manipulating numbers. We find that the model employed by Texas – consolidating veterans' employment services within a state veterans' commission – is effective in addressing the needs of veterans. Texas currently enjoys the lowest unemployment rate for veterans of any state in the union. We feel that this is demonstrative of what is possible when there is a single point of entry for veterans' benefits and services administered by a state agency, and would encourage Congress to examine that model and to consider touting it as an example to other states that are looking to effectively serve their veteran population.

FY 2016 VETS Budget

Bluntly stated, we were very disappointed when we examined the budget request offered by the administration on behalf of DOL-VETS. We were even more disappointed when we compared the request with the request on behalf of VA. The latter represented a nearly 8 percent increase from the previous year, while the former represented a miniscule increase over previous years – with JVSG and the Homeless Veterans' Reintegration Program (HVRP) receiving *no* increase in funds.[3]

[3] FY 2016 Department of Labor Budget in Brief, p. 67 http://www.dol.gov/dol/budget/2016/PDF/FY2016BIB.pdf

Additionally, VA has been pumping its own money into programs designed to assist veterans in finding employment, such as the Veteran Employment Center, which offers such tools as a military skills Translator, a resume builder, and a searchable veteran's job bank.

Furthermore, SBA's veteran program budget has increased over 400 percent since FY 2013.

In stark contrast, the DOL-VETS budget requests have been nearly flat lined, even as other portions of the DOL budget requests have increased. This indicates to us that DOL is either unwilling or unable to fight to secure the money needed to properly fund its programs.

Because of this and other issues that will be discussed below, The American Legion has recently changed its position regarding VETS regarding its location in DOL. In October 2014, we passed a resolution entitled *Expanding Veterans Employment and Homeless Services Within the Department of Veterans Affairs*.[4] That resolution calls for The American Legion to "support legislation that calls for the Department of Veterans Affairs (VA) and the state workforce agencies to share responsibilities for all Title 38 veterans employment services" and "that VA be fully funded to administer the Jobs for Veterans State Grants (JVSG), establish standards and collect performance data, and the state workforce agencies administer the programs and report directly to VA".

The American Legion has long supported DOL-VETS, because we believe that when it comes to employment no one has more expertise and experience. For our efforts, we have been rewarded with ongoing program management problems, a lack of accountability and oversight, an agency too truculent to make sensible policy changes, and a veterans' office within the agency that fails to view Veteran Service Organizations as partners in the work of improving federal employment services for veterans. It has become painfully clear to us that the agency with the monumental task of keeping America gainfully employed is unable or unwilling to give the requisite attention to veterans' employment issues that we know our constituents deserve.

In short, The American Legion believes that the best way to improve DOL-VETS is to transfer the JVSG and HVRP portions of the program to VA. Though we continue to believe that there is a place for VETS in the Department of Labor, we have come to believe that these two programs would be better served if they were located in VA.[5]

Conclusion

The American Legion believes that the recommendations of the MCRMC are good steps toward improving the TAP Transition GPS, and the DOL-VETS Program. Ultimately, we desire to see veterans receive the best resources possible, and we believe that these recommendations move toward that end.

Unfortunately, we no longer have full confidence in DOL to best administer the JVSG and HVRP portions of VETS, and we believe that they stand to be improved by transferring them to

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[4] Resolution No. 13, Fall Meeting of the National Executive Committee of The American Legion

[5] Resolution No. 317: *Oppose the Transfer of Veterans' Employment and Training Service to the Department of Veterans Affairs*, 2014 National Convention

VA.

We look forward to continuing to work with DOL to ensure that servicemembers' civilian employment is protected when they are serving on active duty through USERRA, and to ensure that servicemembers receive the tools they need to successfully transition from active duty to the civilian world.

We also look forward to continuing to work with this Subcommittee to ensure that veterans receive the economic opportunities they earn through their service to the nation.

Questions about this testimony may be directed to The American Legion Legislative Division at (202) 263-5752 or srieley@legion.org

Testimony of

Vietnam Veterans of America

Presented by

Richard "Rick" Weidman

Executive Director for Policy & Government Affairs

BEFORE THE

House Veterans Affairs Subcommittee on Economics Opportunity

REGARDING

A Review of the President Fiscal Year 2016 Budget Request for the Department of Labor Employment Training Services (VETS)

February 11, 2015

Good afternoon Chairman Wenstrup, Ranking Member Takano and members of the House Veterans Affairs Subcommittee on Economic Opportunity. On behalf of VVA National President John Rowan and all of our officers and members we thank you for the opportunity for Vietnam Veterans of America (VVA) to appear here today to share our views regarding the Review of the President Fiscal Year 2016 Budget Request for the Department of Labor Employment Training Services (VETS).

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

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

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

To use a football analogy, without the 'points on the board,' it does not matter how many yards in offense one compiles. One can argue that we expend all of our energy in moving the ball eighty plus yards down the field, but have not concentrated enough on how to actually get the ball into the end zone to score. Assisting veterans to obtain and sustain meaningful work at a living wage gets us

into the end zone for that veteran or disabled veteran, and puts points on the board. So, securing a job, and being able to keep that job, is a key component (perhaps THE key component) of the readjustment f veterans to civilian life, helping each veteran achieve the highest degree of autonomy and "wellness" possible, which is (or should be) the explicit goal of every program and service for veterans of working age.

It is because of this centrality of obtaining and securing meaningful employment at a living wage is in the readjustment process, particularly of disabled veterans of any age, and of OIF/OEF veterans, that what this distinguished Subcommittee does is so key to a "pay-off" of all of the rest of the efforts extended by our nation.

It is because of the centrality of helping veterans where they can obtain and sustain meaningful employment at a living wage that has prompted VVA to urge that a fourth Division of the VA be created as a major legislative priority. It becomes clearer every year that the Labor Department is incapable or unwilling to obey the law, and ensure that veterans are treated properly by ensuring real priority of service in all employment and training programs funded by or through the Department of Labor (DOL). It does not seem to matter who the Secretary of Labor is, or which Administration is in power, or who is the Assistant Secretary of Labor for Veterans Employment & Training (ASVET), nor any other factor.

I have spent the greater part of my adult life focused on helping provide services to veterans to eliminate or ameliorate barriers to employment, to assist veterans to obtain education or training that will lead toward marketable job skills, and assisting in developing job and career opportunities for veterans, especially disabled veterans. I have seen the mood of the public, and of the employer community wane, and wax and wane again toward hiring veterans and disabled veterans. There have sometimes been significant private sector efforts like the U.S. Chamber of Commerce "Hiring Our Heroes" program, public/private efforts such as "Joining Forces," and occasional highly visible public efforts to assist veterans.

The milieu has been a constantly changing one in the tone of the job market in regard to being "veteran friendly" to not so favorable. Sometimes the VA has taken (or tried to do) significant actions to assist veterans with employment, with some success, but nothing that is consistent over a number of years.

The only two things that has been consistent is the lack of any serious and meaningful effort from the U.S. Department of Labor as a department that makes a difference nationally to those veterans in often desperate need of assistance with being able to earn a living. The only thing that USDOL officials have been consistent on is rhetorical professions of "highest respect" for veterans that have not been backed up by resources or action, as well as vociferous opposition to any move that might force them to action or face a loss of the veterans funding.

Many observers in this struggle for veterans' employment assistance rights over the years have described this as USDOL, and their state counterparts, as not wanting to do the job but not wanting anyone else to be able to do it either. Certainly the state entities regard the DVOP/LVER program as a "*cash cow*" that provides resources for one purpose that are diverted as much as possible for other purposes that are more important to them than veterans, and can be expected to fight hard against any efforts to hold them accountable for performance or face a loss in what they regard as a "revenue stream." Many of us regard this as a duty and a mission that is vital to individual veterans, and to our nation's future, and not as a "*revenue stream*."

To those to whom helping individual veterans get and keep good jobs is not a mission of the greatest national importance, let it be our common cause to make sure that their days are numbered.

Without a dramatic structural change, of course, nothing of consequence for veterans is going to improve. That is why VVA is strongly committed is strongly committed to creating the "Veterans Economic Opportunities Administration" at the VA. We are, of course, even more keenly aware of the past and present shortcomings at the VA, especially in regard to accountability. However, VA at least does really have to care about the veterans' organizations and the Committees on Veterans Affairs. Labor does not have to.....and therefore does not, unless you count midnight phone calls to the Senate from Australia to stop any meaningful change unanimously passed by the House of Representatives in the last Congress.

Each Secretary of Labor for the last thirty years, including the current Secretary, could have used part of the Secretary's contingency fund from what is now known as the Workforce Investment Act (WIA) to drive behavior in states and local areas that help veterans by according incentive grants to those who do the best job of actually placing veterans in real jobs. None have done so, which renders their rhetoric even more empty and hollow when they hold their by invitation only

"Salute to All America Veterans" in the Great Hall or another venue in the Francis Perkins Building (USDOL Headquarters) just before Veterans Day each year. Security is always tight, lest any rank and file veterans get in, and unemployed veterans need not apply.

In addition to creation of the new division of VA that shall be required to move away from the attitudes pervasive in Compensation & Pension that inhibit a culture of self-fulfillment and self-sustainment in the current set up at VA, create that new entity that is a "do over" and build a new organization and corporate culture that is not inhibited by the desperate desire for the status quo and any meaningful accountability. This will not be as politically difficult at VA as it is at Labor. That same desire for no accountability dominates all of the Department of Labor, but most strongly emanates from the Employment & Training Administration (ETA) at Labor.

Even Senator Strom Thurmond, the greatest champion in the Congress for meaningful employment assistance to veterans in my lifetime, was unable to break the anti-veteran hold of ETA on Labor. Because ETA can't/won't entertain any true measurement and accountability, they (despite a changing cast) continue the resistance to accountability regarding veterans, as it would open the door for accountability in the rest of their activities.

The Vision and Mission statement of VETS is:

> VETS Vision and Mission Statement
>
> "Meaningful and Successful Careers for All Veterans"
>
> VETS Proudly Serves Veterans & Service Members! We Provide Resources and Expertise to Assist and Prepare them to Obtain Meaningful Careers, Maximize their Employment Opportunities, and Protect their Employment Rights.

You will notice that the mission statement does not say anything about job placement, or any veteran actually getting a job by going to one of the Career Centers. We do not have time here to dwell of the obvious flaws in how they measure success, but I will note that it is the largest example of the "post hoc, ergo propter hoc" logical fallacy I have ever seen. They know it is baloney, which is why they try to avoid any detailed discussion of the matter.

VVA strongly recommends that with the transfer of VETS to VA that the emphasis be on actual placement in jobs, and not the silly and misleading "performance" reports we now have. What is on their web site is not only not helpful to those of us interested in accountability, but the current staff of more than 50 persons at the VETS office in Washington (more than the number of staff on the House and Senate Veterans Affairs Committees combined!) cannot produce evidence that their memo of last March is working at the service delivery points, even for this hearing, which they knew for months was coming!

VVA proposes a *national Veterans Bill of Rights for Employment Services* as part of the move to VA. It would be partially modeled on an effort that took place in New York twenty five years ago, which was successful for a time. The reason for this success was simple in that it boiled down the provisions in Title 38, US Code, sections (chapters 41, 42, and 43) to simple statements that would matter to individual veterans.

The two most important elements were: One, that every person who entered a Job Service Office or One Stop Center was asked "Did you serve on active duty in the United States military?" and if so, they were given a die cut tri-fold card see the next page) that folded to the exact size of a credit card to go into the veterans' wallet; The cards were reinforced by posters and PSAs. There were also versions of the cards and posters in Spanish.

Two, there was a prominently featured toll free number to call for redress if the veteran was not satisfied with the local response. That was followed by quick direct action that by telephone directed the office manager to immediately rectify the situation, and report back to the state office electronically or by phone as to what the result of corrective action. Each veteran who contacted the toll free number was logged in, and received a personal letter from a state official, asking them to call that official directly if they had not received satisfaction.

Implementing the same mechanism at the Federal level would also work, in that while the complaint would initially be sent to the state level to correct, the Federal level would follow up via e-mail or post card directly to the veteran or other eligible person (e.g., surviving spouse of a KIA or MIA).

I want to stress a number of things at this juncture, to emphasize that these are recommendations by Vietnam Veterans of America (VVA) based on performance (or lack thereof) by organizational entities, and are in no way based on ad hominem arguments, nor a lack of respect for the many wonderful men and women who try and often manage to do their job well under adverse circumstances:

1) VVA has great respect and fondness for the Honorable Keith Kelly, who is a decorated Army combat infantry officer who served in Vietnam, and who came home to the same less than open-armed conditions most of us encountered (with the exception of his wonderful wife and child) and overcame to succeed in building a life of meaning, decency, and service.

2) The few staff we do know who are currently at VETS are fine individuals, such as Brian Hawthorne, an Army veteran with six deployments as a combat medic in the recent wars, and a strong leader of Student Veterans of America (SVA) until he entered civilian government service.

Most of the national VETS staff members, whom we do not know because of lack of opportunity for regular contact on adequate notice, may be bright and competent, but we have no idea of their qualifications, commitment, skill, nor even what they do. There is no reason why the position descriptions, position qualifications, hiring authorities used to hire each, veterans' preference eligible status of each, and the reporting lines should not be on the VETS web site.....but apparently are not. VVA can, I suppose, file a FOIA request with the Department of Labor to obtain this public information, and wait six to eighteen months or two years or longer while we wrangle with their many dozen attorneys who are likely to contest or slow roll any such request from a veterans' service organization. Perhaps the committee might have better luck at obtaining this basic public information.

3) Perhaps most importantly, I personally and VVA as an organization have the highest respect for the dedicated men and women who serve as Disabled Veteran Outreach Program (DVOP) specialists and Local Veteran Employment Representatives (LVERs). The same holds true for current and retired Directors, Veterans Employment & Training and their assistants at the state level (DVETS and ADVETS). Many do just extraordinary work for veterans...no matter how much they are punished for it, and despite what is often a lack of any meaningful support from their managers, or even the travel funds and other resources needed

to do the job properly. Incidentally, DVOPs and LVERs would not have their lives disrupted by loss of position funding nor change in duty station with the move to the Veterans Employment Opportunities Administration at VA. The major change is that their bosses would have to let them do their jobs, and provide them with the travel funds and other resources necessary for proper performance.

Request for FY2016 Funding

The request for FY 2016 is, of course, not adequate, as have been the budget requests for many years. If there were any meaningful accountability of bang for the tax payers dollar, and measures of performance we could rely on, VVA would have continued to fight hard for increased amounts. The fact that level funding applies to the key veterans' programs as long as they are at the Department of Labor is only one more argument for placing the programs at VA.

The amount of $175 Million is probably not adequate for the grants to the states, but until there is greater accountability for performance it is difficult to argue for much more. The amount for the *National Veterans Employment and Training Institute* needs to be at least at the level of $3.5 Million, if not higher, as it enhances and magnifies the skills of all who attend their various courses.

The request for the *Homeless Veterans Reintegration Program* (HVRP) should be increased from $38.1 Million to at least $56 Million. HVRP is the most cost effective, cost efficient program funded by or through the USDOL. It is performance based, with measures of actual job placements as the measure of success.

While we continue to get very mixed reports at best on the TAP program from separating veterans, and have serious doubts as to the state of USERRA enforcement, and the usefulness of the VETS current performance of their role in helping enforce veterans preference or VEVRA, we will refrain from comment at this time.

VVA thanks Chairman Wenstrup, Ranking Member Takano, and the distinguished Members of this Subcommittee for the opportunity to share our views here this afternoon.

I will be pleased to answer any questions you may have.

VIETNAM VETERANS OF AMERICA
Funding Statement
February 12, 2015

The national organization Vietnam Veterans of America (VVA) is a non-profit veterans' membership organization registered as a 501(c) (19) with the Internal Revenue Service. VVA is also appropriately registered with the Secretary of the Senate and the Clerk of the House of Representatives in compliance with the Lobbying Disclosure Act of 1995.

VVA is not currently in receipt of any federal grant or contract, other than the routine allocation of office space and associated resources in VA Regional Offices for outreach and direct services through its Veterans Benefits Program (Service Representatives). This is also true of the previous two fiscal years.

For Further Information, Contact:
Executive Director of Policy and Government Affairs
Vietnam Veterans of America
(301) 585-4000, extension 127

Rick Weidman

Richard F. "Rick" Weidman is Executive Director for Policy and Government Affairs on the National Staff of Vietnam Veterans of America. As such, he is the primary spokesperson for VVA in Washington. He served as a 1-A-O Army Medical Corpsman during the Vietnam War, including service with Company C, 23rd Med, AMERICAL Division, located in I Corps of Vietnam in 1969.

Mr. Weidman was part of the staff of VVA from 1979 to 1987, serving variously as Membership Service Director, Agency Liaison, and Director of Government Relations. He left VVA to serve in the Administration of Governor Mario M. Cuomo as statewide director of veterans' employment & training (State Veterans Programs Administrator) for the New York State Department of Labor.

He has served as Consultant on Legislative Affairs to the National Coalition for Homeless Veterans (NCHV), and served at various times on the VA Readjustment Advisory Committee, the Secretary of Labor's Advisory Committee on Veterans Employment & Training, the President's Committee on Employment of Persons with Disabilities - Subcommittee on Disabled Veterans, Advisory Committee on Veterans' Entrepreneurship at the Small Business Administration, and numerous other advocacy posts. He currently serves as Chairman of the Task Force for Veterans' Entrepreneurship (VET-Force), which has become the principal collective voice for veteran and disabled veteran small-business owners.

Mr. Weidman was an instructor and administrator at Johnson State College (Vermont) in the 1970s, where he was also active in community and veterans affairs. He attended Colgate University (B.A., 1967), and did graduate study at the University of Vermont.

He is married and has four children.

National Service & Legislative Headquarters
807 Maine Avenue, S.W.
Washington, D.C. 20024-2410
Phone (202) 554-3501
Fax (202) 554-3581
www.dav.org

STATEMENT OF
PAUL R. VARELA
DAV ASSISTANT NATIONAL LEGISLATIVE DIRECTOR
BEFORE THE
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
FEBRUARY 12, 2015

Chairman Wenstrup, Ranking Member Takano, and Members of the Subcommittee:

On behalf of DAV (Disabled American Veterans) and our 1.2 million members, all of whom were wounded, injured or made ill in wartime military service, I am pleased to testify this afternoon on issues related to the release of the President's fiscal year (FY) 2016 budget request for the Department of Labor's (DOL) Veterans Employment and Training Service (VETS).

As the nation's largest veterans service organization (VSO) comprised entirely of wartime disabled veterans, DAV is leading the way in providing free assistance to veterans and their families in filing claims for benefits, as well as representing them in appeals of unfavorable decisions on their claims. In 100 offices located throughout the nation, DAV employs a corps of about 280 National Service Officers (NSOs) and more than 30 Transition Service Officers (TSOs) who counsel and represent active duty personnel, veterans, their dependents and survivors with their claims for benefits provided by the Department of Veterans Affairs (VA), the Department of Defense (DOD) and other government agencies. In 2014, DAV's staff represented 340,000 individuals. Considering all veterans, dependents and survivors who were dissatisfied with VA's rating board decisions and filed appeals, DAV provided representation in almost one-third of all cases argued before the Board of Veterans' Appeals.

Our DAV NSOs are themselves wartime disabled veterans who have personally acquired employment-related services through VA's Vocational Rehabilitation and Employment (VR&E) program. Entitlement to VR&E services is a prerequisite for employment as a DAV NSO. Our service officers must successfully complete 16 months of VR&E-sponsored educational preparation and supervised on-the-job training to qualify for employment by DAV. These trainees work to overcome employment barriers brought on by service-connected disabilities as they learn the intricacies associated with understanding the law and federal regulations dealing with veterans; they study human anatomy and physiology, technical writing, public speaking, and, most important, they learn to apply a proven set of well-grounded principles to secure equitable VA benefits and services for wounded, ill and injured veterans, and for their dependents and survivors.

Employment plays a vital role in giving people purpose and enabling them to provide for themselves and their families. Our NSOs and TSOs certainly appreciate what DAV has done for them in launching their careers, and also they realize the value of what they do for disabled veterans. Thus, because of who we are and what we do, DAV understands the vital role employment plays for all veterans and especially for our members, wartime disabled veterans. Veterans who are seriously wounded, injured or made ill as a consequence of military service face daunting challenges, and sometimes outright barriers, to obtaining and maintaining substantial and gainful occupations and trades. Unemployment rates during our recent Great Recession were higher for veterans than non-veterans; and for the disabled veterans among them, unemployment rates were even higher.

DAV appreciates that the journey from injury to recovery cannot be completed until a veteran is able to find meaning in life, and regains a purpose after injury or serious illness. For those who are able, working to care for themselves and for their families is their uppermost goal. As the nation winds down from more than 13 years of war, tens of thousands are now making the transition from military to civilian life, with the likelihood of more than 250,000 expected to leave military service in 2015, and more than a million service personnel leaving the military by 2017. DAV is committed to ensuring that these new veterans secure the tools, resources and opportunities they need to competitively enter the job market and capture meaningful employment after serving.

Realizing the challenges that many veterans, and especially our service-disabled veterans, continue to face in the employment marketplace, last year DAV established a new National Employment Department. One key element of this mission is a partnership DAV formed with RecruitMilitary®, a full-service military-to-civilian recruiting firm. Working alongside our partner, DAV uses online and offline products to connect employers, franchisors, and educational institutions with veterans who are transitioning from active duty to civilian life, veterans who already have civilian work experience, members of the National Guard and reserve components, and military spouses. All DAV services are offered free of charge.

Co-hosting and sponsoring Veterans Career Fairs in partnership with RecruitMilitary®, DAV is helping to address one of the greatest needs facing our nation's unemployed veterans. Last year DAV sponsored 34 job fairs in 29 cities, creating venues for nearly 2,000 high quality companies considering the talents of more than 14,000 active duty, reserve and Guard members, and veterans and their spouses who attended. The success of these job fairs led to a recent decision by DAV to sponsor 70 more such fairs in 2015. Should our fairs be scheduled in the districts of any members of this Subcommittee, we invite you to come and participate to see first-hand the work of DAV in helping veterans secure employment.

In order to facilitate our employment assistance, DAV has incorporated our VA benefits and claims representation resources into these fair events. Our NSO corps is ever-present at our fairs; thus far, we have aided hundreds of veterans, dependents and survivors with claims assistance to gain their rightful VA or DOD benefits due to their fair attendance and our visible presence.

DAV's National Employment Department also works directly with major employers interested in recruiting skilled veterans. The department provides a multitude of resources that veterans can access on our employment resources web page (www.jobs.dav.org), including a job search board listing more than 800,000 current opportunities. We are pleased to note nearly 5,000 average monthly visits to our employment resources web page. We anticipate continued growth in veterans' use of this resource in the coming months as we roll out a retooled website that will feature a variety of additional employment and educational resources, including webinars and other guides, and we will highlight certain employers, such as the Ford Motor Company, which have demonstrated a firm commitment to recruiting and hiring veterans.

Our National Employment Department is still in its infancy, but we are extremely pleased with the results thus far. DAV is excited about the continued growth of this important new function in providing vital employment assistance, not only to ill and injured veterans, but all veterans and their spouses, as well as active duty, reserve and Guard members.

Mr. Chairman, one of the purposes of today's hearing is to discuss the effectiveness of the federal assets now available to aid veterans who need employment. In order to achieve better outcomes for veterans, we believe that VA programs designed to promote veterans' financial security, such as those focused on employment, training, vocational rehabilitation and education, should be consolidated in a new administration within the Department, in an equivalent status alongside the Veterans Health Administration, the Veterans Benefits Administration, and the National Cemetery Administration. We envision this fourth VA administration would be headed by an Under Secretary who would administer all federal programs dealing with economic opportunity assistance to veterans, their dependents and survivors.

At our most recent National Convention, held in Las Vegas, Nevada, in August 2014, DAV members passed Resolution No. 227. Not only does Resolution No. 227 call for a new Veterans Economic Opportunity Administration, but also it calls for the transfer of the DOL Veterans Employment and Training Service (VETS) to the VA as a key element of this new administration.

To assist veterans in achieving financial security and opportunity— both for those transitioning out of the military and those already in the civilian world—VA provides health care, financial benefits, and sponsors education, training, vocational rehabilitation, employment assistance, entrepreneurship aid, mortgage loan guarantees and direct housing loans, and homelessness assistance services, through a number of programs and offices. Despite the array of services and benefits VA makes available, veterans continue to face significant employment and other challenges in today's recovering economy.

Veterans' educational benefits are administered by the VA, not the Department of Education; veterans' health care services and disability and pension benefits are administered by VA, not the Department of Health and Human Services; and veterans' housing and homeless assistance programs are administered by the VA, not the Department of Housing and Urban Development. Creating a new administration within the VA that incorporates the functions of DOL VETS activities would specialize in serving the employment, educational and economic interests of veterans.

DAV envisions this new VA administration would consolidate programs and offices in VA with responsibility for veterans' vocational rehabilitation, employment, training, transition and economic empowerment as well as to transfer the VETS program in its entirety with all its resources and personnel from DOL to VA. Legislation to create a fourth administration within VA under a similar concept, H.R. 2327, was introduced in the 113th Congress, but did not advance. DAV strongly recommends introduction of a similar bill in this Congress, but one that also would include the transfer of VETS to VA.

As veterans' programs have become more complex over the years, their dispersed placement has challenged VA's senior management to effectively monitor the delivery of services by each program. Centralization of veterans' employment, education, and business programs under one management arm, whose sole responsibility is to provide greater economic opportunities for veterans, could provide greater awareness, oversight and accountability for these vital programs. A new Economic Opportunity Administration would also serve as the single point of interagency exchange regarding veterans' employment, training and related issues.

The Veterans Benefits Administration (VBA) is responsible for the administration of Compensation, Pension, Fiduciary, VR&E, Education, Insurance, and Home Loan Guaranty services. As currently organized, compensation services have dominated the budget, resources, staff, and attention of the VBA. As a result, the remaining services in VBA face more difficulty in addressing their own inadequate staffing levels, insufficient information technology (IT) systems, and other management needs.

As a result of the significant challenges facing VA's disability compensation program, it is understandable that both VA and VBA senior leadership continue to be focused on the transformation of the claims processing system. Reorganizing these economic- and employment-related programs into a single entity would not only create new opportunities for greater collaboration among them, but would relieve some of the burden on the VBA, which is already facing significant challenges in reforming the claims process. More important, consolidation would provide veterans with a dedicated entity focused solely on their economic and educational prosperity. VETS offers employment and training services to eligible veterans through its Jobs for Veterans State Grants (JVSG) program. Under the JVSG program, funds are allocated to state workforce agencies in direct proportion to the number of veterans seeking employment within the states. VETS provides funding through the JVSG to facilitate staffing for Disabled Veterans' Outreach Program (DVOP) specialists and for the Local Veterans' Employment Representatives (LVER). For FY 2016, the Administration requested $175 million in appropriated funding to support these two decentralized functions, the same amount appropriated in FY 2015.

DVOP specialists provide intensive services to targeted veterans, primarily the service disabled. They assist eligible financially or educationally disadvantaged veterans to meet their employment needs. Intensive services include comprehensive assessment of education, skills, and abilities, in-depth interviewing and evaluation to identify employment barriers and establish appropriate employment goals, providing career coaching, short-term pre-vocational services that may include development of learning and communication skills, interviewing skills,

personal maintenance skills, and developing professional conduct to prepare individuals for career goals. They also create individual employment plans (IEP) to identify employment goals, establish interim objectives, and select appropriate services that will enable veterans to meet their employment goals.

LVERs conduct outreach to local employers to assist veterans in gaining employment. They facilitate employment, training, and placement services for veterans. LVERs plan and participate at job and career fairs. They coordinate with unions, apprenticeship programs, and a variety of businesses and other organizations to promote employment and training programs for veterans. LVERs also provide information to federal contractors regarding their responsibilities to employ qualified veterans, and they promote credentialing and licensing opportunities for veterans.

Vocational Rehabilitation Specialists (VRS) provide veterans services that are almost identical to those provided by their DVOP and LVER counterparts, but VRS services are provided only within the VA setting. The primary functions of the VRS are to identify and provide suitable training and placement services for individual veterans being served by the program, to guide and monitor individual progress, and then provide follow-on support throughout the training and job adjustment periods.

The VRS provides personalized services that involve ascertaining the training requirements to meet individual objectives. The VRS coordinates with various resources in identifying, evaluating, and selecting a training experience in the community that is suitable to meeting the particular needs and overcoming obstacles facing an individual. The VRS sets up and negotiates a training program that will meet a veteran's needs. The VRS also provides placement services that involve identifying suitable employment opportunities or maintaining day-to-day contact with employers, and keeping alert for job and small business opportunities. Additionally the VRS works to overcome common employer reluctance or biases in hiring disabled veterans.

The functions of the DVOP, LVER and VRS display many commonalities. However, the VRS primarily provides assistance to veterans with service-connected, compensated conditions. The VRS is empowered to authorize VA payments for expenses associated with these service-disabled veterans' participation in courses of education and employment training. However, nonservice-connected veterans can gain access to VRS support and services if they are actively engaged in one of the VA's educational programs, including use of the Post 9/11 GI Bill.

Given the nature of their shared responsibilities, collaboration should be occurring among DVOP specialists, LVERs and VRS, but generally they operate in separate spheres. Because VA and VETS are actively engaged in providing similar services, which can appear to be overlapping or even competing at times, veterans often must negotiate between two federal entities to obtain individualized services, a situation that can become cumbersome and confusing for the individual veteran, and thereby discourage participation.

DOL's VETS is responsible for administering the Jobs for Veterans State Grant (JVSG) program, Transition Assistance Program (TAP), Homeless Veterans' Reintegration Program,

operating the National Veterans' Training Institute, and enforcing the Uniformed Services Employment and Reemployment Rights Act. These are veteran-centric programs that complement those established within the VA. If these VETS functions were absorbed and operated by this new fourth VA administration, DAV believes VA would be able to enhance these services.

The creation of a new VA administration that would manage all these programs is a logical, responsible step for Congress to take through a legislative mandate. Plus, important to DAV, we believe this recommended consolidation offers the potential to streamline and enhance the prospects and training possibilities for wounded, injured and ill war veterans, for them to overcome employment obstacles, and open up opportunity for them in their post-service lives. It could also both reduce current costs while revealing the availability of new or alternative services and programs to those receiving employment and educational assistance in a unified program.

Direct oversight of the new consolidation would be confined within VA to increase efficiency and enhance job and educational opportunities for all veterans who participate, and it would provide this Subcommittee a more focused oversight role. The new Under Secretary for Economic Opportunity would be charged with managing all veterans' training, VR&E programs and related services, to leverage them to their fullest extent to ensure the financial and educational prosperity of those seeking assistance, and to do so within a single administration.

On behalf of the 1.2 million members of DAV, we ask this Subcommittee, Mr. Chairman, to fully consider the merits of establishing a new Veterans Economic Opportunity Administration within the VA with the assets I have described in this testimony, and to transfer VETS and all its elements and resources to this new VA administration. DAV would welcome the opportunity to work with the Subcommittee to see this justified reform enacted into law.

Ensuring that our nation's wounded war veterans receive opportunities for meaningful and gainful employment is a central concern of our organization, and in the wake of war DAV believes that we reflect the concerns of the entire nation. Veterans who truly sacrifice themselves in war need a hand up, not a handout. Reforming this important function of government that leads them to rewarding private employment would provide them that hand.

Mr. Chairman, this concludes DAV's testimony. DAV looks forward to working with you to examine ways to improve services to, and outcomes for, veterans faced with employment-related challenges. I would be pleased to consider any questions or comments you wish to make that are relevant to the matters on which I have testified today.

QUESTION FOR THE RECORD, PAUL VARELA, DAV

Question 1:

Do you think the state level veteran employment specialists funded by DOL are a means of last resort for veterans seeking employment?

Answer:

Whether state level employment specialists are considered a first or last resort is difficult to assess. Nowadays, veterans seek employment through the internet. If a veteran seeks assistance through a state employment specialist, that contact could be an indication that other avenues of securing employment were unsuccessful, so the veteran is seeking a more hands-on approach.

Question 2:

If we were to start all over, and build a new transition and veteran employment program that would be funded at $233 million dollars, how could it differ from the program we have today?

Answer:

The current TAP GPS program is a good model. If we were to start all over, however, improvements would most likely need to be made. When the TAP GPS program was initiated, VSOs lost a major foothold. Prior to TAP GPS, DAV's Transition Service Officers (TSOs) performed additional services, free of charge, during TAP benefit briefing classes.

Our TSOs provided presentations at these briefings to explain the value of VSO representation in navigating the complexities of the Department of Veterans Affairs (VA). DAV TSOs also performed treatment record reviews to determine whether medical evidence supported a disability claim. Also, private interviews were conducted to ascertain if the service member had existing or potential disabilities that may not have been disclosed.

VSOs should be an equal partner in the TAP GPS program and if it were to start over from scratch, we would have been part of the plan all along, not an afterthought or viewed as an inconvenience or an intrusion. However, we see our role growing and there is an opportunity to increase our involvement.

There would have been heavy utilization of web-based TAP GPS involvement to ensure that separating service members and their dependents could access information remotely. This would not supplement the requirement to participate in a class environment, but function to complement the TAP GPS program. The information would also be made available on-line to veterans so they could go back and review the information at a later time if they chose to do so.

With respect to employment programs, we also recommend that all services and programs be consolidated in a new fourth administration within the VA that would include the transfer and integration of the Department of Labor's Veterans Employment and Training Service as discussed in our prepared testimony.

Question 3:

Do you believe that money spent on public media to highlight veterans' positive characteristics and values to employers, would be money well spent?

Answer:

Yes. Also, it would be good to showcase veterans who are currently working in the private sector and other contributions they are making within our communities.

Question 4:

Do you think the $175 million requested for veteran employment specialists reflects a high expectation for a return on investment?

Answer:

No. As stated in our testimony, this flat-line actually does not signify any expectations for the program. Furthermore, with nearly 250,000 service members leaving active duty each year, employment services must be adequately resourced to meet their needs.

Question 5:

There have been some conversations about creating a fourth administration at the VA, to handle the veterans' employment programs currently administrated by the Department of Labor. Many members of this committee and many of our friends in the VSO community have been critical of aspects of the VA in almost every hearing or meeting we've held. Do any of you have concerns about adding to the VA's workload?

Answer:

It is true that VSOs and others have been critical when it comes to certain aspects of the VA; at times criticisms are warranted, such as in the case of some very harsh criticism regarding the change in policy requiring the use of standardized forms. In fact, this change is so egregious that DAV will be filing a federal lawsuit against the VA regarding these changes to the claims and appeals process. This is a prime example in which such harsh criticism is warranted.

In terms of creating a fourth administration within the VA, while this would add to VA's overall workload, it would also add commensurate resources through shifting DOL's current VETS resources to VA. The added responsibilities within the new administration would be supported by the additional staff and resources transferred. In addition, it would reorganize and rebalance VA's workload by removing economic opportunity programs from within the VBA and placing them within the new administration. There is also the added benefit of focusing more closely on the claims and appeals aspects of VBA's mission.

Question 6:

Have any of you looked at how different states utilize the grant funding they receive from these programs? Are there some states that are more efficient and have better results? Does the DoL effectively monitor and audit how the states are using their funding?

Answer:

We have not looked at individual states and how they utilize funds for the programs and cannot comment on the success or failures using a state-by-state analysis.

To date, we have seen no evidence of comprehensive monitoring pertaining to the use of funds provided to states through DoL's Jobs for Veterans State Grant (JVSG) program. The JVSG facilitates DVOP and LVER programs throughout the states and there has been concern that accountability and oversight of state DVOP and LVERs is inadequate.

Furthermore, it is essential that DVOPs and LVERs focus on veteran-related employment activities. Routine oversight must be performed to ensure they stay focused on improving employment opportunities and outcomes for veterans.