

REVIEW OF VETERANS EMPLOYMENT CHALLENGES AND INITIATIVES OF THE 112TH CONGRESS

HEARING BEFORE THE SUBCOMMITTEE ON ECONOMIC OPPORTUNITY (EO) OF THE COMMITTEE ON VETERANS' AFFAIRS U.S. HOUSE OF REPRESENTATIVES ONE HUNDRED TWELFTH CONGRESS SECOND SESSION

THURSDAY, NOVEMBER 15, 2012

Serial No. 112-80

Printed for the use of the Committee on Veterans' Affairs



U.S. GOVERNMENT PRINTING OFFICE

78-770

WASHINGTON : 2013

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2104 Mail: Stop IDCC, Washington, DC 20402-0001

COMMITTEE ON VETERANS' AFFAIRS

JEFF MILLER, Florida, *Chairman*

CLIFF STEARNS, Florida	BOB FILNER, California, <i>Ranking</i>
DOUG LAMBORN, Colorado	CORRINE BROWN, Florida
GUS M. BILIRAKIS, Florida	SILVESTRE REYES, Texas
DAVID P. ROE, Tennessee	MICHAEL H. MICHAUD, Maine
MARLIN A. STUTZMAN, Indiana	LINDA T. SANCHEZ, California
BILL FLORES, Texas	BRUCE L. BRALEY, Iowa
BILL JOHNSON, Ohio	JERRY McNERNEY, California
JEFF DENHAM, California	JOE DONNELLY, Indiana
JON RUNYAN, New Jersey	TIMOTHY J. WALZ, Minnesota
DAN BENISHEK, Michigan	JOHN BARROW, Georgia
ANN MARIE BUERKLE, New York	RUSS CARNAHAN, Missouri
TIM HUELSKAMP, Kansas	
MARK E. AMODEI, Nevada	
ROBERT L. TURNER, New York	

HELEN W. TOLAR, *Staff Director and Chief Counsel*

SUBCOMMITTEE ON ECONOMIC OPPORTUNITY (EO)

MARLIN A. STUTZMAN, Indiana, *Chairman*

GUS M. BILIRAKIS, Florida	BRUCE L. BRALEY, Iowa, <i>Ranking</i>
BILL JOHNSON, Ohio	LINDA T. SANCHEZ, California
TIM HUELSKAMP, Kansas	TIMOTHY J. WALZ, Minnesota
MARK E. AMODEI, Nevada	

Pursuant to clause 2(e)(4) of Rule XI of the Rules of the House, public hearing records of the Committee on Veterans' Affairs are also published in electronic form. **The printed hearing record remains the official version.** Because electronic submissions are used to prepare both printed and electronic versions of the hearing record, the process of converting between various electronic formats may introduce unintentional errors or omissions. Such occurrences are inherent in the current publication process and should diminish as the process is further refined.

CONTENTS

November 15, 2012

	Page
Review of Veterans Employment Challenges and Initiatives of the 112th Congress	1
OPENING STATEMENTS	
Chairman Marlin A. Stutzman	1
Prepared Statement of Chairman Stutzman	26
Hon. Bruce L. Braley, Ranking Democratic Member	2
Prepared Statement of B. Braley	26
Hon. Gus M. Bilirakis	3
Hon. Timothy J. Walz Prepared Statement only	27
WITNESSES	
John K. Moran, Deputy Assistant Secretary for Operations & Management, Veterans' Employment and Training Service, U.S. Department of Labor	4
Prepared Statement of Mr. Moran	27
Mr. Curtis L. Coy, Deputy Under Secretary for Economic Opportunity, Veterans Benefits Administration, U.S. Department of Veterans Affairs	6
Prepared Statement of Mr. Coy	31
Accompanied by:	
Ms. Margarita Devlin, Deputy Director, Vocational Rehabilitation and Employment Service, Veterans Benefits Administration, U.S. Department of Veterans Affairs	
Mr. Eliseo "Al" Cantu, Jr., Chair, Texas Veterans Commission	8
Prepared Statement of Mr. Cantu, Jr.	35
Accompanied by:	
Mr. Shawn Deabay, Director, Veterans Employment Services, Texas Veterans Commission	
MG Abraham J. Turner USA (Ret.), Chair, Veterans Affairs Committee, National Association of State Workforce Agencies, Executive Director, South Carolina Department of Employment and Workforce	10
Summary of Testimony presented by Major General Turner	37
Prepared Statement of Major General Turner	38

REVIEW OF VETERANS EMPLOYMENT CHALLENGES AND INITIATIVES OF THE 112TH CONGRESS

Thursday, November 15, 2012

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

The Subcommittee met, pursuant to notice, at 10:09 a.m., in Room 334, Cannon House Office Building, Hon. Marlin A. Stutzman [Chairman of the Subcommittee] presiding.

Present: Representatives Stutzman, Bilirakis, Huelskamp, Braley, and Walz.

Also Present: Representative Flores.

OPENING STATEMENT OF CHAIRMAN MARLIN STUTZMAN

Mr. STUTZMAN. Good morning. I want to welcome all of you this morning to the Subcommittee on Economic Opportunity of the Veterans' Affairs Committee.

I apologize for being late. And I also apologize as I am just getting over a cold, so I am trying my radio voice out this morning. But it is good to be back.

And I want to first of all extend congratulations to everyone on the Committee who won reelection and glad that is all behind us, I am sure. I know my wife is.

And I want to also express special appreciation to Mr. Braley for his work in working together over the past two years. I know that we have done some good work, but we know we have a lot more to do and are looking forward to that.

I also want to welcome Congressman Flores when he comes.

I ask unanimous consent that Mr. Flores of Texas be allowed to sit at the dais and ask questions. Hearing no objection, so ordered.

It is hard to pick up a newspaper or access a news Web site that does not have a story about the difficulties facing veterans who are returning to the civilian workforce today.

As a result, even though the overall veteran unemployment rate is lower than the non-veteran rate, in some segments of the veteran workforce, younger veterans are having a more difficult time finding employment than non-veterans.

Unfortunately, most of the information we read or hear is anecdotal with little hard data to suggest ways Congress can lower those rates.

For example, BLS staff will state that data on the rates for veterans in the 18 to 24 age group is soft because of a small sample size.

For example in many states, a veteran attending school full time under the Post-9/11 GI Bill could also draw unemployment benefits and be counted as unemployed.

I am not suggesting that this is inappropriate, rather noting that it is a factor in calculating unemployment rates.

I would say that the centerpiece of our work in the 112th Congress was passage of the Veterans Retraining Assistance Program as part of the VOW to Hire Heroes Act.

As of November 13th, VA has received nearly 75,000 applications and approved 62,295. That is great progress towards filling all 99,000 slots provided in the legislation, but I am somewhat concerned about the slow enrollment rates and we will discuss that during questioning.

Let me also express my great appreciation to Curt Coy for the energy and professionalism he has displayed in implementing VRAP.

I know you had been a bit under the weather and we are glad to see you back and glad things are going well.

Before I recognize the Ranking Member, I would like to emphasize that we rely on the executive branch for answers that will assist us in forming future legislation.

To that end, in the invitation sent to VA and VETS, we have asked them to answer several questions in their testimony centering on the outcomes of those completing their vocational rehabilitation plan and the VRAP Program.

With that in mind, I find the Department of Labor's response or non-response for that matter to our request for their intentions regarding the utilization of the DVOPs and LVERs totally unhelpful and disappointing.

What we have been told that you are proposing significant changes, and this Subcommittee's responsibility is to ensure that the taxpayer resources are spent in accordance with the law. I look forward to hearing the answers.

And at this time, I recognize the distinguished ranking member from Iowa, Mr. Braley.

[The prepared statement of Hon. Stutzman appears in the Appendix].

OPENING STATEMENT OF HON. BRUCE L. BRALEY

Mr. BRALEY. Well, I want to thank the Chairman and I want to congratulate you as well on your reelection.

And I am just curious why when I was traveling in Cedar Rapids, Iowa you were campaigning for a State House seat in District 77 in Iowa. The sign says elect Stutzman for State House. But I did not even know you were running. Congratulations on any election you happen to win.

Mr. STUTZMAN. That could start some bad rumors.

Mr. BRALEY. But, you know, a lot of times when you are out campaigning, you hear a lot of concerns from veterans. And one of the best parts about the campaigning to me was getting to hear from veterans and share their concerns about the backlog in disability

claims, about what we are doing to find job opportunities for unemployed veterans.

And it really brings home the immediacy and importance of the work of the Committee. And I want to make sure that everyone hears this.

It has been an honor and privilege to serve with you on this Subcommittee as your Ranking Member. We have had very meaningful experiences together both in your district and in my district holding field hearings on how we find work for unemployed veterans.

You have treated me and my staff with the utmost respect and I cannot tell you how much I appreciate that and how much I appreciate your friendship more than that. I think it is an indication of what is possible in Congress when people can work together for a common purpose, and thank you for setting that high standard.

I am going to reserve my comments about the nature of the hearing until we get to hear from the witnesses, but I look forward to your testimony. And it is a very important topic that brings us here today. It is nice to be back to work and talking about important issues that affect the lives of our Nation's veterans.

And with that, I yield back.

Mr. STUTZMAN. Thank you. And I thank you for your remarks as well.

And at this time, I do want to recognize Mr. Bilirakis. He is going to have to slip out. But at this time, I recognize the gentleman from Florida.

[The prepared statement of Hon. Bruce L. Braley appears in the Appendix]

OPENING STATEMENT OF HON. GUS M. BILIRAKIS

Mr. BILIRAKIS. Thank you very much, Mr. Chairman. I appreciate it very much. Thank you for holding this very important hearing.

As we approach the end of the 112th Congress and given the emphasis on increasing the information available to veterans as they choose an institution to attend using their GI benefits, I would like to express my hope that the Senate will pass H.R. 4057 as amended, and this originated in this Committee.

The bill which passed this Committee and the House on an overwhelmingly bipartisan basis included some excellent provisions suggested by our ranking member, Mr. Braley. And, again, this Committee works on a bipartisan basis on behalf of our true American heroes.

I am aware that several VSOs and education associations have urged the Senate Veterans' Affairs Committee to pass H.R. 4057 as amended. This bill is needed to ensure that veterans have access to the necessary information to best decide where to use their valuable and hard-earned GI benefits, the education benefits to meet their future career aspirations. And I hope the Senate will send the bill to the President.

I appreciate the time, Mr. Chairman, and I yield back the balance of my time. Thank you.

Mr. STUTZMAN. Thank you, Mr. Bilirakis. Appreciate your remarks.

At this time, I want to move to the first panel. And with us today, we have Mr. John Moran with the Veterans' Employment and Training Service with the U.S. Department of Labor and also, of course, Mr. Coy accompanied by Ms. Margarita Devlin with the U.S. Department of Veterans Affairs.

We are going to go ahead and invite everyone forward to the witness table at this time. We are going to have just one panel this morning, so we can just have one discussion.

And we want to welcome Mr. Eliseo Cantu, Jr. accompanied by Mr. Shawn Deabay from the Texas Veterans Commission. Thank you for coming a long way and being here.

And I also want to recognize Mr. Major General Abraham Turner as well who is here representing the National Association of State Workforce Agencies.

I want to welcome you all to the Subcommittee. And without objection, your complete written statement will be made part of the record. And I want to thank each of you for your service and what you do for our veterans and to those of you who have served for your individual service to our country as well.

At this time, we are going to recognize Mr. Moran for five minutes for your testimony. Mr. Moran.

STATEMENTS OF JOHN K. MORAN, DEPUTY ASSISTANT SECRETARY FOR OPERATIONS & MANAGEMENT, VETERANS' EMPLOYMENT AND TRAINING SERVICE, U.S. DEPARTMENT OF LABOR; CURTIS L. COY, DEPUTY UNDER SECRETARY FOR ECONOMIC OPPORTUNITY, VETERANS BENEFITS ADMINISTRATION, U.S. DEPARTMENT OF VETERANS AFFAIRS, ACCOMPANIED BY MARGARITA DEVLIN, DEPUTY DIRECTOR, VOCATIONAL REHABILITATION AND EMPLOYMENT SERVICE, VETERANS BENEFIT ADMINISTRATION, U.S. DEPARTMENT OF VETERANS AFFAIRS

STATEMENT OF JOHN K. MORAN

Mr. MORAN. Thank you.

Good morning, Chairman Stutzman, Ranking Member Braley, and distinguished Members of the Subcommittee. Thank you for the opportunity to participate in today's hearing on the veterans' employment challenges and initiatives.

My name is John Moran and I am the Deputy Assistant Secretary for the Veterans' Employment and Training Service. I am joined by my colleague today, Jeri Fiala, Deputy Assistant Secretary of the Employment and Training Administration at the department.

The Department of Labor is fully committed to ensuring that our transitioning servicemembers, veterans, and their families have the employment support, assistance, and opportunities they deserve to succeed in the civilian workforce.

Providing these brave men and women with the employment services they need is a department-wide effort. In fact, I co-chair with Ms. Fiala the department's All Things Veterans Working Group. We meet biweekly and discuss our approach in an integrated fashion and in a holistic manner to address all the employment challenges for our veterans.

In doing so, we are provided by our P3 campaign, prepare, provide, and protect. We prepare our veterans, separating servicemembers, and their spouses to transition from the military to the civilian workforce through a variety of programs including TAP.

We provide them with the critical resources, expertise, and training to assist them in locating and obtaining meaningful careers, and we protect the employment rights of the men and women that serve this Nation and assure they are provided every opportunity they have earned in the workplace.

As you know, the department provides employment and training services to eligible veterans primarily through the 2,800 American job centers that serve as the cornerstone of the Nation's workforce investment system.

The department ensures that eligible veterans, transitioning servicemembers, and their spouses receive priority service at all AJCs with respect to all DoL funded employment and training programs.

In addition, the department through the JVSG Program funds two types of state level positions, the Disabled Veterans Outreach Program specialist, DVOPs, and the Local Veteran Employment Representatives, LVERs.

Specifically trained DVOPs provide intensive services to veterans who have significant barriers to employment to improve their employment prospects and to get them job ready.

LVERs conduct outreach to employers to develop and identify employment opportunities for all veterans served by the AJC and to educate them and advise them of veteran issues.

Over the last years, there has been a lack of mission clarity surrounding the primary duties of DVOPs and LVERs which has led to the risk that those veterans with the most significant barriers to employment could be under-served.

The department is committed to addressing this issue and is currently in the process of examining its policies with respect to the roles and responsibilities of DVOPs and LVERs.

We look forward to working with the Committee and other stakeholders and will keep the Committee informed as our work progresses.

The department has also undertaken another initiative, one targeted at improving awareness of the American Jobs Center system among current servicemembers and veterans. Our strategy involves a four-fold increase in the number of times we interact with and provide employment assistance and guidance to separating servicemembers.

These four touch points occur first when the servicemember decides to separate from the military, second when the servicemember attends the Transition Assistance Program, third at the point of the formal separation from the service, and fourth approximately 70 days after separation.

We expect the result of this outreach to be improved employment outcomes potentially resulting in a corresponding decrease in unemployment compensation claims.

We are also mindful that our outreach will reinforce the message that we are standing by our troops even after they leave the service.

As you know, Section 211 of the VOW Act requires that the VA and DoL jointly administer the process for determining an applicant's eligibility under the Veterans Retraining Assistance Program.

To this end, DoL and the VA have developed a joint application process that relies on a combination of VA data and self-attestation. Currently there are over 62,000 veterans accepted into the program and roughly 17,000 enrolled in training.

In May, the department issued formal guidance to the workforce system describing VRAP and held a system-wide webinar in collaboration with the VA.

In October, DoL provided formal policy guidance to the state workforce system relating to providing outreach to the VRAP participants no later than 30 days after they exit the program as required by law.

Additionally, DoL sent their welcome to VRAP email to over 50,000 veterans with an approved application. This email informed them of the services and assistance available through AJCs, the right to priority service, how to locate their state's job bank and the nearest AJC, and provided them with VA contact information.

The department remains fully committed to serving our Nation's veterans and returning servicemembers as well as they have served us. We are dedicated to leading the effort to ensure each one of these brave Americans is successful in their pursuit of civilian employment.

The department believes in good jobs for all Americans, but veterans are at the front of the line.

Mr. Chairman, this concludes my statement. Thank you for the opportunity to testify this morning. I would be pleased to answer any questions you may have.

Mr. STUTZMAN. Thank you, Mr. Moran.

At this time, we will recognize Mr. Coy for five minutes for his testimony.

[The prepared statement of John K. Moran appears in the Appendix]

STATEMENT OF CURTIS L. COY

Mr. COY. Good morning, Chairman Stutzman, Ranking Member Braley, and Members of the Subcommittee.

I am pleased to join you today to discuss the Department of Veterans Affairs' efforts to prepare veterans for reemployment and/or retraining through the Vocational Rehabilitation and Employment Program and the Veterans Retraining Assistance Program or VRAP.

With me at the table this morning is Margarita Devlin, our Deputy Director of our VRE Program.

Helping solve the issue of veteran unemployment begins with giving our veterans a strong foundation of education and training on which to build their careers.

The Post-9/11 GI Bill provides financial support to veterans to pursue undergraduate and professional degrees, vocational and

technical training, licenses and certifications, and even training in entrepreneurship.

During the 2012 fall term, VA received enrollments for 475,000 participants resulting in 690,000 enrollment documents and 280,000 changes to enrollments.

The VET Success on Campus Program will help veterans succeed in school by facilitating their transition from military to campus life.

In 2012, the VSOC Program expanded to a total of 32 campuses and VA plans to add another 52 VSOC counselors in 2013.

VRAP, our newest education benefit, helps retrain veterans hit hardest by unemployment, veterans aged 35 to 60. VA was authorized to provide VRAP benefits to 45,000 participants in 2012 and the law permits an additional 54,000 participants in 2013.

We began accepting applications in May of 2012 and received over 45,000 applications in the first four months. Interest in the benefit remains high as VA continues to receive more than 2,100 applications each week and has issued over 62,000 certificates of eligibility so far.

Within the VRAP demographic, the average age of a VRAP participant is 49, with 48 percent of all participants between the ages of 45 and 54. VA has already provided over \$46.6 million in program benefits to the more than 17,000 veterans enrolled in a training program.

Based on current application and disallowance rates, we expect to reach 99,000 participants by early March of 2013. This success came through a significant outreach effort by VA and its partner agencies.

We created dozens of email distribution lists, 84 as of last month, with thousands of individual email contacts. We distributed radio and video public service announcements to over 1,600 radio and television stations. We have created multiple print advertisements and worked with several periodicals to have them published.

We continue to reach out to potential VRAP applicants, but are also making significant efforts to reach those veterans who received a certificate of eligibility and who have not yet enrolled in school.

We have developed an email blast to be sent to every veteran in receipt of a certificate of eligibility but not yet enrolled to remind them to sign up for courses.

During the recent Veterans Day weekend, VA coordinated with several nationwide retailers to have VRAP flyers distributed to their customers, and I traveled to New York City to represent VA in the inaugural New York City Veterans Week.

In addition to giving a strong foundation of knowledge and training, VA has long offered employment services through the VRE Program. More than 800 vocational rehabilitation counselors and over 90 employment coordinators assist veterans with service-connected disabilities to prepare for, find, and keep suitable jobs.

VRE provided services to over 114,000 veterans in 2012 that resulted in over 8,000 employment rehabilitations. Over 70 percent of veterans who completed the program are currently working in a professional, managerial, or technical career.

In January 2012, VA organized and hosted a career fair in Washington, D.C. And the following June, we also organized a hiring fair

in Detroit where another 5,700 veterans were interviewed and 1,300 tentative job offers were made.

We also are working with the Chamber of Commerce in their Hire Our Heroes events. We are leading the Federal Government in hiring veterans through our VA for Vets Program, the first of its kind, fully dedicated to veterans' federal employment.

VA and its partners have made significant strides in veteran employment in the last two years. With an estimated 1.5 million veterans likely to separate or retire in the coming five years and many of our youngest veterans still unemployed, now is the time to redouble our efforts to bring the intrinsic values our veterans have to bear to the civilian workforce.

We are taking tangible steps to assist training and employing our veteran population.

We thank the Subcommittee for helping us achieve these goals and allowing us to testify on the important issue of veteran employment.

Mr. Chairman, this concludes my oral statement. I welcome any questions you or the other Members of the Subcommittee may have for me, sir.

Mr. STUTZMAN. Thank you, Mr. Coy.

Mr. Cantu, we will recognize you for five minutes. And I also understand you brought a video to show as well and we will show that video on the screens. Is that correct? No?

Mr. CANTU. That is not correct, Mr. Chairman.

Mr. STUTZMAN. Is it Mr. Turner? Mr. Turner. Your video. Okay. All right.

You looked at me a little—with a blank stare there, so I understand.

Okay. Well, after Mr. Turner's comments, then we will show the video then as well. All right. Thank you.

Mr. Cantu, you are recognized for five minutes.

[The prepared statement of Curtis L. Coy appears in the Appendix]

STATEMENTS OF ELISEO "AL" CANTU, JR., CHAIR, TEXAS VETERANS COMMISSION, ACCOMPANIED BY SHAWN DEABAY, DIRECTOR, VETERANS EMPLOYMENT SERVICES, TEXAS VETERANS COMMISSION, AND ABRAHAM J. TURNER, CHAIR, VETERANS AFFAIRS COMMITTEE, NATIONAL ASSOCIATION OF STATE WORKFORCE AGENCIES, EXECUTIVE DIRECTOR, SOUTH CAROLINA DEPARTMENT OF EMPLOYMENT AND WORKFORCE

STATEMENT OF ELISEO "AL" CANTU, JR.

Mr. CANTU. Good morning, Chairman Stutzman and Ranking Member Braley, and Members of the Subcommittee.

For the record, my name is Eliseo "Al" Cantu, Jr., chair of the Texas Veterans Commission. I am humbled to testify by the invitation extended to me today. On behalf of the Texas Veterans Commission, I would like to thank you for this opportunity.

Before I begin my testimony, I would like to commend congressional leaders on your efforts in passing Veterans Opportunity to

Work Act legislation last year, especially the Veterans Retraining Assistance Program.

This program allows veterans with limited skills and training to receive much needed assistance. TVC's veterans' employment representatives have and will continue to outreach to as many veterans as they can to ensure there is a vast awareness of the program in Texas.

As of October the 18th, 2012, there were a total of over 4,000 approved VRAP applications with 1,194 veterans actively participating in training.

I am accompanied today by Mr. Shawn Deabay, Director of the Texas Veterans Commission Employment Services Program.

The Texas Veterans Commission is a veterans' advocacy agency for the State of Texas. We provide superior service to veterans in the areas of claims assistance, employment services, education, and grant funding that will significantly improve the quality of life for all Texas veterans, their families, and survivors.

No other State has centralized all of these program areas within their State's federal agency. Texas is becoming recognized for aggressively leading on veterans' issues. A national leader has referred to the Texas model when advocating for the integration of veterans' services. This integration allows the agency to remain veteran focused with no competing priorities.

Some of the successes we have had. Last year, the Texas Veterans Commission received \$11.5 million from DoL VETS to operate the Jobs for Veterans State Grants in Texas. With that investment, Texas Veterans Commission's Veterans Employment Services Program assisted veterans with obtaining long-term meaningful employment.

In the most recent 12-month reporting period, our LVERs and DVOP specialists assisted over 69,000 veterans. Over 38,000 of those veterans obtained employment and earned a total of \$1.4 billion in wages. Two hundred and twenty-one veterans obtained employment.

For every one LVER or DVOP specialist, Texas accounts for 18 percent of the Nation's veterans entering into employment after receiving assistance from our staff while being allocated only seven percent of the federal funding from the Jobs for Veterans State Grants.

In August, we became aware of anticipated changes to the LVER and DVOP specialist roles and responsibilities. While we appreciate DoL VETS' desire to improve the Jobs for Veterans State Grant programs, we must voice our concern regarding any policy changes that adversely impact our ability to serve the veterans of Texas.

For example, DVOP specialists should not be limited to serving no more than 20 percent of the veterans in the workforce system and states serving more than 20 percent should not be placed on corrective action plans or face possible sanctions from DoL VETS.

A complete list of those recommendations with which we have specific concerns have been provided on page 3 of my written testimony. I am happy to provide greater detail on these points if asked to do so following my opening remarks.

Again, the Texas Veterans Commission is completely opposed to any recommended changes to the VES Program which would elimi-

nate or even place limits upon our ability to see and serve veterans.

How do we improve the current system across the Nation? It is not my intent through this testimony to simply present problems to this Subcommittee but to offer real solutions.

The LVER and DVOP specialist programs were established to ensure services are received by veterans. The Texas Veterans Commission supports efforts to improve the effectiveness of this program in fulfilling that mission and submit the following five recommendations which I expand upon on page 4 of my written testimony but also are summarized.

One, require that these programs utilize veterans serving veterans.

Two, create supportive supervising structures for the programs.

Three, reward performance.

Four, require input from the states.

And, five, encourage innovation.

In closing, I would like to thank the Committee for the opportunity to share the perspective with you today. The Texas Veterans Commission has demonstrated the capability to have a positive impact on veterans' employment issues.

With the support of the Committee, we believe that the VES Program in Texas can continue to develop for innovative and effective ways to improve the employment services provided to veterans in our State.

Mr. Chairman, this concludes my testimony.

Mr. STUTZMAN. Thank you.

Mr. Turner, you are recognized for five minutes.

[The prepared statement of Eliseo "Al" Cantu, Jr. appears in the Appendix]

STATEMENT OF ABRAHAM J. TURNER

Major General TURNER. Good morning, Chairman Stutzman and Ranking Member Braley and Members of the Subcommittee.

My name is Major General Abraham J. Turner, retired. I serve as the executive director of the South Carolina Department of Employment and Workforce. I also serve as the chair of the Veterans' Affairs Committee for the National Associations of State Workforce Agencies, also known as NASWA.

On behalf of NASWA, I am pleased to appear before you to discuss federal and state veterans' employment programs and their challenges.

The members of NASWA are state leaders of the publicly funded workforce system responsible for meeting the employment needs of veterans.

We thank the Subcommittee for legislation enhancing services for military members and veterans, their families, and also improving the transition of military members to civilian lives and careers.

We also would like to thank the Subcommittee for their work to pass the VOW to Hire Heroes Act of 2011 which included the Veterans Retraining Assistance Program, VRAP.

While states have done an extraordinary job reacting and adapting to the unprecedented challenges of our returning veterans, this hearing underscores the point that when federal and state govern-

ments work closely together, more can be done to improve the environment for our returning veterans.

I have five points to address.

First, while state workforce agencies are challenged by higher demand for services and diminishing funds, over the last five years, an additional 16 million jobs were made available to state job banks nationwide at no additional cost to federal and state government employers and job seekers through the National Labor Exchange, NLX.

Second, because minimal information has been shared with NASWA and its members about the proposed policy directive expected to significantly change the job descriptions and responsibilities of the DVOPs and the LVERs, it is difficult to comment at this time.

States believe that it would have been more efficient if U.S. DoL worked with NASWA and the states during the development of the policy directive.

Third, states appreciate and strongly support the implementation of VRAP, but the primary difficulty in working with VRAP participants is that the Department of Veterans Affairs will not disclose the Social Security numbers of VRAP participants with the state workforce agencies.

Social Security numbers are the primary identifier used in the workforce system to register, track, and to report services. The disconnect between the two systems make it difficult to track VRAP participants in order to ensure that they are offered the services of the one-stop system and to record outcomes.

Fourth, state workforce agencies and the one-stop career center actively promote the VRAP to eligible veterans and are using a variety of methods to promote the program to veterans, local workforce investment boards, one-stop career centers, and employers.

Most states have systems in place to contact all age eligible veterans who have registered for employment services with the State Workforce Agency.

NASWA has promoted VRAP through presentations and information sharing at meetings of its veterans' affairs and employment and training Committees and to its board of directors.

It has also conducted a webinar on VRAP, promoted VRAP in its primary publication, and provided information on a linked in forum for state veterans' coordinators.

Finally, I am concerned the workforce system has little to no role in the VRAP Program other than to promote it. The workforce system is not engaged with VRAP until the veteran completes the training and is looking for employment.

I respectfully request this be examined to better include the state workforce agencies earlier in the process.

Now, although I have expressed some concerns, I want to make it clear that states strongly support VRAP. This program provides a second opportunity to bring veterans into the workforce center who may have otherwise been lost to an environment of long-term unemployment.

Our veterans deserve this additional opportunity to succeed at job placement and VRAP is a program that does just that. VRAP puts veterans back to work.

I am pleased to have had this opportunity to testify and would be happy to take any questions.

[The prepared statement of Abraham J. Turner appears in the Appendix]

Mr. STUTZMAN. Thank you, General Turner.

At this time, I believe we have the video and if it is ready, go ahead and start the video.

[Video shown.]

Mr. STUTZMAN. Okay. Thank you.

General, a question on the video. You have that on your Web site or how do you use the video and what kind of success have you seen with it, what kind of feedback?

Major General TURNER. Yes, Mr. Chairman. The video is, in fact, on our Dew, D-E-W, Web site. The Web site was listed at the very last five seconds of the video there that anyone can go to and actually access it.

We use it also in marketing send-outs, mail-outs that we have to our veterans and also in all of our work centers with flyers at all of our work centers throughout the State.

Mr. STUTZMAN. Very good. I do want to start the questioning. At this time, we will recognize each of the Members for five minutes for questions, and I will start with a question for Mr. Cantu and Mr. Turner, for both of you.

It is our understanding that in a meeting with NASWA, VETS discussed several possible changes to the Jobs for Veterans State Grant Program that funds the DVOPs and LVERs.

Could you please list the ideas that were presented by VETS to you? And why don't we start with Mr.—General Turner, why don't we start with you, then Mr. Cantu can answer.

Major General TURNER. Yes, Mr. Chairman. With respect to the ideas to address the issue with the LVERs and DVOPs, when we surveyed or canvassed the states and got the replies from the majority of the states here in our union, the replies varied from ensuring that there was a clear understanding with respect to what the new expectations would be from LVERs and DVOPs as pertains to placing these vets as they come through the program.

We have not received the directive, a published directive as of yet. So right now many of the states are still having to deal with, I guess, points that have been shared through the DVETS at the state level to gain a clearer picture as to what the policy will exactly mean.

There are some questions about the 80/20 percent rule that was a part of it with respect to whether or not DVOPs should handle 80 percent of the veterans coming in or should they instead handle only 20 percent of the total population that is coming through our workforce centers.

So there is some uneasiness with respect to exactly where is the policy going with this. So as you can imagine, some of our LVERs and DVOPs are also members of our business section teams throughout the states in the workforce agencies. Some states do not have business section teams.

So where the LVERs are, in fact, a part of these business section teams, they have an additional responsibility to not just reach out

to businesses at large but also reach out to those businesses that are focused directly on hiring veterans.

Mr. STUTZMAN. So did VETS discuss possible changes in this meeting that you know of?

Major General TURNER. At the meeting that I have attended, there were possible changes discussed. But, once again, we operate on the actual published policies that are coming out and there was some discussion that we had with VETS.

Mr. STUTZMAN. What kind of discussions? What kind of changes were even discussed?

Major General TURNER. Well, one of them was the one I mentioned just now with respect to what is the percentage of workload that the LVERs and the DVOPs would actually have to assume as we move into the new year. That was one significant one that caught our attention.

Mr. STUTZMAN. Okay. Mr. Cantu.

Mr. CANTU. Yes, sir. One of ours was exactly the 20/80 rule. We do not feel that we should be limited to doing that, that we ought to serve as many veterans as we possibly can because it is our mission and our goal in Texas to ensure that they have access to our DVOPs and our LVERs to ensure that their problems and issues, concerns are taken into effect.

We feel that in order to serve our Nation's heroes, placing limitations on the number of veterans that can be seen by our staff adversely impacts those veterans' ability to locate and retain long-term employment.

Also, you know, our DVOP specialists will be limited to strictly case management activities and will not provide service to veterans, not enroll into case management. You know, we do not concur with that.

In Texas, a non-Veterans Employment Services workforce staff of our partners at the Texas Workforce Commission have budget challenges of their own and assumptions that the veterans' population can be seamlessly absorbed by these partners is overly optimistic.

The initial assessment for veterans' need is an extremely important function and it includes a one-on-one in-depth evaluation to identify those significant barriers to employment and plan to address their needs.

This assessment should be conducted by Veterans Employment Services' staff whenever possible. Its VES staff are specially trained to identify those barriers in Texas. All VES staff members are veterans themselves and there is intense value in veterans being served and assisted by fellow veterans, providing good quality one-on-one service.

Mr. STUTZMAN. Okay. I guess, you know——

Mr. CANTU. And——

Mr. STUTZMAN. Go ahead.

Mr. CANTU. And point number three, sir, our LVERs will not serve veterans. They will only be allowed to perform employer outreach.

Title 38 USC Code 4102 clearly states that one of the priorities of a LVER is to assist recently separated veterans along with outreach to employers. Employer outreach is a vital part of the employment equation.

And Texas has embraced this by focusing four of its LVERs on employer outreach as veterans' business representatives, a change that was difficult to get DoL AD to embrace. Yet, we know that locating employment opportunities only fills half of the need.

Moreover, this change severely impacts rural areas and simply moving a LVER into a DVOP specialist role is not the answer.

Number four, the performance expectation for the employment and retention rates for recently separated veterans will be removed. The Veterans Employment Service programs at TVC is dedicated to helping any and all veterans with an emphasis on recently separated and disabled veterans.

The national unemployment rate for Gulf War II era veterans has remained over ten percent for 27 of the past 36 months, peaking at 15.2 percent in January 2011. Now is not the time—

Mr. STUTZMAN. If I could hold you off right there because my time is expired there.

Mr. CANTU. Yes, sir.

Mr. STUTZMAN. Let's proceed to further questions from Mr. Braley and we will come back around and discuss it shortly.

Mr. Braley.

Mr. BRALEY. Thank you, Mr. Chairman.

General Turner, I want to start by commenting on the video and I want you to tell Mr. Byrd that whatever you are paying him, it is not enough because it was very impressive.

Major General TURNER. Thank you very much.

Mr. BRALEY. The way he laid out this program in plain language that the average listener can understand. And that has been a huge priority of mine with all federal agency programs. So please send him my compliments.

Major General TURNER. Will do, sir.

Mr. BRALEY. One of the comments you made caught my attention and it dealt with VRAP participants and the challenge you were facing because of a failure to disclose Social Security numbers making it difficult to track those participants.

What have you been told was the justification for that policy? Is this an identity theft concern or how do we address the intra-operability challenge that you are facing so that you can track these veterans and give them the services that they have earned and that they deserve?

Major General TURNER. Yes, sir. Our biggest concern with respect to not having the Social Security numbers is that we are unable to identify the veterans at an earlier stage of the process that they are going through under the VRAP.

I do not have any rationale nor have I been given any rationale for not providing the Social Security numbers, but I can tell you, sir, that if we continue to only engage with veterans at the conclusion of the VRAP process, then our chances have been lessened to ensure that the skill sets that have been acquired by the veteran undergoing the program, we have lessened our opportunities to match those skill sets up with jobs that are available at the local area.

Our point is that we can best identify what jobs are available, what skill sets are in demand earlier with the veterans in the pro-

gram to ensure that they are actually moving along the correct training route, so to speak, to meet those demands.

The worst thing that can happen is to have a veteran go through the program, achieve a skill set, and then at the lower level in this region of any state within the union show up to a job that is not available in that skill set.

What we want to do is engage earlier. We want to know who the vets are. We want to know what direction they are headed in so we can help guide them into the right job development skill sets that is required.

Mr. BRALEY. Thank you.

Major Cantu, you mentioned something about the impact on rural areas in your testimony.

Mr. CANTU. Yes, sir.

Mr. BRALEY. I want to talk to you briefly about that because I represent a district that has large rural areas and also urban areas.

And my experience is that the employment challenges differ significantly depending upon what part of the country you live in and whether or not the employer workforce has a higher degree of sophistication in terms of identifying workforce needs of returning veterans and how they incorporate their military occupation specialties into a civilian job.

So when you talked about that disproportionate impact on rural areas, can you give us some examples of how that plays out in your world?

Mr. CANTU. Well, as you know, sir, in Texas, we have wide open spaces and a lot of concentrated population in certain areas. And what we do, our workforce is evaluated on an annual basis and see where the veterans' population is, if you will, or where it moved to or shifted. And we make plans and contingencies to service those areas by allocating resources, LVERs and DVOPs to those particular rural areas.

In the big cities like or big bases like Fort Hood, Texas in Killeen, Fort Bliss in San Antonio, we got that covered pretty well. But the difficulty in outreaching to those veterans in those rural areas is a challenge that we face each and every day, but we make it a point to have DVOP and LVERs in the general area to support their needs.

Mr. BRALEY. I think one of the things that is often lost on the American people is that a disproportionate share of our military comes from rural America, but it is not met by a disproportionate share of services in those rural populations. So I appreciate your comment.

Mr. Moran, you made a comment early on in your testimony there has been a lack of mission clarity.

Can you tell us what needs to be done to clarify the mission so that we can address that concern?

Mr. MORAN. Yes. Thank you for the question.

As we undertook a policy review recently, as you are hearing about today, we were mindful that we have 1.5 million separating servicemembers coming at us over the next five years or so.

We also have many of those folks who will be coming back because of advances in medical treatment with severe injuries and they are going to need extra employment assistance and help.

We see the purpose of the JVSG Program to be for that specific cadre of veterans, not all veterans, but that specific cadre of veterans.

So we undertook this policy review to see if we are prepared, in fact, with our current policies and with our current population of DVOPs to handle that load.

We saw some data that indicated that perhaps we are not and we attributed that to the fact that we may not have mission clarity in our policy guidance currently in place.

We have issued policy guidance in 2010 most recently on the JVSG Program that gets at exactly defining the roles and responsibilities of DVOPs and LVERs. However, that policy guidance is not producing the result that we think is needed in the program.

So this policy review is about examining that policy to see what we need to do to strengthen it, to make it more clear, to get all of the DVOPs and LVERs focused back on the roles and responsibilities as defined by Title 38 and as defined by our policy guidance in 2010.

Mr. BRALEY. And what is your expectation in terms of a time frame when that clarified mission would hopefully be achieved?

Mr. MORAN. Well, we have been working on this policy guidance and by no stretch is it done. As you have heard from testimony today, we have discussed at various points in time some of the observations we have had, some of the policy discussions that are ongoing, some of the things that we are looking at doing.

We have not finalized the policy yet, but we would expect that by the end of December, we would have a new policy out on this.

And I should qualify it is really not a new policy. It really is going to be about strengthening the policy that already exists on what the roles and responsibilities are for DVOPs and LVERs.

Mr. BRALEY. Thank you.

I yield back. Thank you.

Mr. STUTZMAN. Mr. Huelskamp.

Mr. HUELSKAMP. Thank you, Mr. Chairman.

And I appreciate the question of my colleague about rural areas and some of those opportunities.

The gentleman in Texas, if I might follow-up a little bit more. In my district, very low unemployment, difficulties finding workers to fill those jobs in a rural area.

What do you do in Texas and perhaps region-wise for the rest of the witnesses when the jobs are not where the veterans are currently?

Mr. CANTU. Yes, sir. We certainly face a challenge there because, you know, it may require the veteran to relocate if, you know, that is the job that he has been offered and wants.

And it is difficult. We try to do everything we can with our LVERs as they intermingle and talk to potential employers at job fairs. We encourage that they seek employees from areas that are rural that may have a spattering of jobs, not the full-blown complement.

And we also let the veteran know that if there is anything that we can do to help him relocate, you know, we will do that. And that is why our fund for veterans' assistance that we provide, we have provided almost \$30 million from about a year and half, two years ago to veterans that need funding, need assistance, relocation, those type of things.

So we constantly work and we constantly look at those areas and just attempt to match a veteran in an area with a job that is readily available in some distance, maybe some distance from his location.

Mr. HUELSKAMP. I appreciate that.

And a question for Mr. Moran, if I might. Again, what is the unemployment rate for veterans?

Mr. MORAN. When we talk about veterans in general, the unemployment rate right now is 6.3 percent as reported by the Bureau of Labor Statistics.

Mr. HUELSKAMP. And are there categories in which it is—that is obviously substantially lower than the nationwide average—are there categories in which it is higher?

Mr. MORAN. There are. In fact, one of the categories that we have a strong eye on is the Gulf War II veterans as we call it. And that unemployment rate right now is at ten percent.

Mr. HUELSKAMP. And do you have different strategies for those particular categories of unemployed veterans?

Mr. MORAN. Certainly it really comes down to getting the word out to all veterans no matter what category they are in that we are here to serve them at the American job centers and trying to encourage them to come in if they need employment assistance.

When they come into that service center for that assistance, we assess their needs depending on whether they are Gulf War II or they are not, what is their need that will help them get to employment. And then we work with them accordingly.

Do we have special programs targeted at those particular groups? Outside of the Gold Card, for example, that provides additional services for a six-month long-term plan, that is pretty much the only special program we have for the Gulf War II era veterans.

Mr. HUELSKAMP. So can you explain why it is substantially higher than the rest of the veterans? Do you have a quick and ready explanation for that?

Mr. MORAN. I do not.

Mr. HUELSKAMP. Other witnesses, any explanation or any strategies to deal with that? Again, we are at 6.3 percent which is very good, but then we have significantly higher in a particular category of post-9/11 veterans.

Mr. DEABAY. Yes, sir. Shawn Deabay from the Texas Veterans Commission.

The translating of military skills into civilian occupation is one of the largest challenges. In Texas, we take a look every year of where are our disabled veterans and our recently separated veterans or Gulf War era II. Where are they at? And we strategically locate our Veterans Employment staff to handle that situation.

So what we have done, we try to outreach those recently separated veterans. We are working with the TAP Program, identify

them, get them to come see us. I think to know that we are here to help them gets over-sighted.

A lot of veterans do not know we are here, so it is to get the word out, serve as many veterans as we can, keep a high quality, and locate our staff where they are best served.

And the unemployment rate for recently separated veterans along with women veterans is an issue that we face.

Mr. HUELSKAMP. Yeah. I appreciate an answer to that.

Follow-up a little bit more, just a question. DoD, they do not inform the veterans of your services? What is the connection there when they are separating?

Mr. DEABAY. Well, when we provide the TAP services, we are able to make sure that they know where we exist. Starting in January, we will not be facilitating TAP anymore. It will be going to a private contractor. And I have not been contacted by any of them to offer our assistance. But we are going to continue to work and try to let as many veterans know.

I cannot answer exactly why they do not know we are here, but what I am hearing from my LVERs and DVOPs, I have about 170 of them, is that they do not know we are here to help them.

Mr. HUELSKAMP. That kind of defeats the purpose. I would like to find some strategies to actually communicate the efforts here and it is some tremendous effort. So I appreciate it.

I yield back, Mr. Chairman.

Mr. MORAN. If I could add, I think it is important to add that one of the things that we are working on to address that is what I testified to a little bit ago and that is an enhanced outreach strategy and going from one touch point essentially at the DoL employment workshop during TAP to four touch points to try to get everybody to understand earlier in the process what services are available, how to take advantage of those services, et cetera.

So we are working on that. We are trying to reach out better than we have in the past.

And I would also add that even though we are transitioning to all contract facilitators in the TAP Program come January, which is part of the VOW Act requirement, we do during that course spend a lot of time on talking about the American job centers, what they can do for you, how to register at those American job centers, et cetera. So we are working the problem, sir.

Mr. HUELSKAMP. All right. Thank you.

Mr. STUTZMAN. All right. Thank you.

Mr. Walz.

Mr. WALZ. Well, thank you, Mr. Chairman. And I would like to also congratulate you and the ranking member and all Members on your reelection. And I can say that with the two of you on this Committee, our veterans are well served by that outcome also. I am very proud to serve on this Committee and you have done a fabulous job.

Thank you for each of you for the work you are doing. We are gratefully appreciative of that.

Mr. Deabay, I could not agree with you more. Mr. Denham and myself authored up the Veterans Skills to Job Act that passed and was signed into law by the President. The next step now is to do that at the state level.

Mr. Stivers and myself have a bill, Hiring Heroes Act, that does basically the same thing of translating those skills and those certification programs at a broader level to the states. So I am appreciative of you hitting on that. I think that does get at where Mr. Huelskamp was.

And we are spending \$106 billion a year in training these folks. They are our best and brightest and let's translate that in. It saves unemployment benefits. It puts them in the jobs they want and are well qualified for. So thank you for that.

Mr. Coy, I am going to come to you and I think Mr. Braley hit on something. If you did not spend the last couple months and hear a lot of things, I hope we were not all talking during the election season. If you were listening, you heard a lot of things.

And I heard a lot. Processing times on the GI Bill has reached the crescendo. It is worse than I have seen it, Mr. Coy. And the numbers, I have an article from Stars and Stripes that graphically kind of shows that we are peaking on that.

I just checked just randomly. University of Wyoming lists on their site expect a ten-week delay, North Carolina State, ten-week delay, College of Charleston, eight to ten-week delay.

I have gone to my colleges and asked them for patience. We have got 58,000 people as of November 2nd waiting for payments. That means September rent, October rent, November rent, tuition, books, living expenses not there.

I know we have more there. I know that we have a great bill that you advocated for yourself in the post in Chapter 33. People are using it and that is good.

I guess just my question is, I did not—and I know I say this. I know there are some things that it takes time on this. Myself using the GI Bill, it was six months. That was 1982. The expectation should certainly be improved processing times, some way to front load this thing, that we do not have people being evicted or not paying for gas to get to class.

And so I am just throwing it in your court to what is the plan to break this thing? And, again, I say that because I have been up here on the claims processing side on VBA's side and that is gone there. So I throw that to you. It is a big one. I know that you care deeply about this. I just kind of want to know what the plan is.

Mr. COY. Thank you very much, sir.

And we certainly understand that frustration as well. We understand the hardship it provides and imposes on our vets. And we are working incredibly hard, including weekends, overtime.

And today we have paid over 87 percent of those folks in our fall enrollment. As I mentioned in my oral testimony, we have received over 690,000 enrollment documents, 280,000 changes to those for 475,000 individuals. Clearly it is growing the number of people.

The success of the Post-9/11 GI Bill has been overwhelming. And it has been a wonderful benefit to our veterans. And we certainly are challenged in processing those claims. It is currently taking anywhere from 36 to 40 days to process that claim and we are working very hard to get through that.

One of the things that we think is going to show great promise is our long-term solution. We launched on 24 September an automation for those supplemental claims. Supplemental claims are

those claims that actually pay our veterans their housing allowance.

So far, we have seen from about 24 September until now about 30 percent of those supplemental claims goes through the system completely untouched by human hands.

If we had not have turned that on on 24 September, we probably would have seen an increase of about six days of the average processing time.

We have gotten through the big crunch of claims so far. All of the claims that we received in August and September we processed, but we continue to get claims every single day.

I checked the numbers this morning. We received over 14,000 claims yesterday alone. And so we are processing through these claims. We understand it is a challenge. It is equally frustrating for us. We think we have gotten through the lion's share of it.

We think going forward, we are going to have our automation in place. We did not get this automation in place until 24 September. We are going to have that as we go forward. We are watching the numbers.

Mr. WALZ. Mr. Coy, if I could ask, when we did this in 2009, we anticipated that this was going to happen. Did we not anticipate the need to automate from 2009 to 2012?

Mr. COY. I am sorry?

Mr. WALZ. I am just curious that being here through this whole process, this is a unique one for me. From the advent and the writing of this bill to the concern on implementation, I remember sitting here in 2008 when we were doing this worried about our processing ability and we are doing it.

So when we come back around again, I am just going to ask for maybe some stop gap ways we can help some of these people, whether it is no interest loans or some ways that we coordinate because I do have veterans that come to my office in southern Minnesota saying I cannot make rent for November, what do I do.

A lot of times, it is out of the goodness of the schools or the landlords to say, well, we will cover you until the check comes in. I do not think that is the way the government should treat either a private landlord or a school.

So I will come back around again, but I do appreciate the work you are doing.

What I am getting at here is, do we have the resources to do this? Are we back in one of those situations again?

I have no doubt that your people are working as hard as they can and doing the best they can, but it is just not getting it. So we will come back around again.

Mr. STUTZMAN. Okay. And I would like to just interject. Mr. Coy, if you could provide this Committee an updated briefing on the IT program that you are working on, is that—by the end of the year?

Mr. COY. Absolutely. Yes, sir.

Mr. STUTZMAN. Okay. All right. Thank you.

Mr. Flores.

Mr. FLORES. Thank you, Mr. Chairman.

Thank all of you for agreeing to testify today to help the Committee understand these important issues.

Chairman Cantu, you mentioned recommendations in your opening testimony, opening comments about improvements that the Veterans Employment Services could make.

Can you elaborate on some of those? I think you could not elaborate before because of the limited amount of time in your opening comments.

Mr. CANTU. Yes, sir. There are five basic recommendations that, you know, we come up with that will make this a viable program that we can all agree on and work in helping veterans.

One is require that veterans serve veterans. Every LVER and every DVOP specialist must be a veteran. This requirement was part of legislation approved by the House of Representatives earlier this year and must be incorporated into the Jobs for Veterans State Grants.

Number two, create supportive supervising structures. While each State must have the ability to determine the supervising structure that works for the State, DoL VETS should require the coordination and reporting for the Jobs for Veterans State Grants directly to the senior executive responsible for the grant in the State.

Moreover, depending on the size of the Jobs for Veterans, it might be the only program that person is responsible for. The Jobs for Veterans State Grant and serving veterans deserves no less.

Number three, reward performance. Instead of focusing on dictating what states can do, DoL VETS should work with the states to develop meaningful performance standards and add a performance element to the funding formula, that states that perform at a high level should receive increased funding rather than punish the states that do a good job and reward those that do not.

Number four, require input from states. The policy changes being contemplated by DoL VETS were not developed in partnership with the states. DoL VETS should be required to have working groups, small, medium, and large high performance states. The focus of this working group would be on how all states can improve employment and services to veterans and provide recommendations to DoL VETS with a focus on best practices.

And, finally, number five, encourage innovation. DoL VETS must allow states to be innovative and create methods to serve as many veterans as they can while continuing high quality.

When Texas wanted four of our LVERs to serve as veterans' business representatives and work with employers, DoL VETS resisted this change which they now embrace. DoL VETS should not be placing limits on the service that states provide veterans or choosing which part of the law governs those programs believe are more important than others.

Those are the five basic recommendations.

Mr. FLORES. Okay. So in nutshell, one of the things I picked up is that state agencies like yours because of the fact they are closer to the veterans' communities that are similarly situated are going to be much more responsive in terms of designing these programs to deal with this issue; is that correct?

Mr. CANTU. Yes, sir.

Mr. FLORES. Okay.

Mr. CANTU. If I might add, you know, we are all incorporated under one umbrella. Shawn Deabay is responsible for employment services. That is his only focus, his only requirement. And he has the knowledge that if a veteran needs claims and counseling, his counterpart in the office is the director of that area or funding or whatever it might be. You know, we work with each other and we are right centrally located where we can advance the needs of that veteran. The 1.7 million veterans in Texas, you know, are served well by the Texas Veterans Commission.

Mr. FLORES. And one of the things we talked about today is this Washington produced one size fits all policy. Can you tell me what the new policies will do? How will it directly affect Texas and the TVC?

Mr. CANTU. Well, you know, as mentioned earlier, we have some concerns about that and the way it works. And, again, you know, we just feel that veterans should be serving veterans, that there be no placement or restrictions on the number of veterans that we can see that is in the workforce system.

And, you know, we do not want the 20/80. I mean, if we can see a hundred percent or 95 percent and do a good job, that is what we want to do. And that will impact our Texas veterans because we certainly are proactive in veterans' benefits in the State of Texas and we want to keep that from limiting us on seeing veterans.

We want the DVOPs to do case management. You know, we want the LVERs to get out in the field and talk to potential employers and sell their veterans, their skills.

The skill sets between a LVER and a DVOP are different, but we want to make sure that the employer understands that our military veterans that come out of service, we can translate their skills to their needs and, you know, we want to continue doing that.

And I think that this proposed change could possibly impact us in accomplishing those goals.

Mr. FLORES. Thank you, Chairman Cantu.

I yield back.

Mr. STUTZMAN. Thank you.

I would like to do a second round of questions for those who have questions. And I would like to start with Mr. Moran following up to the questions that I had asked.

You know, I understand these changes that have been either made or suggested or they are still in the formative stage, but what are the basic suggestions or the changes that are coming to the JVSG Program that you have proposed to the states?

Mr. MORAN. Yes. Thank you for the question.

Primarily the essence of the proposed policy changes, and as you have pointed out, are not finalized yet, we continue to work to make sure we get this right, have to do with ensuring that the DVOPs are performing the defined role that they have in the law which is to serve those veterans who have barriers to employment.

Now, there is, of course, in the law a list of specifics to that, but essentially we call that significant barriers to employment. That has to do with disability, economically disadvantaged, educationally disadvantaged.

We want to make sure that the few DVOPs that we have in the system for that purpose are available to give a hundred percent of their time to that subcategory of veterans who are seeking employment assistance.

Right now what we see is that that is not the case. In fact, we find that only about 25 percent of the intensive services are being provided by DVOPs or I should say 25 percent of veterans being seen by DVOPs are getting intensive services when, in fact, if you follow the logic behind the law and the job description, a hundred percent of the veterans seen by DVOPs should be getting intensive services. It almost flows by definition.

So we see that as a flag that causes us some pause and thought that we needed to examine the policy. Are they, in fact, the DVOPs doing the job the law intends them to do and our policy requires them to do?

On the other side of the equation, the LVERs, the law is very specific about their duties as well and it is to perform outreach to the community to cultivate job opportunities. However, we found data that suggests that the LVERs are essentially acting as DVOPs. They are providing individual services to veterans for employment. It wasn't envisioned by the law as we understand it, so, again, gave us pause to look at the policy to make sure that we have it right.

With respect to the 80/20 issue that has been brought up, what we have said is that when we look at the data, when we look at the system intuitively, we project, and that is all it is, it is not a requirement, it is not a rule, it is nothing beyond a projection that tells us that if we follow our policies that already exist, never mind new policy, if we follow the policy that already exists that we expect that out of a hundred veterans walking into any American job center looking for employment assistance, approximately 20 of those veterans will be handled by a DVOP because they meet the definition of significant barrier to employment and need that extra special 100 percent care while 80 percent of those veterans just need some basic job services which are provided through the Wagner-Peyser and WIA part of the workforce system.

That is what the law intends. That is why the law describes a system of priority of service in the WIA and Wagner-Peyser Program. It is to serve those veterans who are not envisioned to be served by the DVOPs.

So our whole policy is really around making sure that everybody understands the roles and responsibilities of the DVOP and LVER.

What we anticipate that would look like in terms of workload, which is where this 80/20 notion comes in, it is not a hard and fast rule, it is a planning norm, and to make sure that we are ready to handle the 1.5 million who will be coming back at us over the next five years. We have to have the system tuned properly to make sure it is ready to handle that load.

Mr. STUTZMAN. Mr. Coy, if you could—I am sorry. Mr. Coy, I wanted to follow-up on a question or one of the comments that Major General Turner had mentioned regarding Social Security numbers and tracking. And this will be both for Mr. Coy and for Mr. Moran.

But are you or how are you going to solve the issue with Social Security that is creating problems in tracking the VRAP participants?

Mr. COY. Thank you for the question.

First I want to congratulate General Turner on his video. We are going to download that and plagiarize it quite frankly. So congratulations.

I will tell you, sir, that I am not aware of the Social Security number issue. I am taking that back with me. We are going to work that diligently.

Whether or not we provide all of those Social Security numbers to DoL and they find a way through their contracts to get it to their DVOPs and LVERs or if we do it some other way, there are certainly security concerns, and I think that is the very first issue that we need to address.

But it is the first time it has been brought to my level and you have my pledge that we are going to work this through.

Mr. STUTZMAN. Okay. Thank you, because I would agree. I mean, I think if there is another way besides using even Social Security numbers, it seems like that would even be—makes more sense.

Mr. MORAN, any comment?

Mr. MORAN. We would be more than willing to work with the VA and NASWA to make that happen. One of the things that we do have on our plate, in fact, is to work with DoD and perhaps VA on sharing data better than we do today for a variety of DoL purposes. And this would be, I think, added to that equation.

Mr. STUTZMAN. Okay. Thank you. I hope that will help start the dialogue.

Mr. Braley, any further questions?

Mr. BRALEY. No.

Mr. STUTZMAN. Mr. Walz has left.

Mr. Flores?

Mr. FLORES. Thank you, Mr. Chairman. Also, thank you for allowing me to participate in the Subcommittee hearing today.

Just one quick question. This is more for Mr. Moran. I mean, we have learned a great deal from what Chairman Cantu had to say today and also from General Turner's testimony.

Will you commit to this Subcommittee that you will take this back and address the issues that were raised today?

Mr. MORAN. Absolutely. You have my commitment on that.

And I have learned a few things from the letters we have received from the various states. In fact, we have received four letters from states, 75 percent of which have indicated that they agree with the direction we are heading.

In fact, Mr. Braley, your state is one of them. We want to hear from the states. We want to continue to receive the input. A lot of that we get through NASWA and we are going to reach out and make sure that we get this right. That is the important thing, that we are positioned to serve these veterans well and we want to make sure it works for everybody.

Mr. FLORES. Thank you.

I yield back.

Mr. STUTZMAN. Okay. Thank you.

I want to just in closing remarks mention that Mr. Coy had mentioned the revised TAP Program. I want to make one point about the new version of TAP, if I could.

By not including what are described as the optional tracks as part of the mandatory participation program, I believe that we are short-changing about roughly 50 percent of the participants who indicate their intent to use their GI Bill benefits to attend school.

At a previous hearing, we had showed how the benefit could be worth more than \$140,000 and that failing to include detailed information on how to make best use of that very generous benefit in the mandatory program is an example of government waste that I find inexcusable.

I thank today's witnesses for your testimony.

I do not know who was responsible for selecting South Carolina and Texas, but they are very close to my heart. My wife is from South Carolina and my grandparents are laid to rest in Texas along with other family members who still live in Texas.

So thank you to both of you, Mr. Cantu and Major General Turner, for being here.

Clearly our veterans do face great challenges coming back and we have a responsibility to make sure that we are prepared and ready to help them and making sure that we are communicating correctly and responsibly. I believe that communication is a big part of taking care of a lot of these problems. So I would encourage that wherever it is needed.

Finally, I ask unanimous consent that all Members have five legislative days in which to revise and extend their remarks and include any extraneous material on today's hearing topic. Without objection, so ordered.

I thank everyone for their attendance today, and this hearing is adjourned. Thank you.

[Whereupon, at 11:21 p.m., the Subcommittee was adjourned.]

A P P E N D I X

Prepared Statement of Hon. Marlin Stutzman, Chairman

Good morning. First, let me extend a sincere welcome back to the Members of the Subcommittee on Economic Opportunity. All of our Members on both sides of the aisle won reelection, and I am glad our team will remain intact because, in my view, we have done good bipartisan work together and I want to express my special appreciation to our Ranking Member, Mr. Braley, in that regard. But, our work is not finished.

It is hard to pick up a newspaper or access a news Web site that does not have a story about the difficulties facing veterans who are returning to the civilian workforce.

As a result, even though the overall veteran unemployment rate is lower than the non-veteran rate, in some segments of the veteran workforce, younger veterans are having a more difficult time finding employment than non-veterans.

Unfortunately, most of the information we read or hear is anecdotal with little hard data to suggest ways Congress can lower those rates. For example, BLS staff will state that data on the rates for veterans in the 18–24 age group is soft because of a small sample size.

For example, in many states, a veteran attending school full time under the Post-9/11 GI Bill can also draw unemployment benefits and be counted as unemployed.

I am not suggesting that is inappropriate. Rather, noting that it is a factor in calculating unemployment rates.

I would say that the centerpiece of our work in the 112th Congress was passage of the Veterans Retraining Assistance Program as part of the VOW to Hire Heroes Act. As of November 13, VA had received nearly 75,000 applications and approved 62,295. That is great progress towards filling all 99,000 slots provided in the legislation, but I am somewhat concerned about the slow enrollment rates and we will discuss that during questioning.

Let me also express my great appreciation to Curt Coy for the energy and professionalism he has displayed in implementing VRAP. I am told you were a bit under the weather for awhile and so I am doubly pleased to see you back.

Before I recognize the Ranking Member, I would like to emphasize that we rely on the Executive Branch for answers that will assist us in forming future legislation. To that end, in the invitations sent to VA and VETS, we have asked them to answer several questions in their testimony centering on the outcomes of those completing their vocational rehabilitation plan and the Veterans Retraining Assistance Program or VRAP.

With that in mind, I find the Department of Labor's response, or should I say non-response to our request for their intentions regarding the utilization of the DVOPS and LVERs totally unhelpful and disappointing. What we have been told you are proposing are significant changes, and it is this Subcommittee's responsibility to ensure that the taxpayer resources are spent in accordance with the law.

I look forward to hearing the answers and I now recognize the distinguished Ranking Member.

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

I'd like to take this time to congratulate you on your re-election and as well as the rest of our Subcommittee colleagues. Hopefully, now that the elections are behind us we can move forward with addressing the challenges facing this nation.

Today we have the opportunity to conduct a hearing to review two important veterans employment programs, the Veterans Re-training Assistance Program, passed under the VOW to Hire Heroes Act (Public Law 112–56), and the Jobs for Veterans

State Grants program. These two critical programs are dedicated solely to the employment, re-employment, and training of veterans.

The Jobs for Veterans State Grants program is a non-competitive grant program offered by the Department of Labor's Veterans' Employment and Training Service office to support the Disabled Veterans' Outreach Program Specialists (DVOP) and Local Veterans' Employment Representatives (LVER). The purpose of this grant is to help veterans find employment or obtain training services when necessary.

The VOW Act made some significant changes to the Jobs for Veterans State Grants program, among them, it clarified the priority of service for veterans in job training programs, required final exams for DVOPs and LVER's at the end of their training and modified the role DVOP and LVER staff. I think it's only appropriate, since it's been nearly a year since the enactment of this act, that we are updated on the status of VRAP and the Jobs for Veterans State Grants program following the new policy.

Prepared Statement of Hon. Tim Walz

I am very pleased with everything the members of the Committee have accomplished this session. I am also pleased to see the progress the Department of Veterans Affairs has made in implementing the VOW to Hire Heroes Act. However, I am concerned with trends regarding the processing of the Post 9/11 G.I. Bill.

As a teacher, I firmly believe that receiving a good education is one of the most important determining factors for economic success. As a retired Command Sergeant Major, I understand the best tool we have given our veterans to achieve economic prosperity is the Post 9/11 GI Bill. The new G.I. Bill is crucial for sending our new generation of veterans to higher education institutions. But for some veterans, the exceedingly slow delivery of VA education benefits payments is causing an unexpected and unacceptable financial burden.

According to the VA's backlog Monday report for the 19th of November, there are 160,000 education claims pending; of that 24,000 are Post 9/11 G.I. Bill claims. In the St. Louis office there are 8,000 claims pending, Buffalo Regional Office has 7,000, Atlanta and Muskogee have 4,000. At Minnesota State University – Mankato there are 418 student veterans that are currently certified, but 53 have not received their tuition payments. At South Central College 114 student veterans are currently certified, but 32 have not received their tuition payments.

I have seen the progress that the VA has made in approving GI Bill benefits, when I first received the GI Bill it took me 6 months to receive my first payment. With today's modern technology, veterans plan to receive their benefits much sooner. When they do not receive their earned benefits, they not only have trouble paying for tuition, they also have trouble keeping a roof over their head and food on the table. When veterans don't receive their benefits by the tuition payment deadline it leaves them with little time to seek the financial assistance they need.

I would like to know what is causing the delay in education benefits delivery, what is being done to ensure benefits are delivered in a timely manner, and how VA expects to manage the expectations and needs of the veterans. I request that the Department of Veterans Affairs work with my staff and the Committee's staff to find answers to these problems. It is imperative that we work together to ensure American's military veterans receive the treatment they've earned.

Sincerely,
Tim Walz
Member of Congress

Prepared Statement of Mr. Moran

Good Morning Chairman Stutzman, Ranking Member Braley, and distinguished Members of the Subcommittee. Thank you for the opportunity to participate in today's hearing on "Review of Veterans Employment Challenges and Initiatives of the 112th Congress." My name is John Moran, and as Deputy Assistant Secretary for the Veterans Employment and Training Service (VETS) at the Department of Labor (DOL or Department), I am proud of the work we are doing to support our Service Members, Veterans, and their families. This morning I will highlight the Department's efforts to provide employment services to separating Service Members and Veterans through the Transition Assistance Program (TAP) and Jobs for Veterans State Grant (JVSG) program, provide an update on our efforts with the Veterans

Retraining Assistance Program (VRAP), and discuss Veterans' unemployment insurance trends and how the Department is exploring strategies to address them.

An estimated 300,000 Service Members, including Guard and Reserve, will separate and leave the military each year over the next five years; that represents approximately 1.5 million individuals who will be looking to start new careers in a challenging economic environment. The nation is rightfully focused more than ever on ensuring that America fulfills its obligations to these Service Members, Veterans, and their families. To that end, President Obama and Secretary Solis are committed to serving our military families as well as they've served us by providing them with the support they need and deserve to successfully transition to the civilian workforce and find and secure meaningful careers.

Veterans offer a unique set of skills, experiences and leadership abilities developed and honed during their years in the military and during combat, yet the October 2012, 10.0 percent unemployment rate for Gulf War-era II Veterans highlights the difficulties returning Veterans are facing in their search for new careers. The challenge of finding good jobs for all Veterans requires a focused national effort that our mission and initiatives directly support. The VETS mission is a direct reflection of our Nation's responsibility to meet the employment, training, and job security needs of Americans who have served in uniform.

We execute our mission through our "P3 Campaign": Prepare Provide and Protect. We Prepare separating Service Members and their spouses for obtaining employment through the DOL Employment Workshop component of the Transition Assistance Program (TAP); we Provide employment assistance and training to separating Service Members and Veterans, and advocate on their behalf across all sectors; and we Protect the employment and reemployment rights of Service Members and Veterans by investigating allegations of wrongdoing under the Uniform Services Employment and Reemployment Rights Act (USERRA), and by monitoring affirmative measures to hire Veterans in Federal contracting.

In Fiscal Year 2011, DOL provided more than 4,200 Employment Workshops to nearly 152,000 participants while simultaneously initiating a major effort to revamp and update the Employment Workshop curriculum. Components of the revised Employment Workshop include: translating military experience into equivalent civilian language; enhanced resume development; and increasing skills in interviewing techniques. Results of pilot Employment Workshop surveys indicate that 91 percent of participants believe the course improved their confidence in successfully planning for their transition. These early results provide assurance that the new curriculum is meeting our Veterans' needs and expectations. Additionally, in Program Year 2010 (July 2010 – June 2011), we provided employment assistance to 1.5 million Veterans through the American Job Centers (AJCs). And, as of November 2, 2012, 59,737 VRAP applications have been approved since the program began operation in July 2012. We have also investigated 1,548 new USERRA complaint cases, helping Service Members and Veterans resolve employment issues. Although we've done well, we want and need to do more to assist our transitioning Service Members, Veterans and their families.

Proactive Outreach:

In an effort to provide enhanced employment assistance to separating Service Members, Veterans, and spouses, we aim to be more proactive in our outreach to transitioning Service Members even earlier in the transition process. Historically, the Department's primary touch point with separating Service Members has been during TAP, specifically, during the Employment Workshop. For many separating Service Members, attendance at TAP occurs many months after they have decided to separate from the military. The gap between when they make that decision and their attendance at TAP, for example, represents an opportunity to provide early information on the employment assistance available through our AJCs. TAP also affords an opportunity for the Department of Veterans Affairs (VA) to inform Service Members about VA benefits and health, which also are viewed as a vital part of the overall post-military employment process. As such, one of our key goals is to increase outreach to separating Service Members and Veterans as early in the transition process as possible.

Our outreach strategy involves a four-fold increase in the number of times we interact and provide employment assistance and guidance to separating Service Members. These four "touch points" occur: 1) when the service member decides to separate from military service; 2) when the service member attends the TAP Employment Workshop; 3) at the point of formal separation; and 4) approximately 70 days after separation. Each touch point reinforces the service member's awareness and understanding of the benefits of the AJCs. At the first touch point, we provide basic information on AJCs. At the second touch point, TAP Employment Workshop

attendance, Service Members and their spouses not only learn about Job Centers' resources, but they also have an opportunity to register for online services provided by the Department and receive information about the Job Center nearest to the community where they intend to live. When the service member separates, the third touch point, we remind the member of the services provided at AJCs. The fourth touch point reaches this cohort at a time when they may be surprised at the difficulty of their job search. It provides yet another reminder of the specific help they can get, where they can get it, and what it will do for them.

This four-point strategy will lead to improved employment outcomes and decreasing Unemployment Compensation costs. It will also reinforce the message that we are standing by our troops – even after they leave the service. With the skills developed during military service, the preparation received prior to separating, and civilian employers recognizing the value of hiring Veterans, we expect that many Veterans will continue to find good jobs on their own. However, we want to continually remind our Veterans of the help and services available to them through our nationwide AJC network.

Jobs for Veterans State Grant (JVSG) Strategy:

Earlier I pointed out that nearly 300,000 Service Members will be separating from the military each year over the next 5 years, totaling approximately 1.5 million individuals. The federally-funded public workforce system, comprised of approximately 2,800 AJCs across the nation, will be challenged in meeting the increased demand for employment services for these heroes.

The public workforce system provides priority of service for Veterans in all DOL-funded employment and training programs. In addition, VETS, through the JVSG program, funds two types of state-level positions: the Disabled Veteran Outreach Program Specialists (DVOPs) and the Local Veteran Employment Representatives (LVERs). Specially trained DVOPs provide intensive services for Veterans who have significant barriers to employment to focus on improved employment prospects. LVERs conduct outreach to employers to develop and identify employment opportunities for all Veterans served by the AJC, and to educate and advise all AJC staff on Veteran issues.

Over the years, there has been a lack of clarity about the primary duties of DVOPs and LVERs, which has led to a risk that those Veterans with the most significant barriers to employment could be underserved. VETS and DOL's Employment and Training Administration (ETA) have been working closely together to examine and refocus the roles and responsibilities of DVOPs and LVERs, and intend to issue guidance on this in the future. We will keep the Committee informed as our work on this issue progresses.

Veterans Retraining Assistance Program (VRAP) Outreach and Participation:

Section 211 of the VOW Act established the VRAP for unemployed Veterans aged 35 to 60 to provide eligible Veterans with up to 12 months of Department of Veterans Affairs (VA)-funded retraining assistance to pursue an associate degree or certificate in a high-demand occupation. The VOW Act specifies that the VA and DOL shall jointly administer the process for determining an applicant's VRAP eligibility. DOL's specific responsibility is to determine an applicant's initial eligibility based on their age, employment status, and previous participation in other job training programs. To this end, DOL and the VA have developed a joint application process that relies on a combination of VA data and self-attestation to ensure the timely implementation of this requirement. We highly encourage all eligible Veterans to apply for and utilize their earned benefits under VRAP.

The Department's outreach efforts are focused on not only ensuring that eligible participants are accepted into the VRAP, but that they also complete their training. DOL has strongly encouraged State Workforce Agencies to promote the program at the state and local level, and has received informal updates from the states about their ongoing outreach efforts. The vast majority of states, for example, have specifically mentioned utilizing their Unemployment Insurance (UI) system or other case management systems to identify unemployed age-eligible Veterans for targeted VRAP outreach. Although this approach is not capable of identifying all age-eligible Veterans, it is an effective starting point for targeting age-eligible Veterans who are unemployed and likely in need of retraining and employment assistance.

In May 2012, DOL issued formal announcements providing the workforce system with general information on the VRAP (Training and Employment Notice 43-11 and Veterans Program Letter 7-12), and presented a joint webinar with the VA offering a walk-through of the VRAP application. In October 2012, DOL provided formal policy guidance for the workforce system on providing outreach to VRAP participants

after they exit the program (Training and Employment Guidance Letter 8–12). Further, DOL sent a “Welcome to VRAP” email to over 50,000 Veterans with an approved application. This email informed them of the services and assistance available through the AJCs; the right to priority of service as a Veteran; how to locate their state’s job bank and find the nearest AJC; and VA contact information if they need to discuss their VRAP application or certify enrollment. DOL and VA have also discussed providing additional outreach to the VRAP-approved applicants who have yet to enroll in training.

Moreover, DOL is leveraging the core employment services provided under the Wagner-Peyser Act to track the employment outcomes of VRAP participants who receive employment assistance from AJC staff. Specifically, the Department will capture the entered employment, employment retention, and earnings outcomes of Veterans who participate in VRAP, and then subsequently receive employment services through the Wagner-Peyser Act program. DOL also prepared a Paperwork Reduction Act (PRA) Information Collection Request for OMB approval to collect data on the level of outreach provided to each VRAP participant after he or she has completed VRAP training. Lastly, DOL and the VA are developing a set of follow-up inquiries for VRAP participants to measure their satisfaction with the VRAP. As of November 1, 2012, there were 59,737 Veterans accepted into the VRAP, with 16,264 Veterans enrolled in training. It is expected that post-training employment assistance services will be provided by AJC staff, with DVOP specialists supporting those Veterans with significant barriers to employment.

Veterans Unemployment Compensation:

State Workforce Agencies track those individuals who were recently separated from military service under the Department of Defense and are receiving unemployment insurance (UI) benefits through the Unemployment Compensation for Ex-Servicemembers (UCX) program. During the month of September, for example, the average weekly number of payments to UCX claimants was 53,629. This includes UCX claimants in the regular UI program, the Emergency Unemployment Compensation Act of 2008 (EUC 2008) program, and the Federal-State Extended Benefits (EB) program. Average duration of claims can only be provided for UCX claimants while they are in the regular program, which in most states constitutes the first 26 weeks of UI, paid for and administered by the states. For the 12 months ending September, 2012, the average duration for UCX claimants in the regular UI program was 21.5 weeks. For the 12 months ending September, 2012, 90,965 UCX claimants drew at least one check in the regular program and 58,760 of those claimants used all of their benefits, exhausting their regular program entitlement. This equates to a 64.5 percent exhaustion rate; we can only provide an exhaustion rate measure for those UCX claimants in the regular program.

In addition, the U.S. Army approached our partner agency, ETA, in the fall of 2011 to discuss collaborative strategies to support improved outreach to Veterans receiving unemployment benefits under the UCX program. Those discussions led to a decision to partner with four states to develop and model new strategies that provide a strong collaboration among the UI system, the public workforce system, and the three branches of the Army (regular, Guard, and Reserves). Four states—Georgia, Illinois, North Carolina and Texas—received grants of \$750,000 each from the Program Year 2011 (July 2011–June 2012) WIA Dislocated Worker Demonstration funds to participate in this initiative. These states were selected based on their high UCX claimant populations and demonstrated interest in developing innovative reemployment strategies for Veterans. The Enhanced Outreach and Employment Services for Army Unemployment Compensation for UCX Claimants Initiative will support the development and implementation of new outreach and service delivery strategies, data sharing, as well as delivery of enhanced reemployment services provided to UCX claimants. We expect to see new strategies to increase access to job search opportunities for UCX Claimants emerge from this effort.

Conclusion:

Over the next five years, a projected 1.5 million Service Members will be transitioning from active duty to civilian life. We owe these brave men and women the best services and benefits our Nation can provide. The Department and this Administration are firmly committed to fulfilling that sacred obligation. We strive daily to do so through programs and services designed to Prepare, Provide and Protect our transitioning Service Members, Veterans and their spouses.

Mr. Chairman, Ranking Member Braley, Members of the Subcommittee, this concludes my statement. Thank you for the opportunity to testify today. I would be pleased to answer any questions you may have.

Prepared Statement of Mr. Coy

Good morning Chairman Stutzman, Ranking Member Braley, and Members of the Subcommittee. I am pleased to join you this morning to discuss the Department of Veterans Affairs' (VA) efforts to prepare Veterans for re-employment and/or retraining through the Vocational Rehabilitation and Employment (VR&E) Program and the Veterans Retraining Assistance Program (VRAP).

The Secretary of Veterans Affairs has made Veterans employment one of his highest priorities. VA has several ongoing programs and initiatives that assist Veterans and Servicemembers with their transition and employment needs, including:

- The VR&E Program for our wounded warriors and disabled Veterans;
- Education programs, most specifically the Post-9/11 GI Bill, that prepare Veterans for future employment opportunities;
- Employment resources, including the eBenefits portal and VetSuccess.gov;
- Implementation of the "VOW to Hire Heroes Act of 2011," (Public Law 112-56), specifically VRAP, and mandatory participation by Servicemembers in the redesigned Transition Assistance Program (TAP);
- The VA For Vets Program, helping Veterans seeking federal-sector employment in VA, as well as basic pre-employment job-search skills and;
- VA job fairs and other job fairs at which VA participates.

The Department of Labor's (DOL) Bureau of Labor and Statistics (BLS) most recently reported that overall Veteran unemployment was 6.3 percent, representing about 689,000 individuals. For our Post-9/11 Veterans, unemployment was above the national average at 10.0 percent, or about 209,000 Americans. The Veterans Benefits Administration (VBA) Office of Economic Opportunity has Veteran employment as one of its key responsibilities. By combining our Education, VR&E, and Home Loan Guaranty programs under a single office, VBA is also leveraging existing VA benefits and programs to improve Veterans' employment opportunities.

Veterans come with outstanding credentials. They possess valued skills, knowledge, and expertise, and they bring discipline, emphasis on teamwork, and an unparalleled mission-oriented work ethic to their jobs. Nevertheless, many continue to have trouble finding employment that matches their talents and interests.

VR&E PROGRAM FOR WOUNDED WARRIORS AND DISABLED VETERANS

VA has long offered employment services through the VR&E Program. Through 57 regional offices and over 160 out-based locations, the VR&E Program joins Veterans with more than 800 vocational rehabilitation counselors (VRCs) who assist Veterans with service-connected disabilities prepare for, find, and keep suitable jobs. The VR&E Program is available to Veterans who have a service-connected disability rating of at least 10 percent, with a serious employment handicap, or a rating of at least 20 percent, with an employment handicap.

With assistance from VRCs, Veterans evaluate their interests, aptitudes, and capabilities to determine the best career paths, given their service-connected disabilities. While the Veteran is in school, VRCs work with him or her, as well as school officials, to ensure benefits are paid on time. VRCs assist Veterans with their classes, ensure they are performing well, and provide additional tutoring or other assistance when needed.

Over 90 VR&E employment coordinators (ECs) across the country work with DOL Disabled Veterans Outreach Program specialists (DVOPs) and Local Veterans Employment Representatives (LVERs) to help place Veterans in suitable careers. ECs leverage relationships with civilian employers to help match each Veteran with an appropriate work place. ECs can also offer special programs to qualified companies that want to hire Veterans, including employer incentives, on-the-job training, and non-paid work experience. In fiscal year (FY) 2012, VA offered its first "EC Certification Training Course," designed to standardize and establish consistency of services across the country, with 82 ECs certified after completing the training.

In FY 2012, VR&E provided services to over 114,000 Veterans, an increase of 5.8 percent from FY 2011. These services resulted in more than 8,000 employment rehabilitations, an increase from 7,420 in FY 2011. Over 70 percent of Veterans who completed a VR&E rehabilitation program are currently working in a professional, managerial, or technical career. Job placements vary greatly based on each Veteran's specific needs. Approximately 60 percent of Veterans find careers in the private sector, including faith-based and community organizations, or opt for self-employment. The remaining 40 percent of Veterans find placements in Federal, State,

or local governments. The average post-rehabilitation salary for Veterans in FY 2012 was \$39,341, a 450 percent increase from pre-rehabilitation salaries.

For severely disabled Veterans who cannot currently participate in programs of vocational rehabilitation or seek employment, VR&E provides the Independent Living (IL) Program. Through this program, VA provides a wide range of services to assist Veterans in becoming as independent as possible in their activities of daily living. During FY 2012, approximately 2,700 Veterans successfully achieved their IL goals, both at home and in their communities. This was an increase from 2,442 in FY 2011.

VR&E personnel also provide educational and vocational counseling services to Veterans eligible for VA education benefits. Commonly referred to as "Chapter 36" counseling, eligible Veterans and Servicemembers who are within six months of discharge are able to meet with employment counselors to receive assistance in selecting their employment goals and choosing educational and training objectives to meet their goals. Through this program, beneficiaries can also receive counseling to facilitate their transition from active-duty service to civilian employment.

EDUCATION PROGRAMS

Helping solve the issue of Veteran unemployment begins with giving our Veterans a strong educational and/or training foundation on which to build their careers. The Post-9/11 GI Bill provides financial support to Veterans to pursue undergraduate and professional degrees, career and technical training, licensing and certification requirements, industry-recognized credentials or certificates, on-the-job experience, and even training in entrepreneurship. Since the program's inception in August 2009, VA has issued over \$23 billion in benefit payments to over 860,000 beneficiaries. During the 2012 fall term, VA received enrollments for over 470,000 participants attending institutions of higher learning, with another 9,200 beneficiaries enrolled in non-college degree programs. From meetings with employers, Veterans, and Veterans Service Organization (VSO) representatives, it is clear there is a great demand in our economy for Veteran employees. The concern facing employers is that they must find qualified employees who have the experience, education, and training needed to fill positions.

Where a Veteran is struggling in a particular subject area, tutorial services are available. To be eligible to receive tutorial assistance, a Veteran must be enrolled at least half time, receiving VA educational assistance, and have a need for the tutoring. The benefit comes in the form of a stipend, equal to the cost of tutoring but not to exceed \$100 per month for twelve months. Remedial training in basic mathematics, reading, and English may also be available.

Executive Order 13607 (Establishing Principles of Excellence for Educational Institutions Serving Service Members, Veterans, Spouses, and Other Family Members) directed VA to assist to "stop deceptive and misleading" school recruitment efforts. To adhere to the President's directive, VA applied to trademark the term "GI Bill." On October 16, 2012, the US Patent and Trademark Office issued a certificate of registration to VA for the term "GI Bill" that will help prevent predatory school recruitment practices that target VA beneficiaries.

VA's education and training programs, VRAP, and VetSuccess on Campus (VSOC) program are integrated and ensure that Veterans receive the foundation of skills and training they need to be successful in the civilian work place.

EMPLOYMENT RESOURCES

In the past two years, VA significantly improved its online employment resources. The VetSuccess.gov Web site is a "one-stop shop" that integrates the tools and information Veterans need to find employment and advance their careers. The site incorporates resources to help Veterans and their families in all aspects of their job search, from networking to completing applications and resume-building. The site allows Veterans to post their resumes and enables employers and hiring managers to search for qualified applicants. Over 4,300 employers and nearly 164,000 Veterans are registered on the site, and employers posted more than 18,000 job openings in FY 2012.

The VSOC program is another important initiative to help Veterans succeed in school by facilitating their transition from military to campus life. A VSOC counselor, placed permanently on select campuses, ensures Veteran students receive the VA benefits and services to which they are entitled while also serving as a liaison with school certifying officials. Counselors provide vocational testing, career and academic counseling, and adjustment counseling to resolve problems interfering with successful completion of a Veteran's education program. In FY 2012, the VSOC program expanded to a total of 32 campuses. VA plans to add another 52 VSOC counselors in FY 2013.

The joint VA–Department of Defense (DoD) eBenefits portal is another web-based tool initiative that provides access to tools to assist transitioning Servicemembers and Veterans in their job search. This site allows users to search their online personnel file and access important service records needed when applying for civilian employment, including their separation documents (DD–214). The portal also accepts applications and provides information about Veterans’ education, home loan, compensation, and other VA benefits. The eBenefits site also features a “Career Center” with single sign-on capability to VetSuccess and VA for Vets. Additional online career tools are available to assist Veterans in completing self-assessments, translating their military skills to civilian occupations, and building their resumes.

On November 8, 2010, DoD directed all new Active-Duty, National Guard, and Reserve members who subsequently obtain a Common Access Card (CAC) to also obtain a Department of Defense Self-Service (DS) Logon credential for accessing the eBenefits portal.

IMPLEMENTATION OF THE VOW TO HIRE HEROES ACT OF 2011

The VOW to Hire Heroes Act of 2011 created VRAP to assist in employing the hardest hit segment of the Veteran population – Veterans aged 35 to 60. VA is authorized to provide VRAP benefits to 45,000 participants beginning in FY 2012 and an additional 54,000 participants in FY 2013.

Data on VRAP Applications

The VOW Act requires that VA and DOL jointly administer the process for determining an applicant’s VRAP eligibility. VA began accepting applications in May 2012 and received over 45,000 applications in the first four months the application was available. Interest in the benefit remains high, as VA receives more than 2,300 applications each week. There have been 250,000 logged visits on the VRAP web page to date. VA has already received more than 73,000 VRAP applications and issued over 62,000 certificates of eligibility to begin training in either FY 12 or FY 13. Of the applications received, approximately 5,000 VRAP applications were denied. More than 73 percent of denials were because the applicant was eligible for another VA education benefit. Other less common reasons for denying VRAP applications are that the applicant received a dishonorable discharge (17 percent of those denied) or did not serve on active duty (2 percent of those denied).

Age Breakdown of VRAP Participants

To qualify for VRAP, a Veteran must be unemployed, at least 35 years old but not older than 60, and must not be eligible for any other VA education benefit. Within the targeted demographic, the average age of VRAP participants is 49. Participants between the ages of 35–44 make up 26 percent, ages 45–54 make up 48 percent, and 55 years or older comprise another 26 percent of total participants. Participants come from all 50 states, as well as the District of Columbia and Puerto Rico. The states with the highest number of Veterans in receipt of a certificate of eligibility are California, Florida, Georgia, Texas, and North Carolina.

Funding for VRAP

More than 17,000 Veterans are currently enrolled in school using VRAP, and VA has already provided over \$27 million in program benefits directly to these Veterans. VRAP provides up to one year of Montgomery GI Bill benefits to unemployed Veterans who wish to seek training in any one of the 211 high-demand career fields identified by our partners at DOL. To date, the most popular areas of study under VRAP are:

- 1) Computer support specialist;
- 2) Substance abuse and behavioral disorder counselor;
- 3) General and operations manager;
- 4) Business operations manager;
- 5) Heating, air conditioning, and refrigeration mechanic;
- 6) Cook;
- 7) Heavy and tractor-trailer truck driver;
- 8) Paralegal and legal assistant;
- 9) Registered nurse; and
- 10) Medical assistant.

These ten careers account for over 48 percent of all VRAP enrollees.

VA Plan to Promote VRAP in FY13

Based on current application rates, VA and DOL expect to reach the 99,000 participant limit in early-February 2013. This success came through a significant outreach effort by VA, DOL, and our partner agencies. To ensure the success of VRAP, VA produced and plans to air two radio public service announcements on more than

1,600 stations. VA produced and plans to air two internet and television advertisements on the following networks: CBS, ABC, Verizon, Comcast, Disney, and ESPN. Additionally, VA created multiple print advertisements and worked with several periodicals to have advertisements published, to include the Military Times and its service branch counterparts.

VA is not only focused on contacting potential VRAP applicants, but is also making significant efforts to reach those Veterans who received a certificate of eligibility and have not yet enrolled in school. We currently have over 75 email distribution lists containing over 3,000 email contacts and continue to actively spread the word about the VRAP opportunity. VA coordinated with several nationwide retailers to have VRAP flyers distributed to their customers during Veterans Day.

Title 2 of PL 112-56 required improvement of TAP, including mandatory participation for separating Servicemembers, individualized goal setting, military occupational specialty (MOS) crosswalk, and an end of military career event (CAPSTONE). VA, DOL, and DoD partnered to revamp the existing TAP program and have collaborated with a number of agencies on this initiative, including the Departments of Education and Labor, the Small Business Administration, and the Office of Personnel Management, to better prepare Servicemembers for transition. The result transforms the traditional, optional TAP into a mandatory, multi-day training seminar, piloted at various military installations, with the intent to provide continual improvements as enhanced benefits and technology advancements occur in the coming years. Representatives from DoD, DOL, and VA will provide several days of instruction on the various benefits available to Veterans and provide individual assessments to assist with translating skills developed in military occupational specialties to qualifications required for civilian employment. Traditional slide presentations given to large auditoriums full of transitioning Servicemembers are replaced by smaller, more personal classroom sessions. The new TAP will also offer optional workshops focused on the Servicemember's intended civilian path—education, technical training, or entrepreneurship. These workshops will provide personalized information to assist Servicemembers in their pursuit of education, employment, and business opportunities. The new TAP will also include Department of Labor Employment Workshops, which focuses on assisting Servicemembers in finding meaningful civilian employment.

VA FOR VETS

VA is leading the Federal government in hiring Veterans through its VA for Vets program, that is part of the Veteran Employment Services Office. The office was created in 2011 and became the first of its kind fully dedicated to Veterans' Federal employment. VA for Vets prepares job-seeking Veterans for careers at VA. The program assists Veterans translate their military skills and training into civilian careers. It also provides tools and resources to human resources professionals, supervisors, and training managers to help them recruit and hire Veterans. In its first year, VA for Vets offered career coaching to 19,000 Veterans and helped produce over 28,000 Veteran resumes. Specific details on the program can be found on the Web site (<http://vaforvets.va.gov/Pages/default.aspx>)

VA JOB FAIRS AND OTHER JOB FAIRS AT WHICH VA PARTICIPATES

In January 2012, VA organized the first-ever, large-scale Veteran hiring fair in Washington, DC. Attended by more than 4,100 Veterans, the "Veteran Career Fair and Expo" resulted in over 2,200 on-the-spot interviews and more than 550 tentative job offers. At the June 2012 Veteran Hiring Fair in Detroit, coupled with the VA's small business conference, employers interviewed another 5,700 Veterans and made over 1,300 tentative job offers. Veterans hire Veterans, so the more Veteran entrepreneurs we cultivate, the more opportunities exist for Veterans' employment.

VA partnered with the U.S. Chamber of Commerce in support of the Chamber's Hiring Our Heroes initiative. The Chamber of Commerce hosted over 200 Hiring Our Heroes career fairs in 48 states, the District of Columbia, and Puerto Rico. VA Employment Counselors attended almost 90 of those career fairs, where they connected Veterans with employers, assisted Veterans in applying for benefits, and provided career coaching on resume building and interview techniques.

CONCLUSION

VA and its partners have made significant strides in Veteran employment in the last two years. With an estimated one million Veterans likely to separate or retire in the coming five years and many of our youngest Veterans still unemployed, now is the time to redouble our efforts to bring the intrinsic values our Veterans have to bear to the civilian workforce. VR&E and VRAP allow VA to take tangible steps to assist training and employing our Veteran population. We thank the Sub-

committee in helping us achieve these goals and allowing us to testify on the important issue of Veteran employment.

Mr. Chairman, this concludes my statement. I welcome any questions you, or the other members of the Subcommittee, may have for me.

Prepared Statement of Mr. Cantu, Jr.

GREETING

Good Morning, Chairman Stutzman, Ranking Member Braley, and Members of the Committee. For the record, my name is Eliseo "Al" Cantu, Jr., Chair of the Texas Veterans Commission. I am humbled by the invitation to testify before you today. On behalf of the Texas Veterans Commission, I would like to thank the Committee for this opportunity and for your interest in the efforts the state of Texas has undertaken in order to serve the 1.7 million Veterans in our state.

I am accompanied today by Mr. Shawn Deabay, Director of the Texas Veterans Commission's Veterans Employment Services (VES) program. Mr. Deabay has worked in the VES program for nearly 13 years, working his way up from a Disabled Veterans Outreach Program (DVOP) Specialist and Local Veterans Employment Representative (LVER). In 2007, he was named the Texas LVER of the year by the American Legion and recognized as the National LVER of the Year by the Disabled American Veterans (DAV). After being promoted to Regional Manager for the East Texas Region, his region won the Veteran of Foreign Wars (VFW) Employment Distinguished Services Award. He became the program's Operations Director, and eventually Program Director in 2011.

My testimony will provide you with information regarding Veterans employment in Texas with details on how we have implemented the Veterans Re-training Assistance Program (VRAP) as well as our view on the roles and responsibilities of LVERs and DVOP Specialists.

TEXAS VETERANS COMMISSION

The Texas Veterans Commission is the Veterans advocacy agency for the state of Texas. Our mission is to advocate for and provide superior service to Veterans in the areas of claims assistance, employment services, education, and grant funding that will significantly improve the quality of life for all Texas Veterans, their families and survivors. The Texas Veterans Commission provides these services through four program areas: Claims Representation and Counseling, Veterans Employment Services, Veterans Education Program, and the Fund for Veterans' Assistance. Additionally, the Texas Veterans Commission has three initiatives that connect Veterans with services: Veterans Communication and Outreach, Women Veterans Initiative, and the Veterans Entrepreneur Program.

No other state has centralized all of these program areas within their state's Veterans agency. Texas is becoming recognized for aggressively leading on Veteran issues. National leaders have referred to the "Texas-model" when advocating for the integration of Veterans services. This integration allows the agency to remain Veteran focused, with no competing priorities.

VETERANS EMPLOYMENT SERVICES (VES) SUCCESS

The Texas Veterans Commission's VES program assists Veterans with obtaining long-term meaningful employment. In the most recent 12-month reporting period, our LVERs and DVOP Specialists assisted 69,080 Veterans, with 38,714 of those Veterans obtaining employment, and earned \$1.4 billion in wages. This has a positive impact on Veterans and their families and has significantly contributed to the lower Veteran unemployment rate in Texas.

The Texas Veterans Commission received \$11,573,000 from the U.S. Department of Labor Veterans Employment and Training Services (DOL-VETS) to operate the Jobs for Veterans State Grant (JVSG). As a result of the efforts of LVER and DVOP Specialist staff, 221 Veterans obtained employment for every one LVER/DVOP staff person. Texas accounts for 18 percent of the nation's Veterans entering into employment after receiving assistance from VET staff while spending 7 percent of the federal funding from the Jobs for Veterans State Grant (JVSG).

Our goal is to assist as many Veterans as we can while continuing to provide high-quality services. There will be thousands of military service men and women coming home over the next few years, which will increase the need for our services. We owe it to our nation's heroes to assist them with their employment needs when they come home. Employment stabilizes Veterans and their family's lives, allowing them to make the difficult transition from military to civilian life.

I commend Congressional leaders on your efforts in passing VOW to Hire Heroes Act of 2011, especially the Veterans Re-training Assistance Program (VRAP). This program allows older Veterans with limited skills and training to receive much needed assistance. LVERs and DVOP Specialists have and will continue to outreach to as many Veterans as they can to ensure there is a vast awareness in Texas. As of October 18, 2012, there were a total of 4,197 approved VRAP applications in Texas with 1,194 Veterans actively participating in training.

LVER/DVOP SPECIALIST ROLES AND RESPONSIBILITIES

As the Director of our VES program, Mr. Deabay, sits on the National Association of State Workforce Agencies, Veteran Affairs Committee. During their most recent meeting in August, the Committee members were briefed by John Moran, Deputy Assistant Secretary for Operations and Management for DOL-VETS on changes to the LVER and DVOP Specialist's roles and responsibilities. While we appreciate the desire to improve the JSVG and even the focus of some of the changes, we are concerned that other changes will be detrimental to Veterans across the nation. We must voice our concerns regarding policy changes that adversely impact our ability to serve the Veterans of Texas. The Texas Veterans Commission is completely opposed to any recommended changes to the VES program which would eliminate, or even place limits upon, our ability to see and serve Veterans.

One of the proposed changes is that DVOP Specialists will be limited to serving no more than 20 percent of the Veterans in the Workforce System. States serving more than 20 percent could be placed on a Corrective Action Plan and face possible sanctions. VES exists to serve our nation's heroes. Placing limitations on the number of Veterans that can be seen by our staff adversely impacts Veteran's ability to locate and retain long-term and meaningful employment.

DVOP Specialists will also be limited to strictly case management activities and will not provide services to Veterans not enrolled into case management. In Texas, the non-VES workforce staff of our partners at the Texas Workforce Commission has budget challenges of their own. An assumption that the Veteran population can be seamlessly absorbed by these partners is overly optimistic. The initial assessment of a Veteran's needs is an extremely import function and includes a one-on-one, in-depth evaluation to identify significant barriers to employment and a plan to address the needs. This assessment should be conducted by VES staff whenever possible, as VES staff are specifically trained to identify these barriers. In Texas, all VES staff members are Veterans themselves and there is immense value in Veterans being served and assisted by fellow Veterans. Generally, VES staff can devote more time providing quality one-on-one services, which helps those ultimately enrolled in case management.

LVERs will not serve Veterans; they will only be allowed to perform employer outreach. Title 38 U.S.C. § 4102 clearly states that one of the priorities of a LVER is to assist recently separated Veterans along with outreach to employers. Employer outreach is a vital part of the employment equation, and Texas has embraced this by focusing four of its LVERs on employer outreach as Veteran Business Representatives, a change that was difficult to get DOL-VETS to embrace. Yet we know that locating employment opportunities only fills half of the need. Moreover, this change severely impacts rural areas and simply moving an LVER into a DVOP Specialist's role is not the answer. Then we will have employers not being outreached.

The performance expectation for the entered employment and retention rates for recently separated Veterans will be removed. The VES program at TVC is dedicated to helping any and all Veterans, with an emphasis on recently separated and disabled Veterans. The national unemployment rate for Gulf War II Era Veterans has remained over 10 percent for 27 of the past 36 months, peaking at 15.2 percent in January 2011. Now is not the time to reduce or eliminate a focus on recently separated Veterans. TVC takes a proactive approach by actively seeking our recently separated Veterans, who may not immediately seek assistance through local workforce centers. TVC monitors new UI claimants, outreaches to colleges and universities, and supports other outreach efforts in order to ensure all Veterans know about our services.

DOL-VETS wants fewer LVERs and will require states to convert the majority of their LVERs to DVOP specialists. The duties performed by LVERs require an entirely different skill set than the duties performed by a DVOP Specialists. Simply changing the job duties of an LVER to a DVOP is not realistic and will result in a significant increase in staff turnover and loss of valuable experience and knowledge helping Veterans.

The LVER and DVOP Specialist programs were established to ensure services are received by Veterans. One of the major reasons for our success, and an element that cannot be understated is Veterans serving Veterans. Veterans should be afforded

the opportunity to be served by highly trained VES staff with an understanding and expertise in the transition from military to the civilian workforce.

VES staff can provide the following because of their military experience and their specialized Veteran employment training:

- VES staff know what Veteran services are available locally
- VES staff generally can spend more time with a Veteran to obtain a true assessment
- VES staff can advise the Veteran of possible USERRA rights
- VES staff can advise the Veteran of possible Veterans Preference eligibility
- VES staff can assist the Veteran with translating military occupation to civilian skills
- VES staff is familiar with local Homeless Veterans Reintegration Program (HVRP) and Veteran Workforce Investment Program (VWIP) grants
- VES staff knows about REALifelines, VR&E, Unemployment Compensation for Ex-Servicemembers (UCX), Homeless Veterans' Prevention Project, and everything else in their community that might benefit the Veteran sitting at their desk

HOW TO IMPROVE VETERANS EMPLOYMENT SERVICES ACROSS THE NATION

Require Veterans serving Veterans. Every LVER and every DVOP Specialist must be a Veteran. This requirement was part of legislation approved by the House of Representatives earlier this year and must be incorporated into the Jobs for Veterans State Grant.

Create Supportive Supervising Structures. While each state must have the ability to determine the supervising structure that works for that state, DOL-VETS should require that coordination and reporting for the Jobs for Veterans State Grant is directly to the senior executive responsible for the grant in the state. Moreover, depending on the size of the Jobs for Veterans, it might be the only program that person is responsible for. The Jobs for Veterans State Grant and serving Veterans deserves no less.

Reward Performance. Instead of a focus on dictating what states can do, DOL-VETS should work with the states to develop meaningful performance standards and add a performance element to the funding formula. Then states that perform at a high level should receive increased funding rather than the current system which actually punishes states that do a good job and rewards those that do not.

Require Input from the States. The policy changes being contemplated by DOL-VETS were not developed in partnership with the states. DOL-VETS should be required to have a working group of small, medium, and large, high-performing states. The focus of this working group would be on how all states can improve employment services to Veterans and provide recommendations to DOL-VETS with a focus on best practices.

Encourage innovation. DOL-VETS must allow states to be innovative and to create methods to serve as many Veterans as they can, while continuing high quality. When Texas wanted to four of our LVERs to serve as Veteran Business Representatives and work with employers, DOL-VETS resisted this change, which they now embrace in the extreme. DOL-VETS should not be placing limits on the services that states provide Veterans or choosing which parts of the law governing these programs it believes are more important.

CLOSING

In closing, I would like to thank the Committee for the opportunity to share this perspective with you today. TVC has demonstrated the capability to have a positive impact on Veterans employment issues. With the support of this Committee, we believe that the VES program in Texas can continue to develop innovative and effective ways to improve the employment services provided to Veterans in our state.

Summary of Testimony by Major General Turner (Ret.)

SUMMARY OF TESTIMONY

- While State Workforce Agencies (SWAs) are challenged by higher demand for services and diminished funds, over the last five years, an additional 16 million jobs were made available to state job banks nationwide at no additional cost to federal and state government, employers, or jobseekers, through the National Labor Exchange (NLX).

- Although vague information has been shared with NASWA and its members about the proposed policy directive expected to significantly change the job descriptions and responsibilities of Disabled Veteran Outreach Program (DVOPs) and Local Veteran Employment Representatives (LVERs), it is difficult to comment on a document that is not yet available. States believe it would have been more efficient if USDOL chose to work with NASWA and states in the development of the policy directive before it is announced.
- States appreciate and strongly support the implementation of the Veterans Retraining Assistance Program (VRAP). The primary difficulty in working with VRAP participants is the Department of Veterans Affairs will not disclose Social Security numbers of VRAP participants with the workforce system. Social Security numbers are the primary identifier used in the workforce system to register, track and report services. This disconnection between the two systems makes it difficult to track VRAP participants, ensure they are offered the services of the one-stop system, and record outcomes.
- The VRAP program is administered by the VA, with veterans' basic eligibility determined by the U.S. Department of Labor. Veterans self-select training courses from an approved list of demand occupations for training provided by an approved training provider. The workforce system has no role in the program – other than to promote it – until the veteran completes training and then the public workforce system has the responsibility to assist the veteran in finding employment. State Workforce Agencies are concerned that the ultimate responsibility for the end result of the training lies with them, with no involvement with the veteran until the completion of training.
- State Workforce Agencies and the one-stop career system actively promote the VRAP to eligible veterans. States are using a variety of methods to promote the program to veterans, local workforce investment boards, one-stop career centers, and employers. Most—if not all—states have systems in place to contact all age-eligible veterans, who have registered for employment services with the State Workforce Agency.
- NASWA has promoted VRAP through presentations and information sharing at meetings of its Veterans Affairs and Employment and Training Committees and to its Board of Directors; conducting a webinar on VRAP; promoting VRAP in its primary publication, "Bulletin;" and providing information on a LinkedIn forum for state veterans' coordinators.

Prepared Statement of Major General J. Turner (Ret.)

Chairman Stutzman, Ranking Member Braley and Members of the Subcommittee, on behalf of the National Association of State Workforce Agencies (NASWA), I thank you for the opportunity to submit written testimony and to appear before you to discuss federal and state veterans' employment programs, their challenges, and various initiatives.

The members of our Association are state leaders of the publicly-funded workforce development system vital to meeting the employment needs of veterans. This is accomplished through Wagner-Peyser Act (employment services), Workforce Investment Act (WIA), the Disabled Veterans' Outreach Program (DVOP) and the Local Veterans' Employment Representatives (LVER) programs, as well as other programs and initiatives offered through the publicly-funded workforce system.

NASWA serves as an advocate for state workforce programs and policies, a liaison to federal workforce system partners, Congress and the public, and a forum for the exchange of information and practices. Our organization was founded in 1937. Since 1973, it has been a private, non-profit corporation, financed by annual dues from member state agencies, grants, and private sector alliance funds. NASWA represents workforce agencies in all fifty states, the District of Columbia, Puerto Rico, and Guam.

NASWA thanks the Subcommittee for development of legislation to enhance services available for military members and veterans, their families, and to improve the transition of military members to civilian lives and careers. Helping veterans make a successful transition from their service in the military to civilian careers remains a significant challenge.

I would like to acknowledge the passage of the VOW to Hire Heroes Act of 2011, which included the Veterans Retraining Assistance Program (VRAP), and thank the Subcommittee for its work on this important legislation. This new legislation addresses a lack of training opportunities for older veterans, and provides much needed resources for these veterans.

Now, I would like to turn to the specific points listed in the Chairman's Stutzman's letter of invitation.

1. Describe NASWA members' efforts to prepare veterans for re-employment and re-training through the Jobs for Veterans State Grant (JVSG) Program as well inform them about benefits available to eligible veterans under the Veterans Re-training Assistance Program (VRAP).

Describe what states have done to contact all age-eligible veterans, who have registered for employment services with the State Workforce Agency, about the benefits available to them under VRAP

NASWA members—the State Workforce Agencies—provide employment and training services through a system of publicly-funded workforce programs across the Nation, with local services provided in almost 1,800 comprehensive one-stop career centers and almost 1,000 affiliate career centers. All employment and training programs funded by U.S. Department of Labor are required under the Workforce Investment Act (WIA) to provide “priority of service” for veterans and eligible spouses.

The Jobs for Veterans State Grants (JVSG) allocates funds to states for the Local Veteran Employment Representatives (LVERs) and Disabled Veteran Outreach Program (DVOPs) staff positions. The DVOP positions focus on employment assistance, re-employment assistance, career advice and guidance, case management services, provision of labor market information, and preparation and referral to training and other resources to veterans. The LVER positions focus on employer and community outreach to promote hiring of veterans.

State Workforce Agencies are challenged by higher demand for services and diminished funds. Despite these challenges, over the last five years, State Workforce Agencies substantially have increased the number of job opportunities available on their state job banks. Nationwide an additional 16 million jobs were made available to state job banks at no additional cost to federal and state government, employers, or jobseekers, through the National Labor Exchange (NLX).

An electronic tool, the National Labor Exchange (NLX), is a service offered by NASWA and DirectEmployers Association. Job openings in the NLX do not include duplicates or links to closed jobs; both common problems with other electronic job aggregators.

Moreover, over half of the NLX job openings are with federal contractors who under the Vietnam Era Veterans' Readjustment Assistance Act (VEVRAA) are required to demonstrate increased veterans' outreach and recruitment. By providing enhanced access to high quality job openings, the NLX has allowed the state workforce system to meet its priority of service requirements better, and has enhanced the system's overall ability to serve veterans.

Today, all state workforce agencies, including Puerto Rico, the District of Columbia and Guam, have formal NLX participation agreements. On average, the NLX contains approximately 1.1 million jobs daily.

States appreciate the implementation of the Veterans Re-training Assistance Program (VRAP), strongly support the program, and are enthusiastic about promoting the program to veterans as well as employers. However, the regular services provided under the JVSG are often stretched by requirements for VRAP outreach and post-training placement. Some states are concerned about the requirement to allocate resources to market VRAP, assist VRAP applicants to complete Department of Veterans Affairs (VA) applications, respond to VRAP questions, and eventually provide employment services to the participants without additional funds. This seems to be a particular concern of states with large rural areas that must provide these services in remote, sparsely populated areas.

The main difficulty in working with VRAP participants is that the VA will not disclose Social Security numbers of VRAP participants to the workforce system. Social Security numbers are the primary identifier used in the workforce system to register, track and report services. This disconnection between the two systems makes it difficult to track VRAP participants, ensure they are offered the services of the one-stop system, and record outcomes.

State Workforce Agencies and the one-stop career system actively promote the VRAP to eligible veterans. States are strongly supportive of the VRAP and are using a variety of methods to promote the program to veterans, local workforce investment boards, one-stop career centers, and employers. Not all states responded to NASWA's inquiry, but from the reports received, it appears most—if not all—states have systems in place to contact all age-eligible veterans, who have registered for employment services with the State Workforce Agency.

Specific examples for promoting VRAP are:

- Information regarding VRAP is provided during one-stop, unemployment insurance, reemployment, and veterans orientation sessions;

- A roster of newly registered unemployed veterans is shared with all DVOPs, who then send a letter and information regarding the VRAP;
- Some states send mass e-mails to all Unemployment Compensation for Ex-servicemembers (UCX) claimants;
- Public Service Announcements are used to promote VRAP;
- VRAP flyers, brochures or pamphlets are distributed in one-stop centers and other primary locations visited by veterans;
- Signage regarding VRAP is located in one-stop centers;
- Presentations on VRAP are provided to community, fraternal, business and veterans groups;
- The state's Management Information System (MIS) is used to determine potentially eligible veterans, then information is sent to each veteran;
- Direct e-mail blasts are sent to all eligible veterans;
- Information is shared in one-stop center newsletters, state or local area newsletters, or veterans-specific newsletters;
- Information regarding VRAP is shared in workshops, job clubs, job or hiring fairs;
- Information about VRAP is shared by Wagner-Peyser Act or WIA staff with all age-eligible veterans; and
- Some states have developed videos or clips promoting VRAP. South Carolina has developed such a video (3 ½ minutes), which is available for viewing at <http://www.sces.org/veterans.asp>.

2. Describe NASWA's view of the new policy, either in draft or final form that would significantly change the job descriptions and responsibilities of DVOPs and LVERs that are funded through the Jobs for Veterans State Grant Program.

At several NASWA meetings during the past few months, the U.S. Department of Labor's Veterans Employment and Training Service (VETS) staff leaders have discussed the proposed new job descriptions and responsibilities of DVOPs and LVERs funded through the JVSG program. VETS leaders have also discussed implementing a requirement to lower the number of LVERs and increase the number of DVOPs. However, NASWA has not seen a draft of the expected proposed directive, and hears conflicting information about its contents. The comments in this testimony are based on what NASWA has heard from its members, but states report hearing different information, often varying by regions or states.

NASWA and its members have voiced concerns about certain aspects of the expected new policy. It is expected the new policy directive will be provided to the workforce system through a Veterans Program Letter (VPL) from VETS, and a Training and Employment Guidance Letter (TEGL) from the U.S. Department of Labor Employment and Training Administration (ETA). Although these documents are termed "guidance letters," they are considered policy directives.

Many states have already decreased the number of LVERs and increased the number of DVOPs; for those states the expected refocusing on having more DVOPs than LVERs, this will not be a problem. In some states, the pay level for LVERs is higher than for DVOPs; changing LVER positions to DVOP positions may result in demotions. Some states have bargaining-unit agreements that must be renegotiated before changes are made. Most states do not have a job classification called DVOP or LVER; they often are in a more generic classification, such as a job counselor, or employment specialist. Changing job classification requires going through a prescribed process in the state's classification system, which takes time.

It is expected the policy directive will include a mandate for DVOPs to serve only individuals identified as having significant barriers to employment, which we are told would be clearly defined in the guidance. Some members report the policy directive is expected to mention an "80/20 rule" (the percentage may be different) indicating that DVOPs must spend at least 80 percent of their time providing intensive services and case management to veterans with significant barriers. Another, more likely interpretation for the 80/20 rule (or whatever percentage) expected in the policy directive is that it means only 20 percent of all veterans entering the workforce system can be served by DVOPs. All other veterans are to be served by other local office or one-stop center staff.

NASWA members have identified some concerns with the expected policy directive, but it is difficult to comment on a document that we have not seen and that only has been discussed in vague terms. With the reduction of LVER positions, some members are concerned there may be less focus on veterans when other non-veteran staff is conducting outreach to employers and community groups. Services to veterans in rural areas may be impacted depending on the policy directive. Many veterans prefer—and often would benefit—to meet with a fellow veteran, especially for

case management services; this may not be possible under the expected policy directive.

The VETS staff has said the outreach currently performed by LVERs can be accomplished by the state or local “business services team.” Many states agree, but it is important to note that not all states or local areas have business services teams. Without the LVER, often members of business services teams do not include a veteran, someone familiar with veterans’ terms, issues, Military Occupational Codes, transition resources, or specifics of security clearances relating to military experience. Rural areas typically would not have business services teams. States have expressed concerns that with the new policy, recently-separated veterans—a high-profile and targeted group—would typically not be assisted by DVOPs unless they have a significant barrier to employment.

Although vague information has been shared with NASWA and its members about the proposed policy directive, states believe it would have been more efficient to work with NASWA and states in the development of the policy directive before it is announced. Moreover, the timeline U.S. Department of Labor requires of states to implement the needed changes is critical to the success of the directives.

3. Describe what NASWA has done to promote the VRAP program to your members, any outstanding issues that your members have with the implementation of the program, and how your members, or the Department of Labor, are tracking the success of this program.

NASWA has promoted VRAP to its members through presentations and information sharing at meetings of its Veterans Affairs and Employment and Training Committees and to its Board of Directors; conducting a webinar on VRAP; promoting VRAP in its primary publication, “Bulletin;” and providing information on a LinkedIn forum for state veterans’ coordinators.

As indicated earlier, the primary difficulty in the implementation of the VRAP is the VA policy to not share the Social Security numbers of VRAP participants with state workforce agencies. The sharing of Social Security numbers by VA would greatly improve the performance reporting by the workforce system. Performance is tracked through the 9002 reporting system, which is sent to the U.S. Department of Labor by state workforce agencies.

A number of states expressed concern about using a “National list” of demand occupations, which may not be relevant in some geographic areas of a state. If veterans receive training in demand occupations not available in the local area they plan to reside in, the training might not be useful if they cannot or do not want to move. If Congress extends the program, it is recommended to consider more localized demand occupations.

Some states report concerns that veterans need to pay the training facility before the start of training, and the VA at times has been delayed in providing the retraining assistance payment to veterans. If veterans do not have personal resources to cover the first training payment, they may have to postpone or even drop out of the training program.

The VRAP program is administered by the VA, with veterans’ basic eligibility determined by the U.S. Department of Labor. Veterans self-select training courses from an approved list of demand occupations for training provided by an approved training provider. The workforce system has no role in the program—other than to promote it – until the veteran completes training and then the public workforce system has the responsibility to assist the veteran in finding employment. State Workforce Agencies are concerned that the ultimate responsibility for the end result of the training lies with them, with no involvement with the veteran until the completion of training.

In summary, states support the VRAP program and are enthusiastic about promoting it.

Thank you for the opportunity to address these important issues.