

**STATEMENT
OF
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VETERANS' EMPLOYMENT AND TRAINING
U.S. DEPARTMENT OF LABOR
BEFORE THE
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES**

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Introduction

Good afternoon, Chairman Wenstrup, Ranking Member Takano, and distinguished Members of the Subcommittee. Thank you for the opportunity to participate in today's hearing. As Acting Assistant Secretary at the Veterans' Employment and Training Service (VETS) at the Department of Labor (DOL or Department), I appreciate the opportunity to discuss the Department's views on pending legislation and proposals impacting veterans.

While this hearing is focused on several bills under consideration by the Subcommittee, I will limit my remarks to the proposed legislation that has a direct impact on the programs administered by DOL, specifically H.R. 832, "Veterans Employment and Training Service Longitudinal Study Act of 2015," H.R. 2275, "Jobs for Veterans Act of 2015," and H.R. 2133, "Servicemembers' Choice in Transition Act."

The Department is the Federal government's leader on training and employment services. It has the expertise and a nationwide network to best provide skills training and employment opportunities for anyone who needs them, including veterans. In addition, DOL is well positioned to cater to the specific employment and training needs of our Reserve Component forces that make up 51% of the total force, particularly those Reserve members who have not deployed to a combat zone and therefore do not qualify as a "veteran" and are ineligible for veterans' services. Reservists also maintain parallel careers throughout their military service, and require continuous career support in geographically dispersed areas, which DOL can provide. The Administration strongly believes that the Department's integrated network and programs are best suited to positive employment outcomes for the men and women who serve our country.

H.R. 832 – "Veterans Employment and Training Service Longitudinal Study Act of 2015"

H.R. 832, the "Veterans Employment and Training Service Longitudinal Study Act of 2015," would direct the Secretary to enter into a contract with a non-government entity to conduct a statistically valid longitudinal study of veterans and the job counseling, training, and placement services for veterans provided by the Department.

The Department supports the enactment of this bill and looks forward to conducting the type of longitudinal study called for in the legislation. We welcome the opportunity to have a survey to better understand the impact of our services on the employment outcomes of veterans. The bill calls for a survey of the following groups: (1) veterans who received intensive services through the Department's programs; (2) veterans who received services but did not get an intensive service; and (3) veterans who did not seek or receive services from the Department's programs.

The Department believes that this type of study could offer a tremendous opportunity to learn about the impact of the Department's services for veterans. Studying the three groups of veterans over time, the Department could provide more complete data on the long-term outcomes of veterans who receive services from the Department and the key factors influencing those outcomes. In addition, the study would allow the Department to examine trends in program satisfaction and long-term employment and standard of living outcomes. The results would allow better tailored services to assist veterans with their immediate and long-term employment needs. The estimated cost of the study is \$10 million. The Department does have some concerns over levels of access with the third cohort above, and is happy to provide technical assistance on this bill to help maximize the value this study could provide to both the Department and Congress.

Further, to enable delivery of meaningful results, the Department requests access to the National Directory of New Hires (see Section 453A(h) of the Social Security Act, 42 U.S.C. 653) for the purposes of this study. At this time, DOL does not have authority to readily access earnings data nationally, which would be essential to conducting a meaningful and effective evaluation of outcomes outlined in the bill, such as employment status and income. Without such access, the process of obtaining earnings data involves timely and costly negotiation with States and generates significant delays in studies.

H.R. 2275 – “Jobs for Veterans Act of 2015”

H.R. 2275, the “Jobs for Veterans Act of 2015,” seeks to establish under title 38 of the U.S. Code the “Veterans Economic Opportunity and Transition Administration,” within the Department of Veterans Affairs (VA), with the primary function of administering the programs of the Department which provide assistance related to economic opportunity of veterans and their dependents and survivors. It also seeks to transfer the DOL's veterans' programs to VA, beginning October 1, 2016.

The Administration does not support moving the Veterans' Employment and Training Service or its programs to VA. The veterans' employment services DOL provides are well integrated into the public workforce system that is overseen and funded by DOL; shifting these services to VA would weaken this connection. The Department works with our partners at other agencies to meet the employment and training needs of veterans and help them successfully transition into the civilian workforce, on behalf of over one million veterans each year.

As described below, VETS' mission is focused on four key program areas: (1) preparing veterans for meaningful careers; (2) providing them with employment resources and expertise; (3) protecting their employment rights; and, (4) promoting the employment of veterans and related training opportunities to employers across the country. VETS is able to accomplish its mission by working closely with other parts of the Department--including the Employment and Training Administration (ETA), which administers numerous core employment and training State formula programs. Together, these DOL programs provide a unified and complementary approach to serving and protecting the reemployment rights of veterans, and have operated together within the States for decades.

VETS also has strong, established relationships with our Federal partners like DoD and VA; State and local governments; private sector employers and trade associations; institutions of higher learning; non-profit organizations; and Veteran Service Organizations to establish and develop a network that enables service members, veterans, and families to successfully integrate into their communities. This focus on coordination is reflected in our Directors for Veterans' Employment and Training (DVET) standards of performance, which specify that each DVET must coordinate with state Departments of Labor and Veterans Affairs. As discussed later, the Workforce Innovation and Opportunity Act (WIOA) supports even greater inter-agency coordination. This legislation would undercut, not improve, the coordination that exists today. The public workforce system is designed to be a decentralized network of strong partnerships at the Federal, state, local, and regional levels. Extracting VETS from the Department will make these interactions more expensive and less efficient.

The movement of veterans' employment programs and services from DOL to the VA would generate inefficiencies by removing existing employment programs and services for veterans from the national employment services network that already exists for all America's job seekers and workers. As the Federal government's leader on veteran employment, VETS ensures that the full resources of the Department are readily available for veterans and service members seeking to transition into the civilian labor force. We believe that moving VETS to another agency will diminish the synergy gained through alignment of these programs with other Department of Labor employment and training programs, as well as those that protect the rights of service members, veterans, and their families.

Transition GPS and the DOL Employment Workshop (DOL EW)

VETS provides its three-day DOL Employment Workshop as part of the mandatory "Transition GPS" curriculum to prepare service members to seek civilian employment. Since its inception, DOL has provided training and services to over 2.6 million separating or retiring service members and their spouses. Funded at \$14 million in FY 2015, DOL conducted more than 6,600 EWs for over 207,000 participants at 206 military installations worldwide. Since the EW's redesign in 2013, it has been highly rated by its participants and received strong levels of support from members of the Veterans Service Organizations: 89 percent of over 11,000 service members who participated in a survey about the DOL EW in the fourth quarter of FY 2014 reported that it enhanced their confidence in transition planning. The American Legion, which testified before this Subcommittee earlier this year, "was highly impressed both by the amount and the quality of information that was conveyed...by instructors who were contracted by the

Department of Labor.” The data suggest that the Department’s revised EW meets the high expectations of its audience, and an independent study is evaluating the effectiveness of the new curriculum.

Jobs for Veterans’ State Grant (JVSG) and AJC Services for Veterans

The Department provided employment and training services in Program Year (PY) 2013 to well over 1.1 million veterans through DOL’s programs at nearly 2,500 American Job Centers (AJC) throughout the country. VETS’ programs (Jobs for Veterans State Grant (JVSG), and Homeless Veterans Reintegration Program (HVRP)) are specifically designed to provide services to veterans who have significant barriers to employment.

DOL awards JVSG as a formula grant to each state and territory to support two types of staff positions in the AJC network: Disabled Veterans’ Outreach Program (DVOP) specialists and Local Veterans’ Employment Representatives (LVER). Funded at \$175 million, the JVSG program provided intensive employment services to over 330,000 veterans, and other eligible persons. As shown in Table 1, average six-month earnings, employment entry, and retention for all veterans served by the combined services in key states delivered through the AJCs improved from PY 2012 to PY 2013.

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

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

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

Homeless Veterans Reintegration Program (HVRP)

While homelessness among veterans has declined, much work remains to be done. For the PY 2013 award cycle, Congress appropriated approximately \$38.1 million to DOL for HVRP. Funds were awarded to 147 grantees. These included awards for two targeted programs designed to address the employment barriers of specific veteran populations, as follows:

- under the HVRP Homeless Female Veterans and Veterans With Families (HFVWWF) program, 22 grants, in 16 States and the District of Columbia, totaling over \$4.96 million, were awarded; and
- to support the Incarcerated Veterans Transition Program (IVTP) for 1 quarter of performance and 3 quarters of retention services, 14 grants, in 13 States, totaling \$824,630, were awarded for one quarter of performance and three quarters of retention services.

Table 2 provides performance information from the HVRP program for the previous two program years. From PY 12 to PY 13, fewer participants were enrolled in the program and the average cost per placement dipped slightly for standard HVRP participants. The participant decline is linked to the decreasing numbers of homeless veterans nationwide. With fewer to serve, the remaining homeless veteran population consists of the chronically homeless or those with the most significant barriers to employment. Nonetheless, VETS was able to provide the appropriate levels of support to prepare these veterans for employment with only minor cost increases.

Table 2. HVRP Participant Statistics, PY 2012 and PY 2013

Grant	Participants Enrolled		Average Cost per Participant		Average Cost Per Placement		Average Hourly Wage at Placement	
	PY 2012	PY 2013	PY 2012	PY 2013	PY 2012	PY 2013	PY 2012	PY 2013
HVRP	17,480	16,133	\$1,964	\$1,903	\$3,034	\$3,003	\$11.22	\$11.51
HVRP Subset: HFVWWF	1,433	1,213	\$2,424	\$2,585	\$3,656	\$4,869	\$12.24	\$12.32
HVRP Subset: IVTP*	1,408	275	\$2,546	\$2,709	\$4,014	\$4,656	\$10.69	\$10.81

*In PY 2013, IVTP grantees performed for only one quarter (July 1, 2013-September 30, 2014), due to availability of funding.

Uniformed Services Employment and Reemployment Rights Act (USERRA)

The Department protects veterans' employment and reemployment rights by enforcing USERRA (38 U.S. Code 4301-4335). The Act prohibits discrimination in employment based on prior service in the uniformed services, an individual's current service in the uniformed services, or intent to join the uniformed services. USERRA also provides reemployment rights with the pre-service employer following qualifying service in the uniformed services. VETS receives and investigates, as well as resolves, claims arising under USERRA. VETS also provides its USERRA Annual Report to Congress each year, which includes more detailed information regarding program and enforcement outcomes. In FY 2014, VETS and the Office of Special Counsel (OSC) concluded a three-year demonstration project (from August 2011 to August 2014) to assess each agency's performance in reviewing and resolving Federal-sector USERRA cases. The Government Accountability Office (GAO) evaluated the agencies' performances using metrics, including case outcomes, customer satisfaction, timeliness, cost, and capacity. As reflected in GAO's final report, GAO-15-77, released on November 25, 2014, VETS scored higher than OSC in each measured category.

The Workforce Innovation and Opportunity Act (WIOA)/JVSG Refocusing

There are two significant changes currently underway in the public workforce system as it affects education, training, and employment services for veterans and their families. President Obama signed the Workforce Innovation and Opportunity Act (WIOA) into law on July 22, 2014 -- the first legislative reform of the public workforce system in over 15 years. This transformational legislation, which Congress passed by a wide bipartisan majority, reaffirmed the role of the AJC system, a cornerstone of the public workforce system, and brought together and enhanced several key employment, education and training programs. WIOA modernized the public workforce system to help job seekers and workers access the services they need to success in the labor market and match employers with the skilled workers they need to compete in the global economy.

Congress established an extremely aggressive schedule for implementing WIOA, which generally goes into effect in July 2015. WIOA implementation will affect nearly every aspect of the public workforce system, and a successful outcome will require significant attention at the State, local, regional, and Federal levels. Implementing WIOA, along with the Administration's other job-driven training reforms, will strengthen the network of nearly 2,500 AJCs, provide greater accountability and transparency for consumers, and establish an effective blend of job training and postsecondary education known as career pathways that can help veterans advance in their careers while earning industry-recognized credentials. VETS continues to work closely with ETA to help states and local workforce areas implement WIOA. During PY 2016, states and local areas will implement performance management systems to collect the outcome metrics defined in WIOA and other data on services provided to veterans served through AJCs. These dramatic changes to the public workforce system make uprooting VETS and its programs by October 2016 particularly ill-timed.

In addition, consistent with the VOW to Hire Heroes Act of 2011, the Department released a JVSG refocusing strategy in April 2014, updated in February 2015, which refines and clarifies the roles of DVOP and LVER staff. These changes are intended to improve workforce programs' service delivery strategies for veterans and eligible spouses, meet anticipated demand for services from an increase in transitioning service members, and ensure that JVSG-funded state staff members are performing their functions consistent with Congressional intent. As part of the implementation plan for this refocusing strategy, VETS and ETA issued joint guidance documents and conducted extensive technical assistance for state JVSG and AJC staff members. Audits for compliance with these requirements began this year.

Both WIOA and JVSG refocusing are significant programmatic changes that require the time and attention of state and local workforce staff for their successful implementation. We are concerned that having the organizational realignment proposed in this legislation occurring at the same time that significant additional changes to both the JVSG program and the workforce system are underway would be disruptive and counterproductive.

The Department also notes that this proposed legislation may be seen to conflict with the WIOA provisions which provide States the opportunity to develop and submit to the Secretary of Labor a single Combined Plan and to build performance management systems that make available

performance information on WIOA programs for job seekers and the public, including data on training providers' performance outcomes. DOL is planning to align as appropriate other DOL-administered program performance goals, including JVSG, with WIOA performance indicators.

Modernization of the public workforce system under WIOA and making it more job-driven, combined with JVSG refocusing, ultimately will deliver higher quality employment services for veterans and better connect employers to veterans seeking new or next jobs. The proposed move of VETS and its programs to VA would make transition more complex and unnecessarily complicated, and it could have the unintended consequence of adversely affecting employment services for veterans.

Data Reporting Systems

WIOA requires a new data reporting structure. The AJC is the cornerstone of the Nation's workforce investment system and is administered by the Department, which not only has the mission focus but the necessary infrastructure in place to meet current and expected demand for employment-related services, including training. VETS' services and other veterans' programs within the Department are fully integrated with other DOL employment and enforcement programs in order to serve veterans with a broad array of coordinated services. Currently, reporting requirements under title 38, U.S. Code, chapter 41 are met through the State Workforce Agencies which are funded by DOL's Employment and Training Administration. The reporting system for veterans' employment outcomes is part of the Department's reporting regime for the workforce system. Any requirements to adjust or change collection of Veterans' data would require extensive coordination between two Departments, as opposed to two agencies within a single Department. Further, requiring VA systems to integrate with the new labor reporting system is likely to generate tens of millions of dollars in additional costs.

Military-Civilian Integration

The Department believes that reintegration is most successful when it assists veterans to bridge the civil-military divide in the workforce. In fact, recent studies report that relegating veterans to a veterans-only service can perpetuate stigmas and myths further. As stated in the Volunteers of America's 2015 report titled, *Exploring the Economic and Employment Challenges Facing U.S. Veterans*, veteran clients described their inability to relate to civilians, discomfort around civilians, and difficulty adapting to civilian employment culture as significant obstacles to their effective transition to civilian employment. Our interactions with veterans and transitioning service members reinforce these observations.

Additionally, RAND recently released its report, *Veteran Employment: Lessons from the 100,000 Jobs Mission*. In this report, RAND notes that, "the transition from uniformed service member to veteran employee involved challenges for individuals and for employers. Perhaps the most significant challenge is the ability of both veterans and employers to match military skills to civilian job requirements." As the report details, veterans and employers made statements in reference to how difficult it can be to connect with one another. As one participant stated, "It's really just a lot of noise in the veterans' employment landscape, with so many different job boards and veteran employment sites that it's confusing for the employer and the veteran." DOL

has been providing employment and training services for all Americans for over 100 years and the AJC network is best suited to meet the needs of both veterans and employers. AJCs have business services teams that often include LVERS who work with employers to help them recruit and hire talented individuals and veterans. Also, AJCs are well positioned to provide individuals who are seeking employment with referrals to employment opportunities in their area through the National Labor Exchange.

Veterans can best be supported through their transition to meaningful civilian employment by being fully integrated into the civilian support structure, as represented by the integration of the JVSG and HVRP grant programs within the delivery of employment services provided by the national network of AJCs and managed by DOL.

H.R. 2133 – “Servicemembers’ Choice in Transition Act”

H.R. 2133, the “Servicemembers’ Choice in Transition Act,” would amend section 1144 of title 10 of the U.S. Code, by adding the new subsection titled, Additional Training Opportunities. Under this subsection, the Secretaries of Defense and Homeland Security must permit a member of the armed forces eligible for assistance under the program to elect to receive additional training in any of the following subjects:

- (A) Preparation for higher education or training,
- (B) Preparation for career or technical training,
- (C) Preparation for entrepreneurship, and
- (D) Other training options determined by the Secretary of Defense and the Secretary of Homeland Security.

Additionally, the proposed bill would require the Secretaries of Defense and Homeland Security ensure that a member of the armed forces who elects to receive additional training is able to do so.

The Department believes that service members and their spouses should be provided every opportunity to better prepare them for the civilian workforce through every available means possible. Additional employment and educational training opportunities can only enhance their chances of success by increasing their employability. If enacted, the costs to facilitate the expected increase in service member participation in the aforementioned curriculum would be negligible for the Department, since DOL does not deliver these pieces of the Transition GPS curriculum. However, the Department defers to the Departments of Defense and Homeland Security to provide remarks on this legislation.

Conclusion

DOL’s focus on employment is part of our core mission and competency. Creating opportunities for our veterans to thrive in the civilian economy through meaningful employment is a priority for DOL leaders and for every agency within the Department, and we work closely with our partners at the Departments of Veterans Affairs and Defense to do so. DOL’s connection with Governor-appointed State workforce boards and State workforce agencies, and local workforce boards that oversee the nearly 2,500 AJCs across the nation facilitates veterans’ employment

with large national employers, as well as those small and medium-sized businesses that do most of the hiring. DOL's long-established relationship with State Workforce Agencies is a partnership that delivers proven and positive results. The Administration wants to ensure that we build on these established relationships and the improvements called for in WIOA to modernize the public workforce system and AJCs to better help our transitioning service members and veterans obtain family-sustaining jobs. For this reason, the Administration has strong concerns about any legislation that would undermine its progress or ability to help veterans and transitioning service members achieve positive employment outcomes.

VETS recently submitted its annual report to Congress for FY 2014. VETS welcomes the opportunity to discuss the contents of its report with members of this Subcommittee. The Department looks forward to working with the Subcommittee to ensure that our transitioning service members and veterans, and their families, have the resources and training they need to successfully transition to the civilian workforce. Chairman Wenstrup, Ranking Member Takano, distinguished Members of the Subcommittee, this concludes my written statement. Thank you for the opportunity to be a part of this hearing. I welcome any questions you may have.