

**STATEMENT OF
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BEFORE THE
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
ON
A REVIEW OF LICENSING AND CREDENTIALING STANDARDS FOR
SERVICEMEMBERS AND VETERANS:
DO BARRIERS STILL REMAIN?**

SEPTEMBER 10, 2015

Chairman Wenstrup, Ranking Member Takano and distinguished Members of the Subcommittee, on behalf of National Commander Dale Barnett and the over 2 million members of The American Legion, we thank you and your colleagues for the work you do in support of our service members and veterans as well as their families. The American Legion commends you for holding this hearing.

In early 1996, The American Legion launched the first groundbreaking credentialing study to report on those vocational skills for which the Armed Forces provide training and for which a license or certificate is required to work in this field in the civilian economy. The education, training and experience obtained during an individual's military service not only provides tangible benefits for the nation's defense, but can also contribute significantly to a highly skilled civilian workforce. The military invests millions of dollars training its uniformed personnel, providing a broad base of knowledge and experiences that can carry over to civilian occupations. However, transitioning from military occupations to civilian jobs can present significant challenges for service members.

These service members and veterans have attended some of the finest technical and professional training schools in the world. These military men and women are graduates with experience in health care, electronics, computers, engineering, drafting, air traffic control, nuclear power plant operations, mechanics, carpentry, transportation, and many other fields. Many of their skills require some type of license or certification to find a career in the civilian workforce. In many cases, these credentials require schooling which has already been completed by attendance at an Armed Forces training institution. Unfortunately, the institution(s) which issue the license or certification do not always recognize the competency, training and/or experience obtained through their military service.

Post-secondary education credentials are arguably even more important today than ever before. Those individuals who hold a credential generally have lower unemployment rates and greater earning power.¹ Since 2008, jobs in the workforce that require some postsecondary education or

¹ Credentials as defined here span a wide range in scope and cover the following, but not limited to this list: 2 and 4 year degrees, licensures, certifications, and certificates.

a degree have increased by 3.6 million, while jobs for people with a high school diploma or less have declined leading to higher unemployment rates. However, when civilian credentialing boards, states, and employers fail to fully recognize military education, training and experience, both the service member and the nation are impaired. The veteran faces reduced chances of obtaining a job on par with his/her skills, and the civilian workforce cannot take full advantage of the extensive skills training in which our nation has invested.

Still, the process for a veteran to get licensed is not as easy as showing up in an office with a DD-214 proving relevant military training. Conflicts between federal and state requirements for licenses and credentials complicate the issue, which remains far from resolved around the country.

Earlier this year, The American Legion hosted its second National Credentialing Summit in Washington to identify best practices for implementing state laws and lobbying for new ones. The Teamsters, policymakers and other key stakeholders were part of the collaborative discussion.

Fighting it out in the States

The battle for licensing and credentialing laws is now being waged in state general assemblies and legislatures. Federal law can only reach occupational licenses in certain regulated fields, such as aerospace, agriculture, maritime transportation and communications. The licensing of most professionals – including nurses, paramedics, truck drivers and teachers – belongs to state law. And the licensing protocol is often left to a state's individual agencies, which can be problematic.

The Department of Defense (DOD) has instructed state licensing offices to allow equivalent military experience to fulfill requirements to receive state licenses, but vague wording – and the non-binding effect of a federal mandate on a state agency – has left implementation up to local offices. This results in inconsistencies in licensing protocol, even among offices in the same state.

For example, if a veteran has a military commercial driver's license equivalent and has separated within 90 days, they can walk into the Secretary of State's office in Illinois, and they will waive the driving test, but that does not mean they are going to waive the permit test. That process is something that each office and each administrating office for certifications and credentials identifies a protocol for.

Legionnaires at the state and post levels have responded by lobbying their legislatures and general assemblies to pass new licensing and credentialing laws in their states. All 50 states have now passed some form of legislation in this area, thanks in part to strong Legion advocacy.

Ensuring the Quality of Credentials for Service Members and Veterans

The American Legion strongly supports the recent credentialing initiatives that have been developed and implemented by a variety of local, state, and federal government agencies, as well

as industry stakeholders. In the past several years, a variety of federal and state legislation, administration initiatives, and new DOD programs have been developed to reduce barriers to credentialing for service members and veterans. We applaud these efforts, but remain concerned about how to ensure the quality of the credentials that are paid for by the Department of Veterans Affairs (VA).

Unlike in higher education where accreditation is used as a means of ensuring quality, credentialing is a relatively new form of establishing workplace competency. Accreditation of credential programs is only recently being recognized by industry as important for ensuring credential quality. Thus, accreditation of credentialing programs is not as pervasive as in higher education and cannot currently be relied upon as a means of ensuring the quality of all credentials.

Since 2000, when the payment of certification and licensure exam fees was approved for payment under the GI Bill education section, the VA has been charged with monitoring the quality of approved certifications and licenses. As DOD responds to Congressional requirements to pay for credentials for service members, DOD is looking to the VA as a means of vetting credentials that meet quality standards. Consequently, The American Legion is concerned that the vetting mechanisms used by the VA are not always effective.

Public Law 106-419, the *Veterans Benefits and Health Care Improvement Act of 2000*, mandates that VA ensure that the credentials approved for the GI Bill meet specific criteria specified by Congressional legislation. These criteria were developed to ensure that the credentials approved are quality credentials that attest to the competency of the individual and therefore have value in the civilian workplace. These criteria are very different than the criteria that might be applied to a training or education program. Yet, a review of the credentials approved by the VA suggests that some may not meet these stringent requirements. As a result, eligible service members and veterans may be led to believe that a credential approved by the VA has value when in fact it does not.

The American Legion recommends that VA's credential program approval process be reviewed by the Government Accountability Office (GAO) to ensure that the credentials approved meet legislative and other standards for legitimate credentialing programs. GAO should also assess whether additional criteria should be added either by legislation or regulation to improve the review process. For example, the VA currently does not require periodic re-approval of certification programs. Certification tests and organizations at present are only approved once, and there are no requirements for re-approval. However, certification requirements are adapted and changes to exams are made by the certifying agencies on a regular basis. A re-approval process would ensure that the tests and organizations continue to meet the legislative criteria for payment.

Entitlement Payments vs. Cost of Credential

In addition, The American Legion encourages this committee to eliminate the requirement that Post-9/11 GI Bill recipients use an entire month's worth of entitlement for a certification or licensing test fee - even when the fee amounts to far less than the full month's entitlement. Under

38 USC § 3315 - Licensure and certification tests, Post-9/11 GI Bill recipients are charged one full month's of entitlement, which may amount to over \$1,000 even if the licensing or certification test fee is significantly less than that. Since the average licensing and certification test fee is approximately \$200, this can result in a loss of a significant amount of entitlement per recipient. The Montgomery GI Bill does not have this requirement. For the Montgomery GI Bill, the monthly entitlement is reduced proportionate to the cost of the license or exam fee.

The American Legion is recommending that Congress change 38 U.S. Code Chapter 33, subchapter II – Educational Assistance (§§ 3311 – 3319), section § 3315 (c) that states the following:

The charge against an individual's entitlement under this chapter for payment for a licensing or certification test shall be determined at the rate of one month (rounded to the nearest whole month) for each amount paid that equals.

The change to Chapter 33 should mirror previous Public Law 106-419: *Veteran Benefits and Health Care Improvement Act of 2000*, section 122 that outlined licensing and certification, and read as follows:

The number of months of entitlement charged in the case of any individual for such licensing or certification test is equal to the number (including any fraction) determined by dividing the total amount of educational assistance paid such individual for such test by the full time monthly institutional rate of educational assistance which, except for paragraph (1), such individual would otherwise be paid under subsection (a)(1), (b)(1), (d), or (e)(1) of section 3015 of this title, as the case may be.

The American Legion proposes that a scale be created based on the cost of the exams and that the veteran is charged their entitlement at a pro-rated number of days or the actual cost of the exam and materials. This is a fair solution for our nation's heroes.

Distribution of Material and Information:

For a long time, service members and veterans were not aware of credentialing requirements associated with their current or past military occupations; credentialing boards were unaware of comparability military education, training and experience to the civilian sector or did not recognize military specific education, training and experience. Working alongside Senator's Tim Kaine (VA) and Jim Inhofe (OK), section 542: Enhancement of Mechanisms to Correlate Skills and Training for Military Occupational Specialties with Skills and Training Required for Civilian Certifications and Licenses, was introduced as an amendment and passed through the *National Defense Authorization Act of 2014*.

Two key elements of the amendment were as follows:

1. **Information Dissemination** – DOD and the Services should disseminate information to service members throughout their careers on civilian licenses and certifications that match

their military occupations, skills, and experience and this information should be consistent with Transition GPS.²

The information dissemination requirements were met based on a November 15, 2012, guidance memorandum to the Services issued by the Acting Assistant Secretary of Defense (Readiness and Force Management). The Army and Navy have been meeting these requirements for years through the Army and Navy Credentialing Opportunity On Line (COOL) programs. The Air Force has instituted its own COOL program that was expected to be online by October 1, 2014; whereas, the Marine Corps is in the process of initiating its COOL program. The Military Occupation Codes (MOC) Crosswalk portion of the Transition GPS curriculum specifically directs participants to the COOL websites for credentialing information.

Since the passage of this amendment, capturing how often the information is provided to service members, transitioning service members, or veterans is nonexistent nor are we aware if this information is included into the Transition GPS program.

2. **Access to Military Training Materials** – DOD and the Services should provide credentialing agencies with access to military training materials to improve their ability to assess the equivalency of military training.

DOD is currently working with a number of state licensing agencies and related entities to share training materials so that they can better assess the equivalency of military training. As these initiatives further progress, it will become clearer what types of training materials are helpful for the purposes of assessing equivalency. Currently, it is unclear whether individual state licensing agencies and national certification agencies have the resources to successfully conduct detailed gap analyses of their credential requirements against military training requirements.

Too many Licenses?

Finally, a new White House report on occupational licensing was released in July of this year which calls into question the proliferation of occupational licensing requirements.³

“Over the past several decades, the share of U.S. workers holding an occupational license has grown sharply,” the report begins. “When designed and implemented carefully, licensing can offer important health and safety protections to consumers, as well as benefits to workers. However, the current licensing regime in the United States also creates substantial costs, and often the requirements for obtaining a license are not in sync with the skills needed for the job. There is evidence that licensing requirements raise the price of goods and services, restrict employment opportunities, and make it more difficult for workers to take their skills across state lines,” the report continues. “Too often, policymakers do not carefully weigh these costs and benefits when making decisions about whether or how to regulate a profession through licensing.”

² Note: legislation specifically cites COOL web sites as a means of disseminating information.

³ [Occupational Licensing: A Framework For Policymakers](#), July 2015

Burdens placed by too often arbitrary regulations on military families were a primary motivating factor in the White House's report. First Lady Michelle Obama has recognized that onerous licensing schemes affect the ability of service members and their spouses to find employment. Military spouses are 10 times more likely to have moved across state lines in the past year than their civilian counterparts and "have a difficult time obtaining a new license each time they move," the report said. Eliminating arduous requirements for military spouses – 35 percent of whom work in professions requiring state credentials – would have a positive impact on states with high numbers of active-duty military personnel stationed within their borders.

Conclusion

As always, The American Legion thanks this committee for the opportunity to offer testimony on the position of the over 2 million members of this organization. Questions concerning this testimony can be directed to Jeff Steele, Assistant Director in The American Legion's Legislative Division at (202) 861-2700, or jsteele@legion.org