

**STATEMENT
OF
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U.S. DEPARTMENT OF LABOR**

**BEFORE THE
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES**

April 14, 2015

Introduction

Good afternoon, Chairman Wenstrup, Ranking Member Takano, and distinguished Members of the Subcommittee. Thank you for the opportunity to participate in today's hearing. As Deputy Assistant Secretary for Operations and Management of 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' employment. As a former surface warfare officer in the United States Navy, I take DOL's mission to help veterans, transitioning service members, and military families personally, and I thank the Committee for all of your work on behalf of my fellow veterans. While the employment situation for veterans continues to improve—last month marked 23 of 24 months with veterans' unemployment being lower than nonveteran unemployment—DOL will not rest as long as any veteran needs assistance finding meaningful civilian employment.

Although 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. 2551, "Veterans' Entry to Apprenticeship Act," H.R. 3286, "Honoring Investments in Recruiting and Employing American Military Veterans Act of 2015" or the "HIRE Vets Act," and a draft bill to "direct the Secretary of Labor to carry out a research program to evaluate the effectiveness of Transition Assistance Program in addressing needs of certain minority veterans."

H.R. 2551 – "Veterans' Entry to Apprenticeship Act"

H.R. 2551, the "Veterans' Entry to Apprenticeship Act," would allow covered veterans to utilize their education benefits for pre-apprenticeship programs. These education benefits are the same as if covered veterans were enrolled in a registered apprenticeship program. The administration of the provisions of this bill would fall under the VA, and therefore, the Department will defer to that agency for specific concerns related to the legislation overall.

However, the Department reiterates its support for registered apprenticeship programs as a proven pipeline for veterans to meaningful civilian careers. The Department of Defense's SkillBridge program has yielded valuable results by allowing transitioning service members to enter that pipeline earlier by bringing civilian apprenticeship programs onto military installations. Pre-apprenticeship programs—when properly structured—represent an excellent opportunity to expand the aperture of apprenticeship pipelines for our veterans.

Pre-apprenticeship services and programs are designed to prepare individuals to enter and succeed in Registered Apprenticeship programs. Pre-apprenticeship programs with a documented partnership with at least one Registered Apprenticeship program sponsor helps expand the participant's career pathway opportunities with industry-based training coupled with classroom instruction. Quality pre-apprenticeship programs contribute to the development of a diverse and skilled workforce by preparing participants to meet the basic qualifications for entry into one or more Registered Apprenticeship programs. Through a variety of unique designs and approaches, pre-apprenticeship programs can be adapted to meet the needs of differing populations being trained, the various employers and sponsors they serve, and specific opportunities within the local labor market.

H.R. 3286 - “Honoring Investments in Recruiting and Employing American Military Veterans Act of 2015” or the “HIRE Vets Act”

H. R. 3286, the “Honoring Investments in Recruiting and Employing American Military Veterans Act of 2015” or the “HIRE Vets Act,” would attempt “to encourage effective, voluntary private sector investments to recruit, employ, and retain men and women who have served in the United States military, with annual presidential awards” recognizing such investments. DOL applauds the intent of this bill and all efforts to ensure that all of our veterans find civilian employment following separation from the military. However, we would like to note some concerns regarding our ability to successfully implement the program as currently drafted. Specifically:

1. The HIRE Vets Medallion Award Fund contemplated in the bill is not self-executing, so DOL will not have access to the fees in the fund unless and until Congress appropriates those fees to the agency. If those fees are not appropriated, it is unclear whether any existing VETS appropriation could be used to fund the HIRE Vets Medallion Program. Additionally, section 5 of the bill appears to set up a system where the entire funding for the program (after the first year) is paid for out of the fees collected under section 5(a). Thus, if VETS is able to identify another appropriation which is available for the program costs, DOL may not be able to use those funds to supplement the amount in the HIRE Vets Medallion Award Fund without additional action by Congress. Finally, it is difficult to determine a “reasonable fee” that employers would contribute under section 5(a) that would yield enough resources to allow VETS to fulfill the many requirements of the bill.
2. Expanding DOL's capability to meet the existing criteria would require additional staff in order to “verify all information provided in the applications, to the extent that such

information is relevant in determining” whether applicants should receive a HIRE Vets Medallion and/or what medallion they should receive. Some examples of information that DOL would need additional staff to verify are: the entered and retained employment rates of veteran employees at the Silver, Gold, and Platinum levels; the success in coaching, mentoring, and leadership programs at the Gold and Platinum levels; and the Guard and Reserve employee compensation and tuition assistance programs at the Platinum level. Either these criteria would need to be modified or eliminated or DOL would need to significantly increase the number of fulltime employees at VETS in order to carry out the program.

If the criteria instead were limited to measuring only entered and retained employment rates, there may be ways to leverage existing federal and state databases to confirm entered and retained veteran employment without adding a prohibitive number of new fulltime employees at VETS, provided that VETS is given authority to access those databases for this purpose. Many private sector organizations and publications, such as the U.S. Chamber of Commerce Foundation’s Hiring Our Heroes program Annual Hiring Our Heroes awards, recognize employers and individuals that have demonstrated leadership in addressing the challenges faced by veterans, transitioning service members, and military spouses in their search for meaningful employment.

Limiting the initial scope of the program to focus on Platinum level employers in the first year might allow DOL to gauge interest in the program, and reduce the amount of funding needed to initially stand up the program. A smaller initial HIRE Vets Medallion program would presumably be closer in scope to the recognition program of DOD’s Employer Support of the Guard and Reserve (ESGR) office.

3. The Department of Justice has raised constitutional concerns under the First Amendment with section 4(b), which prohibits displaying the medallion when the “employer did not receive such medallion through the HIRE Vets Medallion Program,” or “after the end of the calendar year following the calendar year in which such medallion was issued to such employer through the HIRE Vets Medallion Program.” DOJ suggests that the prohibitions in section 4(b) should be revised to require a connection to commercial activity and a false or misleading effect and can provide technical assistance to this effect.
4. Finally, VETS also has concerns with the regulatory timeline provided for in the legislation.

With these concerns in mind, we recommend the Subcommittee consider refining the specifics of the HIRE Vets Medallion program to match the capabilities of DOL or enhancing the capabilities

of DOL to match the specifics of the proposed program. In order to pare down the HIRE Vets Medallion program to DOL's existing capabilities, the bill could (1) allow shifting the review of applications from the national DOL office to a third party verifier while providing additional funding for this new function, (2) reduce the number of medallions to be issued by eliminating the bronze level award which requires only hiring one veteran, complying with existing USERRA regulations, and providing charitable resources in support of veteran support organizations, and/or (3) eliminate some of the criteria for the Silver, Gold, and Platinum levels, and/or (4) require self-attestation instead of government verification of the information used to make HIRE Vets Medallion award decisions. Some of these changes were included in the Senate companion, and we would encourage the Subcommittee to similarly consider their inclusion.

Draft bill - "To direct the Secretary of Labor to carry out a research program to evaluate the effectiveness of Transition Assistance Program in addressing needs of certain minority veterans."

This draft bill would direct the Secretary of Labor, in collaboration with the Secretary of Veterans Affairs and the Secretary of Defense, to carry out a research program to evaluate the effectiveness of the Transition Assistance Program in addressing the differentiated needs, challenges and post-military service aspirations of women veterans, veterans with disabilities, Native American veterans and other groups of minority veterans identified by the Secretaries. The Transition Assistance Program (TAP) was signed into law as part of the National Defense Authorization Act of 1991. For approximately twenty years the program was evaluated largely through output measures of attendance in the different sections of TAP, including military services pre-separation counselling, the VA benefits briefings, and the DOL Employment Workshop (DOLEW). This performance evaluation approach to TAP changed with the passage of the VOW to Hire Heroes Act of 2011 and the convening of the White House Veterans Employment Initiative (VEI) Task Force in late 2011. The VEI Task Force not only redesigned the overall TAP program, but also created the TAP Performance Management Working Group to develop and coordinate a comprehensive evaluation strategy.

In conjunction with the VEI Task Force, VETS redesigned the DOLEW and implemented the new curriculum in FY 2013. Since that redesign, VETS has delivered the DOLEW to over 600,000 transitioning service members and spouses. The DOLEW consistently rates very high in customer satisfaction. In the latest participant survey, 92 percent of respondents said the DOLEW enhanced their confidence in transition planning, and 94 percent said they will use what they learned in the DOLEW in their transition planning. On April 1, 2016, VETS fielded a revised DOLEW curriculum with changes based on customer satisfaction input and comprehensive feedback from various stakeholder groups, including Veteran Service Organizations, private sector employers, career transition professionals, and transitioning service

members. VETS is confident the DOLEW will continue to receive high marks in customer satisfaction.

As a partner agency in TAP and as a member of the TAP Performance Management Working Group, DOL is conducting evaluations to assess the long-term outcomes of TAP. The first of these efforts is capturing the common outcome measures for TAP participants who receive employment services through the American Job Center (AJC) system. The TAP participant characteristic was added as a new reporting element for AJCs beginning July 1, 2013, and indicates that a participant attended the DOLEW within the past three years. This will be reported with outcome measures such as the Entered Employment Rate, the Employment Retention Rate, and the six months average earnings. Outcomes for each of the three measures will be available by the end of FY 2016.

The DOL Chief Evaluation Office conducted an evaluability assessment in 2013 and based on those findings, awarded a contract to conduct a two part formal evaluation of the outcomes of DOLEW. The first part is a quasi-experimental design (QED) impact analysis to analyze the impacts of the DOLEW program on employment-related outcomes for separating military service members. Data collection is currently underway, and is expected to occur from FY16-17. The analyses are expected to be conducted and finalized in FY17. The second part consists of a small pilot to evaluate differential impacts of new delivery approaches for the DOLEW (e.g., the use of social media or other modes to enhance delivery or to serve as refreshers of TAP lessons, or variations in the visual design of TAP or outreach documents). The intervention design and feasibility evaluation analysis is currently underway. While DOL appreciates the desire for more specific information on the smaller demographic groups, we believe the ability to get statistically valid samples on these is extraordinarily limited. The current evaluations in the field, however, will provide useful information that could be used to design more specific evaluations of particular subgroups in the future.

While the Department supports the intent and spirit of the draft legislation, DOL would prefer to wait until the aforementioned study is concluded in the summer of 2017 before beginning another research program on TAP. In an effort to ensure that VETS and VA's Vocational Rehabilitation and Employment officials continue a collaborative relationship, both agencies have renewed their commitments through national and local memoranda of agreement to advance, improve, and expand the employment outcomes for Veterans with service-connected disabilities and employment barriers.

Further, should Congress conclude that another research program is warranted to evaluate the effectiveness of TAP in addressing the differentiated needs, challenges and post-military service aspirations of women veterans, veterans with disabilities, Native American veterans and other groups of minority veterans identified by the Secretary, then DOL hopes the Subcommittee

would consider funding such a study through the Department's Chief Evaluation Office to allow the experts in that office to craft the parameters of that evaluation optimally to answer Congress' questions.

Conclusion

The Department looks forward to continuing our work with this Subcommittee to ensure that our veterans have the resources they need to successfully compete in the civilian workforce through expanded opportunities in apprenticeship programs and that our transition programs are evaluated to ensure they are meeting the needs of our transitioning service members and veterans. The improving employment situation for veterans is a resounding testament to the impact of our federal programs and the nationwide response from public and private stakeholders acting nationally and within local communities. Mr. Chairman, 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 your questions.