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BEFORE THE
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
HOUSE COMMITTEE ON VETERANS' AFFAIRS

Good afternoon, Chairman Wenstrup, Ranking Member Takano and Members of the Subcommittee. Thank you for your invitation to appear before the Subcommittee on Veterans' preference and the Department of Veterans Affairs' (VA) success in recruiting and hiring Veterans.

I would like to highlight the Department's commitment to hiring Veterans. We believe that affording qualified Veterans a statutory preference in employment is not merely the obligation of a grateful Nation, it is also good government and good business. It gives VA an advantage in recruiting and retaining employees from a pool of the Nation's most highly motivated, disciplined and experienced preference-eligible Veterans.

VA is adamant about and consistent in ensuring the application of the existing Federal regulation, which requires the selection of all qualified preference-eligible Veterans over other individuals, when filling positions that are open to the general public. VA's internal hiring procedures are aligned with the Merit System Principles, of which the basis is to recruit qualified individuals from all segments of society and select and advance on merit, after fair and open competition. In addition to our hiring policies and procedures that address Veterans' preference, VA's Human Resources Oversight and Effectiveness Office evaluates compliance with Veterans' preference laws, regulations and policies, conducting onsite evaluations of human resources offices throughout VA. VA has focused on Veterans' hiring for many years. We track the employment of Veterans by facility throughout VA.

We have launched various programs and initiatives which have resulted in VA placing in the top tier of agencies employing Veterans. As of February 29, 2016, more than 119,000, or just shy of 33 percent, of VA's 365,000 employees are Veterans. More than 100,000 of the 33 percent are Veterans' preference eligibles, and 47,000, approximately 12 percent, are disabled Veterans. VA proudly ranks first among non-Defense agencies in hiring Veterans. VA regularly uses Veteran-specific special hiring authorities, such as the Veterans Employment Opportunities Act, the Veterans Recruitment Appointment, and 30 percent or more Disabled Veterans. We have also hired Veterans using the Schedule A authority for people with disabilities. In the first 5 months of fiscal year 2016, VA hired 8,705 Veterans using a mixture of all of the above-mentioned authorities.

The Department has established a strategic target of 35 percent Veterans for its employee population. One of the challenges that we face is the rate at which Veterans are leaving the Department. While recognized early on by the Office of Personnel Management (OPM) as having one of the better retention rates in government, the cohort of Veterans who joined the Department of Veterans Affairs after the Vietnam War is now eligible for retirement.

In contrast, younger Veterans, similar to other U.S. workers their age, are frequently more mobile, changing jobs and employers more often than many older employees. On average, VA has lost about 1,300 Veteran employees per month during this fiscal year through separations and retirements. Countering these losses, we have, on average, hired about 1,740 Veterans per month during this fiscal year.

Although the math on our Veteran gains versus losses on the surface does not depict a challenge, VA is measured by an OPM metric expecting no more than a 5 percent gap between retention of Veteran and non-Veteran employees. Currently, our retention gap is more than 7 percent, with 2014 showing an 80.30 percent retention rate for non-Veterans and 73.23 percent for Veterans. Also, there is an enormous cost to replace each employee and a loss of stability and efficiency as well. Additionally, there are indicators of a poor employee experience associated with the reasons for leaving the organization.

In 2011, in support of Executive Order 13518 (*Employment of Veterans in the Federal Government*), VA established the Veteran Employment Services Office (VESO) within the Office of Human Resources and Administration. VESO supports the Interagency Council on Veterans Employment, created by the Executive Order, by recruiting qualified Veteran candidates for critical VA positions, managing retention initiatives and reporting the Veteran hiring and retention statistics for VA to the Council for inclusion in its annual report to the President. VESO's mission is to develop and implement innovative and comprehensive programs, procedures, and services to support VA and Federal Veteran recruitment and VA retention and reintegration.

To execute the mission, VESO focuses on giving Veterans the tools to find Federal jobs, making the transition to civilian employment seamless, and improving Veteran engagement and satisfaction. Activities include: personalized one-on-one services to support Federal Veteran recruitment, support to retention efforts, support to Veterans throughout a deployment lifecycle, and providing Federal partners with services that support Veterans recruitment, retention and reintegration.

In closing, every day at VA we see the sacrifices which Veterans have made for our Nation. It is our responsibility and privilege to support their return to civilian employment. We are committed to continue our robust and successful focus on Veterans' hiring in VA. Chairman Wenstrup, thank you again for the opportunity to testify today. I am prepared to respond to any questions the Subcommittee may have.