

**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**

JUNE 15, 2016

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 Assistant Secretary of Labor for Veterans' Employment and Training, I am excited to report on Department of Labor (DOL or the Department) efforts to provide better services that lead to improved employment outcomes for our Nation's veterans.

I want to take this moment to personally thank every member of this Subcommittee and the Committee for their strong support of our armed forces, our veterans, and their families. I have been in this job for six months, and I greatly appreciate that we are all partners in promoting opportunities for veterans and in protecting their rights. Thank you.

I am especially excited to inform you about our new 24/7 online resource, VETERANS.GOV. VETERANS.GOV is a critical resource that will help connect veterans and their spouses to civilian employment as well as employers seeking to hire veterans and their spouses. I will discuss this in more detail later in my testimony.

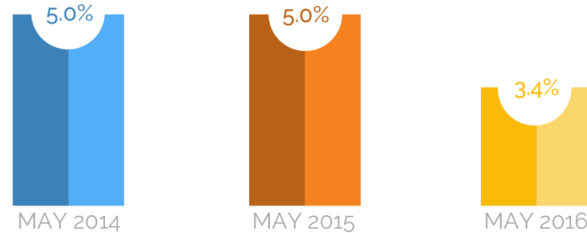
Through the collective and sustained efforts and partnerships of many public and private organizations, the employment situation for veterans continues to improve and veterans' unemployment rates are trending down.

The unemployment rate for veterans has fallen from a high of 9.9% in January 2011 to 3.4% in May 2016; lower than the nonveteran unemployment rate of 4.4% in May 2016. The chart on the next page shows that this is considerable improvement from this time in previous years.

MAY 2016

VETERAN UNEMPLOYMENT UPDATE

BY THE NUMBERS



Source: Bureau of Labor Statistics May 2016 Employment Update

While the overall veteran unemployment rate continues to trend lower, we at DOL will not rest until all veterans have access to meaningful civilian employment. DOL is fully committed to supporting veterans of all ages. In addition to supporting veterans under 25 and those approximately 200,000 Service members who transition to veteran status every year, we also make sure that veterans over 45 have the support they need for employment success. Among the 495,000 unemployed veterans in 2015, 57% of them were age 45 and over.

As I mentioned, the overall declining rates are the result of the integrated efforts of many public, private, and nonprofit organizations to connect veterans with employers and, perhaps most importantly, the result of our veterans once in a workplace, proving to be valuable employees.

The mission of the Veterans' Employment and Training Service (VETS) is to prepare America's veterans, Service members, and their spouses for rewarding careers, provide them with employment resources and expertise, protect their employment rights, and promote their employment opportunities. Before I go further, I would like to take this opportunity to mention that other agencies share DOL's commitment to improve employment opportunities for our veterans. One example is the Department of Agriculture, whose Fiscal Year (FY) 2017 Budget includes several programs to assist veterans.

We are working hard to improve our performance in support of our veterans, customers, stakeholders, and partners alike. Our efforts have contributed to improved employment outcomes for veterans and strong interagency collaborations. While we recognize there are challenges and much work ahead of us, we seek continued improvement with an approach to build and sustain partnerships and programs that focus on the following key areas:

- Engaging our Service members before they transition into civilian life;
- Providing a lifetime of employment support to our veterans, from the Gulf War II era veterans who have recently transitioned to previous-era veterans who have been out of uniform for many years;
- Engaging and mobilizing communities to establish collaborative partnerships to better support veterans nationwide;
- Ending homelessness for veterans;

- Addressing the skill gap between veterans and employers who are seeking employees with industry recognized credentials and helping veterans receive occupational, classroom and on-the-job training; and
- Conducting employer outreach to make it easier for companies to find and hire veterans by leveraging federal, state, and local resources.

Pre-Transition: Proactive Engagement with Transitioning Service Members

Erik, a United States Marine (Active Reservist), used tips and skill builders from the DOL Employment Workshop Participant Guide and contacted Disabled Veterans' Outreach Program (DVOP) specialist Earl Thompson at an American Job Center (AJC) in Utah. Earl provided one-on-one coaching and helped Erik translate his military skills, develop a resume, and prepare for an interview. Erik quickly landed a job as a Security Monitor at Vivint, a military-friendly smart home technology provider, and his military experience helped him secure a wage that increases upon completion of his initial work period.

During the peak of the veteran unemployment crisis in 2011, the President established the Veterans' Employment Initiative (VEI) Task Force to ensure the career readiness of transitioning Service members. The Task Force consists of joint representation from DOL, Department of Veterans Affairs (VA), Department of Defense (DoD), Department of Homeland Security (DHS), the Department of Education (ED), the Small Business Administration (SBA), and the Office of Personnel Management (OPM). The President approved the Task Force's plan to strengthen and build upon the existing Transition Assistance Program (TAP) aimed at providing separating Service members and their spouses with the training and support they need to transition successfully to the civilian workforce.

We have provided previous testimony on the evolution of TAP, particularly on the improvements to the DOL Employment Workshop. In conjunction with the TAP Senior Steering Group Curriculum Working Group, VETS completed a full review of the DOL Employment Workshop curriculum in FY 2016. The new curriculum was implemented on April 1, 2016. DOL engaged industry representatives and veteran services organizations to participate in the curriculum review to ensure we leveraged expertise external to the Agency. Additionally, Service members from six military installations who were participating in the DOL Employment Workshop were interviewed and all Service member participant survey data was reviewed. In FY 2017, a new biennial review cycle will begin. Year one of the cycle calls for a technical review, in which the Agency ensures all names and sources of references (websites, resources, etc.) remain up-to-date. As FY 2017 closes, VETS will prepare for year two, which is a full-scale curriculum review and update.

Another important component of the revised TAP is the implementation of the Military Life Cycle (MLC) model. MLC will initiate a Service member's transition preparation at the onset of their military career (both Active Duty and Guard/Reserve). The model outlines key points in time, or "touch points," throughout a Service member's career to align their military career with their civilian career goals. It promotes awareness of the Career Readiness Standards Service members must meet long before separating from Active Duty and enables transition to become a well-planned, organized progression of skill building and career readiness preparation.

In order to better support the MLC and ensure that the first time military leaders learn about transition resources is not when they themselves are separating from active duty, VETS implemented the Senior Sergeant Major Fellow Professional Military Education (PME) Initiative. This Initiative involves a U.S. Army Sergeant Major acting at VETS as a Senior Military Fellow on a full-time, one-year rotational basis.

Additionally, VETS established a formal relationship and routine presence at the U.S. Army Sergeants Major Academy. This effort includes a mutual academic relationship, in which students of the academy's Sergeants Major Course conduct staff studies on the MLC and transitioning Service member programs, presenting their results in a formal briefing to DOL VETS leadership each semester. This is a great opportunity for both organizations as it enables future senior enlisted leaders to interact with another federal agency and provides DOL insight and best practices from senior leaders in the Army. VETS is seeking to extend this collaboration to the other military services.

VETS' engagement in support of transitioning Service members and their families is not limited to the Employment Workshop. The following Service members are some of the populations eligible to receive intensive services from DVOP specialists: Service members who are referred via a Capstone "warm handover" or those who have not met Career Readiness Standards (CRS); all transitioning Service members 18-24 years old, regardless of whether they meet CRS; and active duty Service members being involuntary separated through a service reduction-in-force. Additionally, those Service members who are wounded ill, or injured and receiving treatment in military treatment facilities or warrior transition units as well as their spouses or other family caregivers may also receive intensive services from a DVOP specialist.

Additionally, military spouses who are unable to continue employment due to permanent change of station orders or as the result of military deployment, and certain transitioning Service members within six months of separation are eligible to receive employment and training assistance under the Department's National Dislocated Worker Program.

DOL supports the opportunities under the DoD SkillBridge initiative that promotes DoD's authority to offer civilian job training to transitioning Service members. Service members meeting certain qualifications can participate in civilian job and employment training, including Registered Apprenticeships, on-the-job training, and internships in their last 180 days of active duty. Tremendous potential exists for Service members, companies, trade unions, and others to leverage this new DoD authority and smooth the path from active duty to civilian employment.

In addition to the above outreach efforts, DOL is working with the Employer Support of the Guard and Reserve (ESGR) program to assist reserve Service members with identifying and connecting with AJCs while providing local staff the opportunity to benefit from relationships with military-friendly employers that ESGR has cultivated over the years. ESGR will continue to grow its partnerships with the DOL's AJCs, Service-based hiring programs, and state-based hiring initiatives to fulfill the employment information and referral mission. To date, five states (Alabama, Georgia, Illinois, Indiana, and Iowa) have moved forward with the project, while all states have assessed their existing partnerships to serve our valued reserve component Service members and families.

DOD's Office of Warrior Care Policy (OWCP) ensures recovering wounded, ill, injured, and transitioning members of the Armed Forces receive equitable, consistent, and high-quality support and services. OWCP helps our wounded warriors and their families through effective collaboration efforts, pro-active communication, responsive policy, and program oversight. VETS is honored to support this organization and those they serve. We provide information briefings to their Regional Care Coordinators to ensure that the wounded warriors and their families are aware of the personalized employment services provided at AJCs nationwide.

In 2013, DOL signed a Memorandum of Agreement with the Consumer Financial Protection Bureau (CFPB) to launch a nation-wide Financial Literacy Coaching Program for transitioning Service members and spouses. The program is a joint effort between DOL and the CFPB to place specially trained coaches in select AJCs to provide financial advice to recently separated veterans. Under the Program, CFPB has placed financial coaches at a total of 60 AJCs.

As part of the agency's Veterans Data Exchange Initiative (VDEI), VETS has worked with DoD's Defense Manpower Data Center (DMDC) to develop a "first-of-its-kind" Memorandum of Understanding (MOU) agreement to transfer several years of exiting military Service member data to DOL for analysis. VETS has engaged the DOL's Office of the Chief Information Officer (OCIO) in the development of a system to securely store and analyze the Service member data which includes demographic and service-related characteristics of separated Service members. With the MOU completed, VETS is working with DMDC to transfer the first data and begin initial analysis in the coming months. This aggregated data and analysis will assist VETS in our policy development to better support veterans' employment and training needs and improve outcomes.

Outside the Federal government, VETS' staff participate at hiring events nationwide including sitting on panels and conducting "American Job Center: Path to Veteran Employment" workshops at the transition summits cohosted by DoD and the U.S. Chamber of Commerce Foundation Hiring Our Heroes program. DOL works closely with Hiring Our Heroes staff, Service representatives and Service organizations such as Soldier For Life (SFL) and Marine For Life (M4L) to communicate with Service members and connect them to DOL resources before they separate from active duty.

VETS will continue to focus on our proactive engagement of our Service members before they transition into civilian life with effective engagement and services that lead to meaningful employment.

Post Transition and the American Job Center Network

Bradley, after serving ten years in the United States Army as a Military Police Officer, found the civilian job market to be much different from when he first enlisted. After an initial visit to an AJC in Las Vegas, NV, he received help updating his resume and translating his military skills into a format that would be attractive to employers. Bradley is now a Regional Representative in the Las Vegas office of U.S. Senator Dean Heller.

The public workforce system includes a nationwide network of nearly 2,500 AJCs, a network operated in partnership by Local Workforce Development Boards (WDBs), State Workforce Agencies (SWAs), and DOL (primarily the Employment and Training Administration - ETA)

and is the next natural step for our transitioning Service members when they complete the DOL Employment Workshop component of TAP. Veterans receive priority of service at AJCs.

VETS' Jobs for Veterans State Grant (JVSG) Program provides funding to 54 states and territories for DVOP specialists and Local Veterans' Employment Representative (LVER) staff, located in AJCs. DVOP specialists provide intensive services to veterans and eligible populations, including homeless and formerly incarcerated veterans, through individualized case management. This includes comprehensive and specialized assessments of skill levels and needs, development of individual employment plans, group and individual career counseling and planning, and short-term skills development (such as interview and communication skills). LVER staff promotes the hiring of veterans in communities through outreach activities that build relationships with local employers, and provide training to workforce center staff to facilitate the provision of services to veterans.

We have improved the Intensive Service rate as well as employment placement rate for all veterans served by JVSG. The percent of JVSG participants receiving intensive services has increased from 22 percent in FY 2010 to 85.7 percent in FY 2016 as of March 31, 2016 – half-way through the fiscal year. For the same time period, the entered employment rate for JVSG participants increased from 48 percent to 59.5 percent. Further, the employment retention rate of JVSG participants, or those who retained employment six months after program exit, has increased from 74 percent in FY 2010 to 82.3 percent, and the average six-month earnings of these participants rose from \$14,751 to \$16,697.

I have made it a point in my first six months in office to visit JVSG programs in over a dozen states and in all of DOL's regions around the country. Last month, I also had the opportunity to visit the National Veterans' Training Institute in Denver, CO to observe the training program for JVSG-funded staff (including DVOP specialists and LVERs).

State Partnerships

VETS has continual interaction with the National Association of State Workforce Agencies (NASWA). They provided state information for our VETERANS.GOV website and have assisted in evaluating our training programs for LVERs and DVOP specialists. DOL also sponsored a recently published study conducted by the National Governors Association (NGA), entitled "Veterans' Licensing and Certification Demonstration and Cost Study: A Summary of State Experiences, Preliminary Findings, and Cost Estimates," (hereinafter referred to as the DOL L&C Demonstration and Cost Study) on which we testified before this Subcommittee in September 2015. I will provide additional information about the report later in this testimony. We are also engaged with the National Conference of State Legislatures (NCSL) which will be engaging state legislatures to consider the recommendations of the DOL L&C Demonstration and Cost Study.

Representatives from the NASWA, NGA, and NCSL are all members of VETS' Advisory Committee on Veterans' Employment, Training and Employer Outreach (ACVETEO). ACVETEO is a Congressionally-mandated advisory committee authorized under Section 4110 of Title 38, U.S. Code, and is subject to the Federal Advisory Committee Act (FACA). The ACVETEO: Assesses the employment and training needs of veterans and their integration into the workforce; determines the extent to which the programs and activities of DOL are meeting

such needs; assists me in carrying out outreach activities to employers with respect to the training and skills of veterans and the advantages afforded employers by hiring veterans; and makes recommendations to the Secretary, through me, with respect to outreach activities and employment and training needs of veterans. The recommendations of ACVETEO will help DOL promote opportunities for veterans and their spouses, and VETS continues to track progress on the recommendations submitted in the FY 2015 ACVETEO Annual Report to Congress.

Outreach Through the Web and Digital Media

Because our veteran clients and stakeholders requested it, VETS now provides a 24/7 online resource easily accessible to all veterans as well as to employers who want to hire veterans. On May 1, 2016, VETS officially launched VETERANS.GOV. The site is designed to be the virtual “first stop” for veterans, transitioning Service members, and their spouses in the employment search process - and for employers in the hiring process. The site brings together job banks, state employment offices, AJCs, opportunities in top trending industry sectors, and employer assistance all in one online spot. There also are links to several platforms that veterans can use to help translate their military skills into skills for the civilian workforce. We are leveraging the Department's Facebook and Twitter accounts as part of our efforts to reach veterans and their families. For veterans, Service members and their spouses looking for their first civilian job after the military, wanting a career change, or hoping to start their own business, VETERANS.GOV is a critical resource that will help connect veterans and their spouses to civilian employment. We believe this new website will be very useful to veterans and their families, and it is another sign of the Department of Labor’s commitment to assist veterans and transitioning Service members in every way possible with training and other opportunities to find meaningful employment and build bright futures for their families.

Our federal partners also are represented on VETERANS.GOV to assist the respective agencies veteran employment efforts and to advocate careers in their respective employment sector. On the VETERANS.GOV landing page, there are links to the SBA, and Departments of Agriculture, Transportation, Homeland Security, and Energy’s veteran pages as well as a link to OPM’s Feds for Vets page that provides information on how to apply for a federal job. As an example of federal and state coordination, users can click on a map of the United States on VETERANS.GOV to quickly receive state-specific veteran employment information. In addition to VETERANS.GOV, the Department also maintains a mobile app, CareerOneStop Mobile, available on both Apple and Android devices. CareerOneStop Mobile provides veterans and non-veterans alike on-the-go access to many of the tools found on VETERANS.GOV such as job banks, military-to-civilian skills translation, local training opportunities, salary data, and an AJC finder.

VA & DOL Partnership

DOL and VA are working closely to ensure our respective services complement each other so that veterans are better served. Our agencies agree that the successful readjustment of veterans with disabilities into the civilian workforce is a mutual responsibility and concern. VA’s Vocational Rehabilitation and Employment (VR&E) Service and VETS have focused since 1995 on improving services for our shared veteran clients. A unified team approach between VA VR&E, VETS, and State Workforce Agency (SWA) staff, documented through Memoranda of Understanding, is fundamental to a seamless, positive experience for Chapter 31 veterans as they

move through evaluation, training, job search, and employment. A true partnership capitalizes on the strengths of the involved agencies and fosters the ideals of exemplary customer service.

VETS and VA routinely update their MOU regarding service protocols for veterans served under the VR&E program. The most recent MOU and Technical Assistance Guide (TAG) were published in February and April of 2015. The DOL VETS and VA VR&E Joint Working Group (JWG) recently mandated that VETS, VA VR&E, and SWA staffs develop local MOUs to facilitate communication and share information between agencies. A key component of this project is VA's referral of veterans found to be entitled to Chapter 31 benefits to their SWA and AJCs for Labor Market Information. This information is essential in tailoring their individual rehabilitation plans prior to entering training. A second referral to AJCs occurs near the end of the veteran's training program when the AJC provides employment services to achieve better employment post-training outcomes. The JWG is updating earlier guidance to now direct the majority of referrals, with some exceptions, of Chapter 31 veterans to AJCs.

The AJCs also assist in providing Reemployment Services and Eligibility Assessments (RESEAs) to transitioning veterans who receive Unemployment Compensation for Ex-Servicemembers (UCX), as well as claimants who have been identified as most likely to exhaust their unemployment insurance benefits and are in need of reemployment services. The Budget also includes almost \$190 million to provide in-person reemployment services to Unemployment Insurance (UI) beneficiaries most at risk of exhausting their benefits, as well as all returning veterans who are receiving UI. Evidence suggests these services are a cost-effective strategy that gets workers back into jobs faster with higher wages.

Women Veterans

Our VETS Women Veteran Program (WVP) monitors the overlapping considerations of working women and working veterans, makes policy recommendations as appropriate, and conducts public engagement to ensure DOL's employment services are meeting the needs of women veterans. Based on WVP analysis and recommendations, the definition of homeless as a Significant Barrier to Employment for JVSG services was expanded, in 2015, to include persons fleeing domestic violence. To address the lack of awareness of VETS free employment services among women veterans and confusion related to eligibility for services, the WVP continues to promote the Free Employment Assistance for Women Veterans Webinar, available at <http://www.dol.gov/vets/womenveterans>.

WVP also serves in an advisory role on the status of women veterans and employment for VA's Advisory Committee on Women Veterans and interagency workgroups including the White House Council on Women and Girls - Women Veteran Working Group. The WVP also maintains collaborative relationships with VA's Center for Women Veterans, Center for Minority Veterans, Office of Rural Health, and non-profit organizations that also provide services to women veterans and others to ensure that service providers and other influencers of women veterans are educated on the full suite of employment services that their women veteran clientele may need.

Uniformed Services Employment and Reemployment Rights Act

In addition to these extensive and personalized employment resources available to veterans through the AJCs, the Department protects veterans' employment and reemployment rights by administering and helping enforce the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), 38 U.S.C. 4301-4335. We have testified many times before this sub-committee on the USERRA program and provide a report annually to Congress enumerating our cases and outcomes. VETS is particularly proud of the strong customer service it provides to its stakeholders through these investigations—which was supported by the GAO's findings in its November 2014 report. VETS seeks to continually improve the services it provides to Service members, veterans, and employers. To that end, VETS implemented this year a customer satisfaction survey similar to that used in the U.S. Office of Special Counsel-VETS demonstration project in order to better identify best practices and areas for improvement.

Unemployment Among Homeless Veterans

Doug is a 53 year old male who served on Active Duty as a rifleman in the U.S. Marine Corps from 1981 to 1984. After discharge, Doug found himself homeless and unemployed after years of substance abuse. An HVRP Jobs Coordinator first met him when he was living in an emergency shelter for homeless veterans in Hempstead, NY. Doug was referred to HVRP grantee Beacon House for employment training. During this time he completed his outpatient treatment and a 6-week course given by VA for training to become a house manager for group homes. Doug was offered and accepted a position as a house manager in the Grant and Per Diem Program at Beacon House. He more recently was promoted to the position as Director of Housing for Beacon House. During his employment with Beacon House, Doug received his Associates Degree in Science, got married and now lives in his own home in New York.

The Department is committed to the Administration's goal of ending homelessness among veterans. Our Homeless Veterans' Reintegration Program (HVRP) addresses unemployment among one of the most vulnerable veteran populations, those who are homeless. VETS administers the HVRP to provide employment and training services to homeless veterans so that they can be reintegrated into the labor force, and to stimulate the development of effective service delivery systems which address the complex problems homeless veterans face. The HVRP is the only nationwide federal program focusing exclusively on helping homeless veterans to reintegrate into the workforce.

In the last full program year, VETS' HVRP grantees placed 69% of the veterans they served into employment. The FY 2017 President's Budget includes a nearly \$12 million increase for HVRP and related programs from \$38.1M to \$50M. If Congress increases the HVRP appropriation to \$50 million, VETS estimates the number of veterans served could increase from approximately 17,000 homeless veterans to approximately 22,000 homeless veterans.

Beginning in Program Year 2016 (July 1, 2016), VETS is requiring all grantees serving homeless veterans to co-enroll participants in the public workforce system through the local AJC while they are receiving services through VETS' homeless veterans program grantees. The expectation is to create a sustainable partnership in which participants' employment needs are met. The heart of the public workforce system is the AJC, the access point for employers to

qualified workers and the access point for veterans to the employment and related services they need to find meaningful employment.

Community Engagement

After Service members transition from military service, they relocate to communities across the nation. I believe the long term key to veteran employment support is to engage and mobilize communities to establish collaborative partnerships with coordinated, community-based support to veterans, Service members and their families. VETS supports the MyVA Community Model that includes Community Veterans Engagement Boards (CVEBs) that bring together local resources and capabilities to improve outcomes for veterans, transitioning Service members, and those who support them. As we continue to enhance our national workforce system engagement and veteran employment efforts across the nation, we acknowledge the importance of VA's existing national and local partnerships. VA expects to see 100 MyVA Communities throughout the country by the end of this year as a result of ongoing engagements with community leaders and existing groups with similar missions. The goal is to seek integration with existing community collaborative groups, and encourage local community leaders to adopt the MyVA Communities model where gaps may exist.

Because Local Workforce Development Boards (LWBDs) oversee their local AJCs, we believe it is imperative that LWBD representatives are members of the CVEBs. This relationship ensures that the workforce development system is integrated into the community model. Our VETS State Directors (DVETS) are connecting with the local VA Regional Office Director or local VA representatives to be part of the MyVA Community movement and are working to connect our state workforce system partners and local WDBs with the existing local CVEBs.

DOL and VA share a common mission to improve economic outcomes and opportunities for our nation's veterans. Leveraging our existing state workforce system and the nearly 2,500 AJCs in communities across the Nation will strengthen the community-based support to our veterans and their families.

DOL's Center for Faith-Based & Neighborhood Partnerships (CFBNP), another community engagement program, reaches out to faith-based groups, community organizations, and neighborhood leaders to provide information and seek input on the important work that DOL performs on behalf of workers and job seekers. CFBNP seeks to build lasting community partnerships between these groups and DOL's workforce development and worker protection agencies. The CFBNP focuses its efforts on worker protection, job club initiatives, and grant partnerships, many of which focus on meeting the needs of veterans. These initiatives allow this community of practice to better serve disadvantaged and underserved workers and job seekers.

Addressing the Skill Gap

I had the honor of meeting a class of Marines at Marine Corps Base Camp Pendleton, CA that were taking part in the Veterans in Piping program. This class was made up of a few Marines that had a military specialty related to welding, but many of them also had Military Occupational Specialty backgrounds in logistics, infantry and motor transport. This nationwide initiative graduates students into a solid private-sector job with good pay and benefits, and continuing education through world-class apprenticeship training programs.

I have spoken to many employers and industry associations who want to hire transitioning Service members and veterans, but often the job seeker does not have an industry recognized credential required by the employer. Leveraging DOL's federal and state resources to effectively address this "skill gap" through training and education will lead to better employment outcomes for transitioning Service members, veterans and their spouses. VETS' focus is to leverage Registered Apprenticeship and On-the-Job Training (OJT) Programs, and to accelerate the attainment of licenses or certification requirements for veterans with appropriate skills and experience attained during military training and service.

VETS works very closely with ETA to engage businesses and stakeholders on advancing apprenticeships and OJT opportunities for veterans. Work-based training, including Registered Apprenticeship and OJT, is a critical component of the Administration's job-driven training strategy – a strategy to ensure workforce training programs combine strong employer engagement with high quality training to create pathways for workers into high-growth occupations. The goal is to provide millions of Americans with secure jobs that lead to long-term employment with good wages and that meet employers' needs for skilled workers.

Registered apprenticeships are among the surest pathways to provide American workers from all backgrounds with the skills and knowledge they need to acquire good-paying jobs and grow the economy. The "earn and learn" Registered Apprenticeship training model provides the opportunity for workers seeking high-skilled, high-paying jobs to be placed with employers seeking to build a qualified workforce.

We believe Registered Apprenticeships are a proven strategy for veterans to advance into productive careers. Approximately 37,000 veterans are actively participating in Registered Apprenticeships, in 2014, and 2,200 veteran apprentices completed their apprenticeship in the 25 states managed by DOL. The employment outcomes for Registered Apprenticeship programs are impressive. In fact, according to DOL data, 91 percent of apprentices are employed after completing their programs, with an average starting wage above \$50,000. Apprenticeships have also been shown to increase a worker's lifetime compensation by over \$300,000 compared to their peers. Apprenticeships are good for employers as well. The return on investment (ROI) for employers is also impressive — international studies suggest that for every dollar spent on apprenticeship, employers may get an average of \$1.47 back in increased productivity, reduced waste and greater front-line innovation. And, for the United States, the ROI on apprenticeships is even better -- for every public dollar spent on apprenticeship, we see \$27 in benefits.¹

Expanding apprenticeship programs expands opportunities for our veterans. President Obama has set a goal of doubling the number of Registered Apprenticeships in the coming years. And we're already making substantial progress toward that goal – adding more than 80,000 apprenticeships in a little over two years, the largest increase in a decade. The Administration also made a historic investment of \$175 Million to 46 public-private partnerships to build on the

¹ Source: Reed, D. et. al. (July 25, 2012). An effectiveness assessment and cost-benefit analysis of Registered Apprenticeship in 10 States. Retrieved from http://wdr.doleta.gov/research/FullText_Documents/ETAOP_2012_10.pdf

solid foundation of apprenticeship in America, and expand the model into new industries –like health care, IT and advanced manufacturing. We anticipate this investment will create approximately 34,000 new apprenticeships – creating additional opportunities for our transitioning Service members, veterans, and spouses.

I was very pleased that Congress appropriated \$90 million to expand apprenticeship opportunities in FY2016. This infusion of resources will be the catalyst for building opportunities for employers to start to expand registered apprenticeship programs and for workers to gain the skills they need to succeed.

VETS has focused on greater outreach to companies that wish to hire veterans in apprenticeships, and collaborated across the government – including with VA and ETA – to ensure that veterans can succeed in apprenticeship opportunities and receive the benefits they’ve earned under the GI Bill.

Eligible Post 9-11 veterans can learn a trade through apprenticeships and use their GI Bill benefits to receive a tax-free monthly stipend paid by VA. This stipend gradually decreases as veterans’ wages regularly increase throughout the Registered Apprenticeship period and ends once the veteran attains journeyman status and pay. Post-9/11 GI Bill recipients can also receive a books and supplies stipend during their Registered Apprenticeship. This is a vital way to help veterans meet their expenses while in a training program.

The Department thought that we could do better to help both companies and veterans learn about the benefits that the GI Bill can provide in a Registered Apprenticeship and two years ago began a joint campaign with VA to encourage Registered Apprenticeships to be “Approved for the GI Bill.” We continue this close collaboration with VA and its State Approving Agencies – to ensure that newly- Registered Apprenticeship programs can receive the VA certification for GI Bill benefits at the same time of registration.

The Department’s expanded outreach to employers has motivated companies from several industry sectors to have their apprenticeship programs approved and registered with DOL. They join the family of approximately 20,000 apprenticeship programs across the country that are training over 450,000 apprentices nationwide for jobs in demand – while securing a thriving and skilled workforce for the future.

Licensing and credentialing also are a key part of the Administration’s overall job training agenda. This month, the Department released its "Veterans' Licensing and Certification Demonstration: A Summary of State Experiences, Preliminary Findings, and Cost Estimates," (hereinafter referred to as the DOL L&C Demonstration and Cost Study). The purpose of the DOL-sponsored 18-month demonstration project conducted by the National Governor’s Association (NGA) was to identify civilian occupational skills for licenses or certification requirements that could be satisfied (in whole, or in part) by military training and experience; and accelerate the attainment of civilian credentials by veterans with appropriate skills and experience. Section 237 of the VOW to Hire Heroes Act of 2011, which amended 38 USC 4114, required VETS to conduct a cost study on occupational credentialing and licensing. The study required VETS to examine the costs incurred by DoD for military occupational skills training and compare them with the costs expended by DOL and VA for the job training and educational assistance provided to Service members.

The NGA engaged six states (Illinois, Iowa, Minnesota, Nevada, Virginia, and Wisconsin) to participate in the 18-month study. The NGA worked with the six demonstration states to: 1) design and implement a model or framework for matching state-specific license and credentialing requirements with some or all of the military training to satisfy state requirements; 2) address gaps for subsequent civilian training through state strategies; and 3) identify and compare the training and employment-related costs after military service.

The DOL L&C Demonstration and Cost Study identifies a number of barriers that affect the ability of Service members and veterans to attain civilian credentials on a timely basis. Key state demonstration findings on challenges and strategies for licensing and credentialing address:

- Equivalency challenges - states can assess the equivalency of military training courses and use official documentation to permit veterans with fully or partially equivalent training and experience to sit for civilian licensure examinations or license veterans by endorsement (officially recognize military training and experience to meet civilian requirements).
- Training gaps - states can work with education institutions to set up accelerated programs for veterans that bridge gaps, provide veterans advanced standing in existing programs, or offer bridge courses that prepare veterans to enter existing programs.
- Administrative or process challenges - states can assess any non-skill related requirements that might disadvantage veterans, such as fees or length of experience, or take steps to make civilian employment pathways friendlier to veterans through concerted outreach to both

Given the vast array of possible occupational skills sets to study, and multitude of state licensing boards and higher education programs, VETS and ETA in consultation with demonstration states and the DOD and VA determined that the estimation of costs to transitioning Service members and veterans for attainment of civilian licenses and credentials could be examined at the benefits level for veterans. The NGA consulted with the demonstration states to conduct an analysis of federal costs associated with the demonstration states efforts. These potential cost savings include:

- Less time spent in training can lead to potential deferred federal government costs in the form of fewer dollars expended by VA under the Post-9/11 GI Bill for tuition and monthly housing allowance benefits;
- Less time spent securing employment can lead to potential cost savings for the federal government in the form of fewer dollars expended by the DOD for Unemployment Compensation for Ex-Service members (UCX) benefits and by the DOL for the delivery of employment services.

Moving forward, the Department plans to continue working with its federal/state partners and stakeholders to continue to improve the challenges veterans face with licensing and certification. The Department thanks the six states in the report for their work and will reach out to the remaining states to encourage them to incorporate the best practices to help veterans bridge the gap between skills they have learned in the military and those needed for state certifications.

In addition, this year the Department plans to award \$7.5 million to support one or a few national or regional organizations to form and work with consortia of states to examine licensing portability across state lines. States in the consortia will objectively analyze the relevant licensing criteria, potential portability issues, whether licensing requirements are overly broad or

burdensome, and the impact occupational licensing requirements may have on Service members, veterans, and their families.

Employer Outreach

VETS has initiated a robust employer outreach effort to make it easier for companies to find and hire veterans by leveraging federal, state, and local resources.

VETS' Office of Strategic Outreach (OSO) was chartered to develop a National-to-Local engagement and integration strategy that informs and coordinates action among government, private sector and local communities to enhance veterans' employment opportunities and leverage the national workforce system. OSO conducts engagements with federal, 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. VETS also works closely with Joining Forces; organizations such as "Warriors for Wireless," "Troops to Truckers" and "Helmets to Hardhats"; and various trade associations and labor unions in developing industry-wide veteran hiring initiatives, to include apprenticeship programs. This office provides a valuable bridge between national and regional employers who are eager to commit to hiring veterans and workforce development staff at AJC who are tasked with building local employer relationships and assisting veterans in entering gainful employment.

VETS has actualized the regional-to-local portion of the engagement and integration strategy by placing six Regional Veteran Employment Coordinators (RVECs) at our Regional Offices nationwide. The RVECs coordinate National-to-Local employment resources and expertise, through outreach to businesses, employer groups, veterans' organizations, state workforce partners and government agencies to promote veterans' employment and training opportunities. The partnerships and working relationships initiated and developed to facilitate veteran employment have been significant, with nearly 600 employers now actively engaged in veteran hiring initiatives. In addition, OSO staff work with other federal departments to build veteran recruiting initiatives around entire business sectors through the Departments of Energy, Transportation, and Agriculture. As this capability matures OSO will increase its promotion of programs that help bridge the skills gap for veterans looking for civilian employment.

VETS is working closely with federal and state partners to provide coordinated information and services to job seekers and employers as we seek to continually facilitate and develop meaningful employment and training opportunities for transitioning Service members, veterans and military families. VETERANS.GOV enables employers to directly contact a RVEC to request assistance in hiring veterans.

Conclusion

VETS is committed to reducing veterans' unemployment nationally by helping each veteran through individual services – or as Secretary Perez likes to say, "Helping each veteran where we find them." Creating opportunities for our veterans, transitioning Service members, and their families to thrive in the civilian economy through meaningful employment is a priority for VETS, for DOL, and for the entire Administration. VETS will continue to work with these

partners to strengthen TAP and promote civilian recognition for skills gained in the military; to build strong partnerships with the state workforce agencies and the nearly 2,500 AJCs through JVSG and the Workforce Innovation and Opportunity Act (WIOA); and to work with employers of all sizes - from large national employers to small and medium sized businesses that are the backbone of America's economy, to help them hire veterans. By bringing together our partners for this important mission, VETS is helping to lead the way for our veterans to find meaningful civilian employment today and tomorrow.