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To: Chairman and Committee Members of the Economic Opportunity Subcommittee

Subject: Testimony for Record for House Committee Meeting; ***"How to Improve Access to GI Bill Approved Apprenticeship Programs and How these Programs Benefit Veterans"*** Scheduled for Wednesday, September 27, 2017 @ 2:00PM

Background

I am an Air Force Special Operations (JTAC) veteran. My father was a Navy SEAL in Vietnam. My grandfather was an Army Green Beret that served in three wars. My father-in-law is a retired Navy Captain Aviator. My brother an Annapolis graduate and retired Lt. Col in the Marines who served multiple tours in Iraq and Afghanistan. My two sons are both recent Navy veterans. I am telling you this to set the tone that we are not a company trying to sell to veterans we *are* veterans simply trying to use our company to help other veterans.

NC-Expert specializes in training engineers in cutting edge IT skills. We are a very strategic training partner to companies like Cisco and other very large IT firms. Personally, I never utilized any of my VA benefits. As a matter of fact, in the 19 years since I separated from the USAF, I have never set foot in a VA facility. Frankly, the system failed and never really offered me anything useful. I couldn't use my education benefits to attain the skills I needed in the IT space because the benefits were not accepted for this type of education, and I would have been forced to interrupt my career to go after a traditional degree which was not being valued or requested by the employers that I was pursuing.

As a training company, we have never pursued accepting VA education benefits for our services because the VA has made it practically impossible to get approved as a vendor.

I have been on a journey of learning about apprenticeships, the DOL, and VA, and trying to help veterans for over 8 months. I have dedicated time and resources to trying to find a way to help my veteran brothers and sisters make better lives for themselves. I have not yet made it all the way through the battle but my hope is that, by describing my experience and identifying the issues, I may be able to help this committee create better programs to help more veterans.

Initial Phases

In March of this year it was brought to my attention, by several veterans, that other training companies had received VA benefits approval, so I began to research to see if things were finally changing. To my unfortunate surprise, these companies not only received approval but they were charging vets \$40-50,000 for courses that were pretty much useless and outside the current market. This blatant waste of government and veteran resources infuriated me. There was no consistency in why they got approved and a closer look only showed they had been crafty enough to work around the system.

In addition, I saw programs for sex massage, personal investment, yoga, you name it. NC-Expert offers high-skill IT training, that results in marketable skills and high salaries, so I wondered why we were unable to access the same system to offer a completely helpful and relevant service. The same courses we offer are already requested from us by the military, government, and Fortune 50 companies every day... but vets can't use their benefits to acquire this exact same training. The process has lost its common sense.

For example, we currently have multiple courses scheduled that were requested by the US Air Force and Navy. When we conduct this training using our facility, or our advanced remote attendance platform, these active duty military members take and earn the skills that their units require. However, if one of these sailors or airmen separate from the service the following week they would not be able to take that exact same course and use their benefit to pay for it. As a person who makes a living from these skills, and contributes money from both my personal and corporate taxes, it confuses me how the VA can decide that those same tax dollars can't be used for the veteran when they are used for active duty military. There is no logic to this.

I did some research and made a few inquiries and ran across the Department of Labor's Registered Apprenticeship Program. This program offered a new model that I thought could be leveraged to help many veterans. In short, the program has been around since the 1920's and many careers and occupations are covered however, the attempts to create a relevant IT apprenticeship were unsuccessful. There were several approved bulletins, but all are over 15 years out of date. I approached the DOL office in Washington DC and was quickly introduced to the Regional Director assigned to the IT sector, Patricia Garcia, out of the San Francisco, CA office.

My initial meetings with her team were incredible. Patricia and her team were both helpful and excited to have a profit-based company take an active interest in the program and be willing to offer up something more relevant to potential employers. As an IT training company our normal customers are corporations purchasing our training to build the skills of their IT teams. We are recommended by the vendors that create and sell these technologies because we have specialized in the highest tier of

certification and skill building. We have traditionally focused on training the top 2% of the IT certified market. This places NC-Expert in a unique position: these same executives and managers that fund their respective company's training are the same people and team leaders that would be hiring the veterans. We can introduce the veterans to key players in many leading companies. Our goal is not to hire a few veterans. Our goal is to be an advocate and help many companies hire many veterans.

We took the time to re-write and update the program and then pursued making it an official Registered Apprenticeship program. The recommended strategy at the time was to go state by state and create the programs at that level. The thought was that the local state level DOL and VA directors could help to push this as their preferred IT program - one they could stand behind. We quickly enrolled CA, MS, and AL. According to the law, policies and public advertisements, these programs were required to be automatically approved under VA benefits to include BHA assistance, GI Bill, Vocational Rehab, and any other benefit the veteran could get within 30 days from the time the DOL approved it. It would also approve us for state and federal workforce development funds. All of this sounded excellent as a way the veterans could use the benefits they had earned to get skills to help them start very lucrative careers - careers that routinely offer well above \$100,000 a year in salary. Unfortunately this sounded, and turned out to be, too good to be true.

As a veteran, I am tired of seeing my fellow veterans walking around like the homeless - accepting whatever we can get. A veteran should be prized for the service they have rendered to our country. They should be at the top of the market. After serving, they deserve help to propel them into their next career. Instead, the market is now full of organizations simply looking to take their benefits. They get degrees, or other low-level training that take all of their education benefits and then they are stuck with unmarketable skills that no employer wants. We saw this program as a way to offer something different.

As an American working in the IT industry, I am sick of seeing high paying jobs going to H1B Visa-holders because there are not enough Americans with the relevant skills. The skills these people get to qualify for the jobs are also directly related to the training and credentials we offer such as Cloud, Cyber Security, Wireless, and Mobility. We have included over 5,500 hours of on-the-job-training and over 900 hours of formal education in the classroom, within the program. This results in 15 of the most searched for credentials in the IT job market.

This is an area where the DOL and VA have tried to create a one-size-fits-all model. For electricians and truck drivers the apprenticeship program is perfect. A veteran could come out of the military and get hired by a trucking company. As they learned how to drive and began earning their CDL license they would become of more worth to their employer, so the company would increase their compensation. They would not be sent outside the company for any formal training so there would be no need for tuition. In this case, the VA would allow them to take a housing stipend to offset the living costs while earning these new skills. On the other side of the coin you have a veteran that

separates with the hopes of being a CPA. This vet would enroll in a normal university and pursue a degree... and the VA would pay the tuition. The degree itself would enable this veteran to begin a career at a healthy salary. In IT we tend to use both models and this is where it breaks the DOL and VA traditional program(s).

In the late 1990's corporations began to realize that IT was adopting and changing so quickly that the degrees being taught were only preparing the graduates with theoretical knowledge. For the same companies that were investing millions in IT systems and infrastructure, they were looking to add engineers to keep these systems running. Today, most companies measure lost dollars during IT outages in millions by the millisecond. The high salaries earned by IT engineers are justified in their direct knowledge of, not only the theory, but the practical application of the products. Essentially, the better trained they are, the faster they fix the problems, and the less revenue the company loses. The major vendors such as Cisco, addressed this by creating certification programs. They modeled the program after the formal training learned in a classroom in the university, but augmented it with increasing levels of product specific knowledge and experience. I have been in this field for two decades and have earned well over \$250,000 a year for many years. If I added up the formal hours of training I have taken in a classroom and applied it to a degree program, I would have multiple PhDs by now.

The standard value of this training, which we get on a daily basis, selling these same cutting-edge courses to corporations is well over \$100,000. We choose not to keep the same profit margins when offering this program for veterans, but still kept the same courses. Many of the other companies selling IT related training to veterans, often hire the lowest end instructors, write their own courses and create numerous ways to make the program cheaper, so they make more money. We choose to go the opposite route: we hire the highest end talent, use the authorized courses from the vendors that are updated quarterly, and simply choose to make less money.

By design, our program is the least profitable program in our company. We want to be able to say we are helping veterans and mean it. We want to stay profitable as a company, but not off the backs of veterans.

We designed the program where the veteran can get our program for under \$50,000 while also getting a career in IT with steady pay increases and excellent salaries. We are able to give the veteran a realistic and relevant IT education while also helping with the unemployed or underemployed status they are in. Many of these veterans served and rose through the ranks only to come out and take jobs as truck drivers, correction officers, etc. They have families and are living on less than \$50,000 a year, many much less, which is unfair for these guys who gave so much! We are not saying those careers are bad but many of these guys have much more potential and frankly most of them are excited and ready to grow. What we are saying is that they are having to settle for any job because no one will give them a chance at a career.

Our goal is clearly stated in that we choose the specific skills, courses and credentials in areas that are most likely to create future careers spanning 10-20 years. This is where we are different. The focus of a standard training company, or university, is to get the student trained as the end goal. For a recruiting company, it is to get them a job. We feel they need more than either of these, so we are trying to help them build a career. As CEO, I asked my team to do something very difficult: create a program that is almost unprofitable, and make sure, for that \$50,000, we are arming them to make at least \$1,000,000 over ten years. To me, skill training is an investment and should therefore produce a return on that investment. We took the most valuable skills and are providing them at the lowest cost.

Where We Are Today

We moved very quickly in the beginning with the DOL, but the VA side has been terrible. I had to escalate to get a Director involved after two months with no communication and, unfortunately, I still cannot report that it has been completed. I have engaged four sitting Congressman in California, Georgia, and Pennsylvania as well as a candidate running for Senate but, unfortunately, the answer I am getting from the SAA and VA is still “first come first serve” We are overworked and undermanned. It seems that even congress has little pull to get things moving. I also found out that, after following the recommended strategy to go state by state, that the VA would not approve us unless we had a building in every state, they then informed me there was no need to go that route, anyway, since our program can be executed out of our head office in CA as a single location. So now I am having to go back to the DOL to request our program be approved as a national program, instead of a state program, so that the SAA on the DOL side will be able to find the program in their database in each state. To make matters more complicated, several of the people I was working with in the beginning are no longer in their positions. I have sent requests to the DOL contacts I was given in DC that this be done, but now I am receiving silence.

We need this approval so that our company can be listed to receive VA benefits for these veterans so that they don't have to try to fund the program out of their already empty pockets. It is extremely sad that many of them would do this and, at the same time, watch their earned benefit go unused, just as I did, so they can get a career started. It wasn't worth the fight for me, personally, 19 years ago but, for these guys, I and my company are willing to fight today. We have new veteran organizations, VSOs and employers coming to us every day wanting to be involved. Many want to assist the veterans in getting connected to real jobs based on the skills they will get in the program but I cannot execute this without the VA approval, or national DOL approval. In many ways, after over 8 months, it feels like we are right back at square one.

As of this moment, we have over 200 vets that have applied for our program. Many of them are already making payments of \$50, \$100 or \$500 to get started... out of their own pocket. We are not a VSO or a non-profit that gets federal funds or grants (we haven't tried this route because we are experiencing enough trouble getting the program started as it is) so we have to operate as a typical profit-based business. To

run the courses, we have operational expenses that we have to pay. Normally, customers pay us for the training before the course but, for the veterans, we are permitting many of them make monthly payments (no interest charges/no financing), some of them who are experiencing severe financial hardship, we are letting for free and eating the costs. We cannot do this for long, though, the risk and the expenses are not something we can absorb for a lengthy period.

The veterans range from those that separated 5 years ago to those separating now. Many have high disability ratings and are eligible for Vocational Rehab funds as well.

We need someone of power to step in and help us get through the red tape. We need this DOL program and the VA benefits to be available to veterans from any state in the US. We do not have buildings in every state nor do we plan to. We keep our costs very low so we can keep our prices very low. We leverage the technologies we teach in the training we do. Currently, as a business, we train people globally. Most of our students take the training through our live virtual platforms which leverage video conferencing and such. The 200 plus veterans we have today, are spread all over the US, as are the jobs we can get them. However, it seems this model doesn't fit the checklist the VA has, so they point to the SAA which, in turn, points back to the VA, in an endless circle of inaction.

We have met with local veteran counselors that have reviewed the program and think it's great, but constantly tell the veterans that they cannot do anything until NC-Expert is in the database, then they could "cut the check tomorrow". So, simply put, we are currently caught in the muddy swamp.

The two most recent Executive Orders on the President's desk are about DOL Apprenticeships and the VA, and the recent Forever GI Bill addresses IT. There is a provision outlining that the VA should create a program for IT certifications and the companies involved in this pilot program will be rewarded based on the number of veterans that are employed. The deadline for this program is to begin no later than 6 months after August 2018, or January 2019. The statement says the VA will begin to try to do what we are trying to do now, and I can guarantee you my program will be a well-oiled machine by January 2019. NC-Expert is a profit based business, and we cannot afford for it not to be. I have reached out to the VA offering access to what we are doing, encouraged a partnership so the VA can benchmark our program. I realize this will eventually create competition in what we are doing but this is ok with us because, since there are 200,000 veterans separating annually, there are more than enough of them to help! To us, it would seem logical that a company stepping up to the plate to help both veterans and the under-skilled US workforce would get all the assistance they need but I can tell you it is not so.

I have limited avenues to get to people in charge at the highest levels in the DOL or VA, and the number of weeks this is taking keep mounting up. We are now starting to see some of the first veterans that applied for the program lose both interest and hope in their future, for the same reason I did 19 years ago. It seems that the VA spends far

more time worrying about the check boxes on its forms than helping the fathers, mothers, and people in general that fought for us. It is hard to call this a benefit because, when the rubber meets the road, very few veterans benefit from the process.

I recently asked the SAA agent that visited our facility during the inspection what to do once the program is finally approved, in cases where veterans are not eligible for a full apprenticeship, those that have used part of their benefits already, or just veterans that want to take one or two of these courses and want to use their tuition reimbursement for the classes, what the process should be. The answer was "I don't think we have any companies that are approved for both OJT and tuition reimbursement". I asked why, and the response was, "We don't want veterans double-dipping". From her statement, it appears that we can only be approved for one, or other, program. The result is that this will isolate the veterans that we can help. It also makes no sense whatsoever. If we even try to get this approved for tuition reimbursement, we would have to create a brand-new application, fill out a 20+ page application, go into another queue, possibly have to change our company structure to fit a university model... and, even then, have to go through the exact same process again. This, typically, can take almost two years. All of that just to approve me to teach the same course that the government, DOD, all four branches of the military, the DOL and the VA have already approved me for. This doesn't hurt us nearly as bad as the 1000's of veterans we could have helped by just teaching them a single course: a course that is already being directly paid for by other government departments.

I appreciate the opportunity to tell my story and genuinely offer my services, my company, and my time to work with any congressman who would be willing to listen and act on behalf of the veterans that could be helped by this. I am more than willing to jump on a plane and personally tell this story during the hearing if the committee thinks it might help improve the process.

I would be greatly humbled and encouraged if this committee could take action on our behalf to help us expedite the process and make sure the doors are opened for us to help our military veterans.

Respectfully,

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References:

NC-Expert Apprenticeship Program Overview- www.nc-expert.com/veteran-apprenticeship.php