

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

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Introduction

Chairman Arrington, Ranking Member O'Rourke, and distinguished Members of the Subcommittee, thank you for the opportunity to provide a statement for the record of today's hearing. I commend you all for your dedicated efforts to ensure that America fulfills its obligations to our current service members, veterans, and their families. The Department of Labor (DOL, or the Department) also works hard every day to ensure that these brave and committed individuals have the employment support, assistance and opportunities they deserve. As Deputy Assistant Secretary for the Veterans' Employment and Training Service at DOL, I appreciate the opportunity to address how we can improve access to GI Bill approved Apprenticeship Programs and how these programs benefit veterans.

Secretary Acosta refers to apprenticeship as an important form of "demand driven education" that focuses on the skills required by the modern workplace. Apprenticeships combine a paid work component with an educational component that teaches the skills necessary to succeed in a job. Apprenticeship is a critical part of this Administration's jobs agenda— ensuring workforce training programs combine strong employer engagement with high quality training to create pathways for workers into high-growth occupations. This strategy is designed to meet employers' needs for skilled workers, and provide millions of Americans with secure jobs that lead to long-term employment with good wages.

Apprenticeships provide a tremendous opportunity (or pathway) for veterans to attain meaningful employment and rewarding careers. Eligible Post- 9/11 veterans can learn a trade through apprenticeships and use their GI Bill benefits to receive a tax-free monthly housing allowance paid by the Department of Veterans' Affairs (VA), in addition to their apprenticeship wages. This allowance gradually decreases as the veteran's wages increase throughout the 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 apprenticeship. This is a vital way to help veterans meet their expenses while in training.

In August 2017, the unemployment rate for veterans was 3.7 percent, while the non-veteran unemployment rate was 4.4 percent. I am happy to report that these rates are down from a high of 8.7 percent for veterans and 9.4 percent for nonveterans in calendar year 2010. Notwithstanding this positive trend, in August 2017, we still have 374,000 unemployed veterans among the 6.9 million Americans who are unemployed. The good news is that the Nation has 6.2 million job openings, and we can get most Americans back to work if we can match those who are looking for work with available jobs. But, businesses report having difficulty finding workers with the skills demanded by the modern workplace. That is why, on June 15, 2017, President Trump signed Executive Order 13801, Expanding Apprenticeships in America (EO), reinforcing his commitment to preparing workers for existing jobs and for the jobs that will be created in the future.

Through the Executive Order, the President has made it the policy of the Federal Government “to provide more affordable pathways to secure, high-paying jobs by promoting apprenticeships and effective workforce development programs, while easing the regulatory burden on such programs....” Among other things, the EO directs Secretary Acosta, in consultation with the Secretaries of Education and Commerce, to consider regulatory action to promote the development of industry-recognized apprenticeship programs by qualified third parties, and establishes a Task Force on Apprenticeship Expansion, to be chaired by Secretary Acosta. The President also specifically tasked the Secretaries of Defense, Labor, Education, and the Attorney General, in consultation with each other and consistent with applicable law, to promote apprenticeships and pre-apprenticeships for, among others, members of America’s armed services and veterans.

We at the Department are committed to working with our Federal partners to assist our service members and veterans in accessing these programs so they can develop the skills that employers value, and obtain the secure, high paying jobs that are driving the U.S. economy forward in the 21st century.

Benefits of Apprenticeship

In the United States, the best apprenticeship approaches from around the world can be refined and applied in new and dynamic ways that fit with our economy and labor market. Global companies that do business in America and are familiar with the benefits of apprenticeship as a human capital solution are helping lead the way. For example, in Texas, graduates from Mercuria Energy’s apprenticeship program joined President Trump during the announcement of the Apprenticeships Executive Order. The apprentices are university graduates and military veterans. Mercuria brought intensive one-year on-the-job development training to Houston as part of their apprenticeship program. In Alabama, Mercedes-Benz partners with a community college to train workers for their plant, which employs more than 3,500 of the state’s residents.¹

Apprenticeships have proven to be an effective way for veterans to advance into productive careers. As of September 15, 2017, there are 19,287 veterans actively participating in programs registered with the Department’s Office of Apprenticeship (OA). A total of 3,749² veterans have

¹ http://www.al.com/business/index.ssf/2016/08/post_408.html

² Source: Registered Apprenticeship Partners Information Data System (RAPIDS) Data pulled September 15, 2017.

completed a training program registered with OA or DOL-recognized State Apprenticeship Agencies since the beginning of Fiscal Year 2016. The employment outcomes for apprenticeship programs are impressive. In fact, according to the Department's data, 91 percent of apprentices are employed after completing their programs, with an average starting wage above \$60,000. Apprenticeships have also been shown to increase a worker's lifetime compensation by over \$300,000, as compared to their peers.³

Apprenticeships also make good business sense for employers. The return on investment (ROI) is notable — international studies suggest that for every dollar spent on apprenticeships, employers may obtain an average of \$1.47 back in increased productivity, reduced waste, and other benefits.⁴ For apprenticeships in the United States, for every public dollar invested the tax returns are more than \$27, and the total benefits (including the reduced use of public benefits) are more than \$35 per dollar invested, on average.⁵

Promoting Apprenticeships for Veterans

The Department of Labor oversees a portfolio of workforce programs that help job seekers, including veterans, find jobs and advance their careers. This includes responsibility for administering and providing promotion and oversight of apprenticeship programs nationwide. The Department is actively engaging with companies that want to focus specifically on hiring veterans in apprenticeships, and has increased its collaboration across the government — including with VA — to ensure that veterans can succeed in apprenticeship opportunities and receive the benefits they've earned under the Post-9/11 GI Bill.

DOL has greatly expanded outreach to employers, utilizing industry intermediaries, which has motivated companies from a variety of industry sectors to have their apprenticeship programs approved by the Department. They join the family of approximately 20,000 registered apprenticeship programs across the country that are training over 545,000 active apprentices for high demand occupations — while securing a thriving and skilled workforce for the future.

The Department continues a Veteran Employment Outreach Program to make it easier for companies to find and hire veterans by leveraging federal, state, and local resources. A National-to-Local engagement and integration strategy informs and coordinates action among government, private sector, and local communities to enhance veterans' employment opportunities and to leverage the national workforce system and their network of over 2,400 American Job Centers (AJCs) nationwide. This program provides a valuable bridge between

³ 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

⁴ Source: Canadian Apprenticeship Forum. (June 2009). It Pays to Hire an Apprentice: Calculating the Return on Training Investment for Skilled Trades Employers in Canada. (Retrieved from

https://www.novascotia.ca/lae/Apprenticeshipboard/documents/CAF-FCA_ROTI_it_pays_to_hire_an_apprentice_ExecutiveReport_En_000.pdf

⁵ 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

national and regional employers who are eager to hire veterans and workforce development staff at AJCs who build relationships with local employers and assist veterans in gaining meaningful employment.

Additionally, the Department funds Local Veterans' Employment Representatives (LVERs), who are housed in AJCs to specifically work with employers, on the local level, who are interested in recruiting, retaining, and training veterans and transitioning service members.

Two years ago, DOL deployed Regional Veterans Employment Coordinators (RVECs) at our Regional Offices with a mission to conduct employer outreach in order to connect companies with federal, state, local, and other resources to facilitate veterans' employment. A key task of the RVECs is to consult with companies on their needs, educate them on resources and assist them with developing apprenticeships to address the skills gaps and to attract more veterans.

VETS referrals to the Office of Apprenticeship include companies like Amazon, which established a new apprenticeship program with the Department earlier in 2017, to train veterans for careers in technology at the online retail giant. It is the company's goal to hire 25,000 veterans and spouses of military personnel over the next five years. In the last year, approximately 30 employers that were referred to the Department ultimately established an apprenticeship program, or are awaiting approval for one.

Educating Veterans and Transitioning Service Members on Apprenticeship

The Department seeks to close the skills gap by connecting employers who are looking to fill job openings with employees, including veterans, who have industry-recognized skills and credentials. One opportunity to connect transitioning service members to apprenticeship programs is through the Transition Assistance Program (TAP). The TAP DOL Employment Workshop is a 3-day workshop that provides employment assistance to transitioning service members and their spouses by giving them the tools necessary for a successful transition from military to civilian life. Information regarding apprenticeships is included in the TAP curriculum. The Department presented 6,313 workshops to nearly 184,000 service members at 206 locations worldwide last year. At present, DOL is conducting a thorough curriculum review with the intent of providing additional useful information; a revised Employment Workshop curriculum is currently scheduled for implementation in early 2018.

In April 2017, the Department assumed responsibility for the TAP Career Technical Training Track (TAP CTTT) from VA. TAP CTTT is an optional two-day workshop for transitioning service members and their spouses. This workshop focuses on apprenticeships and industry-recognized credentials. It provides these service members with an excellent opportunity to identify their relevant skills, increase their awareness of training and apprenticeship programs that can lead to industry-recognized credentials and meaningful careers, and develop an action plan to achieve their career goals. The Department is also undertaking a comprehensive review of the CTTT curriculum, and has reached out to employers, industry associations, and other stakeholders, asking for participation in the examination of both the DOL Employment Workshop and the CTTT offerings. Their valuable input will help to ensure the curricula are up-to-date and relevant to the dynamic employer and industry standards. As with the Employment

Workshop, DOL expects to implement a revised CTTT in early 2018.

DOL supports the opportunities available under the DoD SkillBridge initiative, which 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 pre-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 DoD authority and smooth a service member's path from active duty to civilian employment.

The Department also strongly supports the United Services Military Apprenticeship Program (USMAP). USMAP is an active duty apprenticeship program that provides a certificate of completion of apprenticeship in the occupation in which the member has his or her Military Occupational Specialty (MOS) or Navy/Coast Guard rating. This certificate allows service members to join the workforce at the journeyman level after they transition. Currently, there are more than 100,000 active duty apprentices learning skills in more than 115 occupations, ranging from airframe mechanics to fire fighters to computer operators.

Finally, the Department provides a 24/7 online resource, VETERANS.GOV, which is easily accessible to all veterans, as well as to employers who want to hire veterans. 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 are links to several platforms that veterans can use to help translate their military skills into skills for the civilian workforce, as well as information on apprenticeships.

Summary

Apprenticeships provide demand-driven education and training that focus on the skills required by the modern workplace. Apprenticeship is gaining popularity throughout the United States. Leveraging apprenticeship as a human capital solution enhances the ability of employers to attract and retain veterans and achieve business success. The Department looks forward to working with the Subcommittee to ensure that our veterans and separating service members have the resources and training they need to successfully transition to the civilian workforce. DOL supports VA's ongoing efforts to make the Post-9/11 GI Bill administrative process easier for regional and national employers, so that they can increase the number of companies that offer benefits to their veteran apprentices.

The improving employment situation for veterans is a resounding testament to the response from stakeholders, both public and private, at the national level and within local communities. Mr. Chairman, Ranking Member, distinguished Members of the Subcommittee, this concludes my statement for the record. Thank you again for the opportunity to be a part of this hearing.