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STATEMENT FOR THE RECORD

**SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
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Introduction

Chairman Levin, Ranking Member Bilirakis, and distinguished Members of the Subcommittee, thank you for the opportunity to provide a statement for the record for this hearing, "Fiscal Year (FY) 2020 President's Budget: Requests Related to Veterans' Readjustment Benefits." I commend the Committee for its efforts to ensure that America fulfills its obligations to its veterans, their families, and their caregivers. The Department of Labor (DOL or Department) provides training, employment services, and information related to the economic health of all workers within an integrated network that continues to generate positive employment outcomes for the men and women who have served our country.

The President's FY 2020 budget reflects the Administration's priorities to support the American workforce. The President's vision for America and the American workforce is to empower our economy to each day create jobs that are safe and family sustaining. The Department is working hard to: keep Americans safe in the workplace; prevent discriminatory employment practices; safeguard retirement savings; increase employment opportunities for all Americans; level the playing field for working Americans through fair trade; collect, analyze, and disseminate essential economic information; promote private-sector union democracy and financial integrity; protect the interest of workers, and their families, who were injured or became ill on the job; and ensure workers are paid what they have earned.

Veterans' Employment and Training Service

The Veterans' Employment and Training Service (VETS) is an integral part of the Department and a budget priority for the Secretary. VETS' mission is to prepare America's veterans, service members, spouses, and caregivers for meaningful careers, provide them with employment resources and expertise, protect their employment rights, and promote their employment opportunities. The new HIRE Vets Medallion Program will encourage more employers to recruit, hire, and retain veterans. Expanded apprenticeship opportunities will assist veterans in finding meaningful and family-sustaining careers. VETS employees are dedicated to the mission of providing transitioning service members, veterans, and their spouses

the employment services they deserve.

In March, the Department's Bureau of Labor Statistics (BLS) released its annual report on the "Employment Situation of Veterans." Some highlights from the report include:

- The unemployment rate for all veterans fell to an 18-year low of 3.5 percent in 2018.
- Unemployment for veterans who served on active duty in the U.S. Armed Forces since September 2001 dropped from 4.5 percent in 2017, to 3.8 percent in 2018—the lowest rate recorded since BLS began collecting the data in 2006.
- The unemployment rate for women veterans fell to 3.0 percent in 2018.¹

Unfortunately, military spouse unemployment is estimated to be at least two times higher than the national average, and in a survey conducted in 2017, 50 percent of military and recent veteran spouse respondents who were working part time indicated a desire to work full time.² Even with more than 7 million open jobs in the country right now, these reports suggest well-qualified and credentialed military spouses encounter challenges both with maintaining careers and transferring their industry-recognized credentials between states.³ The Administration, including the Department, are working to improve the employment prospects for these spouses.

Recognizing that the veteran unemployment rate continues to reach historic lows, the budget would provide an opportunity to modernize the ways we address the employment needs of transitioning service members, veterans, their spouses, and caregivers by providing more targeted and tailored delivery of employment services.

For FY 2020, VETS is requesting \$306,041,000, an increase of \$6,000,000 from the FY 2019 enacted level. The requested funding by program is:

- \$29,379,000 for Transition Assistance Program
- \$180,000,000 for Jobs for Veterans State Grants
- \$3,414,000 for the National Veterans' Training Institute
- \$50,000,000 for Homeless Veterans' Reintegration Program
- \$43,248,000 for Federal Administration—USERRA Enforcement

Transition Assistance Program (TAP)

Transitioning service members are a valuable resource to American communities, and they bring the technical skills and leadership traits that employers look for. The TAP for separating and retiring service members and their spouses, provided under 10 U.S.C. 1144, helps to smooth the transition from active duty to civilian life. TAP is a cooperative effort among DOL, the Department of Defense (DoD), the Department of Education, the Department of Homeland

¹ Bureau of Labor Statistics. "Employment Situation of Veterans." March 2019. <https://www.bls.gov/news.release/vet.nr0.htm>.

² The Council of Economic Advisors. "Military Spouses in the Labor Market". <https://www.whitehouse.gov/wp-content/uploads/2018/05/Military-Spouses-in-the-Labor-Market.pdf>.

³ Bureau of Labor Statistics. Job Openings and Labor Turnover Survey Results, February 2019. <https://www.bls.gov/news.release/jolts.htm>.

Security, the Department of Veterans Affairs (VA), the Small Business Administration, and the Office of Personnel Management.

VETS estimates that approximately 150,000 transitioning service members will attend the DOL Employment Workshops this year. In FY 2018, VETS provided 5,769 DOL Employment Workshops, both domestic and overseas, to 154,580 transitioning service members and their spouses.

To improve TAP, President Trump signed H.R. 5515, the “John S. McCain National Defense Authorization Act (NDAA) for Fiscal Year 2019,” (Pub-Law 115-232), into law on August 13, 2018. DOL will alter the delivery of employment-related workshops in FY 2020 to align with the new legislative requirements. VETS would also provide additional employment related services to transitioning service members beyond the classroom and those services could include career counseling, resume preparation, and job search assistance. For example, VETS’ FY 2020 budget requests additional funding to revise the course curriculum to provide one-day employment preparation that is mandatory for all transitioning service members, an optional two-day workshop for apprenticeship/technical career preparation, and an optional general employment preparation. These changes to TAP are designed to help transitioning service members make the best career choices among those available to them, taking into account individual skills and high-demand career fields. Better matching veterans to career opportunities prior to transition could reduce job turnover rates among recently-transitioned veterans. Additional funding would enhance the quality of employment support services for transitioning service members, with a focus on improved outcomes.

VETS will also administer the Veteran Apprenticeship Pilot, funded in the FY 2019 appropriation. This pilot will prepare transitioning service members to qualify for and enter into high quality apprenticeship programs. This initiative supports the Administration’s priority to expand apprenticeship opportunities by connecting service members to prospective employers before their transition through apprenticeship placement counselors. Intended outcomes include more transitioning service members embarking in high-paying careers, while employers gain veterans as valuable employees.

The requested funding would also allow VETS to develop and implement a course curriculum specific to military spouses who are transitioning with their service member out of the service or to another installation. The course curriculum would use components of the current curriculum for military members, such as resume development and interviewing techniques. It could also include components more specific to the needs of military spouses as a result of their frequent moves and the complexities associated with state licensing and credentialing requirements. As an example, last year, DOL developed a military spouse web portal where military spouses can efficiently search for specific points of contact, guidelines, and state laws on professional licensing, including information on how occupational licenses from one state can be recognized in another. While developing the new course curriculum, VETS will evaluate delivery options with DoD to determine the most effective and efficient format, likely hybrid models that allow face-to-face programming and digital delivery. This investment would help military spouses build careers.

The President's FY 2020 Budget includes a legislative proposal to provide the Department with broader access to National Directory of New Hires (NDNH) data that would enable VETS, in collaboration with the Department's Chief Evaluation Office, to track the employment outcomes of transitioning service members. Meanwhile, VETS receives data on transitioning service members daily from DoD. This growing database contains demographic information, highest education level achieved, military base geographic data, and a full list of all the courses each service member participated in during the transition process.

Jobs for Veterans State Grants (JVSG)

VETS funds employment and training services for veterans at State Workforce Agencies nationwide through JVSG, as authorized under 38 U.S.C. 4102A(b)(5). This program assists veterans with significant barriers to employment and other eligible individuals to help them attain family-sustaining careers, and to assist employers in filling their workforce needs with job-seeking veterans. VETS awards JVSG grant funds by formula to each state, the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands. The formula, governed under 38 U.S.C. 4102A(c)(2) and the implementing regulations, is based on the following factors:

- The number of unemployed individuals in the general population in each state, compared with the total number of unemployed individuals in the general population across all states; and
- The number of veterans in the civilian labor force in each state, compared with the total number of veterans in the civilian labor force across all states.

VETS provides JVSG funds to states to support three types of staff positions: Disabled Veterans' Outreach Program (DVOP) specialists, Local Veterans' Employment Representatives (LVER) staff, and Consolidated Positions (positions which perform the functions of both the preceding staff positions).

The primary duty of DVOP specialists is to provide specialized services to veterans and eligible spouses with significant barriers to employment that are designed to mitigate an individual's particular barriers to employment. Since FY 2014, appropriation language has allowed DVOP specialists to provide services to transitioning service members who have participated in TAP and are in need of intensive services and to wounded, ill, or injured service members and their caretakers. These intensive services, now referred to as individualized career services under the Workforce Innovation and Opportunity Act (WIOA), include comprehensive and specialized job readiness assessments, interview preparation, development of individual employment plans, and career guidance through group or individual counseling. From July 2017 to June 2018, 99,296 eligible veterans received services from DVOP specialists. Nearly 60 percent of these individuals were employed within ninety days of service.

LVER staff promote veteran hiring through outreach activities that build relationships with local employers with the goal of connecting employers across the country with career-ready veterans. LVERs coordinate with DVOP specialists and other AJC staff to transition veteran clients into employment in the local community. Consolidated positions allow states flexibility to provide appropriate employment services for veterans and employer support in areas currently

underserved or where the assignment of only full-time DVOP specialists or LVER staff would be impractical.

The FY 2020 budget requests \$180,000,000 for the JVSG program to continue providing employment and training services at American Job Centers (AJCs) nationwide. The JVSG program will continue to fund DVOP specialists to assist veterans with significant barriers to employment and other eligible individuals, to help them attain family-sustaining careers, and to fund LVER staff to assist employers in filling their workforce needs with job-seeking veterans. Within the funding request, JVSG staff will be able to expand the awareness of the HIRE Vets Medallion Program (HVMP).

National Veterans' Employment and Training Institute (NVTI)

The NVTI was established in 1986 to increase the level of proficiency and training of staff that provide employment services to veterans. NVTI provides training to veteran service providers and Federal staff, including DVOP specialists and LVER staff who provide or oversee grant services, and Federal staff who perform compliance and enforcement activities under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) and the Veterans' Employment Opportunities Act. At the requested level, NVTI will maintain the current curriculum, increase digital delivery, and train veteran service providers in order to meet the training requirements at 38 USC 4102A(c)(8)(A).

Homeless Veterans' Reintegration Program (HVRP)

The Homeless Veterans' Reintegration Program (HVRP), authorized under 38 U.S.C. 2021, provides services to help veterans experiencing homelessness obtain meaningful employment and to develop effective service delivery systems to address the complex problems they encounter. Funds are awarded on a competitive basis to eligible applicants, including: state and local Workforce Development Boards, public agencies, for-profit/commercial entities, and nonprofit organizations, including faith- and community-based organizations.

The FY 2020 budget requests \$50,000,000 to allow HVRP grantees to provide employment and training services that help thousands of homeless veterans successfully re-enter the labor force. Direct services include placement in employment, skills training, job development, career counseling, and resume writing. Support services may include clothing, referral to medical substance abuse treatment and housing, and transportation assistance. As a member of the United States Interagency Council on Homelessness, DOL collaborates with the VA, as well as other Federal and local entities serving homeless veterans. In FY 2018, HVRP provided services to 17,958 homeless veterans and of those veterans who obtained employment, their average wage was \$13.50 per hour.

VETS also provides HVRP funding for "Stand Down" events in local communities. A "Stand Down" event is a community-based event in which organizations come together to serve veterans who are experiencing homelessness, connecting them with support services to help them reenter the workforce, gain permanent housing, and access healthcare services.

President Trump signed S. 2248, the “Veterans Benefits and Transition Act of 2018,” (Pub-Law 115-407) into law on December 31, 2018. This bill covered a range of veterans’ issues, including provisions that would increase veterans’ benefits and those that would improve the transition process from military to civilian life. Specific to DOL, Pub-Law 115-407 amends Section 2021(a) of title 38, U.S.C., by expanding eligible participants under HVRP. VETS included these additional populations in the grant announcement which closed on April 26.

Federal Administration— Uniformed Services Employment and Reemployment Rights Act (USERRA) Enforcement

The FY 2020 budget requests \$43,248,000 for Federal Administration. The requested amount would provide for the salary and benefits, travel, and training for all of VETS’ current staff in the national office, six regional offices, and offices in each state, the District of Columbia, and Puerto Rico.

VETS is responsible for administering, interpreting, and helping enforce the USERRA, pursuant to 38 U.S.C. 4301, *et seq.* VETS staff conduct formal investigations of complaints received from individuals who believe their employment or reemployment rights were violated. Upon completion of an investigation, if the evidence supports the allegations raised in the complaint, VETS will work with both the employer and complainant to obtain the appropriate relief under the law. If the complainant is dissatisfied with the results of the investigation, he or she may request that the case be referred to either the U.S. Department of Justice for non-Federal cases, or to the U.S. Office of Special Counsel for Federal cases for consideration of representation in either U.S. District Court or before the Merit Systems Protection Board, as appropriate.

VETS is also responsible for investigating complaints received from preference-eligible veterans who allege that their veterans’ preference rights in Federal employment were violated, pursuant to the Veterans’ Employment Opportunities Act of 1998 (VEOA), 5 U.S.C. 3330a, *et seq.* In addition, VETS receives and collects Federal contractor data reporting pursuant to the Vietnam Era Veterans Readjustment Assistance Act. In-depth summaries of VETS’ USERRA enforcement activities, including data on cases opened during the last fiscal year, are provided in the Department’s USERRA Annual Report to Congress.⁴

VETS conducts public outreach to educate service members, employers, and others on their rights and responsibilities under USERRA. At the requested funding level, VETS provides an online USERRA advisory tool to assist veterans in understanding employee eligibility, job entitlements, and obligations, as well as benefits, remedies, and employer obligations under USERRA.⁵ This electronic advisory tool helps veterans determine the types of preferences and benefits to which they may be entitled, explains the process for filing a complaint, and provides an electronic claim form.

⁴ <https://www.dol.gov/vets/programs/userra/index.htm>.

⁵ <http://www.dol.gov/elaws/userra.htm>.

HIRE Vets Medallion Program

The Honoring Investments in Recruiting and Employing (HIRE) American Military Veterans Act of 2017, P.L. 115-31 (Division O) (HIRE Vets), required DOL to establish a program to recognize employer efforts to recruit, employ, and retain veterans. The HIRE Vets Medallion Award is the only Federal-level veterans' employment award that recognizes a company or organization's commitment to veteran hiring and retention. As set forth in the Act, the program is intended to be entirely fee-funded and comprises different award criteria for large employers (500-plus employees), medium employers (51-499 employees), and small employers (50 or fewer employees). This is a fee-funded program and participants pay a non-refundable application fee. On November 13, 2017, the Department published the Final Rule establishing the HIRE Vets Medallion Program, at 82 FR 52186, and is actively promoting the program, including providing guidance and technical assistance to the public workforce system in order to ensure that local employers are aware of this opportunity for recognition.

In 2018, VETS established the standard operating procedures and criteria for the HIRE Vets Medallion Program through a demonstration project, developed new IT systems to capture and analyze the applications, selected the awardees for the demonstration project, and presented the demonstration medallions to the recipients at a ceremony on November 9th. The demonstration was limited to 300 applicants, 239 of which met the eligibility requirements to receive a demonstration award. The demonstration award recipient list, along with additional information about the program is available at www.hirevets.gov. Full implementation of the program began in January of this year and the open application period closes this month. We look forward to announcing the award recipients on a date to coincide with Veterans' Day.

Conclusion

The Department looks forward to working with the Subcommittee to ensure that our transitioning service members, veterans, their spouses, and care providers have the resources and training they need to be successful in the civilian workforce. The improving employment situation for veterans is a testament to the nationwide recognition from stakeholders—both public and private, at the national level and within local communities—of the value that veterans bring to the civilian workforce. Chairman Levin, Ranking Member Bilirakis, and members of the Subcommittee, this concludes my statement for the record. Thank you for the opportunity to provide this statement for the record.