

TESTIMONY OF
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GALVANIZE, INC.

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

HEARING ON
"SECURING HIGH-DEMAND JOBS FOR VETERANS"

FEBRUARY 2, 2022

Chairman Levin, Ranking Member Moore, and Members of the Committee: On behalf of Galvanize, I am honored to appear before you today to talk about the Veteran Employment through Technology Education Courses (VET TEC) program and the Veteran Rapid Retraining Assistance Program (VRRAP).

I am Bill Blackstone, the Executive Vice President for Operations at Galvanize. Our company was founded in 2012 with the mission of providing quality, relevant coding training to students looking for a career in software engineering. Our company provides software and technical skills training to employees of Fortune 500 companies, active duty personnel, transitioning service members through DoD/Skillbridge, and Veteran and civilian consumers enrolling in our “Hack Reactor” branded consumer education products. These programs range from full-time and part-time immersive training, commonly referred to as “coding bootcamps,” to bespoke reskilling or upskilling programs where we partner with organizations to help improve and develop the technical skills of an experienced technical workforce.

Galvanize is an outcomes-driven education company. We work with our Fortune 500 and Department of Defense clients to clearly define outcomes of our customized programs and our Veteran and civilian students attend our consumer courses with the expectation of career transition. Simply put, our business depends on meeting our client’s objectives and our graduates getting jobs. As a result, we need to remain agile and relevant in our course offerings or students will look for other education opportunities.

Veteran Impact

As you are no doubt aware, the COVID pandemic has had significant negative impacts on Veterans. Unemployment amongst Veterans more than doubled at the beginning of the pandemic from 3.1% to 6.5%¹. While the Veteran unemployment rate has recovered to 3.3%² as of this past December, there are still nearly 300,000 Veterans who served our country currently unemployed.

Every year, there are countless software engineering jobs that go unfilled. The overall job growth in this sector is forecasted at 22% over the next 10 years³. For the past decade, the coding bootcamp industry has worked diligently to create technical talent to fill this workforce gap. We have seen many individuals who are chronically unemployed, underemployed, or unhappily employed change their careers and their lives through coding bootcamps.

The job growth in the technology industry presents a significant opportunity for Veterans. While bootcamp graduates typically see starting salaries averaging \$69,079⁴, Veterans average 11% higher wages as software engineers compared to non-Veterans⁵. Further, with 81% of employed Veterans earning below \$60,000 per year⁶ and the average salaries of bootcamp graduates climbing to \$100,000+ by their second or third job⁷, programs such as VET TEC provide a needed onramp to higher lifetime earning potential for Veterans and their families.

VET TEC

Galvanize is a strong supporter of the VET TEC program as it aligns the incentives of all three parties: the federal government, Veteran, and provider. As a “preferred VET TEC provider,” we have agreed to only receive full tuition payment if a student finds meaningful employment within the field of study within 6 months of graduation. Otherwise, Galvanize receives no further payments and must refund all tuition received based on VET TEC milestones. In other words, we have 100% tuition liability that is directly tied to the student’s vocational success.

Since 2019, we have educated 474 Veterans, 316 of those enrolled using VET TEC benefits. Of those utilizing VET TEC, 73% have been employed in their field of study, many being employed by some of our Nation’s top technology companies—with a starting salary averaging \$90,136.

¹ U.S. Bureau of Labor Statistics: EMPLOYMENT SITUATION OF VETERANS — 2020, March 18, 2021

² U.S. Bureau of Labor Statistics: December Jobs Report, January 7, 2022

³ U.S. Bureau of Labor Statistics: <https://www.bls.gov/ooh/computer-and-information-technology/software-developers.htm>

⁴ Course Report: 2020 Alumni & Demographics Report: <https://www.coursereport.com/reports/2020-coding-bootcamp-alumni-outcomes-demographics-report-during-covid-19>

⁵ IPUMS USA, University of Minnesota, www.ipums.org

⁶ IPUMS USA, University of Minnesota, www.ipums.org

⁷ Course Report: Web Developer Salaries After Coding Bootcamps, March 10, 2021

These student Veterans far outpace the national coding bootcamp starting salary average of \$69,079⁴.

The success of this program is best viewed, however, through the eyes of those benefiting most from VET TEC:

Sergeant Travis Williams (ret.) was a ground communications repairman in the United States Marine Corps. After completing his service, Travis spent an unfulfilling 2 years in the tax industry. Looking for a career transition, he discovered the “Hack Reactor” 12 week coding bootcamp program at Galvanize through VET TEC. Without the VET TEC benefit, the transition into becoming a software engineer would have been nearly impossible for Travis without suffering extreme financial hardship. After attending the “Hack Reactor” program, Travis received a job offer 2.5 months after graduation with a household name technology company. This offer included a 5 figure signing bonus and a starting salary 50% higher than the Galvanize average VET TEC starting salary. In Travis’ words “the outcome is literally a dream come true.”

Travis is not alone.

In his experience as a medic in the US Army, Tyler Duncan developed a keen attention to detail, discipline, and love for solving complex problems. He was able to benefit from this knowledge as he developed a newfound passion for coding through the Galvanize “Hack Reactor” program using VET TEC benefits. Tyler showed leadership and discipline in the program and was selected for a highly coveted position as a software engineer in residence at Galvanize supporting the program post-graduation. Upon completing this residency, he received a full-time software engineer position at a national real estate software company, headquartered in Seattle, WA, that allows him to work remotely from his home in the southeast region of Alabama.

As one of the original “preferred providers,” Galvanize remains steadfast in its support of the VET TEC program. As with any new program, there will always be ups and downs. There have been significant improvements to the program over the last year including broadening the eligibility to include transitioning service members in their last months of active duty service to increases in funding to \$45M per year. Further, the ability to educate our students remotely, the simplicity of program approval (removing the need for multiple state approving agencies, etc.), lower threshold to participate (only one year of continuous delivery versus 2 years of brick and mortar), and the alignment of incentives between the government, provider, and Veteran make VET TEC ideal. Not to mention, the program staff in the Buffalo, NY office have been nothing short of world class.

Even with all of its merits, there are areas of potential improvement for the VET TEC program.

First, the unevenness of funding has a significant impact on both Veterans and providers. In order to participate in a VET TEC approved program, many Veterans quit their jobs. In FY21, when funding ran out without warning nearly 6 weeks into the fiscal year, many Veterans who were accepted and about to start their training were forced to scramble for alternative funding sources or attempt to rejoin the workforce. In addition, providers in the VET TEC network face significant business disruption in the event of VET TEC funds running out without warning. It is difficult for any business to properly forecast with the uncertainty of funding. Creating a sustainable and predictable funding source will allow Veterans and providers to better plan and will likely improve interest in the program.

Second, while the VET TEC administrative team is amazing, they are severely understaffed which may cause issues and delays. For example, some students are faced with delays getting their eligibility confirmed prior to the start of a program. We strongly recommend investing in additional program staff resources to help support the program. Further, additional investment in online and automated tools such as those being utilized by the GI Bill administration will also help alleviate delays.

Third, one of the highlights of VET TEC is the alignment of incentives between providers, the government, and Veterans through 50% tuition risk for regular providers and 100% tuition risk for preferred providers. This alignment prevents ‘bad actors’ from entering the provider network. However, this alignment becomes unbalanced when a student Veteran does not intend to conduct a good-faith job search. In this scenario, only the provider is at risk since no additional tuition payments will be made by the government and the student does not need to repay housing assistance or tuition. We recommend further studies on how to safeguard against this scenario.

VRRAP

Galvanize also participates in the VRRAP program. It is important to note that the program is narrowly focused. When one evaluates the criteria for eligibility, it starts narrowing the possible recipients down to a very small group, e.g. lost employment due to COVID, not eligible for GI Bill or no benefit remaining, etc. Further, out of that reduced population, it is even more challenging to find individuals interested and equipped to become software engineers. For all of our Galvanize programs, including those for Fortune 500 companies and the Department of Defense, we have stringent entrance criteria. Our programs are difficult as they train individuals for careers and advancement in technology. While Galvanize has trained hundreds of Veterans utilizing VET TEC and GI Bill, only 7 student Veterans have utilized VRRAP to participate in our programs.

VRRAP also faces the challenge of being a new program. In our experience with VET TEC, it took nearly a year to see large adoption of the program. For example, we have over 400 Veterans

in our enrollment pipeline expressing a desire to use their VET TEC benefit. This is a significant increase from the first year where that number was less than 100. Today, we have ~20-30 Veterans in our enrollment pipeline expressing a desire to use VRRAP. Therefore, it is likely the lack of wide-spread adoption of the program could also be attributed to its newness.

Conclusion

As a mission and outcomes driven organization, we take great pride in the success of our students—especially those who have honorably served our country. We have seen firsthand the benefits of Veterans in our classroom and as employees. The VET TEC and VRRAP programs provide a significant opportunity to Veterans and we are extremely grateful for the committee and the VA’s extraordinary work in establishing and continuously improving both programs. Galvanize is committed to the success of our Veterans and we look forward to remaining a partner with Congress and the VA. Once again, thank you for the opportunity to present testimony today, and I look forward to your questions.