

**STATEMENT OF
ERIC SELEZNOW
DEPUTY ASSISTANT SECRETARY,
EMPLOYMENT AND TRAINING ADMINISTRATION
U.S. DEPARTMENT OF LABOR
BEFORE THE
HOUSE COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY**

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Good afternoon, Chairman Wenstrup, Ranking Member Takano, and other distinguished Members of the Subcommittee. As Deputy Assistant Secretary for the Employment and Training Administration (ETA), I am pleased to be here today to discuss the Department of Labor's (DOL) apprenticeship and on-the-job training (OJT) programs, and how they assist veterans and transitioning service members. Today's discussion is particularly appropriate as we just observed Veterans' Day, honoring those who have served and sacrificed for our Nation, and it coincides with DOL's recent celebration of the inaugural National Apprenticeship Week.

Prior to joining DOL, I worked for 20 years at the state and local level, where I had the opportunity to serve as Director of Workforce Services for the Montgomery County Department of Economic Development and as Executive Director of the Governor's Workforce Investment Board (GWIB) in Maryland. As a result, I have had many opportunities to work with states and local stakeholders to strengthen workforce policies and to improve their outreach to veterans.

As many of you know, DOL and the Department of Veterans Affairs (VA) use many of the same programmatic names and terms, but there are some important distinctions concerning how these terms are used in the context of each agency's programs.

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 middle class wages and meet employers' needs. This job-driven strategy complements the President's goal of doubling Registered Apprenticeships across the country over five years.

Likewise, under the Workforce Innovation and Opportunity Act (WIOA), which governs our public workforce system, and through related strategic investments, DOL has emphasized talent development by focusing on the attainment of a "recognized postsecondary credential," using career pathways and successful work-based training approaches, as well as strategically engaging robust partners, such as local workforce development boards, employers, institutions of higher education, apprenticeship agencies, and others to design the necessary training and credentials to build a competitive workforce.

DOL serves over one million veterans annually through the American Job Center (AJC) network—the cornerstone of the unique federal, state, and local partnerships that comprise the public workforce system—and well over half of them get jobs. In addition to providing high-quality one-stop shopping for a range of career and training services, AJCs offer veterans and eligible military spouses priority of service.

AJCs house business service teams, which include or partner with Local Veterans' Employment Representatives (LVERs) to offer a range of employer services, including outreach and development of new OJT opportunities and Registered Apprenticeships. These staff help match DOL OJT participants to employers, who receive up to 75 percent of the trainee's wages in order to reimburse some of the extraordinary costs associated with training new staff.

In Fiscal Year (FY) 2015, ETA's sister agency, the Veterans' Employment and Training Service (VETS), expanded its employer outreach activities at both the national and regional levels. VETS guides employers to business service teams, specifically LVERs. Once linked to their local AJCs, employers are connected with local veterans looking for employment, and are introduced to DOL training programs, including registered apprenticeship programs approved by ETA's Office of Apprenticeship (OA).

Employers utilizing OA's registered apprenticeship programs develop a world-class workforce, enhance a company's bottom line, and help to retain skilled workers. Veterans also benefit as they earn while they learn in a training model combining work-based learning with related classroom instruction using the highest industry standards.

Examples of the benefits accruing from the recent expansion of VETS' employer outreach efforts and coordination with OA can be seen, for example, in the trucking and automobile manufacturing industries. Employers in both of these industries have had apprenticeship programs approved and registered with DOL. These employers have joined a national system of employer-driven on-the-job training made up of over 150,000 employers in more than 1,000 occupations. VETS and the OA continue to expand outreach to new employers and new industries.

DOL Investments in OJT

Since 2010, DOL has prioritized OJT strategies because we know they work. OJT significantly increases the chances of finding work, and moderately increases employment retention; the training also leads to higher paid wages, on average. As part of our outcome measures, states are required to report, using wage records, on employment, retention rates, and post-program earnings. In Program Year (PY) 2013, of those veterans who participated in OJT, almost 85 percent were employed in the first quarter after exiting the program, and almost 90 percent remained in those jobs after six months. The six-month average earnings for veterans receiving OJT was \$17,361.

DOL has leveraged National Emergency Grant (NEG) programs (renamed National Dislocated Worker Grants under WIOA) to promote work-based training models, including Registered

Apprenticeship and OJT, where veterans are a priority population. NEGs are discretionary grants awarded by the Secretary of Labor to provide employment-related services for dislocated workers and are intended to temporarily expand service capacity at the state and local levels by providing time-limited funding assistance in response to significant dislocation events, including plant closures and mass layoffs. Funds remaining from this National Reserve appropriation at the end of the fiscal year are used to further support dislocated workers across the country. Examples of these NEG investments in recent years include:

- The On-the-Job Training NEGs, which invested \$75 million in 41 states, three federally recognized Tribes, and the District of Columbia to provide workers affected by layoffs with OJT opportunities;
- The Dislocated Worker Training NEGs, which made available to states up to \$50 million to provide workers with the opportunity to participate in training while acquiring an industry-recognized credential that enables them to obtain a good job. Areas with a higher than average demand for employment and training activities for dislocated military service members and eligible spouses are eligible for National Dislocated Worker Grants;
- The Job-Driven NEGs, providing up to \$150 million in grants to states to implement new or expanded local and regional job-driven partnerships that will serve more dislocated workers and achieve better employment-related outcomes for this group of workers; and
- The Sector Partnerships NEGs, the most recent NEG investment of up to \$150 million that is helping states develop innovative employment and training services that focus on enhanced regional and industry-specific collaborations.

DOL Registered Apprenticeship

DOL's Apprenticeship services are part of a flexible training system that combines job-related technical instruction with structured on-the-job learning experiences. 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. Upon completion of a Registered Apprenticeship program, participants receive an industry-issued, nationally-recognized credential that certifies occupational proficiency, is portable, and can provide a pathway to the middle class. In many cases, these programs provide apprentices with the opportunity to simultaneously obtain secondary and post-secondary degrees. In 2014, approximately 2,200 veteran apprentices completed their apprenticeship in the 25 states managed by DOL. While DOL does not track employment outcomes for veterans in apprenticeships, over 91 percent of participants who completed their apprenticeship were employed in the first quarter after exiting the program. Just as importantly, approximately 91 percent of the participants who completed their apprenticeship remained in those jobs after six months; the six-month average earnings for these participants was \$30,116.

Expanding Registered Apprenticeship Programs to Veterans

DOL is working to increase the use of apprenticeships nationwide, not only to expand opportunities for workers, but to expand opportunities for businesses, as well. One of the Department's most significant initiatives in this regard is our collaboration with the White House, VA, State Apprenticeship Agencies, State Approving Agencies, and other stakeholders to develop a new outreach campaign to over 10,000 Registered Apprenticeship programs to encourage them to be "Approved for the GI Bill." Use of the GI Bill is a vital way that companies and Registered Apprenticeship sponsors can help veterans meet their expenses during an apprenticeship.

Specifically, veterans learning a trade through Registered Apprenticeship can use their Post-9/11 GI Bill benefits to receive a tax-free monthly living expenses stipend paid by the VA. Generally, this stipend gradually decreases for each six month period spent in the program. Post-9/11 GI Bill recipients can also receive a books and supplies stipend during their Registered Apprenticeship.

To increase companies' access to veterans as apprentices, in 2014, the VA and DOL developed a streamlined system for newly-Registered Apprenticeship programs so that, at the time of registration with DOL, Apprenticeship staff will assist companies with obtaining the VA certification for GI Bill benefits. This new process is providing employers with "one door to the government" for their Registered Apprenticeship and veterans' benefit needs. More companies and Registered Apprenticeship programs than ever will be certified to provide the GI Bill benefits that their veteran apprentices have earned.

American Apprenticeship Grants

In September 2015, President Obama announced 46 winners, selected by DOL, for the single largest federal investment to date to expand U.S. apprenticeships, awarding \$175 million in competitive grants as part of the new American Apprenticeship Grants. The winning grantees have pledged to train and hire more than 34,000 new apprentices in industries as diverse as healthcare, information technology, and advanced manufacturing over the next five years.

These grants are part of a broader commitment from DOL to create more opportunities for hard-working Americans, including veterans and returning service members and their spouses, by advancing job-driven training initiatives that help them acquire the skills they need to succeed in good jobs that are available now. The 46 grantees have each committed to expanding apprenticeship programs in new and growing industries, to align apprenticeships with further education and career advancement, and to scale proven apprenticeship models that work, while targeting underserved populations and serving our Nation's veterans.

The San Diego-based, Able-Disabled Advocacy, is among those veterans-focused organizations awarded a grant, receiving \$3.2 million to lead the San Diego Pathways2Paychecks

Apprenticeship Program. The program will train 300 workers, 80 percent of which will represent those from underserved populations, including veterans, in IT and manufacturing.

In addition, a \$5 million grant will fund the Wisconsin Apprenticeship Growth and Enhancement Strategies (WAGE\$) project. Veterans will be among 1,000 new apprentices and 542 upskilled incumbent workers in 12 high-growth occupations, including advanced manufacturing, healthcare, and IT industries.

Veterans will also benefit from a program in Brooklyn, New York, called “NPower,” which was awarded \$3.3 million to fund an IT apprenticeship program. The project will provide mentorship and guidance for 684 participants in Dallas, TX; Newark, NJ; and San Francisco, CA.

The Administration is working to double the number of apprentices in the United States and ensure that more Americans from all backgrounds can benefit from this proven training model. As part of this effort, we are updating and simplifying the guidelines for employers and other apprenticeship sponsors on how to use best practices to ensure equal employment opportunity in apprenticeship programs for traditionally under-represented groups, including women, minorities, and people with disabilities, as well as veterans, who continue to receive priority of service access to all DOL-funded programs. And, finally, the President’s Fiscal Year 2016 budget also proposes to spend \$100 million to build on the American Apprenticeship Grants to support the efforts of states, employers and others to enhance apprenticeship across the country.

Conclusion

Mr. Chairman, Ranking Member Takano, and Members of the Subcommittee this concludes my statement. Thank you for the opportunity to appear before you today. I would be pleased to respond to any questions.