

**STATEMENT OF
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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. I am pleased to be here today to discuss the Department of Veterans Affairs (VA) education benefit programs. My testimony will focus on VA's administration of on-the-job training (OJT) and apprenticeship programs under the Post-9/11 GI Bill.

The Post-9/11 GI Bill (Chapter 33) was enacted with the passage of Public Law (P.L.) 110-252, and greatly expanded education benefits, effective August 1, 2009. The Chapter 33 program provides Veterans, Servicemembers, dependents, and survivors with educational assistance, generally in the form of tuition and fees, a monthly housing allowance, and a books-and-supplies stipend to assist them in reaching their educational or vocational goals. P.L. 111-377, which was signed into law on January 4, 2011, amended the Post-9/11 GI Bill by expanding eligibility for certain individuals, modified the amounts of assistance available, and increased the types of approved programs, which included OJT and apprenticeships. The Post-9/11 GI Bill is the most utilized of VA's educational assistance programs.

Background on VA OJT and Apprenticeship Programs

Both OJT and apprenticeship programs are available for Veterans using their VA education benefits under the Post-9/11 GI Bill. These programs allow Veterans to learn a trade or skill through training on-the-job, instead of attending formal classroom instruction. A Veteran generally enters into a training contract for a specific period with an employer, and at the end of the training period, the Veteran gains job certifications or journeyworker status. Employers must pay Veterans at least 50 percent of the journeyworker wage at the start of the VA OJT or apprenticeship programs.

Eligible Veterans pursuing training under Post-9/11 GI Bill, OJT, or apprenticeship programs receive a monthly housing allowance (MHA) in addition to their OJT or apprenticeship wages. The MHA is a percentage of the Department of Defense (DoD) Basic Allowance for Housing (BAH) for an E-5 with dependents (based on the location of the employer), payable at the rate of 100 percent of the MHA during the first six months of training; 80 percent during the second six months; 60 percent during the third six months; 40 percent during the fourth six months; and 20 percent during any

remaining months of training. Participants also receive up to \$83 per month for books and supplies pro-rated similarly to the MHA.

Approval and Participation in VA OJT and Apprenticeship Programs

The law provides that VA may pay educational assistance to Veterans and other eligible individuals while they pursue approved training programs. An OJT program may be approved if the requirements and approval criteria found in Section 3677 of Title 38 of the United States Code (U.S.C.) are met. The Department of Labor's (DOL) Registered Apprenticeships are "deemed approved," as are those approved by recognized State Apprenticeship Agencies, subject to the requirements in Section 3672(b)(2)(A)(iii) of Title 38 U.S.C., and unregistered apprenticeship programs may be approved as long as the criteria in Section 3687 of Title 38 U.S.C. are met. State Approving Agencies (SAAs), that oversee education and training programs for Veterans, are responsible for approving non-Federal OJT and apprenticeship programs in their respective states, while VA has authority to approve OJT and apprenticeship programs offered by agencies of the Federal government.

Approximately 1.5 million individuals used their Post-9/11 GI Bill education benefits since inception of the program in August 2009 through fiscal year (FY) 2015. Approximately 35,000 Veterans pursued training through OJT or apprenticeship programs from FY 2012 through FY 2015. About half of those Veterans participated in OJT opportunities, while the other half pursued apprenticeship programs. In FY 2015 alone, approximately 22,000 Veterans pursued training through OJT or apprenticeship programs.

Partnership with Department of Labor

In September 2014, VA and DOL sent a joint letter to approximately 10,000 Registered Apprenticeship sponsors, encouraging them to recruit and hire Veterans into their apprenticeship programs. The letter informed them of the VA "deemed approved" status of any DOL-approved Registered Apprenticeship program, and provided information on the streamlined process to obtain approval through their SAAs. The letter also encouraged Registered Apprenticeship sponsors to include information in their job openings that the positions, upon approval by the SAA, are "approved for the GI Bill."

Outreach

VA has conducted two targeted online marketing campaigns since 2011 to promote OJT and apprenticeship programs under the Post-9/11 GI Bill. Specifically, in 2011, VA conducted an online advertising campaign highlighting changes to the Post-9/11 GI Bill that were effective October 1, 2011, as a result of P.L. 111-377. These changes expanded the use of the Post-9/11 GI Bill to include OJT, apprenticeships,

vocational flight, correspondence, and non-college degree training programs. Advertising was targeted to Veterans age 22 to 34 and 35 to 45 who lived in Indiana, Michigan, Minnesota, Montana, and Tennessee – the states with the highest Post-9/11 Veteran unemployment rates at that time. Approximately 354,000 unique individuals visited the web page detailing those changes to the Post-9/11 GI Bill. The second campaign was conducted in 2013 and targeted the next five states with the highest Post-9/11 Veteran unemployment rates – California, Georgia, Illinois, Pennsylvania, and Texas. Over 76,000 people visited the web page during the second campaign.

To help ensure that Servicemembers are aware of the OJT and apprenticeship opportunities, VA recently enhanced its Transition Assistance Program (TAP) curriculum. The curriculum includes the full spectrum of Post-9/11 GI Bill benefits that also covers OJT and apprenticeship opportunities. Additionally, VA enhanced the Career Technical Training Track (CTTT) in 2015 to provide Servicemembers an opportunity to utilize assessment tools to determine possible employment/career direction.

VA will continue to enhance outreach efforts to individuals potentially eligible for the Post-9/11 GI Bill to promote OJT or apprenticeship training opportunities.

GAO Report

The draft GAO report, “Increasing Outreach and Measuring Outcomes Would Improve Post-9/11 GI Bill On-the-Job Training and Apprenticeship Programs” (GAO-16-51, November 2015), includes three major recommendations. First, it recommends VA identify and implement appropriate, cost-effective actions to increase awareness of OJT and apprenticeship benefits under the Post-9/11 GI Bill. Second, it recommends VA identify and implement cost-effective steps to ease administrative challenges in submitting paperwork or receiving payments as VA develops and implements its new system, VA-CERTS, to automate the processing of program approvals and benefit payments. Finally, it recommends VA establish measures to report program outcomes for OJT and apprenticeship programs under the Post-9/11 GI Bill, specifically noting that VA should consider relevant data sources and should seek legislative authority to gain access to data if necessary.

VA agrees with these recommendations. VA is already taking action to implement the first recommendation to increase awareness of OJT and apprenticeship benefits under the Post-9/11 GI Bill. Specifically, VA is developing a guide to VA Benefits for OJT and apprenticeship programs for employers and sponsors. The guide will be published and available for viewing and download on the GI Bill website. Information on OJT and apprenticeship benefits will be provided to Veterans and interested stakeholders via a mass email notification and will be posted to the employers page of the Veterans Employment Center section of the eBenefits website.

Additionally, VA will explore the feasibility of cost-effective options and will develop a plan to ease the administrative challenges for employers and Veterans to

submit paperwork and receive payments until the new automated VA-CERTS system is in place.

VA also agrees that program performance metrics should be developed to report on program outcomes for Post-9/11 GI Bill OJT and apprenticeship programs. Over the past three years, VA has actively collaborated with the Department of Education (ED) and the DoD to establish outcome measures for the Post-9/11 GI Bill in accordance with Executive Order 13607 (Establishing Principles of Excellence) and P.L. 112-249 (Comprehensive Policy on Providing Education Information to Veterans). VA published initial outcome measures on graduation, retention, persistence, and transfer-out rates on its GI Bill website. VA, in collaboration with DoD and ED, is currently exploring the collection of post-graduation data related to employment rates and average salary for graduates. VA will determine the feasibility of collecting and publishing this data for OJT and apprenticeship programs. VA's target date for implementing GAO's recommendations is June 1, 2016.

Conclusion

Mr. Chairman, this concludes my statement. Thank you for the opportunity to appear before you today. I would be pleased to respond to any questions that you or the other Members of the Subcommittee may have.