

**STATEMENT OF
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BEFORE THE

**SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
COMMITTEE ON VETERANS AFFAIRS**

U.S. HOUSE OF REPRESENTATIVES

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Mr. Chairman and Members of the Subcommittee:

Thank you for the opportunity to discuss the *Report of the Congressional Commission on Servicemembers and Veterans Transition*. This report was transmitted to Congress on January 14, 1999. The Report discussed far reaching reforms for improving transition programs and employment assistance services for veterans. My testimony will focus directly on the 21 recommendations directed to the Department of Labor's Veterans Employment and Training Service (DOL/VETS). I have listed those recommendations below, along with the actions taken by DOL/VETS to address them.

Almost four years after the issuance of the Report, Congress enacted and the President signed the Jobs for Veterans Act (JVA), Public Law 107-288, on November 7, 2002. Many of the recommendations made by the Commission were codified by Congress and the responses reflect that as appropriate.

1. Recommendation. Begin the transition process earlier than 90 days prior to separation by extending the timeframe to start transition assistance – to one year prior to separation for separatees and two years prior to retirement for retirees. [47]¹

Response. The recommended time frames for commencement of transition assistance are now established by law. The Veterans Education and Benefits Expansion Act of 2001, Public Law 107-103, established a requirement that Transition Assistance Program (TAP) services for servicemembers who will be retiring should commence as soon as possible during the two years prior to retirement and for others as soon as possible during the one year prior to discharge. This requirement applies to TAP components provided by the Department of Defense (DoD), the Department of Veterans Affairs (VA) and DOL.

¹ Note: The bracketed numbers that follow each recommendation note the source page(s) from the Report.

2. Recommendation. DoD, DOL, and VA: track program usage and outcomes in a coordinated fashion. [48]

Response. Many changes have occurred in TAP as a result of the Commission's recommendations. While TAP enjoyed many successes, it was apparent even more could be accomplished to better assist servicemembers and their spouses transitioning into the civilian labor market.

In August, 2001, the partner agencies (DOL, DoD, VA and the U.S. Coast Guard (formerly part of the Department of Transportation (DOT) and now part of the Department of Homeland Security (DHS)) convened the TAP Re-engineering Committee. Many recommendations for improvement were initiated and completed, including the reintroduction of the TAP Steering Committee in October 2002. This Committee consists of program decision makers from each of the agencies, including the military services. The meetings are held on a regular basis, address program issues, and ensure all agencies involved are sharing relevant information. One of the first orders of business was the agreement to better coordinate the collection and use of participant data and to discuss how to identify results after a service member has left the military. It was decided to include information on collecting workshop data as a part of the National Program Memorandum of Understanding (MOU) signed by the senior leadership of each agency. Specifically, it requires DOL to collect and provide DoD, VA and DHS (DHS became a signatory to the MOU when the Coast Guard was moved from DOT to DHS) quarterly data on the number of DOL TAP Employment Workshops conducted and the number of attendees at the Workshops. Data provided includes: branch of service hosting the workshop; number of retirees, separating members and spouses attending each class; total number of participants for each class; the breakdown of the workshop by service (Army, Navy, Air Force, Marine Corps and Coast Guard); the number of participants having more than 90-days left in the service; the number of participants with less than 90-days left in the service; and the organization that facilitated each workshop (i.e., a Disabled Veteran Outreach Program (DVOP), a Local Veteran Employment Representative (LVER), or any contractor.).

Also in 2002, as a result of the *Congressional Commission on Servicemembers and Veterans Transition Assistance* report, the JVA, was enacted. Included in this legislation were significant changes to the reporting requirements and data collection from the public employment services. One of the changes was a new reporting category entitled, "Transitioning Service Members." For the first time, those on active military duty who qualified for transition services (those separating in 12 months or retiring within 24 months) could receive focused employment services through the One-Stop Career Center system furnished by DVOPs and LVERs prior to separation or retirement. Since the members of this target group are not yet veterans, they occupy a unique status for reporting purposes. After separation or retirement, they fall under the category of "Recently Separated Veteran." This category is now defined as those who were

discharged or separated from active duty within the 36 months prior to registration. Both of these categories will better enable us to review the types of services needed and provided, including if the participant received unemployment compensation. Further, we can better track (1) how long these individuals continued to receive services, (2) when they were employed, and (3) how long they remained with this employer. Prior to this change in reporting it was extremely difficult to track former servicemembers in the One-Stop Career Center system because there was not a unique identifier available to us.

More recent improvements to TAP include expansion of the TAP employment workshop to overseas locations in Germany, England, Italy, Belgium, South Korea, and Japan (including Okinawa). In FY 2006 we conducted 706 workshops overseas to a total of 12,021 TAP participants. In the Continental U.S., we conducted 3,955 workshops to a total of 137,225 participants. That adds up to 4,661 workshops and almost 150,000 participants worldwide.

We are also making changes to the employment workshop curriculum, including new standards that will better serve our transitioning servicemembers.

Rapid demobilization of Reserve and National Guard units poses a challenge to providing comprehensive TAP Employment Workshop services. To meet this challenge, we are currently developing a modular version of the TAP Employment Workshop curriculum tailored to meet the needs of the Reserve Component and National Guard. We intend to implement this during Fiscal Year 2007 pending timely appropriations.

3. Recommendation. Establish an employment and training service priority for veterans who have a service-connected disability, face employment barriers, or are recently separated from active duty in all federally funded employment and training programs for which they are eligible. Disabled veterans would have a lifetime priority for employment and training services. Veterans facing employment barriers would have an employment service priority for as long as the barriers persisted. Veterans who were recently separated from the Armed Forces would have an employment and training services priority for 4 years from date of discharge or release. [49-58]

Response. The JVA contained a provision for priority of service for qualified veterans in all employment and training programs funded in whole or part by the Department of Labor. Since enactment of P.L. 107-288, DOL has identified 17 programs that fall into priority of service guidelines. The Department's Employment and Training Administration (ETA) has issued guidelines for all its programs that are impacted by priority of service. More information can be obtained from its web site (<http://www.doleta.gov/programs/VETs>). Contained on that web site is a link to its Training and Employment Guidance Letter (TEGL) that provides general instructions applicable to any of the DOL-funded employment and training programs affected by the JVA. Also, there is an informational link for priority of service on our website at www.dol.gov/vets.

4. Recommendation. Replace the DVOP and LVER programs with a new Veterans Case Manager (VCM) program to provide job-seeking skills, job development, and referral services to disabled veterans, veterans facing employment barriers, and recently separated veterans; and add a new Veterans' Employment Facilitator (VEF) program to facilitate TAP workshops and market veteran's employment to local employers. [49-59]

Response. DVOP and LVER roles have been revised pursuant to the JVA in a manner consistent with the Veterans Case Manager proposal. Prior to enactment of P.L. 107-288, a workgroup was established by the Assistant Secretary for Veterans' Employment and Training to develop new roles and responsibilities for DVOPs and LVERs which were consistent with the proposed legislation. The guidance developed by the workgroup provided State Workforce Agencies (SWAs) the flexibility to provide employment and training services based on their individual state's needs. This effort was consistent with the JVA, which provided states greater flexibility in how they provide employment and training services to veterans, revised the formula for funding of SWAs, and amended the statutorily defined duties of DVOPs and LVERs. DVOPs are to provide intensive services (includes case management) to meet the employment needs of all veterans, providing priority of service to special disabled veterans, and other disabled veterans. This role is consistent with the Commission's recommendation for a Veterans Case Manager. LVERs' principal duties under JVA are to conduct employer outreach and job search workshops as well as to facilitate the employment and training services provided to veterans within the state workforce delivery system. Again, this role is consistent with that proposed by the Commission for LVERs.

The JVA also requires services to be provided to ease the transition of servicemembers to civilian careers. VETS currently provides TAP employment workshops for separating military personnel at 190 military bases worldwide. Additionally, VETS is providing TAP employment workshops for National Guard and Reserve troops returning from duty around the world. We are tailoring these workshops to fit the needs of the local returning unit.

5. Recommendation. Provide that grants or contracts for federally funded employment services for veterans under the VCM and VEF program be competitively awarded by DOL on a state-by-state basis so that the most cost-effective organizations provide services. [49-59]

Response. Current law prohibits this proposal. The JVA requires that we award funds to states under a statutory funding formula. The Act requires the Secretary to make funds available to each state, upon approval of a state's plan, to support the DVOP and LVER programs designed to provide employment services to veterans and transitioning servicemembers. The new formula provides up to four percent of the total amount available for allocation to states be available for distribution based on TAP workload and other exigencies.

6. Recommendation. Establish clear employment outcome measures such as veterans entered employment, case-managed veterans entered employment and veterans remaining employed for each year up to 3 years after entering employment for the competitively awarded grants for the VCM program. [49-59]

Response. As required by the JVA, VETS established and implemented a performance and accountability system to measure the effectiveness of services provided to veterans through the One-Stop Career Center system. It quantifies the effectiveness of the state's workforce investment system in meeting the needs of disabled veterans, veterans, and transitioning servicemembers. The measures established are consistent with JVA and the Office of Management and Budget's (OMB) Common Measures reporting requirement for all employment and training programs, and are similar to the measures recommended by the Commission.

VETS obtains performance outcome data for DVOPs on: Entered Employment Rate, Entered Employment Rate After Staff Assisted Services, Entered Employment Rate After Intensive Services, and Employment Retention Rate. The two key measures of the outcomes for DVOPs are Entered Employment Rate and Employment Retention Rate for both veterans and disabled veterans.

7. Recommendation. Establish clear outcome measures (such as employer contacts resulting in the hiring of veterans and satisfaction of TAP workshop participants) for the VEF program. [49-59]

Response. The VEF duties, as described by the Commission, are consistent with the new responsibilities of the LVER as outlined in the JVA. We consider the LVER is carrying out the activities recommended by the Commission and we measure their performance with measures similar to those recommended by the Commission. The two outcome measures for LVERs are the same as DVOPS (Entered Employment Rate and Employment Retention Rate). The focus for LVERs is on transitioning servicemembers and veterans. We are currently unable to measure satisfaction of TAP employment workshop participants and do not have any performance measurement for TAP employment workshops.

8. Recommendation. Revise existing reporting requirements for process measures and relative performance standards for determining compliance with requirements for providing employment services to veterans. [49-59]

Response. The President is committed to a results-oriented government, and Secretary Elaine L. Chao has taken the lead in implementing performance and accountability reform for federal employment and training programs.

In 2004, the administration launched Common Measures, a new federal performance accountability system for federal employment and training programs, focusing on performance rather than process.

VETS and ETA worked together to define outcome measures, and as of July 1, 2005, these measures were implemented. We believe this initiative emphasizes the importance of holding Federal agencies accountable for objectively describing and achieving program results and statutory objectives. In the relatively short time-period since the outcome measures were defined, we have seen the veterans' Entered Employment Rate increase from 60% in Program Year (PY) 2004 to 62% in PY 2005 (i.e., the twelve-month period ending June 30, 2006).

9. Recommendation. Require that case management and employment services now being provided to VR&C (now VR&E) participants by VA-funded contractors be provided by VCM staff as part of the VCM program grant. [49-59]

Response. VETS and VR&E entered into a new Memorandum of Agreement (MOA) in October 2005. Among other things, the MOA established three work groups:

1. Performance Measures for Assessment of Partnership Program Results
2. National Veterans' Training Institute (NVTI): Curriculum Design
3. Joint Data Collection, Analysis, and Reports

We are working closely together to make improvements through the work groups. Currently VR&E has several methods available to provide employment services to its disabled veteran clients. While we believe DVOPs can and do provide substantial employment services to this group, VR&E needs to have some latitude to determine the best services available in the locale where the disabled veteran lives.

10. Recommendation. Require DOL to resolve significant discrepancies between the data from the BLS biennial report on the "Employment Situation of Vietnam-Era Veterans" (now called "Employment Situation of Veterans") and the VETS' ETA 9002 report regarding the number of veterans who use state job services. [49-59]

Response. We do not believe there are discrepancies between the two reports because the reports are different and each report tracks different data elements. The biennial report is a supplement to the monthly survey to determine unemployment rates for various categories of veterans. This survey is conducted by the Bureau of the Census for the Bureau of Labor Statistics (BLS). It is conducted in August of the odd years (next survey will be conducted in August 2007), and measures employment and unemployment rates as well as labor force participation. It is a survey of 60,000 households. The ETA 9002 report tracks veterans who register for services at the State Workforce Agencies or Career One-Stops. It does not report unemployment rates.

11. Recommendation. That VETS develop and maintain a systematic marketing program to inform employers about the opportunities veterans represent, to increase employer awareness of veterans' skills and character attributes, to help employers meet their need for highly qualified employees. [62]

Response. The President's National Hire Veterans Committee established an aggressive, nationwide outreach and information system through the Hire Vets First Campaign (www.hirevetsfirst.gov). The campaign launched a comprehensive career oriented website that provides information for both the veteran and the employer. In October 2006, the website had over 38,000 unique visitors – a 100 percent increase in 8 months.

12. Recommendation. Require the President to establish an independent organization, the Veterans' Employment Network (VEN), to raise awareness of the advantages of hiring separating servicemembers and recently separated veterans; facilitate the employment of separating servicemembers and veterans through America's Career Kit, the national electronic labor exchange; direct and coordinate national, state and local marketing initiatives; be led by a Board of Directors consisting of high-level individuals representing constituencies integral to ensuring successful employment of servicemembers and veterans. [60-62]

Response. By combining the HireVetsFirst marketing campaign with the newly constituted Advisory Committee on Veterans Employment and Training and Employer Outreach, we will continue to achieve success in improving employment outcomes for veterans.

13. Recommendation. Require DOL, DoD and VA to design, establish and maintain a customized, separate Veterans and Servicemembers Internet Site (VASIS) for servicemembers, veterans and employers on DOL's electronic platform. The Departments must also market VASIS to employers, associations of employers, veterans, veterans service organizations and military associations, and train employment service providers and servicemembers to use VASIS. [63-67]

Response. The Recommendation for VASIS is being addressed through the DoD Transportal, which is being developed collaboratively between DoD and DOL.

14. Recommendation. Increase electronic information available on America's Learning Exchange (ALX) regarding credentialing requirements. [68-73]

Response. As a result of a joint DOD-DOL study, in the fall of 2005, ETA launched a Credentialing Center on its America's Career InfoNet Web page, www.acinet.org. The Credentialing Center brings together five existing Web resources housed in separate locations into a single site to aid re-entering military personnel, military spouses, and civilian personnel in readily finding information on occupational qualifications and credential requirements obtained through certification, licensing, and apprenticeship. Veterans can crosswalk military

occupation specialty (MOS) skills against those needed for civilian credentials in health care professions using the Army's Credentialing Opportunities On-Line, another of the co-located resources. Additionally, veterans can use the *Licensed Occupations* link on the portal to investigate licensing requirements in a particular state, and find the name, address, and telephone number of the appropriate licensing board. Contact can be made in advance to determine if there is reciprocity between state or military training, or what must be done to become certified in the new location.

15. Recommendation. Ensure private sector apprenticeship sponsors are knowledgeable about and understand the quality of military apprenticeship training. [68-73]

Response. VETS, in conjunction with ETA's Office of Apprenticeship Training, Employer and Labor Services (OATELS) is formulating a public outreach and information campaign to advise employers, trade associations and unions about the military apprenticeship and training programs. This campaign includes notification to states through Veterans' Program Letters and ETA Directives about the military apprenticeship and training programs using resources such as the U.S. Army Credentialing Opportunities On-Line (COOL), as well as its Navy counterpart. Additionally, VETS and OATELS will be partnering through its state resources at future job fairs, to promote the knowledge and understanding of the quality of military apprenticeship training. Further, VETS will be working with OATELS to increase the awareness of apprenticeship training through the NVTI, as part of its on-going training of the 2300 LVER and DVOP specialists as well as TAP facilitators at military installations nationwide as well as overseas.

16. Recommendation. In conjunction with DoD and VA, determine the extent to which credentialing requirements present employment barriers for transitioning military personnel in occupations outside of the healthcare and aircraft maintenance fields. [68-74]

Response. In response to section 599 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005, DOL and DoD conducted a study and issued a report. The report can be found at <http://www.dol.gov/asp/media/reports/credentialing/>. Additionally, the DoD and DOL have established a Credentialing Work Group and have been meeting on a regular basis on this issue. Information can be found on the following links:

- <http://www.careeronestop.org/CREDENTIALING/CredentialingHome.asp>
- <http://www.careeronestop.org/MilitaryTransition/>

The first link emphasizes credentialing and includes the military/veteran connection. The second link emphasizes the military-civilian transition and includes the credentialing connection.

17. Recommendation. Formalize and maintain the Joint Apprenticeship Steering Committee. [68-74]

Response. In August 1997, a few months prior to the publication of the Transition Commission's Report in June 1998, the American Legion published a report titled *Study of Licensure and Certification for Veterans*. That report focused on the rapid and widespread growth in certification and licensing as a key trend in worker credentialing. The Transition Commission itself did a follow up study on this issue. Consequently, DOL, DoD and VA have jointly and singly undertaken a large number of initiatives related to certification and licensing since that time.

Apprenticeship has its own distinct tradition of skill training that is highly valued, especially in certain craft occupations. Today, certification and licensing have wider occupational applicability. VETS expects to encounter more opportunities in the near future to become involved in initiatives focusing on apprenticeships rooted in military training, education and work experience.

18. Recommendation. DOL make JTPA IV-C (currently VWIP) training funds equitably available to all eligible veterans through a competitively selected executive agent, either a Federal, state, or nonprofit organization with ability to disburse funds nationally. Under this system, veterans' employment and service providers in all states (currently DVOP and LVER staff) would write training contracts for individual veterans until the pool of funds are exhausted. Training providers would submit their invoices for payment to the executive agent administering the funding pool. [74-78]

Response. The veterans' employment program formerly authorized under title IV, pt. C, of the Job Training Partnership Act has been replaced by the Veterans Workforce Investment Program (VWIP) under section 168 of the Workforce Investment Act of 1998. Currently VWIP funds are being used at locations that have documented specific issues based on such factors as unemployment levels, economic conditions and special veteran population needs. This approach has enabled VETS to enhance employment and training opportunities for recently separated veterans, service-connected disabled veterans as well as veterans with significant barriers to employment such as homelessness, formerly incarcerated or chronic barriers brought on by drug and alcohol abuse. In addition to VWIP, the priority of service that veterans receive in all DOL funded training programs makes substantial training opportunities available to veterans through the nation's One-Stop Career System.

This approach has also fostered partnerships with local workforce investment boards to increase funding as well as awareness of the needs for eligible veteran job seekers. Further, a number of grantees are working with other stakeholders

including faith- and community-based service providers, and other Federal agencies including the Department of Veterans Affairs' Health Administration. Using the Solicitation for Grant Application model, VETS can target special veteran populations, such as recently separated veterans, who may need short term training to become employed on a full-time basis, and then can use their Montgomery G.I. Bill entitlements for career enhancement.

19. Recommendation. That DOL, DoD and VA make veteran-hiring records a major factor when evaluating contract proposals. [78-81]

Response. The Department of Labor does not have the authority to evaluate employers' hiring records when it comes to evaluating a potential contractor. We are obligated to follow certain guidelines in the Federal Acquisition Regulations (FAR) in determining contractor qualifications. We are in the process of publishing final regulations for federal contractors based on changes to the contract threshold set by the JVA.

20. Recommendation. Mandate that solicitations issued by DoD, VA or DOL for the procurement, by contract or grant, of real or personal property or non-personal services require solicitees to include, for purposes of evaluating past performance, a description of their program for hiring and promoting qualified eligible veterans. As part of any required subcontracting plan, an affirmative commitment to hire eligible veterans as a specific percentage of the workforce. Provide that a contractor/grantee responding to a solicitation covered above will earn additional evaluation credit based on the likelihood of meeting the subcontracting goal regarding veterans as set out in its subcontracting plan. Provide that proposals found not to include an acceptable subcontracting plan will be rejected. Amend the current affirmative action requirements in Title 38 to substitute 'recently separated' veterans for 'Vietnam-era veterans,' and 'disabled veterans' for 'special disabled veterans.' [78-81]

Response. Current law does not allow us to include this in the federal contracting process. Under the Vietnam Era Veterans' Readjustment Assistance Act ("VEVRAA"), (38 U.S.C. 4212), contractors and subcontractors are obligated to take affirmative action to employ covered veterans but are not required to establish percentage hiring goals. Additionally, the affirmative action provisions of VEVRAA apply only to federal contracts and subcontracts; Federal grants are not covered.

Prior to amendment by the JVA, "Vietnam era veterans" and "special disabled veterans" were categories of veterans covered under VEVRAA. The JVA amendments to VEVRAA, which apply to contracts and subcontracts of \$100,000 or more, entered into on or after December 1, 2003, changed the categories of veterans covered under the Act. JVA eliminated the coverage category Vietnam-era Veterans, added a new category of Armed Service medal veterans, expanded coverage for veterans with disabilities to include all veterans with service-connected disabilities, and expanded coverage of recently separated veterans from

one year after discharge or release from active duty, to three years. VETS has proposed regulations to implement the changes to the reporting requirements applicable to contractors with contracts entered into on or after December 1, 2003. Under the proposal, contractors would use the following categories when tracking and reporting the number of veterans in their workforces:

Disabled Veteran means a veteran who: (i) is entitled to compensation (or who but for the receipt of military retired pay would be entitled to compensation) under laws administered by the Secretary of Veterans Affairs, or (ii) was discharged or released from active duty because of a service-connected disability.

Other Protected Veteran means a veteran who served on active duty in the U.S. military, ground, naval, or air service during a war or in a campaign or expedition for which a campaign badge has been authorized.

Recently Separated Veteran means a veteran, who served on active duty in the U.S. military, ground, naval or air service, during the three-year period beginning on the date of such veteran's discharge or release from active duty.

Armed Forces Service Medal Veteran means a veteran who, while serving on active duty in the U.S. military, ground, naval, or air service, participated in a United States military operation for which an Armed Forces service medal was awarded pursuant to Executive Order 12985.

Covered Veteran means a veteran as defined in the four veteran categories above.

21. Recommendation. Establish financial incentive program for State Employment Security Agencies.

Response. The JVA established the requirement for performance incentive awards for quality employment, training and placement services to be administered by states. The Act stipulates that one percent of a state's total grant allocation shall be used for this purpose.

Thank you for the opportunity to testify on the Department's progress in implementing these recommendations. I would be happy to answer any questions.