

**TESTIMONY OF  
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U.S. DEPARTMENT OF LABOR**

**BEFORE THE**

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

**U.S. HOUSE OF REPRESENTATIVES**

**APRIL 27, 2006**

Chairman Boozman, Ranking Member Herseth, and distinguished members of the Committee:

It is my honor to appear before this committee today on behalf of Secretary Elaine Chao to present the views of the Department of Labor (DOL) regarding several draft bills.

**The Veterans State Employment Grant Improvement Act of 2006**

**Section 2:** Requires the Secretary of Labor to “maintain guidelines for use by States in establishing the professional qualifications required . . . for determining the eligibility for employment, and eligibility for the continued employment” for Disabled Veteran Outreach Program (DVOP) specialists and Local Veterans Employment Representatives (LVER).

We agree with the idea that our Nation’s veterans deserve the highest quality of service provided from DVOPs and LVERs that are highly trained and motivated. Federal guidelines would assist the states in establishing professional qualifications for veterans’ employment representatives and still allow the states to retain the overall flexibility to accommodate their unique personnel rules and guidelines. However, there are potential problems that may limit the implementation of these guidelines. They include but are not limited to state personnel and merit staffing requirements and union bargaining agreements.

The states will be required to submit their professional qualifications as a condition of the state grant. We would offer our assistance to the states to assure compliance with this provision and further ensure their qualifications meet the guidelines.

Past experience leads us to believe that guidelines issued at the federal level will vary widely in their implementation with each individual state entity. State incentive awards, as established in the Jobs for Veterans Act (P.L. 107-288), are a recent example of the difficulties inherent in enforcing federally-mandated guidelines within a disparate and decentralized system. Key proponents of the legislative mandate in 2002 assumed that this provision would be embraced by the states and implemented with relative ease. In practice, implementation has proven very difficult. States were forced to contend with legislative, regulatory, policy or union agreements that prohibited or limited the types of incentives that could be provided, thus placing them at odds with federal and state mandates.

A second expected consequence is likely to be an increased workload burden on state staff. Most state personnel systems have similar qualification standards for both DVOP/LVER and comparable positions. Our concern is that federal mandates that add qualifications for DVOP/LVERs might result in higher salaries that cannot be absorbed in the existing budget structure, leading to fewer positions. While the staff hired may well be higher quality with more experience, fewer veterans may receive services. It is our opinion that federally mandated qualifications established outside of the grant-negotiation process, while potentially leading to better-qualified DVOP/LVERs, will decrease the staff to veteran ratio nationwide.

**Section 3:** This section defines DVOP/LVER part-time work provision as meaning, “not less than a half-time basis.” The Jobs for Veterans Act provided valuable flexibility as it allowed DVOPs and LVERs to be employed part-time, but it did not define part-time. To reduce uncertainty by the States about the definition, DOL’s current grant language defines part-time as half-time. In spite of our guidance, there remains confusion in some states over what “half-time” means, which makes it more difficult to monitor state compliance with the grant provisions. Our concern is that the language in the draft bill would add to the States’ confusion. Consequently, DOL recommends that this provision be changed to state that part-time means “half-time,” which DOL believes provides adequate flexibility to the States.

**Section 4:** This section will require the states to establish a “local performance information system” within three years following enactment. The states have undergone several reporting system changes in recent years. On July 1, 2005, states again were required to adapt their reporting to the set of common outcome measures used by other training and employment programs in DOL, as well as other agencies. To improve the accuracy and reduce the costs associated with collecting the new measures, DOL is formulating a new reporting system. While DOL agrees with the intent of the provision, to improve services at the local level and aid in the determination of resource allocation, we request that the Committee tie the timeline to the roll-out of the new reporting system rather than to a legislative timeline. In so doing, DOL will keep the Committee apprised of ongoing progress. In the interim, we are exploring ways for states to provide the requested information within their existing reporting systems.

**Section 5:** Establishes “State Licensing and Certification Programs for Veterans.” We believe this provision would have additional budgetary implications and may also have other unanticipated consequences since certification, credentialing, and licensing go well beyond a single state’s jurisdiction. Moreover, not all military training and experiences need formal licensing or certification for veterans to find civilian jobs. The Veterans Certification and Licensure Act of 2006, that we comment on below, establishes the Veterans Advisory Committee on Certification, Credentialing, and Licensing. If established, such an advisory committee could review this issue and make recommendations on the best approach to addressing this at the state and sub-state levels.

**Section 6:** This section requires that newly hired DVOPs and LVERs be trained at the National Veterans Training Institute (NVTI) within three years following the date of their hiring, and extends training requirements to additional existing employees. Currently, NVTI provides such training, funded by DOL, to all DVOPs and LVERs. NVTI was originally established to provide consistent training for these staff. However, not all staff have been able to attend.

This section has additional budgetary implications that we are currently reviewing. We suggest amending this language to allow NVTI to provide training at a site located in the state or through an online distance training arrangement.

**Section 7:** This section establishes a “Demonstration Project on Contracting for Placement of Veterans in High Un-Employment Areas.” This demonstration has additional budgetary implications.

We believe such legislation is unnecessary. One of the underlying principles of the Jobs for Veterans Act was for states to have the flexibility to determine where best to deploy their DVOPs and LVERs. We believe enough flexibility exists for states to focus on their high unemployment areas and areas in greatest need.

The draft also discusses “a locality where the unemployment rate for veterans exceeds the national average unemployment rate.” Veteran’s unemployment data are not available for specific localities.

**Section 8:** This section modifies the incentive awards that were established in the Jobs for Veterans Act. The Department supports this measure as written with the exception that the Assistant Secretary makes the final decision on the incentive awards.

**Section 9:** Requires DOL to publish regulations implementing priority of service. We do not believe regulations are needed. After enactment of the Jobs for Veterans Act, a DOL work group assessed the impact of establishing such regulations and determined that policy guidance is the method that could be adopted most quickly and still have the same impact as a regulatory approach. Policy guidance was subsequently published in September 2003. Nineteen DOL programs are subject to the priority service provisions and these programs change from time to time. As the regulatory process is time consuming, it would be difficult to respond quickly to changes in these programs. With

policy guidance, adjustments can be made in a relative short period of time as opposed to the more time-consuming process of establishing or changing regulations.

### **The Veterans Certification and Licensure Act of 2006**

We would like to bring to the Committee's attention the existence of the Department of Veterans Affairs (VA) Professional Certification and License Advisory Committee (PCLAC). DOL believes that creating the proposed advisory committee in DOL is duplicative of efforts already underway at the VA. We recommend that just one committee address the issue of certification and licensure for veterans.

### **G.I. Bill Flexibility Act of 2006**

For the most part this draft legislation affects the G.I. Bill administered by the VA and we defer to the VA except for the following comments:

**Section 5.** The authority for work study activities, under this section, would be expanded to include programs that provide assistance to transitioning service members and to the Transition Assistance Program (TAP) and Disabled Transition Assistance Program (DTAP). If this provision is enacted, DOL will work with the VA to identify opportunities, where and when appropriate, for work-study students to provide assistance in connection with TAP employment workshops.

### **Veteran-Owned Small Business Promotion Act of 2006**

DOL generally supports appropriate legislation that benefits veterans, but DOL respectfully defers to the Department of Veterans Affairs on the draft bill to increase contracting opportunities for service disabled veterans and establish certain goals in VA contracting for these businesses.

That concludes my testimony and I will be happy to respond to any questions.