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**VETS' PROGRAMS  
SUMMARY OF REQUEST**

**May 12, 2005**

**Submitted by  
Maren Daley,  
Chair of the NASWA Veterans Affairs Committee, and  
Executive Director, Job Service North Dakota**

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The National Association of State Workforce Agencies makes the following recommendations to the Veterans' Employment and Training Service (VETS) in order to maintain our nation's commitment to providing workforce system services vital to accommodating the employment needs of veterans:

**VETS' Program Appropriations Should be Increased**

- Congress should appropriate an additional amount for the DVOP and LVER programs proportionate to the increase in the number of veterans requiring service upon return from ongoing conflicts and to adjust for inflationary pressures.

**Transition the DVOP and LVER Funding Cycle from a Federal Fiscal Year to a Program Year**

- Program year funding supports integration of VETS funded programs into the WIA and one-stop systems, aligning funding, planning and performance on the same cycle consistent with other one-stop partners.

**Adjust Minimum Stop-Gap Measures to Stabilize Annual State Allocations**

- The new state funding formula created under the Jobs for Veterans' Act causes wide fluctuations to individual state funding making it difficult to administer services in a consistent manner.

**Broaden Incentive Award Eligibility to Include Workforce System Offices**

- The benefits of awarding exemplary service to veterans under the Incentive Awards grants authorized by the Jobs for Veterans' Act have been limited by conflicts with state law and state directives that could be eliminated by Congressional action to expand award eligibility.

**Prioritized Veterans' Service Would be Improved with Simplified Guidance from the USDOL**

- The USDOL should simplify its guidance and more aggressively communicate it throughout the publicly-funded workforce investment system to ensure the Congressional mandate is fulfilled.

**NATIONAL ASSOCIATION OF STATE WORKFORCE AGENCIES (NASWA)  
STATEMENT ON VETERANS EMPLOYMENT AND TRAINING SERVICES**

**SUBMITTED BY MAREN DALEY, CHAIR OF THE NASWA  
VETERANS AFFAIRS COMMITTEE AND  
EXECUTIVE DIRECTOR, JOB SERVICE NORTH DAKOTA**

**May 12, 2005**

Chairman Boozman, Congressman Herseth, and distinguished Members of the Subcommittee, on behalf of the National Association of State Workforce Agencies, I thank the Subcommittee for the opportunity to share information on the contributions our members provide in strengthening the nation's economy by linking veterans with jobs. The members of our association constitute state leaders of the publicly-funded workforce investment system vital to meeting the employment needs of veterans through the Disabled Veteran Outreach Program (DVOP) and the Local Veterans Employment Representatives Program (LVER).

My name is Maren Daley. I am the Chair of the Veterans Affairs Committee for the National Association of State Workforce Agencies (NASWA) and also the Executive Director of Job Service North Dakota, which administers the DVOP and LVER programs in North Dakota.

Thank you for inviting me to testify today on the U.S. Department of Labor Veterans Employment and Training Service (VETS) and the state grant program that funds the DVOP and LVER programs.

NASWA is grateful for the opportunities it has been provided over the years to work closely with the Veterans Affairs Committee. We appreciate the many opportunities provided to NASWA during the writing of H.R. 4015 that resulted in the Jobs for Veterans Act (P. L. 107-288). The Jobs for Veterans Act provides greater flexibility for VETS, states and the DVOP and LVER staff to provide services to veterans in a more efficient manner. We appreciate the work of the House Veterans Affairs Committee to pass this important legislation. The implementation of the significant changes to program operations takes time to implement fully and requires adjustments along the way.

Our members are committed to providing the highest quality of service to our veterans, National Guard members and Reservists. We are focused on serving recently separated veterans and disabled veterans, our highest priority. During Fiscal Year 2004, our DVOPs and LVERs assisted 703,000 veterans in entering employment. With the war efforts in Iraq and Afghanistan, this is a critical time to ensure workforce services are available for those who served our country in time of war.

I would like to acknowledge the great working relationship developed between NASWA and the Veterans Employment and Training Service (VETS). VETS has included NASWA and its Veterans Affairs Committee members in most aspects of developing

policies to implement the Jobs for Veterans Act. Although, not all state concerns or recommendations were included in final policies, it is clear VETS was interested in our input and considered our recommendations. VETS leadership has attended every meeting of the NASWA Veterans Affairs Committee during the past three years. VETS leadership also made presentations at several of our Board of Directors' meetings to keep state administrators updated on federal activities to serve veterans.

NASWA has the following concerns and recommendations for the Subcommittee to consider as it works on further improvements to the workforce services provided to veterans. I will start by discussing funding issues then address specific areas of the Jobs for Veterans Act.

- **ADEQUATE FUNDING** – Successful veterans' employment and training programs require an adequate level of funding. Unfortunately, funding for the DVOP and LVER programs has been flat for many years and inflation continues to erode its purchasing power impacting veterans' services. Given the numbers of newly separated veterans transitioning from military to civilian life and the level of services which should be provided to address employment barriers, we believe Congress must consider a proportionate increase to annual appropriations.
- **TRAINING FUNDS** – DVOP and LVER funds are not authorized to be expended on training or supportive services for veterans. However, services to veterans and returning military personnel would be greatly enhanced if additional funds were available specifically for training and supportive services. The Workforce Investment Act of 1998 (WIA) Section 168 provides WIA funds dedicated to serving veterans. However, the Administration's FY 2006 Budget request of \$7.5 million to fund this program is insufficient for all states, and individual grants are minimal. NASWA recommends additional funding designated to serve veterans under WIA Section 168, Veterans Workforce Investment Programs.

To address the needs of today's veterans, Congress might consider reimplementing of the "Service Members Occupational Conversion and Training" (SMOCTA) authorized in H.R. 5006, National Defense Authorization Act for Fiscal Year 1993 (P.L. 102-484), or a similar job training program. State workforce agencies considered SMOCTA to be one of the best programs to serve returning military personnel.

SMOCTA was established in response to the impact on veterans who had been affected by the downsizing of the military, especially personnel who had no readily transferable skills. The rationale to establish a program similar to SMOCTA today is the large number of military personnel returning from active duty and needing employment and training assistance, including skills development for the new skills needed in the ever-changing economy. If the military personnel are again downsized because of the "Base Realignment and Closure" (BRAC), SMOCTA would again be a viable resource to address needs of individuals downsized.

SMOCTA provided assistance in the form of reimbursements to employers to offset the cost of training recently separated service members for stable and permanent positions that involve significant training (6-18 months). Besides the reimbursements to employers, SMCOTA provided funds for assessments, development of training plans, and supportive services for the trainee. DVOP and LVER staff developed employment and training plans.

- **FUNDING CYCLE** – NASWA asks for your support to move the cycle of funding for the DVOP and LVER programs from a federal fiscal year to a program year. NASWA has submitted requests to the Secretary of Labor recommending this change be made when submitting the President’s Budget. The Secretary of Labor’s response has been favorable, indicating the USDOL will consider our request in future budget preparations.

In 2001, the House Veterans Affairs Committee Chair and Ranking Member wrote to the Office of Management and Budget (OMB) requesting the Administration prepare its 2003 Budget including language to change the funding cycle. OMB responded stating they would consider the Committee’s concerns when formulating the FY 2003 Budget. However, nothing has been done to move this issue forward.

- **FUNDING FORMULA** – The Jobs for Veterans Act changed the funding formula for states. The new funding formula caused wide fluctuations in some states creating unintended inequities. Although a minimum state allocation was provided, some states believe Congress should adjust the minimum funding levels to further stabilize annual allocations thereby improving service level consistency.

In North Dakota, we have two staff funded by DVOP and six and a half staff funded under the LVER program, covering sixteen local workforce centers. Our base grant was \$465,000, which funds seven of the positions I listed. We received an additional \$130,000, which allowed us the total of eight and a half positions. Some other examples are: Wyoming is funded for 6.5 staff for both DVOP and LVER; they cover twelve full-service offices and seven satellite offices in a 100,000 square mile area. South Dakota has ten staff for the DVOP and LVER programs, covering 16 local workforce centers. The District of Columbia has a population of 900,000 people, including a large number of veterans; they are funded for only four staff, including the coordinator. One of their DVOPs is out-stationed to Walter Reed Army Medical Hospital to operate the REALifeLines program there.

Consideration should be given to exceptional circumstances in each state, allowing states to request these additional funds in their base grants. The exigency funding developed by VETS helps to alleviate this concern; however, states cannot maintain continuity of staffing levels or perform up-front planning with unpredictable funding.

- **INCENTIVE AWARDS** – NASWA recommends Congress amend the Jobs for Veterans’ Act to allow offices, one-stop centers or units within an office to be eligible to receive incentive awards, as well individual employees in the workforce system.

The Incentive Awards grants provided in the Jobs for Veterans Act is an excellent concept, but the current statutory requirements result in some states being unable to participate. The Jobs for Veterans Act authorizes the establishment of "...criteria for performance incentive programs to be administered by states to: (A) encourage the improvement and modernization of employment, training, and placement services provided under this chapter; and (B) recognize eligible employees for excellence in the provision of such services or for having made demonstrable improvements in the provision of such services."

VETS and NASWA sought Congressional interpretation of this section of the law to determine if awards could be provided to offices, one-stop centers, or units within an office. We were informed that incentive awards can only be provided to individuals in the workforce system. Some states are prohibited by State statute or policies from providing individuals with monetary or non-monetary awards. The result is 13 to 17 states are unable to use the incentive awards program. In those states, the funds will not be used as directed by the federal statute and Congressional intent is left unfulfilled.

- **PRIORITY OF SERVICE** – NASWA recommends the U.S. Department of Labor simplify the specific guidance for individual programs, and clarify and more aggressively present this guidance to states, program administrators, one-stop operators and staff.

The Jobs for Veterans Act requires all qualified job training program funded by the U.S. Department of Labor provide covered persons priority over non-veterans for the receipt of employment, training, and placement service provided under that program, not withstanding any other provisions of law.

DVOPs, LVERs and Employment Service staff understand this requirement and have been providing priority of service to veterans throughout their history. Most of the job training programs covered by this requirement are funded through the USDOL Employment and Training Administration (ETA). ETA has provided general guidance for the workforce programs it administers. However, NASWA is concerned the priority of service requirement has not been adequately promoted, and the availability and importance of ETA's website guidance has not been well communicated to program administrators and operators.

- **CASE MANAGEMENT** – In order to serve today's veterans, it is important to address barriers to employment, assess skills and prepare veterans for today's economy. This often requires one-on-one case management; however, the low numbers of staff available through the DVOP and LVER programs makes individualized services difficult. Also, performance measures need to be adapted to allow individuals in case management to be exempt from the entered employment performance measure until case management services are completed.

- **TAP SERVICES TO NATIONAL GUARD AND RESERVISTS** – The Transitional Assistance Program (TAP) is designed to provide information and services to military personnel preparing to transition from military to civilian careers. Performance measures for the TAP program are restricted to “veterans,” meaning individuals who have already been discharged from military service. The performance measures for the TAP should include any military person who has a definite date of discharge within the near future – possibly six months.

Also, with the increased number of National Guard members and Reservists serving in the Iraqi and Afghanistan wars, it is essential that these military personnel be eligible to receive TAP services.

- **VETS OVERSIGHT OF DVOP & LVER PROGRAMS** – The Jobs for Veterans Act says, “The Secretary shall assign to each State a representative of the Veterans’ Employment and Training Service to serve as the Director for Veterans’ Employment and Training (DVET), and shall assign full-time Federal clerical or other support personnel to each such Director.”

NASWA believes Congress should revisit this requirement. States say that the DVOP and LVER programs are the most heavily monitored and regulated program they administer. There is no other federal workforce program that has federal oversight staff stationed in their state. The ETA funded programs receive federal oversight from the ETA Regional or National offices; these programs are usually funded at a much higher level than the veterans programs.

Although the DVETs have other duties, including USERRA, their duties for oversight of the state veterans programs often duplicate state efforts and require one more level program administration. In some states, this results in federal oversight staff responsible for a program that funds only six staff.

- **PRESIDENT’S NATIONAL HIRE VETERANS COMMITTEE** – The Jobs for Veterans Act established the President’s National Hire Veterans Committee (PNHVC). This Committee was established to provide information to employers with respect to the training and skills of veterans and disabled veterans, and the advantages of hiring veterans with such training and skills. The establishment of the Committee got off to a slow start, but now has an active membership of major business representatives.

NASWA supports the Committee’s efforts to develop a national campaign to advise employers on the benefits of hiring veterans. The “HireVetsFirst” campaign established by the Committee is an excellent tool to inform employers and provide a connection to state and local workforce development resources. The Committee has ensured NASWA they will refer employers to the state database websites, local one-stop workforce centers, and the DVOP and LVER staff.

The material developed by the Committee is very professional and well done. Some have voiced a concern that the efforts of the Committee duplicate what is the responsibility of state DVOPs and LVER staff. State resources are limited, or non-existent, to develop promotional material to provide to employers and veteran job seekers. It is important that the promotional material developed by the HireVetsFirst campaign continues to be designed in a manner that supports and supplements the efforts of states and especially DVOP and LVER staff.

In conclusion, NASWA commends the Subcommittee on its dedication to ensure workforce services are provided to all veterans, especially to newly-separated and disabled veterans. We look forward to working with you in an effort to enhance veterans' training and employment services.

Thank you for the opportunity to address these important issues.

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## **Summary of Federal Grants Received**

The National Association of State Workforce Agencies has not received a federal grant in the past two years.