

Rick Weidman Director of Government Relations OF Vietnam Veterans of America

TESTIMONY

OF

Vietnam Veterans of America

Submitted By

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Before the

Committee on Veterans Affairs
United States Senate

Regarding

The State of the
Local Veterans Employment Representative (LVER) Program
And the Disabled Veterans Outreach Program (DVOP)

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Good morning, Mr. Chairman. On behalf of our National President, John P. Rowan, Vietnam Veterans of America (VVA) thanks you for the opportunity to appear here today to express our views on this vital veterans' issue of how well the Local Veteran Employment Representative (LVER) program and the Disabled Veteran Outreach Program (DVOP) is working, particularly for disabled veterans, recently separated service members, and those veterans most at risk of becoming homeless. My name is Rick Weidman, and I serve as Director of Government Relations for VVA.

History & Background

The Employment Service was created as a non-statutory entity in 1915, under President Wilson. The United States Employment Service was created as a statutorily mandated entity in 1933 as part of the Social Security Act, along with the legislation that established unemployment insurance. The Wagner-Peyser Act, as it is commonly known, established "priority of service" for veterans who sought assistance in finding employment. Employers made the argument to

Congress that if business was going to pay taxes to pay for unemployment checks to former workers, there needed to be a strong effort to get them back to work, thereby reducing the UI tax rate for the employer.

From the outset of the reconstituted Employment Service, veterans were legally accorded ? priority of service.? Veteran's organizations made the argument that veterans should be first in line for any such assistance. As this was a mere two years following the World War I veterans' march on Washington, and the spectacle of American troops firing on American veterans on the national Mall, Congress and the President agreed and saw fit to ensure that veterans, who had sacrificed the most, received priority in referral to job openings and for other services.

Creation of the LVER Program

Unfortunately, a mere decade later (and in the middle of World War II), ?veterans priority of service? was not working very well at the local level in many instances. Essentially Congress found that there was no meaningful quality assurance system to ensure that veterans received their rights to priority. Therefore, in 1944, as part of the set of laws known as the GI Bill, ? priority of service was reiterated, and the Local Veterans Employment Representative (LVER) program grants to the states created, in order to help ensure that priority of service actually happened in each and every office. The theory was that all local employment service office managers were intent on obeying the law, and that where veterans did not receive ?priority of service? the LVER would monitor all activity, make the office manager aware of any problems caused by a few ?bad apples,? and the problem would be corrected. That is why the LVER, by law, was supposed to report directly to the local office manager. While this ?fix? helped in many instances, it was still problematic and uneven in how well it functioned.

Also beginning in 1944 and 1945, many cities began to emulate the model first promulgated in Bridgeport, Connecticut, to establish veterans multi-service centers, with VA benefits counselors and other VA services providers, employment service representatives, unemployment claims examiners, and any other available public and private resources all existing under a single roof, in order to coordinate the response of the entire community to welcome home the returning veterans. Most of these had governing boards that were like a model Rotary club, with representatives of the various aspects of the business community, the clergy, political leaders, veterans' organizations, civic organizations such as the Elks, labor unions, and other key elements of that particular community. In this way it really was a total response of each community to the returning veterans, and therefore an evolving strategy in each community.

Similarly, the GI Bill provided for farm training, vocational training, and other skills training as well as attending college (which for many was training that led to better jobs than they could have ever dreamed of before their service in the war). In fact, more than 51% of the GI Bill usage was for training other than accredited four-year colleges. Many veterans were able to attend college because of the educational benefits and the ?52-50? club, which allowed them to have \$50 unemployment payments (what we today call UCX) for a full year to get themselves settled and to find a college to attend or a program to pursue.

Self Employment & Small Business as a Means to Employment

For many, the VA also administered a program to help veterans establish small business concerns that included direct loans to start their business. This resulted in countless very small businesses, as well as many firms that grew into medium and large companies, all because it was part of a true nation strategy to assist returning veterans to develop a way to earn a living, either by working for someone else, or by starting their own small businesses. Among many other symbols of this highly successful program was the ubiquitous "Veteran's Taxi" found in cities and towns all across America.

In response to continuing problems, a system of "Director, Veterans Employment Services" was created with a Director in each state who was a federal employee. One of the problems from the outset was that there was inexact control at the state and local level as to the actual performance of staff because all of the employees were state workers who were funded by federal dollars, and therefore not subject to direct federal control or means of accountability. Some of these Directors were very good, but others were not as responsible or energetic. While they were all ostensibly civil servants, the selection process was (and still largely is) highly political. In many states the employment service was not responsive to the needs of Vietnam veterans.

Veteran Community Based Programs

The League of Cities/Conference of Mayors created a network of community-based organizations (CBO) to attempt to deal with this problem in medium sized cities. Some of those, such as the Veterans Outreach Center in Rochester, New York, and the Rhode Island Veterans Assistance Center in Providence, Rhode Island still exist. Other CBOs came into being because the need was great and Vietnam veterans stepped forward to organize and find funding sources to meet the need. Many of the CBOs who are providers of multiple services to homeless veterans and other very low-income veterans came into existence this way. These include Swords to Plowshares in San Francisco, Vietnam Veterans of California (formerly Flower of the Dragon), and others. In fact, the community-based model works to deal with the multiple barriers that many veterans face and must surmount in their quest to obtain and sustain meaningful employment at a living wage.

There were several other efforts to help returning Vietnam veterans, including the National Alliance of Business (NAB) initiative for veterans using a good deal of federal money, which had mixed results at best in terms of actually placing veterans, particularly disabled veterans and veterans with barriers to employment, into permanent jobs.

Creation of the DASVE Position at Labor

In 1976, legislation was enacted that created the position of Deputy Assistant Secretary of Labor for Veterans Employment, in an effort to try and bring some cohesion and accountability to an employment service system that was clearly not working for veterans. Similarly, the Comprehensive Employment & Training Act (CETA) was problematic in regard to any of the funds going to programs to assist veterans. CETA had succeeded the Manpower Development Training Act (MDTA), which in turn had succeeded the Office of Employment Opportunity (OEO).

These entities were created to make available cognitive and skill training funds, as well as funds for paying participants while they were being trained in public service jobs. An additional goal of these programs was to circumvent what was perceived as sexist and racist bias in some of the state employment service agencies.

However, these entities in many states were often not any more open to meeting the needs of Vietnam veterans than the employment service agencies were. In response, the Congress created what was known as Title II ? D of CETA that could only be used for Vietnam veterans. Sadly, many states and sub-state entities returned these funds unused rather than let them be utilized for the intended use of assisting younger veterans with problems to surmount their difficulties and secure decent jobs with a future.

The Job Training Partnership Act (JTPA) replaced the CETA system itself in 1982. Despite efforts by the veterans' service organizations the Act included no special provision for veterans.
Creation of the DVOP Program

As the problems remained with the employment service agencies themselves, the Disabled Veteran Outreach Program (DVOP) was created in 1977, and enacted into law in 1979 in response to the state unemployment services testifying to Senator Cranston's Committee that they were not placing many Vietnam or disabled veterans because they ?could not find them.?

As the Employment & Training Administration (ETA) at the Department of Labor was still ignoring the problems of veterans in securing proper services in many states, despite there now being a Deputy Assistant Secretary of Labor who was supposed to be able to focus attention of ETA and the U.S. Employment Service on the needs of veterans. Therefore, Senator Strom Thurmond, with the close cooperation of the Honorable G.V. ?Sonny? Montgomery, took steps to secure an additional modification in the law that created the post of Assistant Secretary of Labor for Veterans Employment & Training. It also established the Veterans Employment & Training Service (VETS) as an entity separate from the Employment & Training Administration (ETA). Theoretically, the Assistant Secretary for VETS and the Assistant Secretary for ETA are equals. The reality, particularly in the wake of WIA which wiped out the legal requirement on the states for ?priority of service? to veterans, the fact that ETA has many billions in comparison to the millions that VETS is allocated, and the dismantling of many of the accountability mechanisms that had existed prior to WIA and the advent of the One Stops, the positions can no longer be realistically considered equal by anyone.

Enhancements and additional provisions were added to Chapter 41 of Title 38, United States Code almost every year during the 1980s and 1990s to try and get the state employment services to consistently, in each state, accord proper treatment and services to veterans, particularly disabled veterans.

NVTI

The most important of these enhancements was the creation and funding of the National Veterans Employment & Training Institute (NVTI), currently operated by the University of Colorado at Denver. The VSOs had been pushing hard for this move, as there was little or no substantive

training for DVOPs, LVERs, and others within the system, and no place to get such quality training that would improve performance. Creation of NVTI and its utilization had more positive impact than any other step taken during this period. NVTI training remains first rate, and for those who use it, the NVTI Resource Center is just extraordinary.

Passage of WIA

In 1998 Congress passed the Workforce Investment Act (WIA) that replaced the JTPA as well as most of the Wagner-Peyser Act. WIA was designed to promote, if indeed not force, the creation of the "One Stop Centers" at the service delivery level where all of the workforce development funds and programs, both public and some private, could be found at one central location. Much of the thought and philosophy that drove the various provisions of WIA came directly from GAO reports that were principally the work of Sigurd R. Nilsen, who was also the leader of the team that performed the work in the recently completed report, GAO-06-176, "Veterans' Employment and Training Service: Labor Actions Needed to Improve Accountability and Help States Implement Reforms to Veterans' Employment Services." (December 30, 2005)

The primary idea behind the One Stop centers that Mr. Nilsen has been promoting for almost 20 years is that if we just eliminate all of the fetters on "special programs" we will eliminate duplicative services, and be able to have more than enough resources to provide better services to all sub-sets of the population.

VVA doubts that this is the case in general, and it certainly is not true for veterans, particularly disabled veterans and other veterans with who require significant assistance. VVA notes that despite the best efforts of the late Senator Strom Thurmond, the amendment he attempted to insert into the WIA bill that would have preserved "priority of service" for veterans, and which contained at least some provisions that would promote accountability, was brushed aside in the rush to eliminate all fetters. With Senator Thurmond's help, we were able to fend off efforts to lift all restrictions in how LVERs and DVOPs could be used by the states.

By 1998 it was clear that "prescriptive" and "proscriptive" solutions would simply not work, for all of the reasons noted above. An extraordinary series of roundtables and semi-formal sessions were held on the other side of the Hill, but with at least some staff participation from this Committee, with all stake holders to try and achieve a results based model that would focus on outcomes, and not on activities that may or may not help a veteran get or keep a job. That legislation, which would have rewarded real performance with additional funds, was ultimately stymied in September 2000 by the (in the view of VVA) inappropriate lobbying activities of the then Assistant Secretary of Labor for Veterans Employment and Training.

Jobs for Veterans Act

The Jobs for Veterans Act was passed in response to problems with properly serving returning service members, and in response to the call of VSOs to take steps to restore "priority of service," but to do so to ALL programs funded by or through the Department of Labor, reflecting a much changed reality from the situation in 1933. To some degree, the model was the "Veterans Bill of Rights for Employment Services," which was propagated as an Executive Order in 1988 in New York, and subsequently codified as Chapter 554 of New York State law. The problem

with both the JVA and the New York law is that there are no sanctions for ignoring the law. Frankly, money needs to go to those doing a good job, and less to those who do not do a good job.

Please let me note that I cannot emphasize too much that nothing in this statement should be taken as a criticism of DVOPs and LVERs. Some of the finest and most dedicated veterans' advocates (and finest people, period) I have ever had the pleasure and honor of knowing are DVOPs or LVERs. These folks are eclectic, as any large group would be, and some are more skilled and effective than others. However, as a group, these fine Americans who often do great work, no matter what they have to do to accomplish the mission, always impress me and no matter how much they may be punished for trying to do their job correctly, and despite how poorly they are paid in some states.

Just there are many individual veteran staff w doing a great job, there are some states, like South Carolina, North Carolina, South Dakota, North Dakota, and others that have always done a great job for veterans because it is ingrained in their corporate culture by consistently having fine leadership that is committed to veterans over a long period of time. There are also individual office managers who fully support services to veterans, and who go out of their way to support the DVOPs and LVERs in their area, as well as using other resources to help get the job done.

GAO Report 06-176 has some severe methodological faults, and therefore draws conclusions based on suspect information. VVA points out that GAO sent out questionnaires to the DVETS and to the Administrators of each of the Workforce Development Agencies, after verifying the instrument. However, the report stated that they made little or no effort to attempt to verify any of the information provided. Therefore, their conclusion that the JVA has generally improved services to veterans is based on nothing that could be considered rational, substantiated data. This is just silliness.

Similarly, the report notes that veterans can receive services from a non-DVOP or non-LVER if they are considered job ready. VVA agrees that this should be the case, given that ?priority of service? has been re-established as the law. However, there are so few what is called ?Wagner-Peyser? staff left out there; in many instances all veterans are sent to the veteran's staff.

The system is every bit as ?broke? today as it was before the passage of the Jobs for Veterans Act, with even more financial and operational problems. It is still not performance and results oriented in any meaningful way. The current measure of ?placements? is intellectually dishonest, and a preposterous example of the ?post hoc, ergo proper hoc? logical fallacy.

The Secretary of Labor put the Assistant Secretary of Labor for ETA in charge of implementing the Jobs for Veterans Act. Given the history of ETA, it should come as no surprise that they are refusing to promulgate regulations implementing the various aspects of the law. Because the local entities under the WIA set up are primarily controlled by former JTPA entities, who never had any ?priority of service? in their programs before, it is the view of VVA that without regulations there is not even a chance of proper and accountable implementation.

Challenges? Accountability Provisions Are Not Implemented

Similarly, the report notes in very large type, "Most JVA Provisions Have Been Carried Out, but not without some Challenges." In fact, ETA and USDOL only implemented the aspects of JVA that reduce oversight and provide greater "flexibility" (e.g., only one on site inspection every five years, new and more general job duties for veterans staff), while NONE of the provisions that accord veterans "priority of service," improve states accountability for increasing veterans' employment in their state, or even having a plan to make a plan as to how to gather data to monitor what is happening to veterans in a given state. The report does note that 21 states did not have ANY data available more than three years after enactment of JVA, but considers that fact one of the "some challenges" remaining.

The Department of labor has moved to implement all of the provisions that the Workforce Development Agencies wanted, and none of those that those entities did not want in the JVA (but that the VSOs argued hard to include). This should perhaps not be surprising, as there was extensive contact between the Assistant Secretary for ETA and the representatives of those agencies and virtually no contact with the veterans' service organizations.

What Is Needed Now

First and foremost, we need a true national strategy to deal properly with the returning service members. The Employer's Committee, which was touted as the President's plan, was simply inadequate in concept. It is time for a National Veterans Employment Conference to assemble the key players and produce a plan that is funded and backed by the Administration as well as this body.

Further, what is needed today is a system that focuses on placement of the highest priority veterans, who are special disabled veterans (especially catastrophically disabled veterans), recently separated veterans and recently d-mobilized members of the National Guard and Reserve, and on veterans who are homeless or "at risk." We must move to a system that has additional monetary rewards for placements and strong measurable results for veterans, particularly disabled veterans, as opposed to just putting out the same amount of funds whether a state does a good job or a poor job. The entire system must be placed on a system of monetary rewards that follow good or outstanding performance.

We must also get away from the notion that this is a "cheap" process, and focus on quality placements for those most in need. The veterans' staff members need to be unleashed from the yoke of the local office managers who in some cases hold them back. As with their agency, they too must be held accountable for measurable performance. The state work force development agencies at the state and local levels should have first bid on the funds available, but if the performance is not there, then state directors for USDOL, VETS should be free to contract with other public or private entities who will get the job done.

Further, there must be all-out resistance and rejection of the ill-conceived and cynical "WIA-Plus" effort to use veteran program dollars for other purposes that was proposed last year. If the states were going to pay attention to the special needs of veterans without monitoring and veteran specific grants, they would have already done it. Additionally, we need additional employer incentives similar to the veterans job training act of the early 1980s that worked so

well, as well as further latitude in the Montgomery GI Bill that will allow more focus on vocational and apprentice training.

A National Strategy and Plan Is Imperative

There simply must be a national strategy to deal with the returning service members from the Global War on Terrorism. More than one million service members have already rotated through Iraq alone. If the administration will not move to fashion such a results- oriented plan, then we call on you, Mr. Chairman, and Chairman Buyer, as well as your colleagues on the other side of the aisle to reach out and call a convocation of public and private entities to put together a real action plan to make a difference, as was done after World War II.

I have here two books that describe what was done at the local level in the majority of American cities that fashioned such results focused efforts after that war, and made a positive difference in the lives of the majority of veterans returning home. Perhaps it is time to look to the successes after World War II to learn what is the best course of action today.

We must think anew, in order not to fail the brave young men and women defending us in military service today.

Mr. Chairman, on behalf of all of us at VVA, I thank you for the opportunity to present our views here today. We would be pleased to answer any questions.