

STATEMENT OF JOSEPH C. SHARPE JR., DEPUTY DIRECTOR NATIONAL ECONOMIC
COMMISSION THE AMERICAN LEGION

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JOSEPH C. SHARPE JR., DEPUTY DIRECTOR
NATIONAL ECONOMIC COMMISSION
THE AMERICAN LEGION
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES SENATE
ON
DEPARTMENT OF LABOR, VETERANS' EMPLOYMENT AND TRAINING SERVICE

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Mr. Chairman and Members of the Committee:

The American Legion appreciates this opportunity to share its views on the performance of Department of Labor's (DOL) Veterans' Employment and Training Service (VETS) and its resource needs, and to review the state grant program which funds Disabled Veterans' Outreach Program Specialists (DVOP) and Local Veterans' Employment Representatives (LVER).

The mission of VETS is to promote the physical, emotional and economic security of America's veterans. Its vision is to create a seamless transition back to civilian life for veterans. The American Legion views VETS as one of the Federal government's best-kept secrets. It is composed of many dedicated professional veterans who struggle to maintain a quality, veteran-oriented program. However, VETS is presently lacking in:

- ? Staffing;
- ? Funding;
- ? Proper oversight by VETS;
- ? Reliable performance data; and
- ? A comprehensive mandatory transitional assistance program for returning reservists.

With regards to staffing, currently VETS is one of the smallest divisions of the Department of Labor. This severely limits the number of staff available to assist veterans with employment issues. In addition, the current system of management within VETS includes Regional Offices, which continue to increase their number of staff that do not provide direct services to veterans, conduct investigations or provide any identifiable services or products that directly benefit veterans. Thus the continued growth of staff in the Regional Offices has had a negative and adverse impact on the delivery of services to veterans seeking and needing employment assistances. The President's Management Agenda calls for elimination of the middle level management of the Federal government. The American Legion seeks and supports legislation that will eliminate the Regional Offices and use that funding to increase the numbers of DVOPs and LVERs.

President Bush's FY 2006 budget request for VETS was \$224 million. This marks a modest \$3 million increase from the final funding allocated in the FY 2005 Omnibus Appropriations bill, especially since every year 250,000 service members are discharged from the Armed Services. These former service personnel are actively seeking either employment or the continuation of formal or vocational education. This is available through VETS, which offers:

- ? Creative outreach designed to improve employment and training opportunities for veterans;
- ? Information in identifying military occupations requiring licenses, certificates or other credentials at the local, state, or national levels; and seeks to
- ? Eliminate barriers faced by former service personnel transitioning from military service to the civilian labor market.

The American Legion remains steadfastly supportive of VETS within DOL as administered by the Assistant Secretary of Labor for Veterans' Employment and Training (ASVET). The American Legion recognizes the positive impact each program continues to have in the lives of America's veterans and their families. The American Legion recommended \$339 million for VETS in Fiscal Year 2006 and is recommending \$345.8 million for FY 2007. This would provide funding for State Grants for LVERs and DVOPs, the National Veterans Training Institute (NVTI), the Homeless Veterans Reintegration Program (HVRP), and the Veterans Workforce Investment Program (VWIP).

With the enactment of Public Law 107-288, the Jobs for Veterans Act, The American Legion remains skeptical as to whether VETS can truly improve employment and training services to meet the needs of today's local veterans' community. Especially since VETS has not reported its progress to Congress as mandated by the implementation of Public Law 107-288. The American Legion has some serious concerns with the implementation of the new approach to local staffing levels and job performance standards.

The American Legion is concerned that the rate of job placement of veterans, training programs and other vital services has decreased. Under the previous performance data reporting system, veterans seeking employment and those entering employment could only be counted after a mediated service was provided. Under the current system, individuals only have to register and enter the employment system to be counted as an "assisted veteran," thereby giving the false impression that the One Stop Career Centers are doing a better job of finding employment and training opportunities for veterans.

A General Accounting Office (GAO) report of October 30, 2001, noted, "VETS needs the legislative authority to grant each state more flexibility to design how staff will fit into the one-stop center system." However, The American Legion has found some DVOPs and LVERs are unofficially reporting that they spend 90 percent of their time assisting non-veterans, while only spending 10 percent of their time assisting veterans seeking employment. In some states, several part-time LVERs and/or DVOPs are assigned to the same office in a metro area. In some cases, converting current full time LVERs and DVOPs to part-time employees has drastically limited the effectiveness of the program. In other cases, specialists or representatives are so over-tasked with clerical duties and office administration that they have little time to provide much-needed outreach to job-seeking veterans. Stronger oversight needs to be provided to ensure that DVOPs

and LVERs are given the resources needed to provide the services for which they are responsible.

The American Legion is concerned not only about how employment services are delivered by the One Stops, but also with the priority of service as outlined by the 2002 Jobs for Veterans Act (JVA). The American Legion is pleased to hear from DOL officials that veterans are receiving priority of service. However, according to the recent GAO report of December 2005, "Labor has only partially implemented the JVA requirement to give priority service to veterans in its many employment training programs."

VETS has not published any data for determining the effectiveness of its veterans priority services. VETS is only now, in 2006, reporting to Congress on their progress in the implementation of JVA's key aspects. The current reporting time frame reflects a six-month delay. The American Legion strongly recommends a revision of existing VETS reporting requirements for measuring performance standards and for determining compliance with requirements for providing employment services to veterans. The rolling quarter reporting system should be administered in a timely manner to better project the employment services being sought by veterans and to more accurately reflect the efforts of DVOPs and LVERs. According to VETS representatives surveyed by The American Legion, it currently takes 18 months to receive data on how well a program is functioning. Most report to The American Legion that they cannot make changes or improvements after 18 months; in many cases, the contractor or person responsible is no longer available.

The Front Line Warriors

The LVERs and DVOPs are the heart and soul of VETS. The unique roles of these two programs are outlined in Title 38, Chapter 41, United States Code. However, annual underfunding and understaffing have limited the success of these programs.

The role of VETS is to augment local employment service offices and handle the hard-to-place veterans, not just any veteran that walks in the door, whether the veteran is job ready or not. Clearly, an LVER is required to effectively perform many different roles. The American Legion believes that all LVERs should be expected, at a minimum to:

- ? Ensure veterans are receiving quality services from local employment services employees;
- ? Maintain regular contact with community leaders, employers, labor unions, training programs, and veterans' service organizations;
- ? Provide directly or facilitate labor exchange services to eligible veterans;
- ? Job development with employers and labor unions ? to include on-the-job training and apprenticeship programs;
- ? Promote and monitor the participation of veterans in federally funded employment and training programs;
- ? Monitor the listing of jobs and subsequent referrals to Federal contractors;
- ? Work closely with VA's Vocational Rehabilitation Program;
- ? Refer veterans to training, supportive services, and educational opportunities;
- ? Assist in securing and maintaining current information on employment and training opportunities;

- ? Assist in identifying and acquiring prosthetic and sensory aids and devices needed to enhance employability of disabled veterans; and
- ? Facilitate guidance and counseling service to certain veterans.

The LVER has no counterpart in a local employment service office. The only supervisory control the LVER has is over any assigned DVOP. As taxed as the LVER may be, the DVOPs job is just as demanding. The American Legion believes all DVOPs should, at a minimum:

- ? Develop job leads and job training opportunities through contacts with employers;
- ? Promote and develop apprenticeship and on-the-job training opportunities with employers;
- ? Carry out outreach activities to locate veterans in need of job assistance;
- ? Provide assistance to employers in securing job training opportunities for eligible veterans;
- ? Assist local employment services office employees with their responsibilities for serving veterans;
- ? Promote and assist in the development of entry-level and career job opportunities;
- ? Develop outreach programs with VA Vocational Rehabilitation (VOC Rehab) Program participants; and
- ? Provide case management.

Like the LVER, DVOPs have no counterpart in the local employment service office.

The American Legion believes these two Federal programs were designed to support local employment service office personnel, not supplant nor integrate. VETS must retain complete autonomy in order to be successful. Through the creation of these positions, Congress sought to assure:

- ? All veterans received priority of service;
- ? Certain veterans received extensive case management;
- ? Employers hire veterans;
- ? Outreach activities recruited and assisted chronically unemployed or underemployed veterans;
- ? Close contact was established and sustained with the veterans' community;
- ? Effective marketing of federal and state vocational training opportunities;
- ? Monitoring of veterans' hiring practices by federal contractors; and
- ? The presence of veterans' employment advocates throughout the local community.

The American Legion strongly believes the funding levels for DVOPs and LVERs should match Federal staffing level formula established before enactment of JVA to assure services are available to achieve the goals and aspirations of VETS. A veteran in California should expect the same quality services available as a veteran in Maine.

VETS was created to work with the local employment service office, not to be incorporated into those offices. Prior to the creation of VETS, the local employment service offices were failing to meet the employment and training needs of veterans, especially disabled and minority veterans. Many veterans were faced with significant barriers to employment and needed more focused case management and personal assistance because there was no appropriated funding for veterans. In the beginning, VETS had the necessary funding and staff to deal effectively with the employment problems throughout the veteran population.

With the dramatic increase in the number of veterans from the wars in Iraq and Afghanistan being discharged and the increasing importance of the One Stop Centers in assisting all transitioning veterans, the American Legion strongly recommends that VETS continue frequent monitoring visits to the centers and provide strict oversight of these programs. DOL must ensure that veterans receive priority in all DOL programs and services created specifically for their unique needs.

Title 38 USC, 4103A required that all DVOP specialists shall be qualified veterans and that preference be given to qualified disabled veterans in selecting and filling DVOP specialist positions. This provision was changed by P.L. 107-288, which allows the appointment of non-veterans to these positions for up to six months without any justification. For over 20 years, these positions have been filled with veterans and this has proved to be a winning combination. The American Legion opposed non-veteran appointments and urges Congress to rescind this change. The American Legion believes that military experience is essential to understanding the unique needs of the veteran and that all LVERs, as well as all DVOPs, should be veterans. In addition, The American Legion is in strong opposition to part time DVOP and LVERs because that may lead to limited services to veterans. Properly monitoring and ensuring that the half time DVOP or LVER serves veterans adequately is overly dependent on management within the career centers, and nearly impossible. In our opinion, the use of part time positions has led to examples of less than adequate services creating managerial challenges and should only be allowed with the concurrence of the DVET in the state.

The American Legion is also concerned with the reported numbers of National Guard and Reserve troops that have returned from the war in Iraq and Afghanistan only to encounter difficulties with finding suitable employment. The Department of Labor transitional assistance program (TAP) was designed to help prepare separating service members and their families in making a successful transition back into the civilian workforce. DoL estimates that 70 percent of all separating active duty service members attend the employment TAP seminars and only 30 percent of all separating National Guard and Reservists attend a portion of TAP. The American Legion believes this low attendance number is a disservice to all transitioning service members. Many service members and most National Guard and Reservists are unaware of the assistance and resources offered by TAP. Without this program service members who have served their country bravely return to the civilian workforce less equipped than their counterparts who took advantage of the information provided by TAP. The American Legion reaffirms its strong support of TAP/DTAP program and also encourages the Departments of Labor and Defense to work together in mandating that all separating, active-duty service members, which includes the Reserves and the National Guard, be given an opportunity to participate in TAP/DTAP.

The American Legion recommends adequate funding for the National Veterans Training Institute (NVTI) budget. The NVTI provides standardized training for all veterans employment advocates in an array of employment and training functions. This excellent program helps to prepare employment service personnel to professionally address the vocational needs of veterans, especially those with barriers to employment.

Over the past six years, VETS has endeavored to reinvent itself within the confines of continued funding constraints, while faced with major changes made under the Workforce Investment Act.

VETS makes up about 15 percent of the system operated in the states by the Employment and Training Administration.

Approximately 56.2 percent of all unemployed veterans are over the age of 45; therefore, many of these veterans are victims of corporate restructuring, technology changes, or age discrimination. These veterans need training to remain in their previous professions or to begin new careers. Section 168 of the Workforce Investment Act (formerly JTPA IV-C) is that portion of the statute, which provides for this type of training for veterans.

For the past three years, the \$7.5 million annual funding for the Veteran Workforce Improvement Program has allowed the program to continue to operate in only 11 states. This is absolutely unacceptable. There are thousands of veterans available for work in this new economy, but they may lack marketable technological skills. The problem is clearly a lack of funding. The only participants in this specific program are military veterans. The baseline funding for it needs to be at least increased to allow VETS to begin training in all fifty states. Therefore, The American Legion would recommend \$17.34 million for Veteran Workforce Improvement Program in FY 2007.

Although P.L. 107-288 requires that veterans receive priority in all DOL programs, the American Legion urges the reinstatement of the Service Members Occupational Conversion and Training Act (SMOCTA). SMOCTA was developed as a transitional tool designed to provide job training and employment to eligible veterans discharged after August 1, 1990 and provides an incentive for employers to hire veterans. Veterans eligible for assistance under SMOCTA were those with a primary or secondary military occupational specialty that DoD has determined is not readily transferable to the civilian workforce; or those veterans with a service connected disability rating of 30 percent or greater.

Eligible veterans received valuable job training and employment services through civilian employers that built upon the knowledge and job skills the veterans acquired while serving in the military. This program not only improved employment opportunities for transitioning service members, but also enabled the federal dollars invested in education and training for active duty service members to be reinvested in the national job market by facilitating the transfer of skills from military service to the civilian workforce.

The American Legion continues to encourage Congress to reauthorize and adequately fund SMOCTA. Many LVERs and DVOP publicly praised the effectiveness of SMOCTA in successfully returning veterans into the civilian workforce. The American Legion recommends \$45.9 million for SMOCTA funding in FY 2007. Should SMOCTA not be reauthorized, these training dollars should be added to Veteran Workforce Improvement Program (VWIP) job training opportunities.

SUMMARY

Messrs. Chairmen and members of the Committee, in this statement, I have laid out the priorities for The American Legion regarding the many programs and services made available to the veterans of this nation and to their dependents and survivors.

The American Legion has outlined many central issues in this testimony today regarding VETS. If there is an attempt to take the DVOP/LVER grants and fully integrate them into WIA/ETA, there will no longer be any veteran identity to these services. To allow the individual state governor to decide where the national program for Veterans Employment and Training will reside within the respective state means it is no longer a national program, but rather a state program. The American Legion official position is that this should be a national program with Federal oversight and accountability. And finally, The American Legion strongly opposes any attempt to move VETS to the Department of Veterans Affairs (VA).

The Department of Labor (DoL) is the nation's leading agency in the area of job placement, vocational training, job development, and vocational counseling. Due to the significant barriers to employment experienced by many veterans, VETS was established to provide eligible veterans with the services already being provided to job ready Americans. Working with the local employment services offices, VETS gave eligible veteran the personalized assistance needed to assist in the transition into the civilian workforce. VA has very limited experience in the critical areas of job placement, vocational training, job development, and vocational counseling through its Vocational Rehabilitation Program.

We realize in a time of war there are many other important issues before the Congress of the United States. However, The American Legion believes that Congress must focus on finding effective solutions to veterans' concerns. The veterans of this nation have always answered when their country called. Medals, awards, and citations recognize the remarkable achievements of citizen soldiers, sailors, airmen and Marines, but the true gratitude paid to American's veterans comes in the form of meeting their post-military needs, especially those with any service-connected disabilities. The American Legion believes it is time to make a meaningful commitment to the programs and services that are an earned recognition for our veterans from a truly grateful nation.

Thank you for granting me the opportunity to appear before you today.