

STATEMENT OF
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VETERANS OF FOREIGN WARS OF THE UNITED STATES

FOR THE RECORD

COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES SENATE

WITH RESPECT TO

“Is Transition Assistance on Track?”

WASHINGTON, D.C.

December 15, 2015

Chairman Isakson, Ranking Member Blumenthal, and members of the committee, on behalf of the 1.7 million members of the Veterans of Foreign Wars of the United States (VFW) and our Auxiliary, thank you for the opportunity to present our organization's view on the military Transition Assistance Program (TAP).

The VFW currently has 20 professional staff members who serve 20 military installations, helping service members access their earned Department of Veterans Affairs (VA) benefits in a timely manner through the Benefits Delivery at Discharge (BDD) program. Though the primary purpose of the BDD program is to provide transitioning service members with free assistance in filing claims for VA benefits, the VFW works very closely with military transition managers, agency officials, and contract facilitators to ensure that each service member is properly informed of all their options and benefits prior to leaving military service.

Over the past two years, the VFW Washington Office has worked closely with the agencies of jurisdiction – specifically the Department of Labor (DOL) and Department of Veterans Affairs – to ensure that the curriculum provided to transitioning service members remains relevant. Since the newly-designed Transition Assistance Program was deployed, the VFW believes we have seen a significant improvement in the way we prepare separating service members for post-military life. However, nothing is perfect, and the VFW believes there is still significant room to improve this experience.

To ensure we provide the best service we can to transitioning service members, the VFW commissioned a voluntary online survey for our BDD clients. Through this survey, the VFW not only evaluates the performance and reputation of our BDD representatives on military installations, we also are able to evaluate service member perceptions on TAP.

Since our survey launched in 2014, more than 1,400 transitioning service members have participated, offering substantial feedback on their transition experience. Earlier this year, DOL

reached out to the VFW for our feedback on the Transition Assistance Program redesign. The VFW was able to lean on our data to provide DOL with informed qualitative feedback on their program.

The VFW's survey indicates that service members who seek out our services are generally satisfied with the new curriculum and that they feel confident going into their transition. However, more than half of the VFW's clients reported that they did not have an opportunity to participate in any of the voluntary transition tracks. This is a worrisome trend for the VFW, as we believe that most transitioning service members would benefit from exposure to these in-depth courses – particularly the Accessing Higher Education track, which includes practical exercises designed to encourage veterans to make responsible choices on how to use their earned education benefits.

When asked what they would like to share about their transition experiences, many clients said that the training was too short and did not focus enough on practical exercises. In discussing the current TAP curriculum review with DOL, the VFW is encouraged to hear that the curriculum set to launch in January 2016 will focus less on conveying information and lean heavier on practical work.

Though the VFW's survey gives a good snapshot of how veterans feel going into their transition, we recognize two critical liabilities to our data set. First, our clients fill out this survey before they take off the uniform. This means that they have no reasonable way to anticipate the challenges they may face in civilian life. To correct this, the VFW is looking at ways to encourage our clients to take the survey once they have received a VA rating decision, which usually occurs several months after separating from service.

Second, the VFW's average client is older and has served longer than the average transitioning service member. Based on our internal reporting, the majority of VFW BDD clients are more than 35 years old with more than 12 years of service. What worries the VFW is that this means that many younger transitioning service members, who are more likely to need the kinds of transitional services offered by the VFW, do not seek out our services, and more likely than not, do not seek out other available transitional assistance.

In the past year, the VFW has made a concerted effort to target younger transitioning service members by creating new collateral materials and publishing targeted op-eds and articles to encourage utilization of our services. But the VFW believes that information and awareness are not a silver bullet to solving this dilemma. Instead, the VFW believes that our data could serve to reinforce anecdotes that younger service members still are not afforded proper time and support from small unit leaders to complete their transition tasks.

Last year, the VFW testified about this issue before the House Veterans' Affairs Subcommittee on Economic Opportunity, noting that it is neither senior commanders nor senior non-commissioned officers (NCOs) who seem to be discouraging young service members from seeking transitional services, but instead small unit leaders, junior officers and junior NCOs who likely have no concept of the transition at hand, and may even view with derision those seeking to leave the military after a short stint.

The VFW has also acknowledged in the past that combatting this mentality would be nearly impossible, which is why we have consistently supported the Military Lifecycle model to deliver transitional services. What this means to the VFW is that the capstone program that we now refer to as TAP would no longer be viewed as the only critical intervention point at which service members start to plan for their post-military lives. Instead, service members will be exposed to civilian skills-attainment opportunities earlier in their military careers, and begin planning for post-military life according to a practical career development plan that focuses on both military and civilian objectives.

To the VFW, the Military Lifecycle model is an encouraging proposition, but one that will also require a shift in military thinking. Thankfully, it has already started to take root on certain installations where service members are afforded educational and professional certification opportunities long before separation. In the long run, these kinds of opportunities will make it easier for the military to partner with private entities to foster successful transitions. It will also make it easier for service members to develop professional networks long before they complete their military service.

Next, while the VFW could opine on best practices for recruiting and hiring veterans in the civilian workforce, the VFW believes that these resources are already in place through programs like the Jobs for Veterans State Grant (JVSG) program and the Employer Support for the Guard and Reserve program, among others. At this point, if employers still struggle to find veteran employees or still fail to understand the value of veteran employees, then they really are not interested in hiring veterans.

If we examine how companies actually recruit and hire the talent they seek, we just need to replace “veteran” in the discussion with “Ivy League graduate.” If a company wants to hire an Ivy League graduate, they meet the candidates where they are. They get to know the schools; they get to know the professors; they even go so far as to evaluate the curriculum of their potential talent pool. They become visible on campus and in the community. They actively solicit for the caliber of candidate that they need. The military and veterans’ communities offer similar opportunities. Employers can speak with local veterans’ groups; they can reach out to the National Guard; they can get to know the transition managers on base. In communities where this happens regularly, we have seen tremendous results. For example, on Joint Base Lewis-McChord, Microsoft and Starbucks have worked to become ingrained in the transition process, building a quality talent pool of veterans who are employment ready in careers ranging from entry level to executive. We do not need to reinvent the wheel when it comes to veterans’ employment. We just need to take advantage of the opportunities that are already available.

Fortunately, the VFW believes the transition experience is improving for service members. Veterans’ unemployment is below the national average and at its lowest point since 2008; more companies are legitimately hiring and retaining veteran employees; and most importantly, the agencies responsible for transition training are heeding the advice of the veterans’ community. The VFW is encouraged by the plans to annually review and update the TAP curriculum with stakeholder input. We are encouraged that the Department of Defense, VA, and DOL have worked to make the curriculum publicly available after military service. We are also encouraged

that the military is offering service members an opportunity to prepare for their transition early on.

Upon separation, veterans have several possible paths to achieving a successful transition. While the path of higher education and training is supported by programs like the GI Bill and the Vocational Rehabilitation & Employment program, and the path to immediate employment following service is supported by DOL programs like JVSG, considerably fewer resources exist for veterans seeking to start their own businesses. The VFW strongly believes that veteran entrepreneurs should be supported during the startup phase, and has suggestions how to achieve this.

One possible solution could be to reauthorize an improved version of the Patriot Express Loan program, which would include proper oversight and training to review veteran business plans prior to participation. By providing such oversight, we ensure that the Small Business Administration can mitigate the default problems experienced during the Patriot Express Loan pilot program, as identified by the September, 2013 report by the Government Accountability Office. Another solution could be to support veteran-centric business incubators that provide veteran entrepreneurs with education and mentorship, as well as helping them to obtain startup capital. These models already exist in several locations across the United States and have been proven valuable in creating peer-to-peer environments that allow veteran entrepreneurs to mutually support each other to achieve their business goals, similar to the way on-campus veteran resource centers allow them to support each other to achieve their educational goals.

The VFW is greatly concerned, however, by an idea that has been circulated through the veterans' community by a small but vocal minority of its members to allow veterans to "cash out" their GI Bill benefits for one or more lump sum payments that would be used to start businesses. In agreeing to receive these payments, veterans would be required to forfeit their entitlement to education assistance under the Post-9/11 GI Bill an unrelated benefit that they have already earned. While this may sound appealing to some, we believe that the idea is deeply flawed and would inevitably hurt a significant number of veterans, while simultaneously setting a dangerous precedent for the GI Bill.

Supporters of the concept rightly point out that the Servicemen's Readjustment Act of 1944, commonly referred to as the GI Bill of Rights, included a small business loan program. This is used as a premise to assert that the Post 9/11 Educational Assistance Act of 2008, commonly referred to as the Post 9/11 GI Bill, should be amended to provide startup capital for veteran entrepreneurs as an alternative to education and training. The VFW does not believe this is an appropriate comparison. The GI Bill of Rights was a suite of benefits which included low-interest home loans, business loans, and educational assistance, among other things. Veterans were entitled to all these benefits, and did not lose eligibility for one by accessing another. For this reason, veterans were able to gain valuable skills and knowledge through educational assistance benefits, potentially increasing their chances of success in business. Likewise, any future grant or loan program designed to support veteran entrepreneurs should not require them to forfeit their earned education benefits.

Additionally, this concept seems to ignore the unfortunate but undeniable fact that some businesses do not succeed. As an overarching philosophy, the VFW cannot support any new program that helps some veterans and harms others. New programs must at the very least be neutral to veterans who are not helped by them. Veterans whose businesses succeed will arguably be helped by this idea, even though they will forfeit their GI Bill eligibility. Veterans whose businesses fail will be indisputably harmed when they are left with no business, no GI Bill, and most likely a large amount of debt from any additional loans they may have incurred from operational costs. In that situation, veterans must have an education benefit to fall back on. If they do not, we have truly failed them. While the VFW would support establishing a grant program for veteran entrepreneurs, we stand firmly opposed to requiring them to forfeit their educational assistance benefits as a condition of program participation.

The VFW will continue to monitor the implementation of TAP, working with the agencies of jurisdiction to constantly improve the product. The VFW will also continue to monitor policy issues related to veterans' economic opportunity, and seek ways to refine veterans' policies to improve outcomes in the workforce. We look forward to working with this committee on ways to continually enhance transitional services for today's veterans, and we would be happy to take any questions you may have for the record.