

**STATEMENT OF
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COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
UNITED STATES HOUSE OF REPRESENTATIVES
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Mr. Chairman and Members of the Subcommittee:

On behalf of the 1.2 million members of the Disabled American Veterans (DAV), I am honored to present testimony to the Subcommittee today and comment on programs insofar as they are in accordance with DAV's dedication to one, single purpose — building better lives for all of our nation's disabled veterans and their families.

Under consideration in today's oversight hearing is the President's Fiscal Year 2012 budget as it relates to the U.S. Department of Labor's (DOL) Veterans Employment and Training Service (VETS). I am pleased to have this opportunity to present our views on this important issue.

The VETS is positioned to provide critical resources to our nation's veterans. Today's continued unemployment problems underscore the need for a properly funded program, and effective and well-trained staff.

Diane Swonk, economist, author, and advisor to the Federal Reserve Board and White House Council of Economic Advisers commented in the spring 2011 *USAA Magazine* that the job crisis we are in will likely be with us through 2011.

A recovery from a financial-crisis recession is inherently more difficult than a recovery from a regular recession. The effect on jobs is dismal. It will likely take until 2013 to recoup the jobs lost to the recession as we struggle with subpar growth. The only silver lining is that it could have been worse, especially in light of the magnitude of the crisis, but that provides little solace for the record number of people who have already been unemployed for a record length of time.

Job growth is returning, but it is very slow. Meanwhile, population growth still brings more than 100,000 new job seekers into the work force each month. The economy has to create enough new jobs to employ new workers before making a dent in unemployment. As 2010 wended down, the economy was only creating enough jobs to keep up with population growth, causing the unemployment rate to stagnate. Many economists expect more of the same in 2011.

A review of the January 2011 Bureau of Labor Statistics economic news release finds an unemployment rate of 9.9 percent generally for veterans and 15.2 percent for more recent

veterans, those who served from September 2001 to present. Breaking the data down further by gender, finds males have an unemployment rate of 15.2 percent and females of 13.5 percent for this same group of veterans. A February 17, 2011 article in USA Today titled *Female Veterans Struggle In Jobs Market*, by Meena Thiruvengadam, highlights the unemployment issue for women veterans of the wars in Iraq and Afghanistan which rose to 13.5% in January, above the 8.4% that was the seasonally unadjusted average for non-veteran adult women. And while the overall unemployment rate declined last year, unemployment among women veterans of the latest wars was more than three percentage points higher in December 2010 than in December 2009.

Women, whose presence in the military has been climbing over the past decade, now account for 1.8 million, or about 8% of 23 million U.S. veterans, according to the latest statistics from the Department of Veterans Affairs (VA). However, their transition from the military seems tougher than male veterans. The reasons for this may include a Veterans Affairs system that doesn't adequately meet women's specialized health care, child care and psychological needs; the traditional role among women to serve as primary caregivers for children; and a civilian sector that may not fully understand the role of women in today's military.

As women transition out of the military today, many are turning to VA for care. The current rate of enrollment of women in VA health care constitutes the largest of any subset of veterans. According to VA, from FY 2002 to the first quarter of FY 2010, approximately 50 percent of 133,000 OEF/OIF women veterans utilized VA health care, with nearly 51 percent of whom were treated through making 11 or more outpatient visits during the past fiscal year.

The Independent Budget veterans service organizations (IBVSOs) remain concerned about the fragmentation of care and disparities in care that exist for women using the VA health-care system, and we continue to encourage VA to fully address the unique health-care needs of women veterans who have returned from deployments, and to continue to conduct biomedical and health services research initiatives to gain broader understanding of women's needs in VA health care, including outcomes, quality, satisfaction, barriers to care, and other important challenges.

Whether female or male, given the plans of both the Army and Marine Corps to cut troop strength by 47,000 depending on the operational requirements of the current conflicts in Iraq and Afghanistan, such cuts will likely accelerate discharges of more veterans who will be looking for jobs. Many will present military skills that do not easily transfer into the civilian world.

The transferability of skills gained in the military has long been a concern of the DAV and the IBVSOs. We believe that more must be done to ensure that our highly trained and qualified service members do not face unnecessary barriers as they transition from the military to civilian life. We recommend that the Departments of Defense, Labor, and Veterans Affairs work with employers, trade unions, and licensure and credentialing entities to promote developing the means for military personnel to receive the necessary civilian equivalency to their chosen career fields when receiving military education and training, thus honoring their military service and allowing them to more easily transition into a civilian occupation without the need for complex and duplicative training or apprenticeships. We look forward to monitoring the implementation of these recommendations and future program improvements.

As unemployment continues to negatively impact veterans we must review current practices and consider new ways to address them. To assist veterans in achieving economic security, both those transitioning out of the military and those already in the veterans population, VA provides education, training, employment, entrepreneurship, homelessness interventions and housing assistance through a number of programs and offices. We believe that reorganizing economic-related programs into a single entity, the Veterans' Economic Opportunity Administration (VEOA), would not only create new opportunities for greater collaboration, but would provide greater focus and stronger oversight and accountability of these programs. Consolidation also would relieve some of the burden on the Veterans Benefits Administration (VBA), an organization that already faces significant challenges in reforming its fractured claims adjudication system.

The VEOA would be on a par with the Veterans Health Administration, VBA and the National Cemetery Administration. It would be led by an Under Secretary for Veterans Economic Opportunity and would be responsible for vocational rehabilitation and employment, educational assistance, veterans' entrepreneurship, home loan and homeless veterans assistance programs.

The VEOA would also serve as the single point of inter-agency exchange regarding programs that are administered for veterans outside of the VA, such as DOL's VETS, and similar programs in other departments and agencies.

The funding of VETS ensures employment and training services are available for eligible veterans through the Jobs for Veterans State Grants (JVSG) program. Funds are allocated to state workforce agencies through this grant program in direct proportion to the number of veterans seeking employment within their states. Those JVSG funds support Disabled Veterans' Outreach Program Specialists (DVOPs) and Local Veterans' Employment Representatives (LVERs), staff positions in state workforce agencies. These employment services include assisting transitioning service members, their spouses and also employers interested in hiring veterans.

DVOPs provide intensive employment services to disabled veterans with an emphasis on those who are economically or educationally disadvantaged, including homeless veterans. DVOPs are actively involved in outreach efforts to increase program participation among those facing the greatest barriers to employment. In an effort to provide assistance, they visit VA Vocational Rehabilitation and Employment Program offices, VA Medical Centers, veterans service organization meetings; Native American trust territories; military installations and other sites known to have concentrations of veterans or transitioning service members.

LVERs conduct outreach to employers and engage in advocacy efforts with hiring managers in an effort to increase employment opportunities for veterans generally, encourage the hiring of disabled veterans specifically, and assist veterans in gaining and retaining employment. LVERs hold seminars for employers and conduct job search workshops for veterans seeking employment. They also facilitate priority of service for veterans seeking employment, training, and placement services through state workforce agencies.

To meet the specific needs of veterans, to include veterans with a significant impairment in their ability to prepare for, obtain or retain employment consistent with their abilities, aptitudes and interests, DVOPs and LVERs are expected to be familiar with the full range of job development services and training programs available at the state workforce agency “One-Stop Career Centers” and VA’s Vocational Rehabilitation and Employment program locations.

In reviewing the FY 2012 budget request as it relates to the VETS State Grants budget, which funds the aforementioned DVOP and LVER positions, a straight line funding request is noted from FY 2010 to FY 2012 of \$165.4 million. Given their current economic circumstances and likelihood that a complete recovery to pre-recession employment levels will be slow, we believe the JVSG program funding should be increased to ensure sufficient staff are on board to provide the necessary services for a growing population of unemployed veterans.

**FY 2012
CONGRESSIONAL BUDGET JUSTIFICATION
VETERANS’ EMPLOYMENT AND TRAINING SERVICE**

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY (Dollars in Thousands)						
	FY 2010 Enacted		FY 2011 Full Year C.R.		FY 2012 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
State Grants	0	165,394	0	165,394	0	165,394
Unemployment Trust Funds	0	165,394	0	165,394	0	165,394

The next area to address is the funding of the National Veterans Employment and Training Service (NVETS) contract program of the VETS. This program oversees the National Veterans Training Institute (NVTI). The NVTI was established in 1986 and is administered by the University of Colorado at its Denver campus and at selected sites in the U.S. and abroad. NVTI provides specialized training in veterans’ employment, including employment service personnel, VETS and state staff, Department of Defense personnel and others. To date over 50,000 veterans' employment and training professionals have attended NVTI training, the only institute providing this training in the United States.

Of the more than 2,000 DVOP/LVER positions nationwide, historically, the annual turnover rate has exceeded 20 percent. This is attributed to veterans initially entering a state’s employment system as a DVOP or LVER and eventually finding another position within the state government at higher salaries. This turnover consequently requires new candidates to be trained by NVTI. The DVOP and LVER positions are crucial because they are often the first support contacts newly discharged veterans will have as they make the difficult transition to civilian life.

Because of inadequate funding, the NVTI has performed its responsibilities over the past two years with a staff shortage of at least two to three full-time staff members in Denver. This shortage has limited its ability to fulfill additional training requests of VETS and to travel to conduct training in the field. Currently all classes for FY 2011 are scheduled and have staff assignments. However, under Public Law 111-275, the Veterans Benefits Improvement Act of 2010, all DVOPs and LVERs are to be trained at NVTI within 18 months of being hired, instead of the prior standard of 36 months. Consequently, the NVTI will not be able to meet this shortened training requirement without additional staff. We urge DOL to ensure funding of NVTI will be sufficient to meet this new Congressional mandate.

Although the next topic is scheduled for a future budget hearing, I would like to briefly address VETS' redesign of the Transition Assistance Program (TAP), replacing the old program developed more than 20 years ago. This new program may require additional training and support from the NVTI. As VETS redesigns TAP and searches for new avenues to assist veterans with employment, having the option of requesting support from NVTI would be invaluable. It's imperative that NVTI have the funding to provide not only training as currently constructed but also in new ways and to allow VETS to meet its 18-month training obligation under Public Law 111-275.

**FY 2012
CONGRESSIONAL BUDGET JUSTIFICATION
VETERANS' EMPLOYMENT AND TRAINING SERVICE**

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY (Dollars in Thousands)						
	FY 2010 Enacted		FY 2011 Full Year C.R.		FY 2012 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
National Veterans Employment and Training Service Institute	0	2,449	0	2,449	0	2,449
Unemployment Trust Funds	0	2,449	0	2,449	0	2,449

Adequate funding will ensure DVOPs and LVERs are available to deliver services to veterans. DAV has expressed concern in the past and do so again today, in accordance with DAV Resolution 234, regarding using these professionals to provide services outside of their areas of expertise. Many state employment agencies are utilizing DVOPs and LVERs to work on public assistance-related programs. This practice diverts these personnel from their prime mission, which is to assist veterans with their employment and training needs. These professionals' primary focus must be on the delivery of benefits to eligible veterans as required in the VETS State Grants program. Every effort must be made to ensure their first priority is assisting veterans.

While we are concerned about the proper utilization of DVOPs and LVERs, we must also address their effectiveness when delivering those benefits. A review of the Detailed Workload and Performance table on page 24 of the FY 2012 Congressional Budget Justification for VETS finds target performance measures to provide services to veterans and disabled veterans. Of the 653,000 veteran participants in Performance Year (PY) 2010 and FY 2011, the Performance Measure 1 target was 56 percent of the group finding employment. However, only 46.2 percent were successful according to this measure. In PY 2008 and 2009 the target was 62.5 percent. Performance Measure 4 focuses on disabled veteran participants with a target of 51.8 percent for PY 2010 and FY 2011. However, only 43.9 percent were successful in finding employment as a result of the measure. What is concerning is that the PY/FY 2012 target for Performance Measures 1 and 4 are to be reduced from 56 percent to 45.2 percent and from 51.8 percent to 42.1 percent respectively.

STATE GRANTS

DETAILED WORKLOAD AND PERFORMANCE				
	PY 2010 / FY 2011	PY 2009 / FY 2010	PY 2011	PY / FY 2012
	Target	Result	Target	Target
Workload Item #1 - Number of Participants	653,000	624,000	624,000	624,000
Performance Measure #1 - Percent of Veteran participants employed in the first quarter after exit	56.00%	46.20%	44.80%	45.20%
Performance Measure #4 - Percent of Disabled Veteran participants employed in the first quarter after exit	51.80%	43.90%	41.70%	42.10%

We also note on page 22 of the same document, that the FY 2012 program is expected to operate differently as a result of refocused staff efforts. Particularly concerning was the analysis that showed only 17 percent of participants received intensive employment services. This refocusing effort will result in providing more intensive services to those who likely will have the most favorable outcomes, plus veterans who are older, disabled or recently separated.

While we are interested in improvement of services through a refocused effort, we are concerned about the proposed reduction in performance standards for FY 2012. For example, what data were used to support a reduction in this performance measure? Given the investment by our nation in training these veterans when they were on active duty and now through the State Grants program, would it not seem more reasonable to focus on increasing the performance measure targets, not decreasing them?

That concludes my testimony. I would be glad to answer any questions you may have.