

**TESTIMONY OF
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U. S. DEPARTMENT OF LABOR
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
U.S. HOUSE OF REPRESENTATIVES**

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Chairman Boozman, Ranking Member Herseth, and distinguished members of the Committee.

This hearing today provides us an opportunity to update you on our various programs, discuss our resource needs, review our state grants that fund the Disabled Veterans Outreach Program (DVOP) and Local Veterans Employment Representative (LVER) programs, and discuss the implementation of the Jobs for Veterans Act (P.L. 107-288).

Mr. Chairman, the Veterans Employment and Training Service (VETS) has the mission of providing veterans with the resources and services to succeed in the 21st century workforce by:

- Maximizing their employment opportunities,
- Protecting their employment rights, and
- Meeting labor market demands.

VETS is led by an Assistant Secretary and two Deputy Assistant Secretaries. One of those Deputies must be a career employee under the Jobs for Veterans Act (P.L. 107-288). I am honored to be the career Deputy. As you may know, VETS is primarily a field activity, with 82% of our staff located outside the National Office. We have six Regional Administrators who oversee ten Federal Regions. We also have Directors in every state and territory.

Our budget request for Fiscal Year 2006 totals \$224,334,000, and includes the following activities:

- Jobs for Veterans State Grants of \$162,415,000. These grants provide funding for the DVOP specialists and the LVER staff.
- Federal Administration of \$30,435,000. This activity includes the Federal workforce of 250 full time equivalent positions. This activity funds programs that include the provision of worldwide transition services to the military community and the protection of their reemployment rights. It also includes the training of veterans' employment and training professionals on a variety of employment services available to veterans through our National Veterans' Training Institute (NVTI).

- Homeless Veterans' Reintegration Program of \$22,000,000. These competitive grants fund employment programs that reach out to homeless veterans. Included in this amount is \$1,600,000 to support the Incarcerated Veterans' Transition Program (IVTP).
- Veterans' Workforce Investment Program (VWIP) of \$7,500,000. These competitive grants are currently undergoing a reorientation to reemphasize delivery of training and facilitation of occupational credentialing so that successful participants are prepared to meet employers' needs for workers in demand occupations within high-growth industries.

Jobs for Veterans State Grants

Mr. Chairman, under the Jobs for Veterans State Grants, the Secretary makes funds available to each state, upon approval of an "application" (i.e., a State Plan), to support the DVOP and LVER programs, which provide employment services to veterans, transitioning servicemembers, and eligible spouses. The funding available to each state reflects the ratio of the number of veterans seeking employment in each state to the number of veterans seeking employment in all states. This ratio has been implemented by regulation.

We provide guidance to the States on submission of their State Plan for the Jobs for Veteran Grants, or yearly modification of that plan as appropriate, by mid-April of each year. That guidance includes estimated funding amounts based on the funding formula results and budget estimates. States submit their plan, or modification, by August. Allocations, based on current budget documents, are sent to the States in October, or as available.

Our fiscal year 2005 funding level supports 2,334 DVOPs and LVERs located in the workforce investment system of One Stop Career Centers. Our Fiscal Year 2006 budget request will support the same number of DVOPs and LVERs. In Program Year 2003, which ended on June 30, 2004, we had an entered employment rate for veterans of 58% of those who are registered for employment assistance through the national workforce investment system. This means that approximately 700,000 veterans entered employment. This accounts for those veterans and returning servicemembers entering the workforce through the public labor exchange. In Fiscal Year 2005, we project that number to be 750,000 veterans, and for Fiscal Year 2006 we project 770,000.

One-Stop Employment Services and Priority of Service

The cornerstone of the workforce investment system is the network of One-Stop Career Centers, including more than 3,500 centers and affiliate sites. One-Stop Career Centers provide a wide range of employment and training related services that help employers find the skilled labor they seek and help ensure that job seekers find good jobs with good pay and career pathways in high-growth industries.

By connecting over 1.4 million veterans (200,000 of them disabled) to the workforce investment system in Program Year 2003 alone, One-Stop Career Centers are helping to provide the support veterans need to be successful and competitive in the 21st century workforce. The workforce investment system plays an important role in meeting employers' demands for a skilled workforce. The Workforce Investment Act of 1998 (WIA) was groundbreaking legislation that

sparked improvements in the delivery of employment and training services nationwide through its One-Stop delivery system. In addition, priority of service is available to veterans in all Department of Labor-funded employment and training programs, which was a significant reform under the Jobs for Veterans Act. Today, our challenge is to take those reforms a dramatic step further to promote further innovation, to strengthen the One-Stop Career Center system to better serve all workers and businesses, and to make the system even more responsive to the needs of local labor markets.

We must design a more flexible workforce investment system that empowers state and local officials to create workforce solutions customized to that area's workers and employers. We must make certain that outstanding plans for innovative strategies are not thwarted by the maze of conflicting funding streams, program eligibility requirements, reporting systems and performance measures.

This approach to workforce investment is at the heart of the President's proposal for job training reform. The centerpiece of the President's proposal, called "WIA Plus," is the consolidation of the WIA Adult, WIA Dislocated Worker, WIA Youth, and the Employment Service funding streams into a single grant to states. Governors would have the option of including additional programs, including Veterans Employment programs, into that single grant. Together, all of these programs represent over \$7.5 billion in Federal resources. The consolidated grant would have a single State Integration Plan and a single performance and reporting system, thereby simplifying planning and reporting requirements. While program-specific requirements will be minimized, drops in participant levels for targeted populations, such as veterans, will not be allowed. In addition, the veterans' priority of service provision that applies to all Department of Labor-funded programs will continue to apply, consistent with the Jobs for Veterans Act.

Veterans' Workforce Integration Program (VWIP)

The Veterans' Workforce Integration Program (VWIP) offers programs designed to provide intensive services to veterans with employment barriers. This is a competitively awarded grant program. Our Fiscal Year 2006 request will support a program of approximately 17 grantees serving 2,500 participants. One of the focus populations for this program is recently separated servicemembers. The resulting program will also consolidate models to offer services available through other VETS' programs (employment assistance, training and case management) to achieve an effective mix of interventions that lead to long term, higher wage and career potential jobs, and most importantly, meet demand by employers for skilled employees.

Transition Assistance Program

Since 1990, when the Department of Labor began providing TAP workshops, over one million separating and retiring military members have been given job preparation assistance. In general, servicemembers who have been on active duty for at least 180 days are eligible for TAP, and those separating due to disability are eligible regardless of the length of their active duty service.

TAP is a partnership between the Departments of Labor, Defense, Homeland Security, and Veterans Affairs. Title 10, U.S.C. Chapter 58, authorizes the Department of Labor to assist the

Departments of Defense (DOD) and Veterans Affairs (VA) in providing transition assistance services to separating servicemembers and their spouses. The role of the Department of Labor is to work through VETS to conduct as many employment preparation workshops as possible, based on projections made by each of the Armed Services and the Department of Homeland Security (U.S. Coast Guard).

VETS provides comprehensive workshops where participants learn about job searches, career decision-making, current occupational and labor market conditions, resume and cover letter preparation and interviewing techniques. Participants are also provided an evaluation of their employability relative to the job market. Components of a TAP workshop include:

- Personal Appraisal
- Career Exploration
- Strategies for an effective job search
- Interviews
- Reviewing job offers
- Other support and assistance

Public Law 108-183 added section 4113 to Title 38, U.S.C. Chapter 41 mandating VETS to provide TAP services at military installations overseas. Before this law took effect, DOD provided employment workshops at overseas military installations. Since this legislation was enacted, DOL provides the overseas employment workshops. VETS currently offers TAP workshops at 49 sites in Germany, the United Kingdom, Guam, Mainland Japan, Okinawa, Korea, and Italy. In FY 2004, 5,939 separating service personnel attended these workshops in 286 separate classes. VETS continues to expand additional overseas sites in FY 2005 and beyond. Our goal is to provide TAP at every location requested by the Armed Services.

State workforce veterans specialist staff are the primary source for TAP workshop facilitation stateside. However, because of the distances from many of the State Employment Offices to the military installations, and to assist with the rapid growth of the program, contract facilitators and VETS' Federal staff also assist with TAP.

Recovery and Employment Assistance Lifelines (REALifelines)

Mr. Chairman, I am sure you will agree that everyone who visits wounded soldiers -- whether at Walter Reed, at Bethesda, or other military hospitals around the country and around the world -- comes away with an overwhelming sense of pride, humility, and gratitude for the courage that these young men and women display as they confront the reality of their injuries. In these hospitals, many efforts are underway to do everything possible to help these wounded warriors recover from their injuries. And the Department of Labor recognizes that we too need to do everything we can to help them rebuild their lives.

Secretary Chao set out to do just that when she launched a new program last October at Walter Reed Army Medical Center. It is called the Recovery and Employment Assistance Lifelines or "REALifelines" Program.

The REALifelines program is the culmination of a collaborative planning process that began in November 2003 and has included participation from DOD and the VA, state governments, state workforce agencies, veteran service organizations, private employers, and even military service organizations like the USO. This program was built from the ground-up by service providers, by disabled veterans, and even veterans of the Gulf War and Operation Iraqi Freedom. The purpose of REALifelines is to provide wounded and injured servicemembers and their families with personal assistance to ensure a successful transition to civilian life and to prepare them for rewarding careers. In addition to assisting wounded and injured servicemembers, REALifelines makes job training and employment services available to spouses in families that have suffered an active duty casualty, as well as to family members who have temporarily left their jobs to be with their loved ones during recovery.

REALifelines representatives are currently stationed at Walter Reed Army Medical Center and Bethesda National Naval Medical Center, and new specialists have begun work with the 654th Medical Holding Company at Fort Lewis, Washington, and Fort Sam Houston in San Antonio, Texas. REALifelines representatives are state workforce system employees with experience in career coaching, case management, job searches, transition assistance, reemployment rights and crisis intervention. And because they are an integral part of the state workforce system in which that base or holding company is located, they have full knowledge of, and access to, One-Stop Career Center services, and become powerful advocates for priority of service. We are in the process of placing these employment representatives at additional military medical centers and medical holding companies.

The Department of Labor is also a key participant in the recently established DOD Military Severely Injured Joint Support Operations Center. We have an on-site, full-time REALifelines staff member to ensure the coordination of the full array of employment and training services provided through the workforce system, and have just added an employer-relations liaison to coordinate direct hiring by private sector employers. As you know, the Joint Center is also partnered with the Transportation Security Administration to ensure that those severely injured traverse our nations' airports in a safe, respectful and non-invasive manner.

The most important aspect of this program is person to person assistance. In an age where web and online utilities and technologies are gaining dominance over human interaction, it is our belief that there is still no substitute for direct person to person relationships – face to face as much as possible – when assisting people and families struggling with the challenges of wounds, injuries, crisis and post-traumatic reintegration. Therefore, the first task of REALifelines representatives is to establish for the servicemembers and their family a personal contact in their hometown community with whom they can begin to plan for their recovery and reemployment even before they are discharged from the military service. The REALifelines program looks first to the resources at hand, builds efficiency within those systems, and then works actively to fill gaps where they exist.

The greatest challenge we face is that of information collection and sharing. At present, we are tracking servicemembers through their voluntary enrollment in state employment systems and through follow-up calls made by the Job Accommodation Network, which has been operating a demonstration program to facilitate referral, outcome measures and problem resolution.

Our goal in partnership with DOD and the VA is to establish a joint database and shared processes for tracking and reporting outcomes. For this reason, we have placed staff at the Joint Operations Center and circulated recommendations for joint data elements both for servicemember employment profiles and for job information from hiring employers. Department of Labor participants are working daily with employment-focused working groups from the Joint Operations Center and the Army's Council of Colonels, which provides policy and leadership for the Disabled Soldier Support System. Our goal is to be able to share this valuable data at the federal level.

REALifelines is about closing the gaps between federal, state, local and private systems. It is about creating greater efficiency, being proactive, and assuring responsiveness to the needs of our returning wounded and injured servicemembers and their families. Our early successes are proving the value of this program. We are reducing the number of servicemembers returning home without jobs and we are reducing the number of servicemembers losing their jobs upon return. We have provided a practical, personal resource for servicemembers to address the biggest issue they will face outside of their recovery — their economic and career success.

New initiatives are being developed in partnership with DOD and the VA, such as mentorship and federal internship opportunities. The Department of Labor intends to be a model in federal hiring and in the provision of mentorship opportunities for servicemembers during their recovery. We believe that opportunity is a very powerful and effective tool for recovery and reintegration.

National Guard and Reserve

Mr. Chairman, the world has changed dramatically since the attacks of September 11, 2001, and the commencement of the Global War on Terrorism. Our worldwide military commitments have necessitated a mobilization of National Guard and Reserve members that is unprecedented in modern times.

The use of the National Guard and Reserves has increased dramatically in recent years, with more called to active duty than at any other time since the Korean War. Over 485,000 men and women of the National Guard and Reserve components have been called to active duty since September 2001. Over 310,000 of these "citizen-soldiers" have returned and been demobilized or separated from the military. The Bush Administration is deeply committed to protecting the reemployment rights of the Guardsmen and Reservists who so bravely serve America in Iraq, Afghanistan and around the world. To this end, the Department administers and enforces the Uniformed Services Employment and Reemployment Rights Act (USERRA), which provides reemployment rights following qualifying military service and prohibits employer discrimination against those who perform military service. The Department of Justice and the Office of the Special Counsel are also charged with enforcing USERRA.

Our servicemembers deserve the peace of mind that comes with knowing that upon their return from military service, they will be entitled to prompt reemployment in the position that they would have held had they been continuously employed by the civilian employer during their

period of service, or in some cases to a comparable position, including all attendant benefits. Our strong commitment to supporting our citizen-soldiers is underscored by the development, for the first time, of comprehensive regulations on USERRA. These regulations will provide an authoritative interpretation of the law and procedures for enforcement and will serve to improve USERRA compliance. The proposed regulations were published for comment in the *Federal Register* on Monday, September 20, 2004, and it is anticipated that final regulations will be published this year.

Since the attacks of September 11, 2001, our staff has conducted briefings and provided technical assistance to over 240,000 people and groups on their rights and responsibilities under USERRA. Audiences include National Guard and Reserve units, employer groups, and the media. While we endeavor to brief each returning servicemember on their reemployment rights, we know that, with extended mobilizations, there is also a need to provide more comprehensive transition assistance.

As a result, we have been working with the National Guard and Reserve on providing TAP services to these returning servicemembers in many states on an informal and as needed basis. In this regard, three Reserve Component TAP demonstration programs are underway in Oregon, Michigan and Minnesota. The idea behind the Reserve Component TAP demonstrations is to work with returning units and provide a flexible format that allows for a tailored transition assistance package that meets local demands. The approach in each location is unique and locations are selected where there is a compelling need for these workshops. Once we evaluate the success of these programs and review any feedback from participants, we will work with the National Guard Bureau and Office of the Chief of Army Reserve to create flexible models that can be adapted to fit any situation.

DOD-DOL MOU

The Department of Labor has also implemented a memorandum of understanding (MOU) with DOD that identified 16 priorities in the areas of military recruitment, retention, and re-entry into the civilian workforce. The MOU focuses on collaborative efforts to improve the quality of life for servicemembers, their families and the American labor force as a whole. Some of these enhancements to service delivery have already been mentioned.

A significant accomplishment not previously discussed is the expanded Military Spouse Resource Center – www.Milspouse.org – the most complete military spouse and family member employment portal on the Web. The MOU has also helped develop sustainable, long-term partnerships between DOD installation family centers and Department of Labor-administered One-Stop Career Centers.

The new MilSpouse web site contains a Career Coach that guides users to information based on key problems often facing spouses, such as no work experience outside of the home, coming from overseas, or seeking training in careers that are more portable, i.e. nursing and teaching.

Under the efforts of the MOU, the Department of Labor clarified that military spouses who leave their jobs to follow their spouses are eligible for services as dislocated workers. This guidance,

provided to the workforce system in March of this year, provides military spouses with greater access to training at One-Stop Career Centers.

Of particular interest for transitioning veterans, the Department of Labor is very close to launching a Credentialing Portal developed under the MOU, on its America's Career InfoNet web site. The Credentialing Portal will bring together five existing web resources housed in separate locations into a single web site to aid re-entering military personnel, military spouses, and also civilian personnel in readily finding information on occupational qualifications and credentialing requirements.

Vocational Rehabilitation and Employment (VR&E)

Mr. Chairman, we are aware of this committee's interest in our collaboration with the VA in the area of vocational rehabilitation and employment. We are pleased to report that we have a strong working relationship with the VA in several areas, including its Office of Vocational Rehabilitation and Employment (VR&E). We are active participants in the Veterans Advisory Committee on Rehabilitation (VACOR). This committee reviews and makes recommendations to the Secretary of Veterans Affairs on all rehabilitation issues, including those affecting policies and programs administered by VR&E. VETS participated on the VR&E Task Force on Vocational Rehabilitation that developed the "5 Track System" currently being tested at four VA Regional Offices.

In addition, we have initiated a study to evaluate how well the VR&E referral process is working. We will determine the success in terms of employment and retention of disabled veterans who are referred by VR&E to the DVOP specialists and registered with the Public Labor Exchange. The study will help in determining future service delivery strategies for this targeted population.

Homeless Veterans Reintegration Program (HVRP)

The Homeless Veterans Reintegration Program (HVRP) provides grants to States or other public entities and non-profits, including faith- and community-based organizations, to operate employment programs that reach out to homeless veterans and help them become employed and self-sufficient. These competitive grants are provided for both urban and non-urban areas. Several are focused on helping incarcerated veterans.

Our Fiscal Year 2006 request would fund 92 grantees, an increase from FY 2005 of seven. We estimate that over 16,000 homeless veterans will be served by HVRP grant recipients with approximately 10,000 homeless veterans entering employment. .

During Fiscal Year 2004, the HVRP also funded Standdown activities at 28 locations. These are multi-day events where homeless veterans are provided medical treatment, screened for VA benefit eligibility, and identified for employment case management by DVOPs and LVERs. On average, over 250 homeless veterans were served at each of these Standdown events.

Also funded under this activity is the Incarcerated Veterans Transition Program (IVTP). This pilot program at eight locations is intended to facilitate the transition of soon to be released and recently released veterans back into society and ultimately into the workforce.

Employer Outreach and the President's National Hire Veterans Committee

The Jobs for Veterans Act established the President's National Hire Veterans Committee, which was announced by Secretary Chao in February, 2004. There are 21 members who are reaching out to employers to make veterans more visible in our 21st century workforce.

This committee is responsible for raising awareness among employers on the advantages of hiring veterans and transitioning military members. Last year, the committee launched a national campaign designed to drive employers to One-Stop Career Centers and to reinforce the outreach efforts of our LVERs and DVOPs. The committee has also reached out to Governors, and to date, 30 gubernatorial proclamations have been announced declaring HireVetsFirst months in their respective states. We expect all states will announce these proclamations by the end of FY 2005. The Committee has also forged significant strategic partnerships with major American businesses and corporations.

The message of this campaign is simple; it is good business to hire a veteran, and it's a message the President's National Hire Veterans Committee is carrying all across America to employers and veterans.

Summary

The Department of Labor leads a workforce investment system that provides veterans and other job seekers with access to training so that they can gain the skills demanded by employers and succeed in the labor market. To this end, we have initiated a number of efforts that provide needed assistance to veterans, servicemembers, and military spouses. We look forward to working with this Committee as we continue to serve those who have served. I will be pleased to respond to your questions.