

STATEMENT OF
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VETERANS OF FOREIGN WARS OF THE UNITED STATES
BEFORE THE
JOINT ECONOMIC COMMITTEE
UNITED STATES CONGRESS
WITH RESPECT TO

Building Job Opportunities for Veterans

WASHINGTON, D.C.

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MADAME VICE CHAIR AND MEMBERS OF THE COMMITTEE:

On behalf of the men and women of the Veterans of Foreign Wars of the United States (VFW) and our Auxiliaries, I would like to thank you for the opportunity to offer the VFW's perspective on the current employment climate and potential solutions for today's veterans.

As the current conflicts draw down and the military plans to shrink the active duty force, Department of Labor Veterans Employment and Training Service (VETS) anticipates that more than one million veterans will enter the workforce in the next few years. The VFW applauds the work of the 112th Congress in addressing persistent veterans' employment issue by implementing policies like the *VOW to Hire Heroes Act*. However, unemployment among young veterans remains unacceptably high. As the Joint Economic Committee deliberates on ways to improve the employment situation for America's veterans, the VFW looks forward to contributing to this important discussion.

The most recent data from the U.S. Bureau of Labor Statistics indicates that veteran unemployment is trending downward, mirroring unemployment among civilians. Also, total veteran unemployment remains lower than the national average. Unfortunately, this glimpse into the employment situation of veterans only tells part of the story, since unemployment among young veterans still far outpaces unemployment among their civilian counterparts.

The VFW believes this indicates a larger dilemma among the veterans' population. Over the last few years Congress, the Obama Administration and private industry leaders have spearheaded dozens of initiatives designed to help veterans find meaningful employment after military service. Many of these new initiatives appear to be yielding significant results for veterans with

no further military obligations. Unfortunately, this means one group is left behind - Members of the Reserve Component with further service obligations to either the National Guard or Reserve.

According to the veteran-hiring website VetJobs, unemployment among the National Guard, specifically, is around 25 percent. When VetJobs controls veteran unemployment statistics for those with further Guard and Reserve obligations, veteran unemployment is only at about 5 percent – nearly two full percentage points lower than the civilian unemployment rate. To the VFW, this indicates persistent gaps for members of the Guard and Reserve in military skill transferability and civilian skill attainment.

While the *VOW to Hire Heroes Act* significantly improved the economic landscape for veterans, certain programs remain underutilized – specifically the Veterans Retraining Assistance Program (VRAP) and the veteran hiring tax credits. The VFW believes that VRAP is a tremendous benefit that offers older veterans an opportunity to attain critical marketable skills when they are no longer eligible for other VA education benefit programs. VRAP offers 12 months of Montgomery GI Bill-style benefits to veterans ages 35-60 to attend education programs at two-year and technical institutions with a focus on high demand industries as outlined by VETS.

The *VOW to Hire Heroes Act* offered 99,000 veterans the opportunity to take advantage of this program. While the VFW has heard from many veterans who have tapped into the program, we remain concerned about woefully low usage rates. As of Monday, June 3, 121,000 veterans have applied for the program and VA has approved the applications of more than 104,000 veterans, but only 50,000 veterans are enrolled in training. Benefits expire in March 2014, which means many veterans who are eligible for the program, but have yet to enroll, will not be able to use all of their entitlement.

The VFW recently testified before the House Veterans' Affairs Committee about the issues facing VRAP, and called for a responsible extension of eligibility for those yet to enroll and for a report to Congress on usage, course completion and employment for VRAP participants. The VFW believes this is a solid program, but that several unforeseen bureaucratic problems have contributed to low enrollment. First, the restriction on two-year institutions means that veterans cannot enroll in certificate or Associate's Degree programs offered by four-year schools. For example, the Penn State Erie campus in Erie, Pa., serves as a de facto community college, offering two-year and certificate programs for the northwest region of Pennsylvania. An eligible veteran cannot find a community college nearby because they do not exist. This means VRAP-eligible veterans have very limited options for enrollment.

Next, VRAP only pays students enrolled full time. This becomes a problem for veterans who require significant remediation to complete VRAP-eligible programs. At schools like the Community College of Rhode Island, remedial courses do not directly coincide with the academic calendar for other VRAP-eligible programs, meaning veterans cannot work them into their schedule without risking part-time enrollment, at which time VRAP benefits are suspended. The VFW believes that VA must make it easier for VRAP-eligible veterans to complete remediation by allowing for part-time enrollment in approved programs.

The VFW also is concerned that the veteran-hiring tax credits are too difficult for businesses to

use, which is why the program has also been underutilized. The VFW believes that Congress should streamline the paperwork required of a business to take advantage of the credit, allowing veterans to self-certify by providing certain paperwork. Businesses should also be able to apply the tax credit as a payroll tax credit, since some businesses who could use the benefit will not have the requisite taxable income to make the credit worthwhile.

On a positive note, the VFW believes that private industry has taken significant steps in the last few years to recognize the value of employing veterans. Thanks to efforts from First Lady Michelle Obama's Joining Forces initiative and the U.S. Chamber of Commerce Hire Our Heroes initiative, businesses have actively come forward pledging to hire veterans into meaningful career paths. The VFW is particularly happy to see how the U.S. Chamber has leveraged resources from coast to coast, including American Legion and VFW posts, to host hiring fairs that result in jobs.

Joining Forces has also contributed to this dialogue by fostering public-private partnerships, like the recently-announced initiative to help 81,000 receive information technology professional certifications. In April, the VFW was honored to take part in the Joining Forces roundtables to address professional credentialing for veterans in transportation careers and the transferability of academic credit for military training and experience. Though gaps persist in both of these areas, the VFW has seen significant progress in the last few years thanks in large part to the Department of Defense pilot program on military credentialing for certain military occupational specialties.

The VFW believes that when a service member leaves active duty, they should be able to continue in similar civilian careers. Unfortunately, this is not usually possible because military training does not directly align with either civilian professional licenses issued by states or civilian professional credentials designed by trade associations. The DoD pilot seeks to address both of these issues to ensure that service members can receive relevant credentials while on active duty, or at least easily sit for a professional license once they separate from the military. The VFW is proud to see the work that DoD has done on this pilot in concert with veterans' advocates from groups like our partners at the American Legion, ensuring certain professionals in careers related to transportation and health care can leave active duty with many civilian credentialing gaps filled in.

Another critical component in preparing our veterans for civilian careers is the military's transition assistance program (TAP). For years the VFW called on the military to overhaul its out-of-date curriculum. Thanks to a recent Presidential Executive Order and the TAP mandate included in the *VOW to Hire Heroes Act*, the VFW is proud to report that the initial overhaul of TAP is nearly complete.

While the VFW has acknowledged in testimony that redesigned TAP is far from perfect, we acknowledge that the latest iteration of TAP is a vast improvement that stands to offer veterans a quality baseline of information with which they can easily transition from military to civilian life. In particular, the VFW is happy to see TAP allow service members to select curricula relevant to their individual goals of higher education, small business ownership or vocational/technical careers. The VFW is in the process of evaluating each of these curriculum

tracks, and we believe they will each offer veterans significantly improved resources to make sound transitional choices.

We continue to work closely with each agency of jurisdiction for TAP, including VA, VETS, DoD, and the Small Business Administration (SBA) to ensure that curriculum for each track will be readily available to transitioning service members. We have concerns that the tracked curricula are not mandatory, but rather service members must satisfy career readiness standards on their own time. DoD officials have said that the TAP mandate included in the *VOW to Hire Heroes Act* only specified service-specific training, the VA benefits briefing and the VETS employment workshop. The VFW disagrees, since the TAP mandate covered “assistance in identifying employment and training opportunities, help in obtaining such employment and training...” in accordance with title 10, U.S.C., § 1144 (a). To the VFW, this means higher education and any other training track that a veteran may choose.

The VFW has also long said that transitioning service members have no way to reasonably anticipate all of the issues they will face after military service, which is why we will continue to push DoD to ensure that TAP resources are readily available to veterans after they leave the military. A critical component to the successful transition of a military professional into the civilian job market is information-sharing among relevant federal, state and non-government organizations. Today, the chief complaint from VA, VETS, state departments of veterans’ affairs and state workforce development agencies is the lack of information available from DoD when a service member leaves the military.

The VFW believes that many quality programs are in place that could offer veterans remarkable employment resources, such as VETS’ Disabled Veterans Outreach Program Specialists (DVOPS) and Local Veterans Employment Representatives (LVERs). Unfortunately, VETS has no way to reliably determine where veterans go once they leave the military or if they need help finding work. VETS is in the process of codifying an information-sharing agreement with DoD that will allow VETS access to contact information for transitioning service members. The VFW encourages DoD to finalize this agreement as soon as possible to ensure that VETS can reach out directly to recently-separated veterans and offer any needed employment resources.

Finally, the VFW has worked diligently over the last few years to ensure veterans have the tools necessary to choose a program of education that will help achieve their career goals. Two years ago, reports started to surface in Congress that some schools failed to deliver the kind of education they promised in an effort to collect lucrative GI Bill payments. The VFW decided that instead of seeking to gut and overhaul higher education, we would focus on creating informed consumers. Through our advocacy efforts, we secured a Presidential Executive Order and the *Improving Transparency of Education Opportunities for Veterans Act*, both of which seek to improve consumer resources for potential student-veterans and create methods through which veterans can take action against a school should they become victims of fraud, waste or abuse.

The VFW believes that the Post-9/11 GI Bill will prove to be a transformative benefit, allowing our newest generation of veterans to acquire the skills necessary to compete in a 21st century workforce. However, the benefit is not perfect. Today veterans attending public schools are often precluded from attending as in-state students as a result of their military service. This forces

veterans to drop out, find full time employment, or take on exorbitant student loan debt just to make it through college. To the VFW, extending in-state tuition to veterans is a simple extension of protections already afforded to active duty service members. Unfortunately, once the uniform comes off, the protection goes away and schools know it. According to Student Veterans of America, four out of every five student-veterans enrolled in a public school must attend as out-of-state students because of circumstances beyond their control. The VFW will continue to work diligently to change this flawed policy.

Finally, despite these policy changes and improved consumer resources, some critics still point to flawed data as indicators that student-veterans are not succeeding in college. The VFW strongly refutes this allegation. Unfortunately, the truth remains that we do not know enough about our student-veterans. The VFW supports initiatives to better track student-veteran outcomes in higher education in order to demonstrate student-veteran success. VA and its partners with Student Veterans of America and the National Student Clearinghouse have already started work compiling this kind of valuable information, which the VFW is confident will show exactly how well prepared our newest veterans will be to lead our nation moving forward.

The employment outlook for our nation's newest generation of heroes has drastically improved since the recession hit in 2008. However, as the VFW outlined in our testimony, we believe that we can certainly do more. Vice Chair Klobuchar and distinguished members of the committee, this concludes my statement and I am happy to answer any questions you may have.