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U.S. DEPARTMENT OF LABOR**

STATEMENT FOR THE RECORD

HEARING ON PENDING LEGISLATION

**U.S. SENATE
COMMITTEE ON VETERANS' AFFAIRS**

August 1, 2018

Introduction

Chairman Isakson, Ranking Member Tester, and Members of the Committee, thank you for the opportunity to submit a statement for the record of today's hearing. I thank you all for your tireless efforts to ensure that America fulfills its obligations to our service members, veterans, and their families. As the Director of the Office of National Programs in the Veterans' Employment and Training Service (VETS) at the Department of Labor (DOL, or Department), my office is responsible for managing DOL's Employment Workshop (DOLEW, or Workshop) and Career Technical Training Track (CTTT) courses, as part of the Transition Assistance Program (TAP). The move to a civilian career is critical for transitioning service members (TSMs) and their entire families as they conclude their military service, and it can also prove to be stressful. More broadly speaking, successful career transition is vital to attracting an All-Volunteer Force, and to building the American economy. I appreciate the opportunity to discuss DOL's collaborative work with the Department of Defense (DoD) and the Department of Veterans Affairs (VA) to administer the TAP and improvements that can be made to better assist service members with employment preparation as they transition to civilian life.

The Department stands firmly behind our Nation's service members, veterans, and their families. The Secretary has set several clear priorities to assist our veterans and military spouses. They include: (1) supporting America's veterans by helping veterans, service members, and their spouses find family-sustaining jobs; (2) expanding apprenticeships in America; and, (3) removing barriers to employment through occupational licensing reform.

DOL is the Federal government's focal point for workforce development, employment services, and information related to the economic health of all Americans. The Department maintains the expertise and a nationwide network of American Job Centers (AJCs) to provide workforce education and employment opportunities for all Americans. Within this network, veterans receive priority of service. This integrated network and the programs DOL administers are best

suited to continue generating positive employment outcomes for the men and women who serve our country. I am pleased to report the employment situation for veterans continues to improve. The unemployment rate for veterans was down to 3.7 percent in 2017, which is the lowest since 2001, and I continue to hear from employers who are hiring veterans because veterans provide the technical and leadership skills that businesses need. There are 6.6 million job openings in the United States.¹ Transitioning service members and veterans can help to fill these jobs, and employers are eager to hire them.

While this hearing is focused on several bills under consideration by the Committee, I will focus my remarks on the two pieces of legislation that would directly impact the programs administered by DOL, specifically S. ____, “Improving Preparation and Resources for Occupational, Vocational, and Educational Transition,” or the “IMPROVE Transition for Servicemembers Act, and S. 2748, “Better Access to Technical Training, Learning, and Entrepreneurship for Servicemembers Act,” or the “BATTLE for Servicemembers Act.”

S. ____, “Improving Preparation and Resources for Occupational, Vocational, and Educational Transition,” or the “IMPROVE Transition for Servicemembers Act”

As a retired Infantry Officer with 35 years of total service, I was blessed with the opportunity to command both a battalion and a brigade in Iraq on two separate mobilizations. Sadly, I found these deployments to be, in total, less stressful than my transition off of active duty in 2016. I trained all of my adult life to lead soldiers; however, I only had a fraction of that time to make the transition to civilian life. I know firsthand the importance of TAP and fully understand the necessity of getting TAP right.

The IMPROVE Transition for Servicemembers Act would amend title 10, U.S. Code, by striking sections 1142 and 1144 and inserting a new section 1142, which directs the Secretary of Defense and the Secretary of Homeland Security, with respect to the Coast Guard, in cooperation with the Secretaries of Labor and VA, to take certain actions intended to improve the transition assistance provided to members of the Armed Forces who separate, retire, or are discharged from military service.

The Department opposes this bill as currently drafted, as we believe it would negatively impact the transition to civilian employment and successful careers for many transitioning service members.

The draft bill removes the Secretary of Labor’s statutory authority to establish and maintain an employment assistance program for transitioning service members and their spouses. This authority and responsibility is rightly, and most appropriately, entrusted to DOL; however, this bill would place that authority, and concomitant burden, on the Secretary of Defense, whose essential and fundamental mission is to lead DoD in the defense of our Nation. This bill would unnecessarily disrupt an effective interagency Federal program that DOL has supported, without fail, for over 25 years.

¹ BLS. (2018, July 10). Job Openings and Labor Turnover Summary. Retrieved from <https://www.bls.gov/news.release/jolts.nr0.htm>.

The bill would reduce the five-day combined employment-related curriculum that is currently available to TSMs to a three-day mandatory combined curriculum. For the majority of TSMs, it would also reduce the existing three-day mandatory employment workshop, administered by DOL/VETS, to a mandatory one-day workshop. This significant reduction may decrease the likelihood that our transitioning service members will be able to secure meaningful, gainful employment that can lead to a successful family-sustaining career. Employment is arguably the most important factor in a successful transition, impacting all areas of the service member's life. We owe it to our service members and their spouses to thoroughly prepare them for a smooth transition into the next phase of their career.

To inform any future discussion and collaboration with regard to TAP reform, I offer several observations on the contents of the draft bill for the Committee's consideration and defer to our partners at DoD and VA to discuss other sections which are specific to their TAP responsibilities.

Sec. 2. Recodification, Consolidation, and Improvement of Certain Transition-Related Counseling and Assistance Authorities

Section 2 of the bill would amend title 10 of the U.S. Code to make a number of changes to the structure and content of the existing TAP. In particular, section 2 would require the Secretary of Defense, and the Secretary of Homeland Security with respect to the Coast Guard, in cooperation with the Secretary of Labor and the Secretary of VA, to carry out a program to furnish individual counseling, information, and services to retiring and separating service members. Section 2 further requires the Secretaries to work together to: develop and revise necessary training documents, resources, and curriculum; use experience gained from implementation of the pilot program under section 408 of Pub. L. No. 101-237 in providing the pre-separation counseling required under section (f)(4) of the bill; work with Military Service Organizations (MSOs), Veterans Service Organizations (VSOs), and other appropriate organizations to promote and publicize job fairs for TSMs; and, furnish covered counseling, information, and services to TSM spouses, when appropriate and at the discretion of the service member and the spouse, as well as job placement counseling for the spouse in connection with the transition of the service member to civilian life. Section 2 of the draft bill also: makes participation in TAP mandatory, unless the Secretary of Defense or Homeland Security waives the requirement, based upon delineated criteria; requires a service member to attend TAP no later than 120 days before retirement or 90 days prior to separation; establishes the parameters for pre-separation counseling, preliminary assistance, introduction of specific post-service pathways, instruction on professional development and employment assistance, and introduction to VA benefits; and, outlines the use of personnel and organizations. This section would also reduce the mandatory three-day employment workshop to only one day.

The Administration believes that the three-day employment workshop conducted by the Department is contributing to reduced unemployment among TSMs and should continue to be mandatory.

As the Department interprets this draft bill, the delivery of DOLEW and CTTT would no longer be the responsibility of DOL, but would instead become the responsibility of DoD and DHS. DOL has significant concerns with this fundamental programmatic change, as it fails to recognize the Department's expertise and experience in employment and training. The draft bill states, "It is the sense of Congress to acknowledge that the Armed Forces face significant and often competing pressures in carrying out its essential and fundamental mission to defend the nation." However, this bill further adds to these competing pressures by dismantling an effective interagency program and placing the full responsibility for transition onto the DoD and DHS. Providing employment assistance to transitioning service members and veterans is an integral program function that the Department has unfailingly supported for over 25 years. DoD and DHS should be assisting service members in developing and documenting the skills that will make them successful both inside and outside of the military, and DOL is best equipped to assist them in transitioning to a civilian career.

Since the Department began providing the Employment Workshop more than 25 years ago, the number of workshops, participants, and locations has grown considerably and the quality and relevance of the course material improves each year. In 2011, the VOW to Hire Heroes Act of 2011, Title II, Pub. L. No. 112-56 (the VOW Act) made participation in the DOLEW mandatory for most transitioning service members, including those demobilizing from the National Guard and Reserve Components. Last year, DOL conducted more than 6,000 Workshops for over 164,000 participants at 187 sites worldwide. Of the over 164,000 participants, more than 4,800 were National Guard and Reserve. The three-day DOLEW is standardized so that all attending service members and their spouses can receive the same high level of instruction. The current three-day employment workshop has contributed to:

- The unemployment rate for veterans aged 18-24 decreasing from a high of 30.2 percent in 2011 to 7.9 percent (2017);
- Overall veteran unemployment being at its lowest rate of 3.7 percent (2017) since 2001; and
- Unemployment Compensation paid to ex-service members (UCX) being reduced by over 72 percent from \$944 million to \$258 million, lower than pre-recession levels.

Employment is arguably the most important element of a successful transition to civilian life, and the existing DOLEW and CTTT are key elements of TAP. Removing the requirement for participation in the current DOLEW, or reducing by two-thirds the required employment preparation instruction, would have a negative impact on a TSM's readiness for civilian employment and career success. The vast majority of the courageous men and women who serve our country will enter the workforce, whether immediately following their transition, or after pursuing additional education or training. The DOLEW provides them with employment preparation that is vital for a positive transition and a successful future.

Moving forward, and as discussed in our November 2017 written testimony before the House Veterans' Affairs Committee's Subcommittee on Economic Opportunity, DOL is working to advance two primary goals for TAP. First, DOL will continue to work with our interagency partners to improve TAP's timeliness of completion rates. Secondly, we will also work with

interagency partners to increase the percentage of TSMs that participate in the two-day supplemental career tracks.

All TSMs are eligible to begin TAP activities, which start with pre-separation counseling, as soon as 24 months prior to retirement or 12 months prior to separation. By law, TSMs are also required to complete TAP within 90 days of transition. However, based on statistics contained in the November 2017 U.S. Government Accountability Office report (GAO-18-23), *Transitioning Veterans, DOD Needs to Improve Performance Reporting and Monitoring for the Transition Assistance Program*,² fewer than half of all TSMs actually complete TAP on time. DOL's first goal is important because survey data from the November 2016 Hiring Our Heroes report from the U.S. Chamber of Commerce Foundation,³ indicates veterans continue to face challenges as they transition from the military, but the survey results show a clear relationship between a successful transition and when transitioning service members start their job search. Those who begin to plan for transition early (more than six months before separation) fare better than those who wait.

The GAO report also noted that only 22,468 (14.1%) of active duty TSMs, out of the 160,000 who were eligible, participated in the two-day supplemental career tracks. DOL believes that this number is far too low and that greater participation in these tracks would allow TSMs to identify career opportunities that could increase their long term earnings.

According to the Bureau of Labor Statistics (BLS), the median wage for a U.S. worker with only a high school degree was about \$37,000 per year in 2017. However, four-year degree wages are \$60,000 per year.⁴ Graduates of Apprenticeship programs earn an average of \$60,000 per year, and more than 8 in 10 graduates retain their employment nine months after exiting their apprenticeships. Although participation in the supplemental two-day tracks does not guarantee higher wages, our assessment shows that attendance metrics for each of the career tracks provide an indication of whether or not a TSM is selecting a career path that increases the chances of obtaining a meaningful career.

Sec. 3. Personnel Matters in Connection with Transition Assistance Program

Section 3 of the draft bill requires the Secretary of Defense to employ full-time DoD personnel dedicated to counseling and other TAP activities at each military installation (no less than one for every 250 members eligible for transition services in the Armed Forces), and prohibits the use of contractor personnel to satisfy this requirement. Section 3 also requires the Secretary of Defense to submit a report to Congress on the actions taken to implement this section.

² U.S. Government Accountability Office (2017, November). *Transitioning Veterans: DOD Needs to Improve Performance Reporting and Monitoring for the Transition Assistance Program*. (GAO-18-23). Retrieved from <https://www.gao.gov/assets/690/688203.pdf>.

³ Chamber of Commerce. (2016, November 02). *Veterans in the Workplace: Understanding the Challenges and Creating Long-Term Opportunities for Veteran Employees*. Retrieved from <https://www.uschamberfoundation.org/reports/veterans-workplace>.

⁴ BLS. (2018, April 13). *Usual Weekly Earnings of Wage and Salary Workers Second Quarter 2018*. Retrieved from <https://www.bls.gov/news.release/pdf/wkyeng.pdf>.

The Department is concerned with the long-term ramifications of administering TAP with Federal employees, when contract facilitators offer a flexible and cost effective way to provide workforce development services to transitioning service members to meet the ever-changing needs of the civilian employment sector. The DOLEW and CTTT are currently administered by contract facilitators, as directed by the VOW Act. The use of contractors allows the Department to ensure that the instruction for DOLEW and CTTT is consistently of high quality. The use of contractor personnel also made the program more nimble to manage as we are able to rapidly schedule or reschedule classes as required by the military services.

Sec. 4. Tracking of Participation in Transition Assistance Program and Related Programs

Section 4 requires the Secretary of Defense to establish and maintain an electronic tracking system and database, applicable across the Armed Forces, to collect, assemble, and make available information on: the participation and progress of individuals in TAP, data collected in surveys; resources available for members of the Armed Forces and their spouses; and, notes to TAP counselors in connection with the provision of casework and other programmatic services. Information collected in the tracking system and database is to be made available to members of the Armed Forces who are undergoing transition from military life, Commanders of the Armed Forces at all levels, the Secretaries of Labor, VA, and the heads of any other departments and agencies of the Federal government involved in TAP.

The Department does not oppose this section and believes that tracking information on the progress of TSMs is important. The Department continues to process data from the Defense Manpower Data Center (DMDC) for the Veterans' Data Exchange Initiative (VDEI). As we work with DoD to improve data quality, information about TAP timeliness of completion metrics and career technical training track attendance metrics will be shared by DoD and DOL leaders at the national and local level. The Department will eventually establish a data dashboard that allows DOL to see performance metrics for each individual service and individual bases within each service branch.

Sec. 5. Information on Members of the Armed Forces Participating in Pre-separation Counseling and Surveys on Member Experiences with Transition Assistance Program Counseling and Services and in Transition to Civilian Life

Section 5 requires the Secretary of Defense to collect the demographic data on service members entering into pre-separation counseling, requires the Secretaries concerned (as that phrase is defined in section 101 of title 10, U.S. Code) to conduct surveys of the members of the Armed Forces at the conclusion of the receipt of counseling, information, and services under section 1142, and requires the Secretary of VA, in consultation with the Secretaries of Defense, Homeland Security, Education, and Labor, to conduct surveys of veterans recently retired, discharged, or released from the Armed Forces, in order to assess the experiences of such veterans in the transition from military life to civilian life.

DOL is generally supportive of section five. The Department recommends that language also be included to amend the Social Security Act to authorize the Secretaries of Labor and Veterans' Affairs to access the National Directory of New Hires (NDNH) for purposes of tracking

veterans' employment. Like VA, DOL strongly supports this access to the NDNH, and believes that the information would provide the interagency TAP partners with a more complete understanding of post-transition employment outcomes and greatly assist us in evaluating the efficacy of our transition assistance efforts.

Sec. 6. E-mailing Transition Assistance Materials to Supporters of Members of the Armed Forces Transitioning to Civilian Life

Section 6 requires the Secretaries of Defense and Homeland Security to solicit an e-mail address from each TSM and the e-mail address of a supporter so that the Secretary concerned may send transition materials as set forth in section 1142(f) of title 10 and additional information as the Secretary concerned considers appropriate.

The Department does not oppose this section. DOL currently receives email addresses from DoD via the eForm data. The Department sends emails to TSMs to highlight the importance of participating in the supplemental career tracks and DOLEW as early as possible. To date, DOL has sent nearly 290,000 messages to TSMs on these topics.

Sec. 10. Employment Skills Training

Section 10 amends section 1143(e) of Title 10, U.S. Code, by directing the Secretary of Defense, in consultation with the Secretary of Labor, to carry out job training and employment skills training, including pre-apprenticeship programs under the SkillBridge program, to transitioning service members and their spouses who are within six months of their transition out of the military. Veterans, as defined in section 101 of title 38, U.S. Code, who have completed at least 180 days of active duty or have been awarded the Purple Heart are also eligible to receive services from this program, but at a lower level of priority than TSMs. Finally, this section authorizes \$10 million to the Secretary of Defense to carry out this program.

The Department is supportive of the concept as it would not require transitioning service members and some veterans to be excluded from training programs like SkillBridge just because they will transition off of active duty before completing it. The Department notes that the required consultation between DOD and DOL will be necessary to ensure that these programs are integrated with and not duplicative of the training and employment services for veterans that are funded by DOL.

Sec. 13. Longitudinal Study on Changes to Transition Assistance Program of Department of Defense

Section 13 tasks the Secretary of the VA, in consultation with the Secretaries of Defense, Labor, and the Small Business Administration, to conduct a five-year longitudinal study.

DOL is generally supportive of section 13. Once again, DOL believes that access to NDNH would provide the interagency TAP partners with a more complete understanding of post-transition employment outcomes.

Sec. 16. Grants for Provision of Transition Assistance to Members of the Armed Forces After Separation, Retirement, or Discharge

Finally, section 16 requires the Secretary of Labor, in consultation with VA, to award grants to eligible organizations for the provision of transition assistance to members of the Armed Forces who are separated, retired, or discharged from the Armed Forces, and spouses of such members.

The Department supports the intent of section 16, but believes it is duplicative of services that are already available through the DOL-funded State Workforce System and VA. The Department suggests that the grants emphasize case management and referral to federal, state, and local resources that can meet the needs of transitioning service members and their families.

S. 2748-- “Better Access to Technical Training, Learning, and Entrepreneurship for Servicemembers Act,” or the “BATTLE for Servicemembers Act”

S. 2748 would amend section 1144(f) of title 10, U.S. Code, to require members of the Armed Forces to receive additional training under TAP.

The Department supports S. 2748 because, if passed, it would increase the amount of days of employment-related curriculum for most service members by making the attendance of TAP’s Optional tracks mandatory. Currently, TSMs have the option to participate in a series of two-day tailored tracks within the Transition GPS curriculum: (1) an Accessing High Education Track (provided by DoD), for those pursuing a higher education degree; (2) CTTT (provided by DOL), for those interested in obtaining job-ready skills through apprenticeship or other industry-recognized credentials; and (3) the “Boots to Business” Entrepreneurship Track (provided by Small Business Administration), for those wanting to start a business. CTTT is an additional two-day workshop focused on apprenticeships and industry-recognized credentials for transitioning service members and their spouses. The CTTT provides these service members with an opportunity to identify their relevant skills, increase their awareness of workforce development programs and apprenticeship programs that can lead to industry-recognized credentials and meaningful careers, and develop an action plan to achieve their career goals. DOL believes that the optional courses in TAP provide service members with resources critical to their success in the civilian world. By making the attendance of an optional track mandatory, the Department expects the number of TSMs who would attend these courses, and obtain enhanced employment-related curriculum, would increase significantly.

Conclusion

In conclusion, our long-term goal continues to be that military service is universally recognized as a path to high-quality civilian careers. The future of the Nation's All-Volunteer Force depends upon this recognition, as does our economy. The Department views employment as a vital element of a successful transition to civilian life. The Department thanks the Congress for addressing TAP participation through the VOW Act, and for your continued partnership in removing barriers to employment.

The Department remains committed to working with our interagency partners to continuously review and improve TAP curricula, including the DOLEW and CTTT, through our regular review cycle that incorporates input from employers and the public related to the best practices across the Nation. Moving ahead, we look forward to preparing transitioning service members and their spouses even more effectively by improving the timeliness of DOLEW participation and increasing participation rates in the supplementary career-related tracks.

The Department looks forward to working with the Committee to ensure that our separating service members have the resources and training they need to successfully transition to the civilian workforce. The improving employment situation for veterans is a resounding testament to the nationwide recognition from stakeholders, both public and private, at the national level and within local communities, of the value veterans bring to the workforce. Mr. Chairman, Ranking Member, and Members of the Committee, this concludes my statement for the record. Thank you for the opportunity to be a part of this hearing.