STATEMENT OF
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THE AMERICAN LEGION
BEFORE THE
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COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
ON
FY 2012 STATE GRANT PROGRAM

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Mr. Chairman and Members of the Subcommittee, The American Legion thanks you for this opportunity to present its views on fiscal year (FY) 2012 budget issues regarding the State Grant Program for Department of Labor Veterans Employment and Training Service (VETS).

The mission of VETS is extremely critical and timely. Veterans of the Iraq and Afghanistan wars face unemployment at a rate of over 15 percent, two thirds higher than the national average, according to figures released in February by the Bureau of Labor Statistics (BLS). The problem is also getting worse. The same statistics from BLS noted that the rate of only a year ago was 12.6 percent. To stem the growing tide of veteran joblessness requires immediate and decisive action. The American Legion urges Congress to adequately fund veterans' employment, training and placement programs so well-deserving veterans can successfully transition to their civilian careers after they complete their military service.

The VETS program is essential for its unique mission to serve both the employer and the veterans seeking employment within that community. For some veterans this assistance is important because they served in the combat arms and they possess military skill sets employers do not realize are readily transferable to the civilian labor market. For others, this assistance helps leverage the significant "soft skills" acquired through service in the areas of leadership, strategic planning, risk assessment and management. The essential role of the VETS state grant program combines these to demonstrate to the employer the skills of the veteran and assist the veteran in exhibiting his/her unique background to a prospective employer.

JOBS FOR VETERANS STATE GRANT PROGRAM

The DOL-VETS Jobs for Veterans State Grant Program (VSGP) was funded $165 million for FY 2010 and the continuing resolution currently funds the program at $166 million. The President's budget requested $166 million for FY 2012. The American Legion supports the existing budget proposal amount and yet questions if the existing implementation of the program adequately supports the end goal of employing veterans when figures clearly show the unemployment situation among veterans is growing more dire.

The VSGP is funded to provide advanced or intensive services to veterans seeking employment. Through the law, regulations and training, those services offered to unemployed veterans are to be beyond that offered to the general non-veteran who seeks employment through the state employment centers. Yet analysis of 2009 performance data indicated only 22% of veterans received these intensive services. Corresponding employment of veterans was only slightly greater despite the resources offered under VETS program. Not only were the veterans not receiving the intensive services funded by the VETS program, but the services they were receiving were no more successful than those for unemployed non-veterans. This further supported a 2003 study that demonstrated older veterans, disabled veterans and recently separated veterans have more favorable outcomes when provided intensive services.

In light of these studies, within the Department of Labor's FY2011 Congressional budget justification, the argument was advanced that outlined a refocus on the VETS delivery model. Now within the FY2012 justification further merit is given to refocusing of VETS programs to intensive delivery systems. The American Legion remains concerned on why this has been delayed for so long and how it will truly be implemented. While Congress and DOL continue to provide the state grants, who holds the states accountable for implementation?

According to the Bureau of Labor Statistics in February 2011, the unemployment rate for Operation Enduring Freedom (OEF)-Operation Iraqi Freedom (OIF) veterans is 15.2 percent and has been rising for four months. This statistic puts into question the effectiveness of the State Grant Program. It does not appear the states are adequately providing all the services they should to eligible veterans who are seeking job assistance, such as resume writing, nor are the states conducting outreach activities to local employers to promote the hiring of veterans.

In order to better understand the situation, it is best to examine a concrete example in the form of a single state. The state of Nevada's unemployment rates have eclipsed or led the nation in the most recent recession. What once was a booming economy with the lowest unemployment in the nation is now suffering unimaginable devastation across the public and private sectors. To exacerbate matters, DVOPs and LVERs have had to endure furloughs, travel restrictions, and other "administrative reductions" to reduce state budgets while needing to provide services to the unemployed veterans. In this way, Nevada is not much different than many other states.

During the past three years, the VETS grants for Nevada have annually increased from $1.113M in 2008 to $1.657M in 2011. From a cursory review, one might applaud the increased grants provided to such a dire economy, but was the increase worthy of the investment? Did the increase enable more personnel to support the veterans? Was the money received by the state pushed to serve the veterans? Since Nevada had a hiring freeze, a 4.5% pay furlough, and travel restrictions, did those savings leverage more staff? Only a detailed audit of those records and the grants performance could verify a claim of improved performance, but from the outset, the overall numbers remain less than encouraging. Nevada's unemployment rests at 14.6%.

Moreover, Nevada's actual internal performance indicators demonstrate this disconnect and the need for a refocus. During FY2010, Nevada established a 65% goal for veterans securing employment. This was identical to their 65% goal for non-veterans securing employment. State budget records indicate they fell far short of this goal with only 47% of veterans securing

employment. More unfortunate is that this number was less than the 49% of non-veterans who were successful in securing employment during the time period. So with a uniquely funded program aimed at only veterans, veteran employment was no greater than the usual employment programs.

Nevada is but one state in the overall implementation of the State Grant Program, but the methods they used to decrease state budgets through furloughs, travel restrictions and hiring freezes were not unique. Through those administrative changes on a state level, the performance indicators and success in employing veterans suffered. Yet without the ability to carefully track and push for improved focus and services for veterans, DOL must continue to fund the status quo rather than the results of veteran employment.

The American Legion challenges the norm where a state is allowed to provide the same goal for veteran employment as non-veteran employment, not reach that goal, and continue to see an increase in their overall grant allocations. Without adequate oversight and control of the implementation at the local level, this grant program merely supplements the resources offered to the unemployed rather than provide additional veteran employment resources.

The Jobs for Veterans State Grant Program is staffed by Disabled Veterans Outreach Program (DVOP) specialists and Local Veterans Employment Representatives (LVERs) who are each responsible for carrying out a very specific mission. DVOPs provide basic career guidance to qualified veterans and service members and LVERs provide job development for veterans by finding potential employers. One area Congress should investigate is whether the one-stop career centers need to have a transparent form of measurement available to the public. These reports should include the number of individuals they see on a daily basis and what types of assistance the veterans were provided. True transparency and accountability are essential to ensure public confidence that the money invested is achieving the desired goal.

The American Legion recommends DOL monitor the staffing levels for DVOPs and LVERs to match the needs of the veterans' community in each state coupled with the performance indicators and success. Staffing levels should not be based solely on the fiscal needs of the state government. Adequate funding will allow the programs to increase staffing to provide the comprehensive case management and job assistance required to provide employment to service-disabled and other eligible veterans.

The States are where the "rubber meets the road"; and in terms of implementing the Jobs for Veterans State Grant Program. They are responsible for carrying out the program mandates, but are not always maintaining the same level of reliability. For example, the state of Texas has spoken on the loss of focus in its State Grant Program. Resources are minimal, due to the program being flat-funded and have caused staffing levels to dip to severe numbers. Creating a robust State Grant Program in Texas means appropriating enough funds to maintain a growing program given the military presence in that state. Recently returning veterans and the economic recession have created a new class of unemployed veterans there who are in need of guidance and proper training.

Due to the lack of funding, that the American Legion has found state budgets have been cut limiting the access DVOPs and LVERs have to the remote veterans particularly in largely rural areas. DVOP/LVER travel is down as well and this lack of travel ultimately prevents contacting rural veterans who might not be aware of this program, as well as employers who cannot receive necessary education regarding the program. Without the DVOPs and LVERs traveling and maintaining contacts in rural areas and with potential employers, their ability to provide the grant administration needed for the veterans they serve is severely diminished.

American Legion experience in Florida indicates high personnel turnover of DVOPs and LVERs due to the state shortfalls in pay and funding. This lack of funding on a regular basis contributes to the ever growing challenge of lack of program consistency amongst all the states. Both a high turnover and large numbers of vacancies in the states for the DVOP/LVER positions and the lack of state focus for the program as a whole are major hurdles and a challenge that this program must address.

RECOMMENDATIONS

The State Grant Program has the potential to be an effective and successful means to provide transitioning service-connected disabled veterans and other eligible veterans' gainful employment. This program is one way the Federal government can equip these service members with valuable resources in their search for civilian success. In order to make this a premier program that veterans will seek out and utilize, The American Legion has makes the following recommendations:

- Appropriate $166 million for the State Grant Program,
- Transfer all DVOPs and LVERs from the State Agencies to DOL-VETS for greater supervision and oversight,
- Adjust staffing levels to meet the needs of the state veterans' community, not merely the fiscal needs of the States,
- Initiate a GAO investigation on the Jobs for Veterans State Grant Program, to ensure the program is properly serving eligible veterans.