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BUILDING JOB OPPORTUNITIES FOR VETERANS

HEARING

BEFORE THE

JOINT ECONOMIC COMMITTEE
CONGRESS OF THE UNITED STATES

ONE HUNDRED THIRTEENTH CONGRESS

FIRST SESSION

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BUILDING JOB OPPORTUNITIES FOR VETERANS

WEDNESDAY, JULY 10, 2013

CONGRESS OF THE UNITED STATES,
JOINT ECONOMIC COMMITTEE,
Washington, DC.

The committee met, pursuant to call, at 10:02 a.m. in Room 216 of the Hart Senate Office Building, the Honorable Amy Klobuchar, Vice Chair, presiding.

Representatives present: Paulsen, Amash, Maloney, and Delaney.

Senators present: Klobuchar, Murphy, and Wicker.

Staff present: Doug Branch, Gail Cohen, Connie Foster, Colleen Healy, Patrick Miller, and Robert O'Quinn.

OPENING STATEMENT OF HON. AMY KLOBUCHAR, VICE CHAIR, A U.S. SENATOR FROM MINNESOTA

Vice Chair Klobuchar. Okay, the hearing is called to order. I want to thank everyone for being here this morning for this important conversation on the employment situation for Veterans.

We are going to be looking at the contributions that veterans make to the economy. We did a report on this with the Joint Economic Committee showing the challenges that recent veterans are facing when they come home. There is some good news. There have been some improvements, but as our witnesses know, there are still challenges and work that needs to be done.

I would like to introduce today's distinguished witnesses:

Mr. Ryan Gallucci is the Deputy Director of the National Legislative Service for the Veterans of Foreign Wars. At the VFW his focus is on helping transitioning service members and veterans pursue higher education and viable career paths following their military service. He served eight years in the U.S. Army Reserve, and was awarded the Meritorious Bronze Star Medal and the Combat Action Badge for his actions while deployed in Iraq.

Mr. Kyle Mitchell is the Deputy Executive Director for the Texas Veterans Commission, the state-appointed advocate of Texas veterans. He has held this position since 2010. Prior to that, he served as an advisor to Governor Rick Perry.

Mr. Shawn Deabay is the Director of Veterans Employment Services at the Texas Veterans Commission. He has worked in the Veterans Employment Services Program for 13 years, and directed it since 2011.

You may wonder why we have two Texans, with two Minnesotans chairing the hearing.

[Laughter.]

It is just a coincidence, but actually Congressman Brady I know would love to be here but is chairing another hearing as Congressman Paulsen will explain. But we welcome you.

And then finally, Mr. Benjamin Fowke is the Chairman of the Board, President, and CEO of Xcel Energy, a major electricity and natural gas company with operations in eight Western and Midwestern States. Headquartered in Minneapolis, Xcel has more than 5 million electric and natural gas customers. He serves on the board of directors of several organizations, including the Minnesota Business Partnership. They have an excellent record with veterans that we will hear about today, and I think it is an example of the kind of work we are seeing from employers all across the country.

As I mentioned, we did a report in preparation for today's hearing. The encouraging news. First, the employment situation for veterans has improved, and the overall veterans' unemployment rate of 7 percent was below the national rate of 8.1 percent in 2012. In my home state, the veterans' unemployment rate is at 6.8 percent, just below the national average.

In addition, the unemployment rate for veterans who served in the post-9/11 era declined by more than 2 percentage points, which is a major decline in 2012; but as we all know, it was way too high to begin with. So it went from 12.1 percent to 9.9 percent, a larger drop than for both the non-veteran and total veteran population.

But there is still more work to be done. Post-9/11 veterans still face an unemployment rate that is nearly 3 percentage points higher than the total veteran population, and 2 percentage points higher than non-veterans.

When we look at employment industry by industry, it is clear that the recession had a larger impact on many industries that employ a high share of veterans. And as we also know, a number of them were serving overseas when the downturn hit; their jobs disappeared, and it was much harder for them when they came back in terms of getting the job that was no longer there, or looking for a new one.

Industries in which veterans often find work, such as manufacturing and construction, were among the hardest hit during the recession. At the same time, recent veterans are under-represented in the faster growing sectors of the economy, including leisure and hospitality, and education and health services.

For these recent veterans, unemployment may be due to challenges in translating their military experience into civilian work, or not having the correct skills for the available civilian jobs. Or, as I mentioned, the fact that they were serving when we saw the downturn.

Now what do we do?

In response we have taken a number of steps to help improve employment prospects for returning veterans. The Post-9/11 GI Bill offers tuition benefits for veterans who served in the Post-9/11 era. Over 900,000 veterans and their family members have benefitted from this landmark legislation, and we hope that it had something to do with the fact that we are now seeing these improving numbers. We knew that that would take a few years to be able to show through.

In 2011, we passed the VOW to Hire Heroes Act, a bill that I cosponsored. That legislation amended the Work Opportunity Tax Credit and increased the tax credit for employers that hire unemployed veterans. Now employers can get up to a $9,600 tax credit for hiring veterans. It also expanded the Transition Assistance Program to help prepare service members to enter the civilian workforce.

Many skills learned in the military are useful in meeting civilian job requirements, but oftentimes, as I've heard from employers, when veterans talk about their work they might use acronyms or letters or numbers and really are not able to explain the high level of responsibility and the work ethic that they actually brought with them from the military. And so I know that a lot of companies and groups in the veterans area have been working with our veterans on that issue.

Another thing that we can do, that we continue to work on, is the skills that they get there. I use the example of paramedic skills where we have a shortage of paramedics in rural areas. Our veterans get those skills over there, but they come back and they have to start all over again in a program to learn to be a paramedic.

Now they obviously need to get some kind of degree, if they don't have it yet, but we would like to see them get more credit for the actual work that they did in the Service so that they are able to apply that to the education that they will need to get when they come back. That shortens the time period, and also shortens the time period that they may be away from their families.

Manufacturing. Just to give a sense, in the State that Representative Paulsen and I represent, in 2010 40 percent of our manufacturers said they had job openings for which they couldn't find skilled workers. Now in 2012, it was up to 60 percent. Clearly there are openings there. Oftentimes they may require a one- or two-year degree, or even more, given the complexity of some of our manufacturing now, but that is another area.

I am so proud of our employers in Minnesota. They actually—we have a high percentage of Guard and Reserve members. Our employers got together and actually went to Kuwait when our troops were returning home from Iraq, and this group of Minnesotan National Guard were actually helping in that transition, and actually went and interviewed and worked with them when they were in Kuwait. Major companies went over there to work with our veterans.

That is the kind of pitching in that we need to see as we transition out of these wars and we bring our troops home, and we see some cuts to the military budget. We know we're going to have a number of former Service members that are home and need jobs.

With that, I am happy to turn it over to my colleague from Minnesota, Representative Paulsen.

OPENING STATEMENT OF HON. ERIK PAULSEN, A U.S. REPRESENTATIVE FROM MINNESOTA

Representative Paulsen. Well I would like to thank Vice Chair Klobuchar for choosing the topic of today's hearing, "Building Opportunities for Veterans."

Chairman Brady is occupied with another subcommittee hearing over in the House on the Ways and Means Committee.

Every single member of this Committee honors the men and women who have served in our Nation's Armed Forces. Since the enactment of the Servicemen's Readjustment Act of 1944, which was popularly known as the "GI Bill," Congress has pledged to help veterans pursue their ideal of the American Dream. Congress remains committed to helping veterans make a successful transition to civilian life, caring for the wounded, and assisting the disabled and their families.

Today's hearing focuses on a key portion of that commitment: Helping veterans find jobs. There are numerous federal and state programs that are designed to help veterans secure a college education and training, take advantage of what skills they learned in the Armed Forces, and then find gainful employment in the private sector.

Broadly speaking, employment trends among recent veterans follow employment trends among the entire working-age population. Indeed, the 12-month moving average for unemployment rate for all veterans of 6.7 percent is slightly lower than the overall unemployment rate of 7.6 percent in June. Therefore, the general condition of our economy affects the level of employment among veterans as much, if not more, than specific programs designed to help veterans find jobs.

The Growth Gap—which is the difference between the economic performance in the current recovery and an average recovery since World War II—is hurting employment prospects of both veterans and non-veterans.

This recovery, which is four years old this month, is the weakest in seven decades. Consequently, the United States has $1.2 trillion less today in real GDP and 3.9 million fewer private sector jobs than the United States would have had in an average post-war recovery.

In terms of real disposable income per capita, this anemic recovery has generated about $2,800 less in income after inflation and taxes for every American than an average post-1960 recovery would have generated.

And why are we suffering from a Growth Gap? Business investment in new buildings, and equipment, and software drives private-sector job creation. Compared with previous recoveries, real business investment has been weak. After five-and-one-quarter years, it still remains at 3.9 percent below its pre-recession peak.

A lack of liquidity and high interest rates are not restraining business investment. Commercial banks have over $2 trillion in excess reserves sitting at the Fed that could be lent to America's entrepreneurs.

America's non-financial corporations have another $1.5 trillion in cash sitting on the sidelines. And interest rates do remain at historic lows. The Federal Reserve has done all that it can through monetary policy to help this recovery—which we've had some discussion in this Committee about.

Local businesses continue to tell us over and over again that Washington's tax, and regulation, and deficit policies which the President continues to pursue have also generated uncertainty that

is deterring America's entrepreneurs from making the investments that would create millions of good jobs for veterans and non-veterans alike.

It was Nobel Laureate Albert Einstein who defined insanity as "doing the same thing over and over again and expecting different results." Four years after an anemic recovery has begun, it is clear that the current mix of economic policies is not working and we can do better.

And what can be done to reduce and close the Growth Gap and ensure that the 21st Century is another American Century? The bottom line is you must get our act together in Congress bipartisanly in three major areas of economic policy:

One, we need to reduce federal spending and federal debt as a percentage of our Gross Domestic Product. We need to continue to pursue growth, pro-growth tax and fiscal policies for a healthier economy to give businesses the incentive and confidence to invest in companies, equipment, and people.

We need to overhaul the federal regulatory process to ensure necessary regulations are balanced and cost-effective.

And then we need to return to a more predictable rules-based monetary policy that will maintain purchasing power of the United States dollar over time.

Those basic changes will spur the U.S. economy and help our veterans find gainful employment. And to that end, earlier this year I partnered with the Army to host a job fair in Minnesota. And as Senator Klobuchar well knows, and mentioned, the Minnesota National Guard has been implementing new programs with a great rate of success, putting a focus on getting our veterans back to work.

I am also proud of our Minnesota employers like Xcel, who is testifying here today. They do represent why Minnesota is a leader when it comes to taking care of our veterans, including hiring initiatives.

I also want to thank all the witnesses for being here today, and I look forward to hearing your testimony.

[The prepared statement of Representative Brady appears in the Submissions for the Record on page 26.]

Vice Chair Klobuchar. Very good. Thank you, very much.

Mr. Gallucci, why don't you begin?

STATEMENT OF MR. RYAN M. GALLUCCI, DEPUTY DIRECTOR OF NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS, WASHINGTON, DC

Mr. Gallucci. Thank you, Vice Chair Klobuchar.

On behalf of the VFW, the Nation's largest and oldest organization of combat veterans, I want to thank you for the opportunity to present our perspective on the current employment situation for veterans.

As the current conflicts draw down and the military plans to shrink the Active Duty Force, the Department of Labor anticipates that more than 1 million veterans will enter the workforce in the next few years.

The most recent data from the Bureau of Labor Statistics indicates that veteran unemployment is trending downward, and that

total veteran unemployment remains lower than the national average. Unfortunately, this glimpse into the employment situation of veterans only tells part of the story.

While the VFW applauds the last Congress for addressing persistent veterans' unemployment through policies like the VOW to Hire Heroes Act, unemployment among young veterans and women veterans still far outpaces civilian unemployment.

For the VFW's full concerns and recommendations, I refer the Committee to my prepared remarks. For the balance of my time, I would like to focus on three specific issues:

Military Transition Assistance;

Professional Licensing and Credentialing; and

Educational Opportunities.

First with regard to military transition assistance, or TAP, the VFW has long held that TAP [Transition Assistance Program] is critical to ensuring service members have a quality baseline of information from which to make informed decisions about future career opportunities when leaving the service.

For years the VFW called on VA, DoD, and Labor to revise the TAP curriculum, and we are proud to see that the recently mandated redesign is nearly complete.

While testifying on this issue, we have acknowledged that the TAP redesign is a drastic improvement, but we believe that more can be done to ensure that service members are adequately prepared for the difficult transition into the civilian marketplace.

The VFW is concerned that service members will not be required to participate in individualized TAP tracks, but rather satisfy career-readiness standards on their own time. The VFW believes that the track's curricula were covered by the recent TAP participation mandate, and we encourage DoD to deliver this training appropriately.

The VFW has long said that service members on Active Duty cannot reasonably anticipate all of the challenges that they may face once they've transitioned into civilian life, which is why we encourage each agency to make its curriculum readily available to veterans once they leave Active Duty.

We also encourage community organizations to step up and help fill the gaps where necessary. For example, VFW Post 661 in Salem, Oregon, recently joined forces with Easter Seals to host Battle Buddy Luncheons where veterans in the community can come into the Post each week to learn about local resources. The brainchild of VFW member and Easter Seals employee Jarod Dyer, the program has already helped veterans get back on their feet and on the path to quality careers.

Second, with regard to post-service licensure and credentialling, the VFW believes that when a service member leaves Active Duty he or she should be able to continue in a similar civilian career. Unfortunately, this is not usually possible because military training does not directly align with civilian licenses or credentials.

The VFW applauds DoD's effort in its current pilot program on civilian credentialling, and we encourage further expansion of this program beyond the current handful of covered military jobs.

However, the military can only do so much to resolve this issue. It will also take a concerted effort from states that issue licenses

and private industry which must invest in the human capital our newest veterans offer.

Yesterday I had the opportunity to meet with one such private company, Sharp Decisions, which is dedicated to helping veterans receive quality IT credentials. Karen Ross, CEO of Sharp Decisions, recently commissioned a Vet's Program which trains veterans in IT testing and data mining capabilities.

The program is free to veterans who are on the Sharp payroll throughout their training. Once trained, Ross deploys her teams of credentialed IT professionals to clients. Ross said that the program was not simply born out of patriotism but out of the recognition that highly trained military professionals offer the traits she and her clients needed. It made business sense.

Finally, with regard to educational opportunities, the VFW has worked diligently over the last few years to improve transparency in education access for veterans, but also to improve benefits available to unemployed veterans.

In my prepared remarks I discuss the VRAP program, which has offered many unemployed older veterans significant opportunities to enhance their job skills. Unfortunately, statutory limitations on two-year schools and full-time enrollment make it difficult for many to participate.

The VFW is also concerned that, despite improvements to information flow for college-bound veterans, we lack quality data on outcomes threatening the long-term viability of benefits like the Post-9/11 GI Bill.

Through the help of Student Veterans of America and the National Student Clearinghouse, the VA will soon be able to better track education beneficiaries, but we must do more to demonstrate our return on investment.

For veterans attending public schools, the current reimbursement model for the Post-9/11 GI Bill also creates unforeseen financial hurdles, since many veterans are disqualified from in-state tuition because of their military service.

We encourage Congress to allow all Post-9/11 GI Bill eligible veterans to attend at the in-state rate, offering reasonable protections for those affected, much like the protections we already offer our troops on Active Duty.

The employment outlook for our veterans has drastically improved since the recession hit in 2008. However, as we have outlined here today, we certainly can do more.

Vice Chair Klobuchar and Members of the Committee, this concludes my testimony. I am happy to answer any questions you may have.

[The prepared statement of Mr. Ryan M. Gallucci appears in the Submissions for the Record on page 26.]

Vice Chair Klobuchar. Thank you, very much.

Mr. Mitchell.

STATEMENT OF MR. KYLE MITCHELL, DEPUTY EXECUTIVE DIRECTOR, TEXAS VETERANS COMMISSION, AUSTIN, TX

Mr. Mitchell. Madam Chair, Members, thank you very much for having me here.

Again, my name is Kyle Mitchell. I am the Deputy Executive Director of the Texas Veterans Commission. On behalf of our Executive Director Thomas Palladino, our Chairman Al Cantu, and our Commissioners, I appreciate you having us here to talk about what we are doing to help the 1.7 million veterans in Texas.

We do that through our four program areas:

Our Claims Representation and Counseling Program, which includes our state strikeforce teams which have helped over 19,000 backlogged claims move through the system.

We have our Veterans Employment Program which we will be talking about today.

We have a Veterans Education Program, which as the Vice Chair noted plays a key role in helping veterans use their state and federal education benefits.

And we also have a Fund for Veterans Assistance, which provides grants to local governments and nonprofit organizations that help veterans and their families.

We are the advocacy agency for veterans in the State of Texas. And these four program areas are important because they are all centralized in one agency. Veterans come here and the structure is the key to our success.

I would like to highlight two aspects of my submitted testimony which are hard to convey in writing. First is appreciation.

The Texas Veterans Commission and the State of Texas appreciates the investment that Congress and the Federal Government have made in our veterans, not only during their Service but after their Service in helping them find employment, particularly through the Jobs for Veterans State Grant.

Through the Jobs for Veterans State Grant the Federal Government provides over approximately $168 million to the states to support veterans' employment; $168 million is not a lot of money in comparison to the overall federal budget, or even that of the Department of Labor, but it makes a huge impact in the State of Texas and across the Nation.

In many cases, these were the only specific resources that are available to help veterans find employment. And that is why it is critical that these resource be used wisely, and that's what we do in Texas.

Last year the Texas Veterans Commission received $12.2 million through the Jobs for Veterans State Grant which allowed us to provide 170 veteran employment representatives throughout the State of Texas located in 92 workforce centers, working with our partner, the Texas Workforce Commission, and our local Workforce Boards.

In the most recent reporting period, we were able to help over 69,000 veterans, and many of those obtained employment. Approximately 221 veterans obtained employment for every one of our Veteran Employment Representatives. Although we only receive about 7 percent of the Jobs for Veterans State Grant funding nationwide, we account for over 18 percent of the veterans entering employment after receiving services.

And because we appreciate this funding, and because we are successful with it, this brings me to my second point: Opportunity, the opportunity to improve the Jobs for Veterans State Grant Program. And one way to do that is to emphasize performance.

One, we think that performance should be part of the funding formula that is included as part of the Jobs for Veterans State Grants. We also think that funding for—the funding that is provided right now for performance—should actually reward performance. Right now, part of the grant goes to—is required to be spent on performance regardless of how well a state is performing, and we think that that should change.

Mr. Deabay, who is here with me today and, as the Vice Chair noted, has 13 years of experience with the Jobs for Veterans State Grant, will provide a little bit more detail on that and on the detail of other ways we think we can improve the Jobs for Veterans State Grant.

I would like to spend the rest of my time talking a little bit about veteran entrepreneurship, which is a topic that we have been working on in Texas.

Last year we identified the need to do that. We launched a pilot veteran entrepreneurial program in Texas. Our one staff member was able to assist over 1,000 veterans towards veteran entrepreneurship. We think that this is valuable work that we can do.

Right now the Small Business Administration, who has been a very valuable partner in this effort, but they also serve a population of over 23 million veterans nationwide through a network of only 15 Veteran Business Outreach Centers, so we think that there is an opportunity to provide expanded resources there.

We also think that, to the Chair's point about the Post-9/11 GI Bill, the work that we do as the state approving agency for that. There have been some changes to the work that we do as the state approving agency. We think that there are some opportunities to improve that work there. And also to better utilize the on-the-job training program that is available through the Post-9/11 as a way to better integrate veterans with employers.

In closing, I would like to thank the Committee again for having the Texas Veterans Commission here. Again, through our four program areas we are able to do great things for veterans. But part of the great work that we are able to do on behalf of employment is in no small part due to the support that we get from the Federal Government. And we also believe that there are opportunities to improve that work.

[The prepared statement of Mr. Kyle Mitchell appears in the Submissions for the Record on page 29.]

Vice Chair Klobuchar. Very good. Thank you very much, Mr. Mitchell.

Mr. Deabay.

STATEMENT OF MR. SHAWN DEABAY, DIRECTOR OF VETERANS EMPLOYMENT SERVICES, TEXAS VETERANS COMMISSION, AUSTIN, TX

Mr. Deabay. Good morning. As Mr. Mitchell says, I really appreciate this opportunity to share with you the reasons why in Texas we've been so successful.

It starts with our Veteran Employment Representatives, the LVSs and DVOPs that Kyle had mentioned. I refer to them as job caches, because what they do is help veterans with, veterans of all wars, with every aspect of finding employment, whether they're

under-employed, or unemployed. They help them with every aspect. That could be translating military skills. It could be resume writing. It could be overcoming barriers to employment. There's lots of things that my job coaches do that are very, very important.

What is key is that initial assessment. During the initial assessment, veterans will come in and we will try to see every veteran the very first time they enter the American Job Center.

What we do is we do an assessment to determine what the next step is. Do they need an employment plan? Do they need resume help? Do they need a referral to the appropriate employer who is willing to hire veterans?

That is very, very key and something we are very aggressive with. We don't wait for veterans to come into the Job Center and then help them; we are very aggressive and try to get the word out that we are here to help every veteran if you're under-employed.

We also receive input. Before we make decisions at the state level, I receive input from all of my job coaches and take the pulse of veterans employment at the ground level. There's lots of numbers, lots of great statistics, and the unemployment rate is declining, but if you ask a veteran who is currently looking for work, I don't think they care if the numbers are declining or not.

So we need to take the pulse of employment at the ground level, not just simply the numbers. And I rely on my job coaches who see veterans each and every day to help me make decisions at the state level.

We do that through work groups. They give me innovative ideas. One of the ideas that we have done is we have developed veteran business representatives, and they are strictly to outreach employers and educate them.

There are two parts to the employment equation. There are the employers, and then there's the veterans. So we have dedicated personnel to help educate employers on a regional level—Texas is a very big state. So we have done four of them to help get that word out, as well as helping veterans on the ground.

Our structure is another main reason for our success. When we make decisions at the state level, our job coaches in the field take minutes for them to be able to get that and be able to respond and have input. There's not multi-level supervision that they need to go through. It is a very seamless communication style and structure that we have where I can direct my job coaches at any given time and they give me feedback in any given time. And that is also very important.

Real quick about our challenge of getting the word out that we're here. A lot of veterans still do not know that we have—in Texas we have, like Kyle said, 170 job coaches. And getting the word out that we are here is a definite challenge. We do our best in doing that, but we can always do a lot better.

Also, communication within all of the stakeholders in veterans employment. That includes the Department of Labor VETS, the states, all the stakeholders. We need to do a better job of coming together and talking about the pulse of veterans employment, and share ideas—share ideas with large states, medium states, and small states.

There are some great things going on, as you mentioned in Minnesota. There are some great things going on in Texas in entrepreneur with our business representatives that make a real difference in veterans' lives. And there are some great ideas.

We need to come together and share those ideas. Get together with large, medium, and small states and have that forum to discuss, and maybe other states can implement what we are doing and what other states are doing.

In closing, I would like to—just a quick story. I know it's in my testimony, in my written testimony, but what we do really helps veterans' lives on just a real basic level. I was doing this for over 13 years. I started as a DVOP job coach in Texas. Very few resources were available. There was a homeless veteran who lived out of his car in the parking lot.

I saw him every morning at seven o'clock. I got to know this veteran. I got to help this veteran get housing, helped him with food—and I didn't do it by just a referral: here, see this website; here, go—it was a real personal one-on-one. I developed a relationship within the community, and that is what our job coaches do.

Through the VWIP program, Veteran Workforce Investment Program, we were able to help him go and get a truck driving license. He became an over-the-road longhaul truck driver, and would come back on his way to Houston and just tell me what a great job, and thank me so much. And that is what it is really about. It's not about the numbers. It's really about helping the veteran, each and every one of them, and I am very proud.

The last thing I would like to say is, the reason why we are successful is because I have an amazing staff: 170 job coaches that really care, and really make a difference in veterans' lives. One-on-one personal service is the key.

So with that, I end.

[The prepared statement of Mr. Shawn Deabay appears in the Submissions for the Record on page 33.]

Vice Chair Klobuchar. Thank you, very much.

Mr. Fowke.

STATEMENT OF BENJAMIN G.S. FOWKE III, CHAIRMAN OF THE BOARD, PRESIDENT AND CEO, XCEL ENERGY, MINNEAPOLIS, MN

Mr. Fowke. Thank you, Vice Chair Klobuchar. It is a pleasure to be here this morning before this distinguished panel. Minneapolis is our company headquarters, and I am delighted, as always, to be here with you. Xcel Energy also operates in Texas, and we appreciate Chairman Brady's activities on veteran issues as well. And we are pleased to see that Representative Paulsen is here, another Minnesotan with whom we work closely, who has also worked to ease the transition of veterans to civilian life.

Roughly 12 percent of Xcel Energy's 11,000 employees are vets, and veterans are even better represented on our management team. And while we are proud of that performance, we want to do more.

For example, we know that our veteran employees generally are not Post-9/11 vets, so absent our intervention we could lose ground.

Our experience is similar to that noted in the Committee's report on "Building Job Opportunities for Returning Vets"—that is, veterans we hire tend to be in the older, mid-career cohort as opposed to the younger, fresh-out veterans.

Yet over half of our hires each year are filled with people in the 25 to 35 age group. So we have got a great opportunity to change that.

I will briefly highlight what we are doing within our company and within our industry, and then offer some suggestions on how we can improve veteran hiring practices.

Internally we have made veteran hiring a priority throughout the company, and have worked to address obstacles to doing so. One key gap has been the ability to translate military skills to civilian job requirements, with the veteran unable to articulate his or her experience and skills to fit our positions, and our hiring leaders unable to recognize the military experience that they have and how it is comparable to our work.

To address this gap, we have developed a translator at our career website to help both applicants and and our hiring leaders better understand the types of military experiences and how they apply to our various job openings.

We are focusing on line men and women, plant operation and maintenance workers and engineers, all jobs where we expect to see significant turnover in the coming years. We believe we should be able to find good matches with the skills of returning veterans, but we need to be sure we build a better understanding of military skills to take full advantage.

Next we need to provide a supportive environment to retain that talent. Research shows that veterans stay in their first job after Service for 2 years, but then stay in their next position for over 10.

That first shift from military to civilian life can be complicated for various reasons, and we want to make sure that we provide an environment that lengthens these tenures. We all need to have our employees engaged in making that happen.

To that end, we have developed a series of orientation, training, and leadership development programs that use that transition. Working within our industry to greatly open channels to recruit qualified vets, we participate in partnerships such as Troop to Energy Jobs, a collaborative effort between the Edison Electric Institute and the Center for Energy Workforce Development to help us link to available talent.

Other channels and partners such as military.com, Corporate Gray, and Hire A Veteran, also help us reach potential veterans.

Finally, we hold ourselves accountable by creating a dashboard to measure our progress. We know that we focus on what we measure. So we need to keep our eye on the ball, monitor our performance statistics, and use those to further close the hiring gap.

I am very pleased to report that our efforts are paying off. We have been honored to receive awards for our veteran hiring practices, including the 2013 Most Valuable Employer for the Military by CivilianJobs.com.

GI Jobs also listed Xcel Energy as the top military—one of the top military-friendly employers in 2012 and 2013. And it is always nice to be recognized, but we know that there is more that we can

do and we must do. And to that end, just let me make a couple of suggestions.

First, anything that can be done to better identify the linkage between a veteran's military experience and civilian jobs would be helpful.

Partnerships between civilian companies and veteran agencies can improve the vet's ability to communicate with companies more effectively, and further support of these efforts would be welcome.

Such efforts are similar to those efforts we have undertaken for college students. An example is with St. Cloud University in Minnesota where we help students relate their experience through our job openings. I believe these are models that we can also apply to veterans.

Second, it would be helpful if military training could lead directly to civilian certificates. In our industry, valuable certificates include Certified Security Professionals, Plant Operator Licensing, Professional Engineers, Certified Information System Security Professional, CPAs, or Certified Internal Auditors.

In many ways, such military and civilian jobs have similarities and providing avenues for veterans to achieve these kinds of certificates would greatly help the transition.

Our industry employs a number of highly technical skilled positions that are extremely competitive right now. We have a retirement bubble. We're going to have half of our workforce turn over in the next 10 years. So this is a real opportunity for us.

So let me just conclude by saying we're committed. I am committed. Our entire business is committed to this. We know how important it is, and we welcome your questions and, more importantly, your partnership going forward.

Thank you.

[The prepared statement of Mr. Benjamin G.S. Fowke III appears in the Submissions for the Record on page 37.]

Vice Chair Klobuchar. Thank you very much. Thank you, to all of you.

I was just listening to that "retirement bubble." It sounds a little like the U.S. Senate. We had our own retirement bubble in the last few years with a lot of people retiring, and new Members coming in. And I think new energy is always good.

When you think about these new veterans coming in, we know that their unemployment rate, having gone from 12.1 percent in 2011 to 9.9 percent as we pointed out at the beginning, a bigger drop than with the civilian population, that's great. But it is still higher than our national unemployment rate. It is certainly higher than our Minnesota unemployment rate of 5.3 percent.

So could you talk about some of the greatest challenges facing these post-9/11 veterans in finding work? Do you see it as a skills gap? Lack of the right certification, something you just pointed out? Or that ability to translate their military skills into civilian jobs?

Mr. Fowke. I would say it is all of the above, with the exceptions of the skills. I think that gets to the translation of the skills that they did attain through their military service.

And what I would suggest, in addition to the translator type things and getting them the opportunity to get those certifications, we need to reach them sooner as they transition out of their mili-

tary careers into civilian life. I would encourage us to work together to do basically some simple things like pre-qualifications.

Our industry has a number of basically SAT-type tests for aptitude-type tests. And if we could have those vets tested earlier, I believe they would rise higher up in the queue when that hiring process starts.

Vice Chair Klobuchar. What do you mean by "earlier"? Take the test earlier?

Mr. Fowke. Yes. I mean, typically they are taking that test after they leave the military. And if we could have them take that test prior to leaving the military, then they are pre-qualified and then we do not have any kind of lag in timing gap. And I think what typically happens is they get lost in the queue then and they have to re-emerge.

I think that is the theme we have been talking about with, you know, getting the certifications and other things. Let's make sure that they get credit for what they did.

Vice Chair Klobuchar. Thank you.

Mr. Mitchell, Mr. Deabay, do you want to talk a little bit about that certification issue, what you have seen with the people you work with?

Mr. Deabay. I mean I couldn't agree more. The more credit that a veteran can get while they serve—I mean, being in the military is a corporation, and there's a lot of advanced technologies that people aren't aware of that they have a lot of skills. They go through a lot of in-depth training, and to get credit for that is obviously very important.

Also, another great point was the earlier the better. The earlier that you can get to an exiting service member, the better in the employment. Once they're out, there is going to be a lag. If you can get to them as soon as possible and get them as job-ready as possible when they exit, I think that that is absolutely key.

Vice Chair Klobuchar. Well I mean that is certainly what we have seen on this Committee with the long-term unemployment. Once they are out and don't have a job for six months, a year, it gets harder and harder for them to get employment.

So I think all of that is true across the populations, but certainly we have seen evidence of that. And it is even harder for them when they come back to suddenly get all these certifications. So a lot of this is getting them ready while they are serving, I would think.

Mr. Deabay. Absolutely.

Vice Chair Klobuchar. Did you want to add anything, Mr. Mitchell?

Mr. Mitchell [Nodding in the negative].

Vice Chair Klobuchar. Mr. Gallucci, the Chamber of Commerce has created the Hiring our Heroes Program, and the goal of that is to get commitments from businesses to hire 500,000 veterans or military spouses by the end of next year.

Have you noticed an increased effort because of this work?

Mr. Gallucci. As a matter of fact, we think the Hire our Heroes campaign has been fairly successful to this point. They have put together some fairly innovative techniques to encourage companies to hire veterans.

One of the best examples that they have put together is the Heat Map on where companies are hiring veterans. If you go onto the U.S. Chamber's website, a veteran who is looking for where they are hosting their career fairs can also see where there are jobs in in-demand industries.

So we think it is a very helpful resource. And what the Chamber has also done is leveraged local resources. They have reached out into communities. My colleagues from the American Legion, and also our Posts within the VFW, have worked with the U.S. Chamber and local Chambers of Commerce to host hiring fairs around the country where employers will come in, employers who have made commitments to the U.S. Chamber's Hire our Heroes Campaign, with jobs for veterans. So it is not your typical job fair where you go in, you gladhand a couple of HR representatives, and then you never hear from them again.

These are veterans who are going in looking for jobs in companies who have jobs that they want to fill with qualified veterans.

Vice Chair Klobuchar. The other thing that I think you are all aware of—and then I'll turn it over to Representative Paulsen—here is just with the Guard and Reserve, sometimes they have different situations. They come back. They are not going to an Active Duty base for them to have that time where they start reintegrating and thinking about it. And they go to small towns all over the country. Many of them are from rural areas.

And our state started something called the "Beyond the Yellow Ribbon Program" that has now gone national, where they have to check in every 30 days. Their commanders then see them every few months. And then every year. And the commanders see how they are doing. Are they using their benefits correctly? Are they getting a job?

And part of this is also to get at mental illness issues. I assume you would think this is helpful, as well?

Mr. Gallucci. Absolutely. One of the issues that I talked about in our written testimony was the dilemma with Guard and Reserve unemployment. And I draw on some experiences of the soldiers that I served with in the Army Reserve, where I have one soldier who is just leaving on his third deployment in five years.

Technically he is still a college sophomore. So skills' attainment is very difficult. With the number of semesters he has been able to attend while serving in the Army Reserve, it makes it difficult.

Also, what you also touched on there has to do with the availability of these resources once you leave Active Duty. We are doing a much better job of transitioning Active Duty service members through the transition assistance program mandate, but when a service member goes back into the National Guard or Reserve they may not have access to the same kind of resources. So closing those through programs like the Army's Yellow Ribbon Program are critical to making sure that they can get in and talk to potential employers, learn about what is available to them from federal and state agencies, and then hopefully find a job.

Vice Chair Klobuchar. Thank you, very much. Representative Paulsen, we have a full plate of people here, so it's great.

Representative Paulsen. Thank you. Well you all have kind of touched on it, but one of the key areas in helping the service mem-

bers not waiting for providing that assistance and guidance until after they come home is trying to get in front of the opportunity, knowing that they will be coming home.

The Minnesota National Guard has been working with service members while they have actually been deployed. They launched a pilot program to work with about 2,700 members of the First Brigade Combat Team that was deployed in Kuwait.

It was a unit that faced an estimated unemployment rate of about 20 percent upon their return. But by working ahead of time on resume, and interview skills, as well as how to translate that military experience into marketable civilian skills, they were actually able to get ahead of the curve and get those folks ready to work as soon as possible. So when they came back home, the First Brigade, actually their team unemployment rate dropped to below 2 percent.

And the Minnesota National Guard has also worked with employers designated as Yellow Ribbon companies, and those Minnesota employers are not only dedicated to hiring veterans, but they work together then to share best practices for more effective outcomes for others across the board.

And Minnesota has got other role models, actually. U.S. Bank recently was given a prestigious award from the Secretary of Defense, Employer Support Freedom Award, from the employer in support of the Guard/Reserve Organization, which is outstanding. And companies like Xcel, of course, have a special place on their website to focus special attention on hiring veterans and know that they are an asset.

Using those examples certainly provides lessons, giving a comprehensive approach which you all have kind of touched upon. And one of the things I know that I have supported in the House, and we've passed legislation as well along with the Senate, is making sure that veterans that do return with skills that our communities need those skills back home, we want to make sure we translate to allow that training and certification to directly do jobs back home.

So, Mr. Fowke, you touched on it a little bit in terms of you've got translators where you're getting ahead of the curve as a company, and looking at pre-qualifications, giving tests. What else can the military do, or what can we help assist the military to do directly to help prospective civilian employers identify those exact skills that are learned, and that are possessed by veterans, making sure that those skills are going to be translated into applicable use in the private sector?

Mr. Fowke. I think we touched upon some of that in the various testimony. And it is translating those skills. That is the first thing. Getting credit for some of those skills. That's the certification, prequalification program that we talked about.

And I guess the third thing where I think we could work together on is getting access to those veterans earlier—ideally, prior to leaving the service, so we don't have that issue where the Vice Chair said, that after six months it starts to get harder and harder.

So we want to hit the ground running. And I think we can do that if we reach out to them sooner. That is similar to the experience I related to with the St. Cloud, that if we talk to students—

in this case it would be vets—sooner, help them understand what we are going to need and how to translate that, encourage them to take various industry-type standard tests, I think we could achieve amazing results.

Representative Paulsen. Now, Mr. Deabay, you talked about coaches and that one-on-one relationship being so critical, and that relationship really being helpful to veterans in specific situations.

Do you think that upon discharge the military could certify that a veteran possesses a certain skill set? Or what can we do to make sure the military is sort of having this coaching process earlier on in preparation?

Mr. Deabay. Yes. The transition assistance program, to work with us on our job coaches, and have that communication that I talked about before. I think there needs to be better communication with that TAP program, and our job coaches, or LVRs and DVOPs, as they're known nationally, to talk to them earlier.

I mean, the sooner we can talk to them, the better, and identify. But getting those skills. They have the skills, and being able to translate them, getting certifications for all of the training that they have been through. Everything I really think, the sooner the better. But right now, that is part of our challenge, is we are not able to talk to them sooner than later. A lot of times when we get them, they mention us at the TAP program, and then they come see us maybe after, instead of before. That is key.

Representative Paulsen. Mr. Mitchell or Mr. Gallucci.

Mr. Mitchell. I think that the Transition Assistance Program, Congress has made a lot of changes to that program. They have made it mandatory. But I think as Mr. Gallucci spoke to, and can speak to a little more, that I think is one of the key areas where we can continue to—that at the point at which they are leaving the service, the military is providing those briefings to them, I think there is an opportunity to improve that process and to have it not just focused just on briefings but to focus on that licensure, the skills and how to do that.

Mr. Gallucci. I just want to build on this by talking about a word that is thrown around in our community a lot, and that is "seamless transition": So when you go from being a service member to a veteran and connecting you to the resources that are readily available to you.

When I was leaving the military—or when I was actually still in the Reserve, it blew my mind when I learned that VA and Department of Defense never communicated with each other. They are completely siloed industries.

Working in veterans advocacy, I have also learned that the Department of Labor, Veterans Employment and Training Service, is also siloed from Department of Defense.

Now Veterans Employment Training Service is working to remedy this. They are in the process of negotiating an information sharing agreement to get access to the information about service members who will be transitioning off of Active Duty.

What VETS wants to do is actually reach out to these transitioning service members at four specific points: When they make the decision to leave the military; when they are going through the Transition Assistance Program; at the capstone event

for the Transition Assistance Program; and then 75 days after they have separated from Active Duty.

I believe my colleagues from the Texas Veterans Commission would agree that knowing when the veterans are going to be returning home is critical to connecting them with local resources.

This is, from what we've heard from the Department of Labor, they are in negotiations with Department of Defense, but anything that Congress can do to put some pressure on them to codify this and finalize this agreement is critical to connecting veterans to those resources.

Vice Chair Klobuchar. Okay. Very good idea.

Representative Delaney.

Representative Delaney. Thank you, Vice Chair Klobuchar, for organizing this important hearing. And I also want to add my thanks to all of our witnesses for joining us here today with their very interesting and insightful testimony.

My first question is for Mr. Fowke. But before I do that, I want to also add my congratulations and appreciation for obviously a terrific job that Xcel has done in achieving, I think you said in your testimony, a 10 percent veterans employment rate, which is probably almost one-and-a-half times the average. And you're a large company, so that is statistically significant.

That didn't happen by accident, so there is a lot to be learned from what you have done. And it brings to mind a larger question about thinking about a company like yours, and thinking about the skills that our veterans learn in the military.

It seems to me they leave the military with above-average technical skills. They leave the military with above-average leadership skills. And they leave the military with experience working in a large organization and enterprise that is process-driven, and where structure is important. Not that creativity is not important, but structure and process is important. And that seems to line up quite well with your business.

It's large. It's technical. And while creativity is obviously important, there are safety issues, et cetera. So you must have very good processes to be successful.

And so do you think that, as we think about policy around improving employment for veterans, we should acknowledge more directly that certain industries align better with the skills that our veterans have? And perhaps disproportionately allocate resources around training and education, to developing bridges with those industries?

Not that we want to discourage veterans from pursuing any career profession that they choose, but perhaps on the margin some of these resources would be better spent aligning with industries like energy services, and I'm sure there are others that match with these skills? And not, again, that entrepreneurship and things like that are not important and veterans should be able to do that, but it is not a skill that they gain through training while in the military. They probably either have that passion, or they don't, inherently, so that is the nature of my question.

Do you think there is any merit to going down this path, which is to align more with specific industries?

Mr. Fowke. Well I think that is a great question. I think if you look at what industries hire, it is almost to your point. And the energy, utility, the transport industries are big hirers of returning vets. And it is probably not a coincidence for some of the things you stated.

And I will speak selfishly: We want the vets.

Representative Delaney. Right.

Mr. Fowke. And you touched on the points. Because they have the leadership skills. They know how to work in a team situation. And while our industry has made an incredible improvement in safety, you are working with electrical lines. You are working with gas lines. Safety and process come first. And you can't be too creative when it comes to safety.

So for all those reasons, we think it is an ideal situation for industries like ourselves, one. Two, as I mentioned, our industry is aging and we do need to replace our workforce. And we think that it is not only the skills, it is the values that the vets have. And I personally am committed to hiring on values just as much as skills.

So it is a great mix, a great fit, and I would encourage that we—as a start in my industry, I think the prequalification testing would go a long way.

Representative Delaney. And maybe Mr. Gallucci, do you think that the programs we have, educational et cetera, are linked along some of these industry verticals as deeply as they should be? Or do you think it is more broad-based?

Mr. Gallucci. I think we can do better. And one of the points that I touched on in my testimony was the Department of Defense pilot program on Professional Licensure and Credentialing, where the Department of Defense is looking to expose military-trained professionals to civilian credentialing opportunities while they are still in uniform.

Right now the pilot program is focused on transportation industries, health care; we're hoping to expand it to IT and more technical fields where service members receive that training while they are on Active Duty, and where it would translate to a career for a company like Xcel Energy or somebody who—or an industry that's in demand or hiring.

Representative Delaney. Last question, very quickly.

Do we look at data to say that we are more successful in some industries than others, and then realign resources around, the way Mr. Fowke would run his business, do you think?

Mr. Gallucci. I believe we are looking at data, at least from the military perspective. We're looking at those in-demand industries, and also where the skills overlap. So if you have a military occupational specialty where it easily aligns with a civilian career that's in demand, then that's where we're looking to expand the pilot program.

Representative Delaney. Great. Thank you.

Vice Chair Klobuchar. Thank you, very much. Congresswoman—oh, she's going to be coming back in a few minutes? Okay. I also wanted to acknowledge Congressman Amash and Senators Wicker and Murphy that joined us. And I will ask a few questions until Congresswoman Maloney returns.

Mr. Gallucci—oh, here you are. Excellent.

Representative Maloney. I thought there were——

Vice Chair Klobuchar. Well, you know, I was going to ask a bunch of really hard questions of Mr. Gallucci.

[Laughter.]

I was going to really grill him, but here we go. Congresswoman Maloney.

Representative Maloney. Thank you. First, Madam Vice Chair, I want to compliment you on a very excellent report and all the panelists for what you've done to help our veterans.

I was really struck by your idea, which I think is a great one, Mr. Fowke, about translating the military training into certificates so that industry knows they are certified. And particularly in security professionals, there is such a need for that, and plant operator licensings that you mentioned.

How would you do that? Now is there a licensing structure now for Certified Security Professionals? How could we make that idea of yours happen?

Mr. Fowke. Well I mean those certificates exist in the civilian world. So I think the point is that a lot of those skills have been acquired in military service. And rather than, as the Vice Chair had stated, you know, starting from scratch, let's get them credit for what they've done. And, ideally, help them get certified even while they are in the military. So then they're going right to the top of the queue, and these are jobs that are in demand.

These are jobs that are basically hard to fill. So I think we do have that opportunity.

Representative Maloney. Well I think that is an absolutely great idea, and I would love to join the Chairlady in working on it.

In your report today, you talked about nearly 20 percent of the post-9/11 vets were women. But female post-9/11 vets face a higher unemployment rate than their male peers: 12.5 percent in 2013 versus 9.5 percent for men.

Are there additional obstacles for women? Are there any programs that focus on women? Any ideas from anyone on why is there such a disparity between the employment of the women than the men? The women I have met in the military are just as dedicated and competent. Why is there such a huge gap?

Any comments? Any insights? Anyone?

Mr. Deabay. Well in Texas with the Veterans Commission, what we are doing is we are establishing a Women Veterans Employment Coordinator to tackle those issues you just mentioned. Actually, the job is going to be posted within the next couple of weeks.

They do have unique skills. And I think in talking to employers and getting them to understand all of the things that they have gone through, they have gone through everything a man has gone through in the military. They have the same skills. They have got the same leadership, same soft skills, have to experience the same things, and I am not really sure employers understand that.

There's also obstacles women face in general with under-employment, not being paid the same as men. If they're a single parent, there are child care issues. There's a lot of issues just, or obstacles for them, just women in general. And then you add the women veteran issue on top of that.

So I know in the Veterans Commission we recognized that. The numbers do say that the unemployment rate is higher. So we are going to have somebody help us identify what we can do as an agency. What can we do as a state? And go ahead and move forward from there.

Representative Maloney. I would like also a comment from any panelist about business engagement, which seems to me to be absolutely critical in helping our veterans find jobs. And coalitions like the 100,000 Jobs Mission, which is sponsored by a diverse group of companies to hire our vets are sharing best business practices in helping vets translate their military skills.

Are there benefits from these sharing programs? Do big companies also work with smaller companies? Could you sort of comment and give some insight on this type of engagement to help our veterans?

Mr. Fowke. I don't know if I'm answering your question, so maybe the other panelists can help me out, but I can tell you that as I said in my testimony it really starts at the top. It starts with me.

It starts with the commitment we have not only to hire vets, but also women in nontraditional roles. You really perform to what you measure on. So I would encourage businesses to have measures that they review with their senior leadership, and work it right down through the organization. It's just like politics. Hiring is local in our organization.

And it's amazing how you move the needle just by that. And the other organizations we can work with, I guess I would defer to my colleagues.

Mr. Mitchell. Well in terms of business engagement, I think that one of the things that we are doing that Mr. Deabay mentioned is our Veterans Business Representatives that are out there to engage those businesses.

And as Mr. Gallucci mentioned, that when we bring veterans into events, and we recently participated in an event that CHEA sponsored, they really are hiring fairs. They are there to get jobs—they are there to hire veterans on the spot, and we prep them to do that.

Representative Maloney. Very briefly, the tax incentive that we passed expires at the end of 2013. Has that tax credit that businesses get for hiring vets, what impact has it had? Is it worth fighting to extend it? Comments from the panelists?

Mr. Gallucci. I would say that it's worth fighting to expand. But what the VFW is—we do have a concern that it is under-utilized by businesses because of the difficulty to access the benefit.

One of the problems—the persistent problems that we see is, not only the paperwork hurdle, but then whether or not a business would actually be able to take advantage of the tax credit because they would not have the requisite taxable income.

What we would prefer to see is not only an extension of the tax credit, but then to make the tax credit a payroll tax credit that the employer can take right away.

And clearing up the paperwork issue would be almost a self-certification where a veteran would have to provide a certain type—a DD214 would be a great example—to demonstrate that they are

an eligible veteran. And then it would be audited on the back end similar to the way your taxes are audited.

Representative Maloney. Okay. And how much of a tax credit is it? Is it meaningful? How much is it? I just know there's a tax credit. How deep is the tax credit?

Mr. Gallucci. For small businesses, it would be very meaningful, depending—it varies based on what level of eligibility you are. So if you're a recently discharged disabled veteran, that would be the maximum benefit. And it's less as you go through the different——

Representative Maloney. What is the maximum benefit?

Mr. Gallucci. I believe—and correct me if I'm wrong—I believe it's $9,600, $9,600. So for small business owners, it would be a significant benefit.

Representative Maloney. My time has expired. Thank you.

Vice Chair Klobuchar. Mr. Deabay, did you want to say something else?

Mr. Deabay. I also wanted to say that all of my job coaches issue conditional certifications for the work opportunity tax credit. And then my business reps also contact employers about utilizing that, and helping them through the paperwork, which may not be as cumbersome as people may think, but the perception on the employer's side is that it is cumbersome.

But we do issue that conditional certification, and it is way under-utilized.

Vice Chair Klobuchar. Okay. Very good.

Representative Maloney. Why do you think it is so way under-utilized when businesses could use it? Why is it under-utilized?

Vice Chair Klobuchar. Mr. Fowke.

Mr. Fowke. I can just speak for Xcel Energy, and we might be a bit of an anomaly, although perhaps we are not based upon the other comments, and we do not really have the tax appetite. We will have one in the future, but for a number of reasons we don't have it today.

In my opinion, specific to my company, I would much rather see the pre-qualification and the work put in the certifications. Because if they're qualified, we're going to hire them.

Vice Chair Klobuchar. Okay. Very good.

Representative Paulsen, you had some additional questions?

Representative Paulsen. Yes, I just have an additional question.

Mr. Deabay, in your testimony you kind of highlighted the potential problem almost of success in your job. I think you mentioned—essentially it's this: If you do your job well, and veterans find employment, agencies like yours are likely to receive less funding. And some of this is natural, right, because fewer unemployed veterans should require fewer services. Yet, this is a good outcome that would seem to result in punishment through less funding potentially.

So have you given a little bit of thought to how you would balance that type of difficulty? And are there reward structures that should be put in place, for instance, that might be worth considering as resources are scaled back? Maybe you'd want to touch on that, or Mr. Mitchell, or Mr. Deabay?

Mr. Deabay. Yeah, I mean you are exactly right. The way the funding formula works—I mean, it is a long, complicated, drawn-out paragraph that basically if you succeed and you help a lot of veterans, exactly like you said, find employment, the funding is based on those veterans looking for work that are compared to other states. So, yes, the better you do the less funding potentially you could receive, and the worse you do potentially you could receive more funding.

There is also one percent of our grant that is geared towards performance. And regardless of if a state is successful or not, they receive that one percent. So I just think discussions need to be talked about to how do we leverage that one percent? How do we do this funding formula where it also has the performance element? The fact that you're doing a good job should mean that you should not be penalized by receiving less funding.

But I think it can get very long and can get very complicated. But I think discussions need to be made on that formula and what should it look like.

Representative Paulsen. Good. Thank you.

Vice Chair Klobuchar. Very good. I want to thank everyone so much. This was helpful. For our report, I want to thank our staff for the work that they did on the report and putting together this hearing. And also all of you for being willing to come out.

I think that there has been progress. A lot of it is because of the good work of the people before us that realized we were seeing an inordinately high unemployment rate with our vets.

I think we know, as Congressman Paulsen has pointed out, some of this is tied obviously to the overall economy, and the solutions are tied to that in terms of getting a focus on, from my perspective, more exports, more job training, bringing down our debt in a long-term way to encourage investment and review of our rules and regulations.

I think we agree on a lot of those things. But beyond that, while we have this immediate problem of our vets unemployment, we have seen that progress, that great dramatic drop from 12.1 to 9.9 percent, but 9.9 percent is still too high for our post-9/11 vet.

We appreciate the work of Mr. Fowke and other companies, and the Chamber in making a huge effort in putting the word out there that they want to hire vets. And I think we also know the other piece of this are some things that are doable: Getting credentialed for work that has been done in the military; getting those job skills' training going on not when they land and they are suddenly in Thief River Falls, Minnesota, but while they are still in the Guard, or Reserve, or in Active Duty.

And then finally, in making sure that we embrace our vets not just while they are serving overseas, but we put our arms around them when they return.

So I want to thank you for everything you have done, and we are looking forward to refining the programs that we have and building on the success we have seen, knowing that there is still a lot of work to do.

I wanted to just put one last word in to thank Mr. Fowke and Xcel. As Representative Paulsen knows, we had a series of sort of Armageddon storms in Minnesota with one rainstorm after an-

other, with the biggest outages we had seen. And usually that is not something to be positive about, but in fact Xcel came to the plate and brought people in from all over the country. And while some people were still out of service for a number of days, for some reason Minnesotans decided to be patient and we were able to get through it better than other areas have had, including the one we're in, when we have seen similar storms.

So I want to thank you for that.

Mr. Fowke. Thanks for that acknowledgement. I appreciate it.

Vice Chair Klobuchar. All right. Thank you.

Thank you, everyone. The record will remain open for two weeks, and the hearing is adjourned. Thank you.

(Whereupon, at 11:06 a.m., Wednesday, July 10, 2013, the hearing was adjourned.)

SUBMISSIONS FOR THE RECORD

PREPARED STATEMENT OF HON. KEVIN BRADY, CHAIRMAN, JOINT ECONOMIC COMMITTEE

I would like to thank Vice Chair Klobuchar for choosing the topic of today's hearing, "Building Job Opportunities for Veterans."

Every Member of this Committee honors the men and women who have served in our nation's armed forces. Since the enactment of the Servicemen's Readjustment Act of 1944, popularly known as the "G.I. Bill," Congress has pledged to help veterans pursue their ideal of the American dream. Congress remains committed to helping veterans make a successful transition to civilian life, caring for the wounded, and assisting the disabled and their families.

Today's hearing focuses on a key portion of that commitment—helping veterans find jobs. There are numerous federal and state programs designed to help veterans secure a college education and training; take advantage of what skills they learned in the armed forces and find gainful employment in the private sector.

Broadly speaking, employment trends among recent veterans follow employment trends among the entire working-age population. Indeed, the twelve-month moving average unemployment rate for all veterans of 6.7 percent is slightly lower than the overall unemployment rate of 7.6 percent in June. Therefore, the general condition of our economy affects the level of employment among veterans as much if not more than specific programs designed to help veterans find jobs.

The Growth Gap—which is the difference between economic performance in the current recovery and an average recovery since World War II—hurts the employment prospects of both veterans and non-veterans. This recovery, which is four years old this month, is the weakest in seven decades. Consequently, the United States has $1.2 trillion less in real GDP and 3.9 million fewer private sector jobs than the U.S. would have had in an average post-war recovery. In terms of real disposable income per capita, this anemic recovery has generated about $2,800 less in income after inflation and taxes for every American than an average post-1960 recovery would have generated.

Why are we suffering from a Growth Gap? Business investment in new buildings, equipment, and software drives private sector job creation. Compared with previous recoveries, real business investment has been weak—after five and one-quarter years, it still remains 3.9 percent below its pre-recession peak.

A lack of liquidity and high interest rates are not restraining business investment. Commercial banks have over $2 trillion in excess reserves sitting at the Fed that could be lent to America's entrepreneurs. America's non-financial corporations have another $1.5 trillion in cash sitting on the sidelines. And interest rates remain at near historic lows. The Federal Reserve has done all that it can through monetary policy to help this recovery.

Local businesses tell us—over and over again—that Washington's tax, regulation and deficit policies which President Obama continues to pursue are generating uncertainty that is deterring America's entrepreneurs from making the investments that would create millions of good jobs for veterans and non-veterans alike.

Nobel laureate Albert Einstein defined insanity as "doing the same thing over and over again and expecting different results." Four years after this feeble recovery began, it is clear that the current mix of economic policies is not working.

What must be done to close the Growth Gap and ensure that the 21st century is another American Century? The bottom line is that we must get our act together in three major areas of economic policy:

- We must reduce federal spending and federal debt as a percent of GDP, and we must pursue pro-growth tax and fiscal policies that give businesses the incentive and confidence to invest in buildings, equipment and people.
- We must overhaul the federal regulatory process to ensure necessary regulations are balanced and cost-effective.
- We need to return to a predictable, rules-based monetary policy that maintains the purchasing power of the U.S. dollar over time.

Those basic changes will spur the U.S. economy and help our veterans find gainful employment which, for all the sacrifice they've made for our country, they deserve. With that, I look forward to hearing the testimony of the witnesses.

STATEMENT OF RYAN M. GALLUCCI, DEPUTY DIRECTOR, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES

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 that 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.

STATEMENT OF KYLE MITCHELL, DEPUTY EXECUTIVE DIRECTOR, TEXAS VETERANS COMMISSION

GREETING

Good Morning, Chair Brady, Vice Chair Klobuchar, and Members of the Committee. For the record, my name is Kyle Mitchell, Deputy Executive of the Texas Veterans Commission. On behalf of our Executive Director, Thomas Palladino, our Chairman, Eliseo "Al" Cantu, and the Commissioners of the Texas Veterans Commission, I would like to thank the Committee for this opportunity to testify before you today and for your interest in the efforts the state of Texas has undertaken in order to serve the 1.7 million Veterans in our state.

I am accompanied today by Mr. Shawn Deabay, Director of the Texas Veterans Commission's Veterans Employment Services (VES) program. Mr. Deabay has worked in the VES program for nearly 13 years, working his way up from entry-level field staff as a Disabled Veterans Outreach Program (DVOP) Specialist and then as a Local Veterans Employment Representative (LVER). In 2007, he was named the Texas LVER of the year by the Texas Department of the American Le-

gion and recognized as the National LVER of the Year by the Disabled American Veterans (DAV). After being promoted to Regional Manager for the East Texas Region, his region won the Veteran of Foreign Wars (VFW) Employment Distinguished Services Award. He went on to become the program's Operations Director, and in 2011, was named Program Director. As a result, he can speak to specifics of this program from a perspective few possess.

My testimony will provide: (1) an overview of our agency programs, (2) background on the Veteran employment trends that make Veteran employment programs critical, (3) information on our Veteran Employment Services program with recommendations for improving the federal funding that supports that program, and (4) two successes of the Texas Model that impact Veterans employment: Veteran Entrepreneurship and Veteran Education.

Mr. Deabay's testimony will provide you with recommendations for improving the federal investment in Veterans employment as well as the "secrets" to Texas' successful implementation of its Veterans Employment Services program.

TEXAS VETERANS COMMISSION

The Texas Veterans Commission is the advocacy agency for Veterans in the State of Texas. Our mission is to advocate for and provide superior service to Veterans in the areas of claims assistance, employment services, education, and grant funding that will significantly improve the quality of life for all Texas Veterans, their families and survivors. The Texas Veterans Commission provides these services through four program areas: Claims Representation and Counseling, Veterans Employment Services, Veterans Education Program, and the Fund for Veterans' Assistance.

No other state has centralized all of these program areas within their state's Veterans agency. This consolidation is a key to our success, allowing us to concentrate all of our efforts and resources on Veterans with a focus not possible when these programs exist as components of larger agencies.

Texas is becoming recognized for aggressively leading on Veteran issues. National leaders have referred to the "Texas-model" when advocating for the integration of Veterans services.

VETERAN EMPLOYMENT TRENDS

Veteran employment trends underscore the reason that Veteran employment programs are so important.

In Texas, businesses understand that Veterans make great employees. The military has already made a significant investment in individual job training and Veterans have demonstrated the ability to learn new skills. Veterans have also demonstrated proficiency in these skills in stressful and rigorous conditions (i.e. combat, remote locations).

Despite this reality, as you know, Veterans tend to face significant challenges to employment when transitioning from the military to the civilian workforce. The end of combat operations in Iraq, a decreased military presence in Afghanistan, and force shaping measures announced by the Department of Defense in January 2012 have swollen demand for Veteran employment services. We have seen this narrative played out on the ground in Texas. As recently as June 25th, the Department of the Army announced plans to reduce the number of active-component Brigade Combat Teams from 45 to 33 by 2017, a reduction of 80,000 soldiers. Approximately 17% of this total reduction impacts Texas directly, with reduction of a Brigade Combat Team each from Fort Hood in Killeen and Fort Bliss in El Paso.

Gulf War II Era Veterans, especially, those recently separated veterans from the Iraq and Afghanistan conflicts, are facing challenges to employment at a greater rate than the general Veteran population. While at 7.2% for the month of June (2013), the national unemployment rate for Gulf War II Era Veterans has remained at or above 10% for 26 of the past 36 months, peaking at 15.2% in January 2011.

Female Veterans are another segment of the Veteran population that has experienced recent employment challenges. While we have seen some gains among male Gulf War-era II Veterans, their unemployment rate fell by 2.5 percentage points to 9.5 percent from 2011 to 2012, the rate for female veterans, at 12.5 percent in 2012, was little different from the prior year. Some contributing factors to this trend among female Veterans may include that employers have an outdated understanding of women's role in the military, women Veterans may not be aware of and obtaining the services and benefits that are available to them, and women Veteran's status as a care giver for children can conflict with employer needs.

VETERAN EMPLOYMENT SERVICES

These Veteran employment trends demonstrate the importance of the active and critical role that Congress has taken in providing employment resources for Veterans to the states through multiple workforce programs including the Jobs for Veterans State Grant (JVSG) through the Department of Labor, Veterans' Employment and Training Service (DOL–VETS). Through the JVSG, the federal government provides approximately $168 million to the states to support Veterans employment.

The Texas Veterans Commission's Veterans Employment Services Program executes the JVSG, for the State of Texas. This program assists Veterans with obtaining long-term meaningful employment.

Last year, the Texas Veterans Commission received $12.2 million from DOL–VETS through the JVSG which funded 170 Veteran Employment Representatives located in 92 workforce centers throughout Texas.

In the most recent reporting period, the program assisted 69,080 Veterans with 38,714 of those Veterans obtaining employment. As a result of these efforts, 221 Veterans obtained employment for every one Veteran Employment Representative. While Texas receives 7% of JVSG total funding nationwide, the state accounts for 18% of the nation's Veterans receiving services entering into employment.

Based on our success with the JVSG, Mr. Deabay and I will be sharing four recommendations for improving the JVSG:

1. Improve communications
2. Seek input from successful states
3. Reward performance through funding formula adjustments
4. Promote innovative programs

Let me focus on the issue of funding as there are two issues that would ensure that the $168 million investment that Congress makes in our Veterans is best utilized:

1. Include Performance in the Funding Formula

Currently, the funding formula utilized by DOL–VETS for the JVSG program allocates funding through a ratio, comparing the total number of Veterans residing in the state that are seeking employment to the total number of Veterans seeking employment in all states. A state's performance is not taken into account at any point in the funding formula. Thus, states are essentially penalized for high performance. When a state performs well by assisting a high number of Veterans locate and retain employment, the number of unemployed Veterans in that state falls, lowering the ratio by which that state is funded, equating to less funding. When a state performs poorly with fewer Veterans entering into employment, the number of unemployed Veterans rises or continues to be high, thus increasing the ratio and equating to additional funding. Performance should be taken into consideration when allocating funds to incentivize states to elevate their performance. Ignoring states' performance overlooks an opportunity for DOL–VETS to reward success and fuel innovation in states whose programs are producing effective employment outcomes for Veterans.

2. Funding for Performance Should Reward Performance

In addition, one percent of the current funding must be used for performance. Some states provide boards with the money received for performance while others provide that money to JVSG-funded staff or partners doing great things for Veterans employment. All states receive this one percent regardless of the state's performance. If a state is performing well below the national average or well below their negotiated goals, the state will continue to receive one percent as outlined by the attachment. States not performing at a high level should not receive performance funding. This money should be given to states performing well to encourage innovation and enhance their ability to provide long-term meaningful employment to Veterans.

As Mr. Deabay will speak to the other issues to improve the JVSG, I would like to address two additional areas of the Texas Model that impact Veterans employment: Veteran Entrepreneurship and Veteran Education.

TVC VETERAN ENTREPRENEUR PROGRAM

There is another innovative component to meeting the Veteran employment need in Texas. In April 2012, the Texas Veterans Commission launched a pilot Veteran Entrepreneurship program which has hosted a series of seven seminars throughout the state and assisted over 1,000 Veterans towards entrepreneurship.

Based on the success of this pilot program, and because of the overwhelming interest from Veterans in starting and expanding their own businesses, the Texas Legislature recently passed legislation to permanently establish and fund the Vet-

eran Entrepreneur Program at the Texas Veterans Commission to foster and promote Veteran entrepreneurship and business ownership.

The U.S. Small Business Administration has been a valuable partner in this effort, but serves a population of over 23 million Veterans nationwide through a network of only fifteen (15) Veteran Business Outreach Centers. Again, when Veteran services are just components of larger efforts, those programs are normally not given the focus and priority needed to be as effective as possible. Considering the amount of effort required to identify, locate and communicate to Veterans, it is understandable that Veterans would fall through the federal "entrepreneurial cracks."

Leveraging the "Texas Model," the Texas Veterans Commission's Veteran Entrepreneur Program is able to engage Veterans at the "point of contact" as Veterans use our employment and VA claims services. This approach has led to the significant, rapid success of our entrepreneur program and will serve to expand the number of Veteran-Owned Businesses in the state.

VETERANS EDUCATION IMPACT ON EMPLOYMENT

Veterans education benefits directly impact the Veteran employment picture as well. Veterans separating from the military often choose to utilize educational benefits afforded them as the result of their service in order to acquire new skills or enhance and formalize skills they already possess, thus making them more competitive in the employment market.

The Texas Veterans Commission is the State Approving Agency (SAA) for federal education benefits in Texas. Because of the historic state role in the education of its citizens, State Approving Agencies were the primary source for the U.S. Department of Veterans Affairs in assuring accountability for institutions of higher education while maintaining the state's authority to approve, disapprove, and monitor education and training programs for Veterans. Public Law 111–377, enacted in January 2011, shifted authority for approval of programs for which eligible Veterans and their families could use the GI Bill educational benefits from the states to the U.S. Department of Veterans Affairs. As a result, states are more limited in their ability to ensure the quality of these programs, which may ultimately impact the employability of the Veterans.

Another valuable federal educational benefit is On-the-Job Training (OJT) Program, which is an alternative way for Veterans or eligible family members to use VA (GI Bill) education benefits. OJT is training which Veterans receive while actually performing a job and earning wages. If the program is approved by the Texas Veterans Commission, Veterans may utilize their GI Bill education benefits while in training. TVC currently has 276 employers with approved OJT programs including the Texas Department of Public Safety/Texas Highway Patrol, U.S. Customs & Border Patrol, Austin Police Department, Dallas Fire Rescue, Schlumberger Technology Corporation, and Southwest Airlines.

In Texas, eligible Veterans and family members receive an exemption from the cost of tuition and fees for up to 150 credit hours at a state institution of higher education through the Hazlewood Exemption. Moreover, the Texas Legislature has allowed the unused portion of this benefit to be transferred to an eligible dependent and just designated funding in order to make this benefit to Texas Veterans and their families sustainable for years to come. Congress should consider similar changes to the transferability of Post 9/11 GI Bill benefits as a tool to assist in the employment of the family members of Veterans, which is intricately related to the issue we are discussing today.

CLOSING

The state of Texas is leading on Veteran issues. The Governor, Lieutenant Governor, and the Texas Legislature demonstrated their commitment to the Veterans of Texas this past legislative session by passing a number of key legislative initiatives for Veterans and by obligating significant funding for programs to assist Veterans in our state. State leaders deserve recognition for taking bold actions to serve the Veterans of our state.

Veterans in Texas are also served by an active Congressional delegation that continually seeks to improve the services and benefits provided to them.

Our goal at the Texas Veterans Commission is to assist as many Veterans as we can while continuing to provide high-quality services. There will be thousands of military service men and women coming home over the next few years, which will increase the need for our services. We owe it to our nation's heroes to assist them with their employment needs when they come home. Employment stabilizes Veterans and their family's lives allowing them to make the difficult transition from military to civilian life.

Recently, some have voiced concerns regarding the effectiveness of the JVSG concept, leading some in the Veterans community to advocate for the consolidation of multiple workforce programs.

The Texas Veterans Commission has demonstrated the capability to have a positive impact on Veterans employment issues. With the support of this Committee, we believe that the JVSG program and the VES program in Texas can continue to develop innovative and effective ways to improve the employment services provided to Veterans in our state.

Again, I want to thank you for the opportunity to testify before you today. Thank you for the work you are doing, and will do, on behalf of Texas Veterans, and all Veterans, of this nation's Armed Forces.

STATEMENT OF SHAWN DEABAY, DIRECTOR, VETERANS EMPLOYMENT SERVICES, TEXAS VETERANS COMMISSION

INTRODUCTION

Good Morning, Chair Brady, Vice Chair Klobuchar and Members of the Committee. My name is Shawn Deabay and I have the privilege of serving as the Director of Veterans Employment Services at the Texas Veterans Commission. As such, I am responsible for the management and execution of the Jobs for Veterans State Grant (JVSG) from the U.S. Department of Labor Veteran Employment and Training Services (DOL–VETS) for the state of Texas. This is an equivalent position to a Veterans State Coordinator in other states.

Some have become disillusioned with the JVSG concept, contemplating a complete overhaul of the program or its consolidation with other employment initiatives. I voice caution with this view, primarily because, over my 13 years with the program, I have seen the program in Texas evolve from just another marginally performing state to, since 2006, successfully implementing the JVSG programs with unparalleled performance outcomes. As the result of my experiences at every level within the organization, I believe the JVSG concept is sound, and, properly implemented, can yield highly successful results. However, there are things that both DOL–VETS and other states can do to drastically improve the JVSG program.

My testimony provides some recommendations for improving JVSG, which include:

1. Improve communications
2. Seek input from successful states
3. Reward performance through funding formula adjustments
4. Promote innovative programs

My testimony also provides some factors to Texas' successful implementation of the JVSG program, including:

1. Supportive structure
2. No competing priorities
3. Veterans serving Veterans
4. Focused outreach to employers
5. Building strong partnerships

RECOMMENDATIONS FOR IMPROVING THE JOBS FOR VETERANS STATE GRANT (JVSG)

1. Improve Communications

There needs to be healthier communication between the leadership at DOL–VETS and the appropriate state agency that administers JVSG for the state. Currently, the communication does not flow with either efficiency or consistency. The main way in which DOL–VETS communicates with states is through rules in the form of Veteran Policy Letters (VPLs) to the states. The focus of these policy letters have included roles and responsibilities of the Local Veteran Employment Representatives and the Disabled Veterans Outreach Program specialists, state plan modifications, negotiated performance goals, and others.

There has not been a single Veteran Policy Letter distributed to states since June of 2012. July 1st was the start of the JVSG's second program year with no negotiated performance goals for any state. In August 2012, DOL–VETS announced an imminent Veteran Policy Letter completely overhauling the roles and responsibilities of the Local Veteran Employment Representatives and the Disabled Veterans Outreach Program specialists. Despite advising states to alter their state plans based on the contents, no further written guidance has been provided this year.

An example of this communication: REALiflines was an initiative funded by DOL–VETS to assist severely injured soldiers. The Texas Veterans Commission had three staff dedicated to this cause. Our REALiflines coordinator for El Paso, Texas, was

e-mailed directly by leadership within DOL–VETS at the beginning of December 2012 that the program would be discontinued. Two weeks passed before DOL–VETS officially notified the Texas Veterans Commission of their decision to end the program on December 31, 2012, leaving three Disabled Veteran Outreach Program specialists without employment following the Christmas holidays. Fortunately they were able to continue employment with the Texas Veterans Commission as the result of other vacancies. Otherwise, we would have had to let them go.

2. Seek Input From Successful States

States consistently performing at a high level should be called upon to provide input to DOL–VETS. Best practices should be shared and discussions held to continue to explore innovative ways to improve employment services to veterans. There are states with incredible processes to ensure veterans have every resource available to locate and retain long-term employment.

A formalized group of successful small, medium, and large states should gather to provide DOL–VETS with input about what is working well, what is not working well, and what the future of the program should look like. Gathering information from successful states, those actually implementing the programs, can only improve how veterans are being served across the nation.

3. Reward Performance Through Funding Formula Adjustments

DOL–VETS provides funding to each state based on the number of unemployed veterans as compared to the number of unemployed veterans in other states. Attached you will find the latest funding estimates for fiscal year 2013. Essentially, one could argue that states are penalized for high performance. When a state performs well by assisting a high number of veterans to locate and retain employment, the number of unemployed veterans in that state falls, lowering the ratio by which that state is funded, equating to less funding. When a state performs poorly with fewer veterans entering into employment, the number of unemployed veterans rises or continues to be high, thus increasing the ratio and equating to additional funding. Performance should be taken into consideration when allocating funds to incentivize states to elevate their performance.

Furthermore, one percent of the current funding must be used for performance. Some states provide boards with the money received for performance while others provide that money to JVSG-funded staff or partners doing great things for veterans employment. All states receive this one percent regardless of the state's performance. If a state is performing well below the national average or well below their negotiated goals, the state will continue to receive one percent as outlined by the attachment. States not performing at a high level should not receive performance funding. This money should be given to states performing well to encourage innovation and enhance their ability to provide long-term meaningful employment to veterans.

4. Promote Innovative Programs

DOL–VETS seems to be on the verge of many new helpful initiatives for veterans. One example is recent efforts to help female veterans with their unique employment struggles. Labor Department officials have launched a new website devoted to issues and challenges affecting women veterans. Since announcing this as a priority a new website was launched that addresses potential barriers to employment that can prevent women veterans from reaching their full economic potential. The site also contains links with information on employment opportunities, education and health care options and data from the Bureau of Labor Statistics and other government agencies. Also, the Department of Labor announced a position created solely to focus on female Veteran employment issues. Since the Bureau of Labor Statistics 2012 Annual Report on the employment situation of veterans noted that women veteran unemployment rate continues to be higher than both their female non-veteran counterparts and male veteran counterparts this increased focus by Department of Labor

FACTORS TO TEXAS' SUCCESSFUL IMPLEMENTATION OF JVSG

1. Supportive Structure

Within the Texas Veterans Commission, the Veterans Employment Services program has a clear and efficient organizational structure. There is a direct reporting structure that gives the Texas Veterans Commission the ability to be very responsive to either concerns or policy changes. Changes or implementation of policies and procedures are addressed in a timely and effective manner. There are not multiple levels of supervision hindering the decision making process. Within the program, the entire supervising structure is comprised of veterans, basically veterans supervising veterans, which has proven to be extremely effective. Many states have too

many levels of supervision to be able to be proactive or respond in enough time to make a difference. Many other states also have non-veterans supervising veterans, which we believe to be not as effective.

Such a supervising structure also allows for training to be implemented in a timely manner. Our training is organized state-wide ensuring identical training is provided to all Veterans Employment Representatives regardless of their location. Training is one of the most important aspects of performing at a high level. Consistent and unified training objectives are communicated with optimal results due to our supervising and reporting structure.

Response time is also improved with a streamlined supervisory structure. When Veterans Employment Representatives have questions/concerns or best practices, they can communicate to me as the Director of Veterans Employment Services within moments. Quickly responding to staff is extremely important and should not be understated. Staff wants to be heard and wants to make a difference in the lives of Veterans and their families.

Another item which falls into our structure is the ability to assign challenging, but attainable performance standards to all Veterans Employment Representatives. The current Veterans Employment Staff performance standards were actually designed by a working group comprised of Veteran Employment Representatives working to translate DOL–VETS performance measures into individual standards. Employment staff input is a vital part of any decision making process. Veterans Employment Representatives have a clear understanding as to their role within the Texas Veterans Commission and America's Job Centers. This ensures that what is best for the veteran always stays at the forefront of any decision.

2. No Competing Priorities

My singular purpose is ensuring veterans in Texas receive the employment services they have earned by defending our country. There is no more deserving of a group than veterans to receive our very best services. Many Veteran State Coordinators oversee multiple programs dividing the attention to Veterans Employment Services. Veteran employment should be the complete focus of the Veterans State Coordinator. Dividing focus with other programs is not providing veterans with the attention and commitment they have earned and deserve. The majority of the State Coordinators I have met and worked with are extremely passionate about veterans employment issues. However, many are not allowed to commit 100% of their time to this effort.

The majority of the states have America's Job Center Managers in control over Veterans Employment Representatives staff. While some of these managers do a good job, many do not. This may not be the fault of the center manager, but due to competing priorities. Veterans are a small share of the population needing employment services. There are a number of programs within America's Job Center which require much attention. This takes away from 100% commitment and dedication to Veterans Employment Services. The structure and mission of the Texas Veterans Commission allows veterans needs to be the most important.

3. Veterans Serving Veterans

Assessing veteran's needs is an important first step in a Veterans Employment Representative's job duties. This extremely important function includes a one-on-one, in-depth evaluation to identify significant barriers to employment. Veterans Employment Services staff is specifically trained to identify these barriers and a plan to address the needs. In Texas, all Veteran Employment Services staff members are veterans themselves and there is immense value in veterans being served and assisted by fellow Veterans. This makes every Veterans Employment Representative a walking success story!

Veterans have proved by their very service their willingness to work hard. In an economy with stiff competition for every job opening, and reluctance on the part of many employers to even consider the unemployed, the challenge is getting informed guidance from an honest broker about how to get a foot in the door of an employer at a time when the rules of looking for a job have changed dramatically.

Due to shrinking resources the trend in employment services is to discontinue one-on-one job coaching in favor of group workshops and internet tools. Sites like My Next Move (www.mynextmove.org) and the Veterans Job Bank (www.nrd.gov) encourage Veterans to research occupations, required skills, and open jobs using the Internet. However, many Veterans are at a disadvantage relying solely on these tools. Veterans find it difficult to have their valuable military experience recognized in the private sector. Also, frequent moves often leave Veterans without a network of professional contacts in the areas they locate to separating from the military. Simple guidance about how to get a foot in the door of an employer is usually what

most veterans need to get employed. Veterans have earned the right for one-on-one job coaching and simply referring a veteran to internet sites is not enough.

4. Focused Outreach to Employers

Not only is one-on-one service with veterans important, but one-on-one service with employers can be just as important. Employer outreach is another vital part of the Texas employment equation. Employers want to know how to locate and find qualified veterans to fill job vacancies. Many employers do not know each state has a Veterans Employment Services program. More needs to be done to market our services to the public with an emphasis on employers. Each state receives funding from DOL–VETS to operate the JVSG program, but monies cannot be used for marketing purposes. This leaves states to create other methods of getting the word to veterans and business hiring managers. Bottom line is that more employers and veterans need to know who we are and what we do. According to a study performed by the Society for Human Resource Management, 68% of Human Resource Professionals polled were not at all familiar with Veterans Employment Services. Only 4% were very familiar and utilize Veterans Employment Services.

The Texas Veterans Commission enhanced the role of four Veteran Employment Representatives designating them as Veterans Business Representatives. The Veterans Business Representatives are strategically located in Houston, Dallas/Fort Worth, San Antonio and Austin and are vested in building relationships with large companies and influential Texas employers in an effort to promote the hiring of highly qualified Veterans. This initiative's strategic approach has three phases. The first phase was to make initial contacts with Texas Workforce Commission business service units, and managers. Outreach to employers and employer organizations such as Society for Human Resource Management and local Chambers of Commerce was essential in marketing Texas Veterans Commission employment services. Through media coverage and active marketing, the Texas Veterans Commission has been inundated with employer phone calls and email correspondence from across Texas and the nation, eager to hire skilled Veterans.

It is impossible to underestimate the value to a business of efficiently finding the right fit for job vacancies, therefore phase two includes increasing the hiring rate for Veteran job referrals. Helping employers fill job vacancies provides the greatest potential to positively affect employer relations and improve the well-being of all Veterans. In coordination with the Texas Workforce Commission, our staff will work to increase fill rates for Individualized Job Developments and WorkInTexas.com job postings. From start to placement, staff communicates that our goal is obtaining meaningful employment for our Veterans. The message to Veterans, qualified spouses, community and partners is "we are here to help you find, get, and keep a job." Two tools used to meet this objective are improved applicant tracking and increased employer follow up.

A critical component of the placement process is increasing rapport and confidence between the Veteran Employment Representative and the employer. In order to be successful, employers must understand that the Veteran Employment Representative is invested in successful placements—placements where both the employer and Veteran employee are satisfied. Providing quality hires is key to developing that confidence with employers or potential employers throughout the state.

5. Building Strong Partnerships

The Texas Veterans Commission does not accomplish such high success alone. Working relationships with DOL–VETS and the Texas Workforce Commission are an essential part of Texas' achievements. Partnership and collaboration are two of the most valuable tools any employment service organization has. The non-Veteran Employment Services workforce staff of our partners at the Texas Workforce Commission faces budget challenges of their own. Each year funding is stagnant, while costs to deliver services continue to rise. Each year boards must reduce the number of staff to keep up with costs. Maintaining a positive working relationship with Local Workforce Boards and working as an integral partner in the Workforce Centers is crucial to overcoming this challenge.

We also challenge our Veterans Employment Representatives to know all of the resources available for Veterans within their local community, including but not limited to the Veteran Service Organizations. Some cities have many services available for Veterans to help them overcome barriers to employment, while others do not. Our staff is responsible for not only knowing the resources available, but to have a point of contact. We do not simply refer a veteran to a partner. Instead, we may make that connection for the veteran to ensure they are taken care of properly.

CHALLENGES

There has been national concern with federal employment programs, including the Veterans Employment Services program. These concerns have led some in the Veterans community to support legislation which would consolidate multiple job training programs into one, essentially deemphasizing the Veteran Employment program and not giving Veterans Employment the attention it deserves and needs to succeed. Veterans services will always fall behind in a priority list towards providing basic services to the general population. The successes the Texas Veterans Commission has achieved in veterans locating and retaining employment through our decision making process and guiding principles should be considered as changes to veterans employment programs and considered by other states Congress.

CLOSING

We have been tremendously successful placing well over 38,000 Veterans into employment as reported by Department of Labor, Veterans Employment & Training. However, the real success is the impact the Jobs for Veterans State Grant has on Veterans and their families. I have a quick story I would like to share with you regarding a personal experience of mine when I was a Disabled Veterans Outreach Program Specialist in an America's Job Center.

There was a homeless Veteran living in his car in the parking lot of the center I was working at. I learned of this gentleman when I got to work one day and he was looking for assistance. I learned of his barriers to employment, which included homelessness, lack of food, no place to clean-up, and a perceived lack of skills. We decided to work on an employment plan together with strategies to overcome these barriers. The key to this is that we worked on this plan together, a partnership between the two of us.

- We addressed housing by getting him a room at a faith-based organization. This was a challenge as he didn't like some of the restrictions that were in place by that organization.
- We were able to get him some food.
- Then we started an analysis of his skills and interests. After much deliberation, truck driving came to the forefront.
- We worked through available truck driving schools and training facilities.
- He was not used to being on a plan or having set goals to achieve, but I believe made obtaining employment realistic.

At the end of the process, this Veteran was employed at an over-the-road truck driving company and was able to live in his truck, which seemed to be his biggest joy of the job. He would send me e-mails from his truck whenever he was passing through East Texas thanking me and how happy he was. This is what it's all about and makes me appreciate my job even more. One-on-one service to Veterans . . . they have earned this right!

PREPARED STATEMENT OF BEN FOWKE

Thank you, Vice Chair Klobuchar. It is a pleasure to be here this morning before this distinguished panel. I am especially delighted to be with you and Chairman Brady, given our operations in both Minnesota and Texas.

My name is Ben Fowke, and I am chairman, president and chief executive officer of Xcel Energy, a public utility holding company headquartered in Minneapolis, Minnesota. We serve 3.4 million electricity customers and 1.9 million natural gas customers through in eight Western and Midwestern states.

I appreciate this opportunity to talk about Xcel Energy's commitment to hiring our nation's veterans. This is an important and timely conversation for us to have, and I appreciate the Committee's focus on this issue.

Roughly 12% of Xcel Energy's 11,000 employees are vets and veterans are even better represented on our management team. While we are proud of that performance, we want to do better. For example, we know that our veteran employees generally are not post-9/11 vets, so absent our intervention, we could lose ground. Our experience is similar to that noted in this Committee's report on "Building Job Opportunities for Returning Veterans"—that is, the veterans we hire tend to be in the older, mid-career cohort, as opposed to the younger, fresh-out veterans. Yet over half of our hires each year are filled with people in the 25–35 age group, so there is great opportunity to change that result.

I am committed to driving that change and will be working within our company, within our industry, and with policymakers like you so that we become a model of a veteran-friendly company.

I will share with you my thoughts on those points, but let me start with why we set that goal for ourselves: Simply put, hiring vets makes good business sense.

Veterans have skills and leadership qualities that help us succeed in our mission of delivering safe, reliable, and clean energy at an affordable price. Our industry faces significant need for new, qualified employees, as over half of our workforce is eligible to retire over the next 10 years. We offer challenging, rewarding jobs at competitive pay, and enhancing our ability to tap a pool of qualified, skilled candidates will better position us when filling those positions. It only makes sense that we find the best ways to identify, attract, hire, and retain the talent that vets offer.

I will briefly highlight what we are doing both within our company and within our industry, and then offer suggestions for how we can improve veteran hiring practices.

Internally, we have made veteran hiring a priority throughout the company and have worked to address various obstacles for doing so. One key gap has been the ability to translate military skills to job requirements, with the veteran unable to articulate his or her experience and skills that fit our positions and the hiring leader unable to recognize the military experience that is comparable to the work we do.

To address this gap, we have developed a "translator" on our career website to help both applicants and our hiring leaders better understand the types of military experience and how they apply to our various job openings. We are focusing on linesmen, plant operation and maintenance workers, and engineers—all jobs where we expect to see significant turnover in the coming years. We believe we should be able to find good matches with the skills of returning veterans—but we need to be sure we build a better understanding of military skill sets to take full advantage.

Next, we need to provide a supportive environment to retain that talent. Research shows that veterans stay in their first job after service for two years, but they stay at their next position for over 10 years. That first shift from military to civilian life can be complicated, as expectations regarding civilian work can be somewhat unrealistic, as it is less focused on rank and title than the military. We want to provide an environment that lengthens these tenures, and we need all of our employees engaged in making that happen. To that end, we have developed a series of orientation, training, and leadership development programs to ease the transition.

Within our industry, we have worked to greatly open channels to identify and recruit qualified veterans. We participate in partnerships such as Troops to Energy Jobs, a collaborative effort between the Edison Electric Institute and the Center for Energy Workforce Development, to help us link to available talent. We have also found that using our own veteran employees to recruit at career fairs has proven very helpful in attracting candidates. Other channels and partners, such as Military.com, Corporate Gray, and Hire Veteran, also help us reach potential candidates to fill our available positions.

Finally, we are holding ourselves accountable by creating a dashboard to measure our progress. We know that we focus on what we measure, so we need to keep our eye on our ball and use our performance statistics to identify other actions we can take to further close the gap.

I am very pleased to report that our efforts are paying off. We have been honored to receive awards for our veterans hiring practices, including the 2013 "Most Valuable Employer for Military" by CivilianJobs.com. G.I. Jobs listed Xcel Energy as a "Top Military Friendly Employer" in 2012 and 2013. It is always nice to be recognized, but we also know that there is much more that we can and must do.

To that end, let me offer two suggestions for how we can better work with you—the policymakers—to further strengthen the partnerships to be even more successful.

First, anything that can be done to better identify the linkage between a veteran's military experience and civilian jobs would be helpful. Partnerships between civilian companies and veteran agencies such as the Military Transition Assistance Program can improve the vet's ability to communicate with companies more effectively, and further support of those efforts would be welcome. Such efforts are similar to those we have undertaken for college students in collaboration with St. Cloud State University in Minnesota, helping the students relate their experience to our job openings. I believe there are models available for helping bridge the communication gap, and we should work to put them in place.

Second, it would be helpful if military training could lead directly to civilian certifications. In our industry, valuable certifications include Certified Security Professionals, Plant Operator Licensing, Professional Engineers, Certified Information

Systems Security Professional, CPAs or Certified Internal Auditors. In many ways, such military and civilian jobs have similarities, and providing avenues for veterans to achieve these kinds of certifications would greatly help the transition. Our industry employs a number of highly technical, skilled positions that are extremely competitive right now. Having a larger pool of qualified applicants would be very helpful, particularly as we address the retirement bubble we face.

Let me conclude by making clear that we are committed to this issue at all levels of the business. I believe we have a tremendous opportunity to have veterans continue their honorable service by helping us keep the lights on every day, bringing their leadership and technical skills to add value for our customers and shareholders. We want to work with you and others to make this happen.

Thank you, and I'd be happy to take your questions.

QUESTION FOR THE RECORD FROM SENATOR PAT TOOMEY TO MR. DEABAY, MR. MITCHELL, AND MR. GALLUCCI

- I offered a bill in the last Congress that would require the Department of Labor (DOL) to provide enhanced online resources to veterans searching for jobs. In your opinion, what enhancements, if any, could we make to websites available to veterans at DOL's One-Stop Career Centers to aid their job searches?

RESPONSE TO SENATOR PAT TOOMEY'S QUESTION FROM MR. RYAN GALLUCCI, VETERANS OF FOREIGN WARS

- I offered a bill in the last Congress that would require the Department of Labor (DOL) to provide enhanced online resources to veterans searching for jobs. In your opinion, what enhancements, if any, could we make to websites available to veterans at DOL's One-Stop Career Centers to aid their job searches?

Over the last two years, the VFW believes that the online resources DOL Veterans Employment and Training Service (VETS) makes available to veterans have significantly improved. DOL recently revamped its American Jobs Centers websites, making them more easily navigable for both potential employees and employers. Plus, veteran-specific resources like the Veterans Jobs Bank through the National Resource Directory (www.nrd.gov) and My Next Move for Veterans (www.mynextmove.org/vets) have improved significantly, allowing a veteran to find career opportunities, but also explore the job climate, potential salaries and career outlooks.

However, the VFW agrees that VETS' online resources still have room for improvement. One critical gap is the availability of military Transition Assistance Program (TAP) resources for separated service members. As we outlined in our prepared remarks, service members who are still on active duty cannot reasonably anticipate all of the challenges they may face once the uniform comes off. This means that even if TAP offers all of the information a service member may need to succeed after service, some of it will be ignored until a veteran encounters a specific challenge after service.

The Department of Defense (DoD) has acknowledged this shortcoming and is looking to make TAP resources available via its Joint Knowledge Online (JKO) portal, allowing service members to access them on their own time, should further questions arise. Unfortunately, JKO is not available to veterans since JKO accounts are shut down at the end of time in service. The VFW recommends housing TAP curriculum modules either on the publicly facing VETS and VA websites, where anyone could access them, or on VA's password-protected eBenefits portal, where only enrolled veterans could access them.

The VFW has monitored the DoD/VA/VETS overhaul of TAP and we are generally satisfied with curriculum improvements and plans to periodically update it. However, the VFW also believes that veterans who struggle to find career opportunities must have access to these resources through either VA or VETS channels after service.

ELISEO "AL" CANTU, JR.
Major, US Army (Retired)
Chairman

JAMES B. SCOTT
Colonel, USAF (Retired)
Vice Chairman

THE REV. RICHARD A. McLEON, IV
US Army Veteran
Secretary

DANIEL P. MORAN
Captain, USMC (Retired)
Member

J.K. "JAKE" ELLZEY
Commander, US Navy (Retired)
Member

THOMAS P. PALLADINO
Colonel, US Army (Retired)
Executive Director

TEXAS VETERANS COMMISSION

July 30, 2013

Joint Economic Committee
433 Cannon House Office Building
Washington, D.C. 20515

Dear Committee Staff:

Thank you for the additional opportunity to comment on Senator Toomey's question for the record. While not a specific concern we regularly address, enhanced online resources for veterans are always important, especially when communicating with a younger generation of veteran who tends to get their information from online resources as opposed to seeking information from a service center or Veteran Service Organization. Please see the Texas Veterans Commission's formal response below:

"I offered a bill in the last Congress that would require the Department of Labor (DOL) to provide enhanced online resources to veterans searching for jobs. In your opinion, what enhancements, if any, could we make to websites available to veterans at DOL's One-Stop Career Centers to aid their job searches?"

DOL has several good websites for Veterans such as MyNextMove.org/vets and www.Careeronestop.org/ReEmployment/Veterans. However, they are spread out in several different locations across the internet and usually buried under several different links. A comprehensive site is needed that can be communicated to Veterans as containing a range of information about veteran's benefits, education, employment and health services. While the National Resource Directory (NRD) has attempted to achieve this purpose, the maintenance of such a website is a large undertaking and the links and resources contained within the NRD are often outdated or unreliable, according to feedback from veterans we interact with.

The State of Texas has created an excellent example of such a comprehensive site. The Texas Veterans Portal (http://veterans.portal.texas.gov) is a website hosted by the Texas Department of Information Resources and managed by a Veteran Portal Advisory Council composed of representatives from state agencies and community partners that provide services or advocacy for Texas veterans. The Council has made great strides, and continues to work to make the Portal and the information it contains accessible and relevant, particularly to the younger generation of veterans.

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Another tool that would be of service would be a similar portion of that website for veteran service providers. The Department of Labor and the Bureau of Labor and Statistics, in particular, are responsible for publishing vast amounts of employment and labor data, including data specific to veterans. However, sorting through those reports and archives is tedious work, and professionals in many cases have to know exactly what information they are seeking in order to find useful data. Making such data more readily available and easier to locate enhances the ability of service providers and advocates to use meaningful data in order to advocate for veterans policies.

I hope this information is helpful, please let me know if you have any questions.

Respectfully,

Jeff Williford
Legislative Liaison
Texas Veterans Commission

JOINT ECONOMIC COMMITTEE
VICE CHAIR AMY KLOBUCHAR
UNITED STATES CONGRESS
MAY 2013

BUILDING JOB OPPORTUNITIES FOR RETURNING VETERANS

This Memorial Day, as we remember those who made the ultimate sacrifice in service to our country, we must also ensure that our returning heroes have opportunities to apply their skills, experience and work ethic as they transition to civilian life. The overall veterans' unemployment rate was below the national rate in 2012, and the unemployment rate for veterans who served in the post-9/11 era declined by two percentage points.

Yet, for many recent veterans, finding job opportunities has been more difficult than it should be. While there has been modest progress in the last year, the unemployment rate for post-9/11 veterans remains above the national unemployment rate.[1]

This report examines the employment situation for veterans in the United States, with a particular emphasis on the challenges that returning veterans face as they transition to the civilian workforce. It highlights the demographics of the veteran population and explores how unemployment rates vary by gender, ethnicity, age, education and period of service. The report also examines the differences in veterans' unemployment rates among the states.

The impact of the recession on industries in which veterans often work adds to the difficulty many recent veterans have had in finding civilian employment. Many private-sector industries in which veterans are well-represented were hard-hit by the recession and have not fully recovered, while veterans are underrepresented in industries that better weathered the downturn.[2] Moreover, veterans have higher rates of employment in public-sector jobs than nonveterans, and budget cuts at the federal, state and local levels have the potential to disproportionately affect veteran employment.[3]

Policymakers have taken a number of steps to improve employment opportunities for recent veterans. These include enacting the Post-9/11 GI Bill to modernize and expand educational benefits, implementing training programs to facilitate transitions to the civilian workplace and creating tax credits for employers who hire unemployed veterans. States and localities have also explored a variety of policy approaches to improve employment outcomes for veterans.

But there is more work to be done to ensure that veterans have opportunities in the industries that will drive future economic growth. This will require a continued emphasis on helping veterans obtain the knowledge, skills and certifications required for jobs in fast-growing industries. In addition, policymakers should review the effectiveness of recently enacted programs and consider examples of best practices across the states.

Demographics of the Veteran Population

The veteran population differs from the nonveteran population along a number of demographic lines. There are also differences between veterans overall and veterans who served in the post-9/11 era. **(Appendix Table 1)**

Veterans Overall: Compared to the population who never served in the military, veterans are much more likely to be older and male. Most veterans are male (91%), versus about 44% of nonveterans. Nearly half (42%) of veterans are 65 years old or older and four-fifths (80%) are 45 years old or older. Less than 10% of veterans are under the age of 35. Veterans are also more likely than nonveterans to have graduated from high school, but they are somewhat less likely to have received a bachelor's degree or higher. The race and ethnicity breakdown of the veteran population roughly corresponds to the demographic breakdown of the nonveteran population.

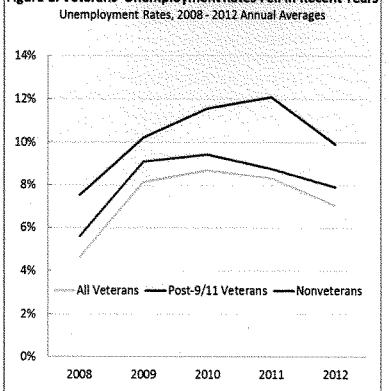
Post-9/11 Veterans: The demographic characteristics of post-9/11 veterans differ from those of veterans who served in earlier conflicts. While men still account for the vast majority of recent veterans (83%), the share of women among post-9/11 veterans (17%) is nearly twice the share of women in the veteran population overall (9%). Recent veterans are younger: nearly 60% of post-9/11 veterans are under 35, while only about 7% are 55 years old or older. Nearly all recent veterans 25 years old or older have a high school diploma (99%), and they are as likely as nonveterans to have a bachelor's degree or higher. Recent veterans are much more likely to have attended some college or earned an associate degree than nonveterans (44% versus 26%). A larger share of post-9/11 veterans are African American compared to the nonveteran population.

Veterans' Unemployment: Overview and Trends

Last year, the overall veterans' unemployment rate stood at 7.0%, lower than the 7.9% rate for nonveterans, and the unemployment rate for post-9/11 veterans declined by more than two percentage points from its recent peak of 12.1% in 2011.[4] **(Figure 1)** This is a testament to the caliber of veterans and the strengths they bring to the labor market. The drop in the post-9/11 veterans' unemployment rate was larger than the drop in the unemployment rate for all veterans or nonveterans.

Post-9/11 veterans, however, still face challenges: nationally, their unemployment rate was 9.9% in 2012, two percentage points higher than the nonveteran unemployment rate.[5] Though policy actions taken to date may be starting to yield results, more work remains to be done.

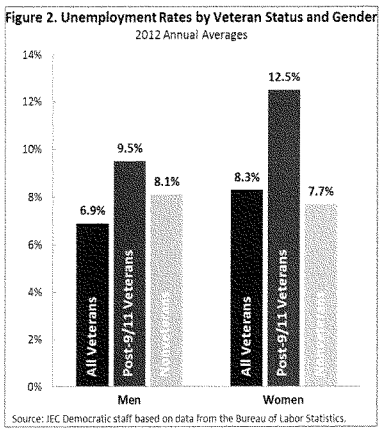
Figure 1. Veterans' Unemployment Rates Fell in Recent Years
Unemployment Rates, 2008 - 2012 Annual Averages

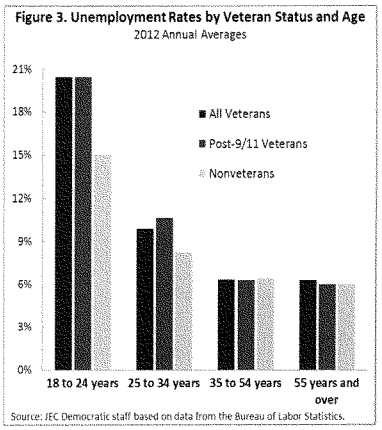


Source: JEC Democratic staff based on data from the Bureau of Labor Statistics.

Gender: While small sample sizes make it difficult to draw definitive conclusions, the data suggest that female veterans have a more difficult time securing employment than both male yeterans and their female nonveteran counterparts. The unemployment rate for female veterans was 8.3% in 2012, compared to 6.9% for male veterans and 7.7% for female nonveterans. **(Figure 2)** Particularly troubling is the unemployment rate for recent female veterans—12.5% of female post-9/11 veterans were unemployed in 2012.

On the other hand, male veterans generally fare better than their male nonveteran counterparts. Last year, the unemployment rate for male veterans stood at 6.9%, more than a percentage point below the 8.1% unemployment rate for male nonveterans. Nonetheless, post-9/11 male veterans continued to face higher unemployment rates (9.5%) than male veterans overall or nonveterans.





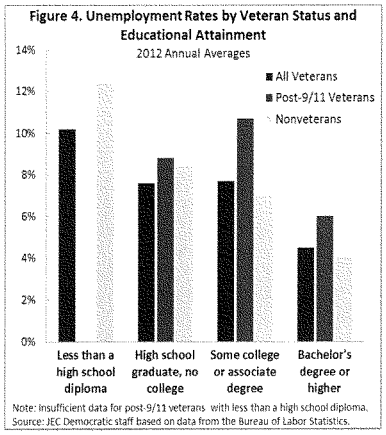
Race and Ethnicity: Differences in unemployment rates across race and ethnicity for veterans roughly correspond to these differences in the nonveteran population. In 2012, the unemployment rate for black and Hispanic nonveterans was above the rate for white nonveterans, while the unemployment rate for Asian nonveterans was below the overall rate.[6] The same pattern holds among the veteran and post-9/11 veteran populations.

Age: Veterans under the age of 35, most of whom served in the post-9/11 era, have had a particularly difficult time securing civilian employment. Last year, 20.4% of post-9/11 veterans under 25 years old were unemployed, versus 15.0% of nonveterans in the same age category. **(Figure 3)**

Among 25- to 34-year olds, the unemployment rate for post-9/11 veterans was 10.6%, about 2.5 percentage points higher than the unemployment rate for nonveterans. In contrast, the unemployment rates for older veterans and nonveterans were about the same.

The youngest veterans have a higher unemployment rate, but they are also more likely to be in the labor force than nonveterans of the same age. Nearly three-quarters of post-9/11 veterans under 25 years old were in the labor force, compared to only 65% of nonveterans, because nonveterans in this age group are likely to be students.[7] However, the labor force participation rate gap between veterans and nonveterans narrows to less than one percentage point among individuals ages 25 to 34, and a significant gap remains in unemployment rates between veterans and nonveterans in that age group.

Education: Among veterans overall, the unemployment rates for those with a high school diploma or less education were lower than the rates for nonveterans with similar levels of education, while the unemployment rates for veterans with some college or more education were higher than the rates for similarly educated nonveterans. **(Figure 4)** Last year, post-9/11 veterans of all education levels had higher unemployment rates than their nonveteran counterparts.



Long-term Unemployment: The recent recession and recovery have caused long spells of unemployment for some workers.[8] Long-term unemployment can be devastating to families and the economy more broadly. Veterans' and post-9/11 veterans' long-term unemployment rates are generally consistent with this rate in the overall population, especially after controlling for age.

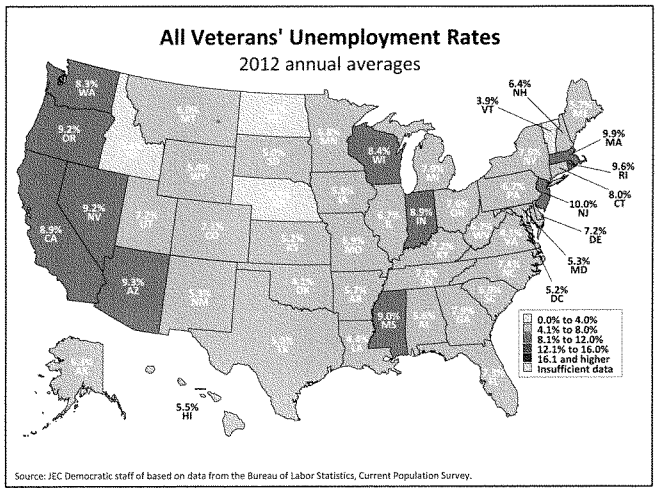
The share of veterans unemployed for over six months (the definition of long-term unemployed) was 3.1% in 2012, up from 0.8% before the recession in 2007 but down from a peak of 4.1% in 2010 and 2011.[9] The long-term unemployment rate for post-9/11 veterans fell from 4.6% in 2011 to 3.5% in 2012.

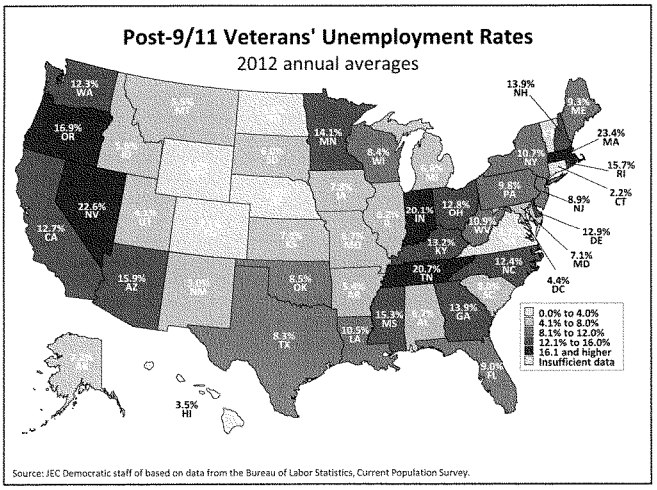
Veterans' Unemployment across the States

The unemployment rates for veterans overall and post-9/11 veterans vary across the states. **(Maps and Appendix Table 2)** The overall veterans' unemployment rate was 7.0% in 2012, with state-level rates ranging from a high of 10.0% in New Jersey to a low of 2.1% in North Dakota. Four states had veterans' unemployment rates at or below 4.0%, 35 states and the District of Columbia had veterans' unemployment rates between 4.1% and 8.0% and 11 states had veterans' unemployment rates over 8.0%. Last year, the post-9/11 veterans' unemployment rate was 9.9% nationally. Recent veterans in Massachusetts (23.4%), Nevada (22.6%) and Tennessee (20.7%) had the highest unemployment rates. Other states were more successful: Colorado (2.1%), Connecticut (2.2%) and Nebraska (2.8%) had the lowest post-9/11 veterans' unemployment rates. Seven states had post-9/11 veterans' unemployment rates at or below 4.0%, 15 states and the District of Columbia had rates between 4.1% and 8.0%, ten states had rates between 8.1% and 12.0%, 12 states had rates between 12.1% and 16.0% and five states had rates above 16.0% (data is unavailable for one state, Vermont).[10]

The Impact of the Recession on Industries in Which Veterans Often Find Work

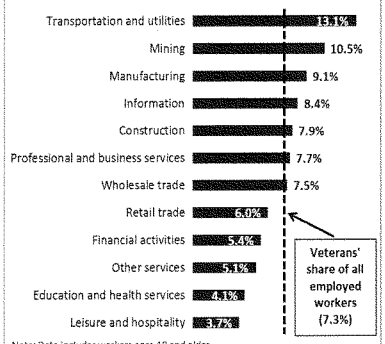
The impact of the recession on the industries in which veterans often find work contributes to the difficulty that many recent veterans have had in finding civilian employment. Many industries in which veterans are well-represented **(Figure 5)** have yet to recover all of the jobs lost during the recession, including: transportation and utilities (1.8% net job loss since January 2008), manufacturing (-12.6%), information (-11.1%), construction (-22.6%) and wholesale trade (-4.9%).[11] This makes it tougher for recent veterans to follow in the path of many of their predecessors. Net job gains in the mining (+15.8%) and professional and business services (+2.2%) industries, both of which employ a higher-than-average share of veterans, have not been enough to compensate for net job losses in other industries.[12]


All Veterans' Unemployment Rates
2012 annual averages
8.3% WA
5.2% OR
9.2% NV
8.5% CA
9.3% AZ
5.5% HI
6.4% NH
3.9% VT
9.9% MA
9.6% RI
8.0% CT
10.0% NJ
7.2% DE
5.3% MD
5.2% DC
8.4% WI
8.3% IN
9.0% MS
0.0% to 4.0%
4.1% to 8.0%
8.1% to 12.0%
12.1% to 16.0%
16.1 and higher
Insufficient data
Source: JEC Democratic staff of based on data from the Bureau of Labor Statistics, Current Population Survey.


Post-9/11 Veterans' Unemployment Rates
2012 annual averages
12.3% WA
16.9% OR
22.6% NV
12.7% CA
15.9% AZ
3.5% HI
13.9% NH
23.4% MA
15.7% RI
2.2% CT
8.9% NJ
12.9% DE
7.1% MD
4.4% DC
14.1% MN
8.4% WI
20.1% IN
12.8% OH
10.7% NY
9.8% PA
10.9% WV
13.7% KY
20.7% TN
12.4% NC
8.5% OK
8.3% TX
15.3% MS
10.5% LA
13.9% GA
0.0% to 4.0%
4.1% to 8.0%
8.1% to 12.0%
12.1% to 16.0%
16.1 and higher
Insufficient data
Source: JEC Democratic staff of based on data from the Bureau of Labor Statistics, Current Population Survey.

At the same time, veterans are underrepresented in fast-growing sectors of the economy, including two of the three industries that fared the best over the past five years (in terms of job gains as a percentage of employment in an industry), the leisure and hospitality and education and health services industries.[13] Veterans represent only 3.7% and 4.1% of employees in these industries, respectively, versus 7.3% of workers overall.[14] Since January 2008, the leisure and hospitality industry has expanded by 3.9% and the education and health services industry has expanded by 10.8%.[15]

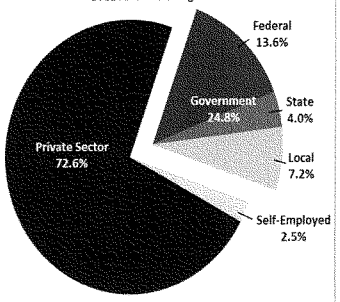
Figure 5. Industries that Employ High Shares of Veterans
Percent of Private-Sector Workers Who Are Veterans
2012 Annual Averages



Note: Data includes workers ages 18 and older.
Source: JEC Democratic staff based on data from the Bureau of Labor Statistics.

In addition, while 72.6% of post-9/11 veterans work in the private sector **(Figure 6)**, they make up a large share of public-sector employment. Post-9/11 veterans make up 7.0% of the federal workforce, compared to 1.3% of employed workers in the economy overall.[16] In fact, 13.6% of all post-9/11 veterans work in the federal government, while only 2.1% of nonveterans work for the federal government.[17] Of veterans from all service periods, 8.5 percent work in the federal government.[18]

Figure 6. More than Two-Thirds of Post-9/11 Veterans Work in the Private Sector
Distribution of Employed Post-9/11 Veterans
2012 Annual Averages



Note: Private-sector employees include those working in agriculture and related industries.
Source: JEC Democratic staff based on data from the Bureau of Labor Statistics.

Veterans often continue their public service by finding jobs in the federal government after leaving active duty. According to the most recent data, veterans make up 24.0% of the federal workforce, including 43.7% of employees at the Department of Defense, 29.0% at the Department of Transportation, 27.8% at the Department of Veterans Affairs and 24.9% at the Department of Homeland Security.[19] There are several possible explanations for this trend. Veterans' knowledge and skill sets may be more directly aligned with federal needs, especially at security-related agencies, and they may have existing networks that ease the process of finding and transitioning into these jobs.

In addition, the federal government places emphasis on military service when considering job applicants, including granting preferred hiring status to veterans for many civil service positions. The VOW to Hire Heroes Act, enacted in November 2011, further streamlined transitions to federal government employment. It allows service members to begin the federal employment process

prior to separation to help them transition more easily into jobs at the Department of Veterans Affairs, the Department of Homeland Security or the many other federal agencies that could use their skills.

However, recent budget cuts at the federal, state and local levels have led to public-sector job losses. Because of the high concentration of veterans in public-sector employment, veterans are likely to be disproportionately affected by current and future budget cuts. As a result, it is even more important to facilitate the transition of returning veterans into fast-growing private-sector industries.

Challenges Returning Veterans Face in Transitioning to the Civilian Workforce

Many skills learned in the military can translate into civilian job requirements, but it can take an extra effort to ensure that veterans have the knowledge, skills and certifications needed for available jobs. For example, a veteran may have substantial medical experience from serving as a paramedic in the military, but it still might not be straightforward to obtain the required certification to practice as a civilian paramedic. This is counterproductive, particularly considering the shortage of trained medical personnel in many rural areas.[20] Further, given the high-tech nature of the modern military, many veterans have substantial experience working with technology. With the appropriate training, returning veterans have the potential to make a significant contribution to filling gaps in the labor force, such as the need for skilled workers identified by manufacturing employers.[21]

Another challenge is matching unemployed veterans with employers who want to hire. Veterans learn many skills in the military that make them exceedingly capable employees, but returning veterans—many of whom entered the military without significant past work experience—may need help with job search tools, resume-writing and interviewing.[22] Businesses may also face information barriers in recruiting and hiring returning veterans, as they may be unsure about how skills learned in the military translate to a civilian workplace.[23] In addition, it is important to ease concerns some businesses have expressed regarding redeployment of veterans who remain in the National Guard or Reserves.[24]

In other instances, there could be greater gaps between the skills of returning veterans and the needs of employers. In these cases, support is needed to ensure that veterans can obtain the more-intensive education and training they need as they prepare to enter fast-growing private-sector industries. Obtaining a bachelor's degree or an associate degree or participating in an apprenticeship are approaches that could help to facilitate transitions to the civilian workforce.

Solutions

A number of actions have been taken to improve transitions for returning veterans. These include federal and state government programs, private-sector initiatives and public-private partnerships. Collectively, these efforts have contributed to improving employment prospects for recent veterans, as evidenced by the over two-percentage-point decline in the post-9/11 veterans' unemployment rate from 2011 to 2012.

Despite this improvement, the continued underrepresentation of veterans in growing sectors of the economy means that there is more work to be done to facilitate transitions to further reduce the unemployment rate for recent veterans. Improving returning veterans' transitions to growing private-sector industries will be particularly important in the coming years as the United States continues to draw down troop levels.

Efforts to improve employment outcomes for returning veterans should include:

- Providing incentives for private-sector employers to hire veterans, including extending or expanding tax credits.
- Streamlining the process of obtaining certifications and occupational licenses.
- Furthering higher education opportunities for returning veterans.
- Building upon existing programs to ensure that returning veterans can obtain the training required for jobs in growing industries.
- Ensuring that returning veterans have the assistance they need in transitioning from active duty to the civilian workplace.

Incentivizing Private-Sector Hiring: Tax incentives offered at the federal level can help to boost veterans' employment in the private sector. The VOW Act provided employers with a tax credit for hiring unemployed veterans and a larger tax credit for hiring veterans with service-connected disabilities who have been looking for a job for more than six months. At the beginning of this year, Congress extended these tax credit programs through the end of 2013. An additional extension or expansion of tax incentives for hiring veterans could help further reduce their unemployment rate.

Many private-sector businesses have increased their hiring of veterans. Through the Hiring Our Heroes program, the National Chamber Foundation is working with businesses to obtain commitments to hire 500,000 veterans and military spouses by the end of 2014.[25]

Streamlining Credentialing: Streamlining state occupational licensing helps veterans with equivalent military skills and abilities meet credentialing requirements for training and education. Veterans in occupations such as emergency medical technicians, licensed practical nurses and bus and truck drivers often have skills that overlap with these types of positions outside the military. In addition, spouses of returning veterans often follow them across state lines and may need to obtain a certification or license in their new state.

Last year, the President created the Department of Defense Military Credentialing and Licensing Task Force to help lower employment barriers for veterans.[26] Since the start of these efforts, 13 states have acted to help veterans earn credentials (19 states had previously enacted similar laws).[27]

These state-level efforts complement Congressional action that allows federal agencies to permit certain types of military training to meet the requirements for a federal license.[28] Additional legislation, such as the Veterans to Paramedics Transition Act, could facilitate the transition of veterans with specific skill sets into in-demand civilian occupations.

Furthering Higher Education: Unemployment rates for veterans with bachelor's degrees are lower than the rates for veterans with less education. A significant share of the jobs that will be created over the coming years and decades will require a college degree. The Post-9/11 GI Bill, which took effect in 2009, offers enhanced tuition benefits for veterans who served in the post-9/11 era, providing up to 36 months of benefits, depending on a veteran's length of service.[29] Post-9/11 GI Bill funds can go toward tuition and fees, housing, books and supplies, tutorial and relocation assistance and testing and certification fees. To date, about 900,000 veterans have used the Post-9/11 GI Bill to further their education and skills.

In addition, the VOW Act established the Veterans Retraining Assistance Program, which expands education benefits for older veterans by providing

unemployed veterans of past eras with additional assistance for education or training programs at community colleges or technical schools.

Enhancing Training Opportunities: In addition to federal actions, such as flexibility for training covered by the Post-9/11 GI Bill,[30] there have been efforts to boost training at state and local levels. Some states have found success by pairing veteran-specific services with broader employment assistance programs available at One-Stop Career Centers. For example, Connecticut centers leverage their existing infrastructure to provide a full complement of services to veterans embarking on a job search.[31] Indeed, many of the same services that would benefit the long-term unemployed can be helpful for returning veterans who have spent years away from the civilian labor force.

Coalitions are also developing at the local level to help train and match veterans with jobs. For instance, the Get Skills to Work (GSTW) coalition—comprised of major manufacturers, colleges and not-for-profit partners—focuses on helping veterans translate their military experience into the qualifications they need.[32] GSTW provides an accelerated training program for veterans. In March 2013, the first group of U.S. veterans completed classes from the GSTW program in Cincinnati, Ohio.[33] The program is planning on expanding to 13 cities this year.[34]

Providing Transition Assistance: There are often challenges in moving from active duty to civilian life that go beyond simply having the right skills for available jobs. Veterans may also need assistance with more general skills that are helpful in the workplace and throughout the job search process.

The VOW Act requires returning troops to participate in the Transition Assistance Program, which teaches veterans how to approach a job search, write resumes and apply their military skills to civilian jobs.[35] In addition, the Obama administration has taken steps to improve transitions for recent veterans through the Veterans' Employment Initiative Task Force. These include the creation of an online Veterans Job Bank, the development of the Gold Card that veterans can use to access six months of personalized assistance at One-Stop Career Centers and a renewed effort to hire veterans into suitable positions in government agencies.[36]

Conclusion

In addition to the policies described above, veterans will also benefit from more general policies that improve the economy and foster job creation. Strengthening the economy will mean employers will continue to hire more workers, and this will expand job opportunities for returning veterans.

Finally, policymakers should continue to monitor the effectiveness of the policies enacted in the past several years to address employment challenges for returning veterans. Many of these programs have only recently been implemented, and there is evidence to suggest that they are beginning to have an impact. Nonetheless, ongoing troop withdrawals underscore the need to build job opportunities for returning veterans.

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[3] Bureau of Labor Statistics, CPS. Employment Situation of Veterans – 2012.

[4] Bureau of Labor Statistics, unpublished CPS data. Table 6: Employment status of the civilian noninstitutional population by state and veteran status, Annual Average 2012.

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[7] JEC Democratic staff calculations based on data from the Bureau of Labor Statistics, CPS. Employment Situation of Veterans – 2012.

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[9] JEC Democratic staff calculations based on micro data from the Bureau of Labor Statistics, CPS.

[10] The wider variation in unemployment rates for post-9/11 veterans is due in part to the small share of post-9/11 veterans in the population and the corresponding small sample sizes for surveys of their employment outcomes. Post-9/11 veterans represent only about 1.1 percent of the U.S. population and 2.5 percent of the labor force. Veterans overall represent 9.0 percent of the U.S. population and 7.2 percent of the labor force. As a result, some of the differences across states might not be statistically significant. See Collins, Benjamin, David H. Bradley, Robert Jay Dilger et al., "Employment for Veterans: Trends and Programs." Congressional Research Service. January 2013. p.3.

[11] JEC Democratic staff calculations based on data from the Bureau of Labor Statistics, CES.

[12] JEC Democratic staff calculations based on data from the Bureau of Labor Statistics, CPS and CES.

[13] Ibid.

[14] JEC Democratic staff calculations based on data from the Bureau of Labor Statistics, CPS. Employment Situation of Veterans – 2012.

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Appendix Table 1. Demographic Characteristics of Veterans and Nonveterans, 2012 Annual Averages			
	All Veterans	Post-9/11 Veterans	Nonveterans
Sex			
Male	91.4%	83.2%	43.8%
Female	8.6%	16.8%	56.2%
Age			
18-24	1.4%	11.7%	13.9%
25-34	7.5%	48.1%	18.5%
35-44	10.7%	18.2%	17.5%
45-54	16.6%	15.1%	18.8%
55-64	21.6%	5.8%	15.8%
65 years and over	42.2%	1.0%	15.4%
Race/Ethnicity			
White	79.6%	76.8%	79.1%
Black	12.2%	15.2%	12.3%
Asian	5.3%	3.0%	5.7%
Other race	2.9%	5.0%	3.0%
Hispanic ethnicity (any race)	14.8%	12.0%	15.7%
Education			
Less than a high school diploma	6.1%	1.2%	12.8%
High school graduate, no college	31.8%	24.2%	30.0%
Some college or associate degree	34.1%	43.5%	25.8%
Bachelor's degree or higher	28.0%	31.0%	31.4%
Disability Status			
Service-connected disability	14.1%	27.7%	n.a.
No service-connected disability	69.8%	55.5%	n.a.
Presence of disability not reported	16.1%	16.8%	n.a.

n.a.= not applicable

Source: JEC Democratic staff of based on data from the Bureau of Labor Statistics, Current Population Survey.

Appendix Table 2. Post-9/11 and Total Veterans' Unemployment Rates by State, 2012 Annual Averages				
	Veterans in the Labor Force	All Veterans' Unemployment Rate	Post-9/11 Veterans in the Labor Force	Post-9/11 Veterans' Unemployment Rate
United States	11,006,000	7.0%	2,071,000	9.9%
Alabama	212,000	5.6%	52,000	6.7%
Alaska	48,000	6.3%	14,000	7.2%
Arizona	252,000	9.3%	36,000	15.9%
Arkansas	90,000	5.7%	16,000	5.4%
California	890,000	8.9%	156,000	12.7%
Colorado	218,000	7.1%	44,000	2.1%
Connecticut	110,000	8.0%	12,000	2.2%
Delaware	39,000	7.2%	6,000	12.9%
District of Columbia	16,000	5.2%	5,000	4.4%
Florida	745,000	7.3%	164,000	9.0%
Georgia	424,000	7.9%	108,000	13.9%
Hawaii	53,000	5.5%	15,000	3.5%
Idaho	64,000	3.4%	11,000	5.6%
Illinois	394,000	6.7%	70,000	6.2%
Indiana	240,000	8.9%	30,000	20.1%
Iowa	117,000	5.8%	23,000	7.8%
Kansas	120,000	5.2%	28,000	7.4%
Kentucky	165,000	7.2%	29,000	13.2%
Louisiana	155,000	4.4%	35,000	10.5%
Maine	67,000	5.7%	9,000	9.3%
Maryland	251,000	5.3%	56,000	7.1%
Massachusetts	169,000	9.9%	24,000	23.4%
Michigan	281,000	7.9%	32,000	6.8%
Minnesota	192,000	6.8%	27,000	14.1%
Mississippi	96,000	9.0%	19,000	15.3%
Missouri	226,000	6.9%	37,000	6.7%
Montana	55,000	6.0%	10,000	5.5%
Nebraska	78,000	2.9%	14,000	2.8%
Nevada	114,000	9.2%	19,000	22.6%
New Hampshire	62,000	6.4%	8,000	13.9%
New Jersey	189,000	10.0%	24,000	8.9%
New Mexico	85,000	5.3%	20,000	5.0%
New York	451,000	7.6%	72,000	10.7%
North Carolina	429,000	7.4%	89,000	12.4%
North Dakota	33,000	2.1%	6,000	3.5%
Ohio	410,000	7.6%	58,000	12.8%
Oklahoma	160,000	4.1%	35,000	8.5%
Oregon	167,000	9.2%	24,000	16.9%
Pennsylvania	467,000	6.7%	60,000	9.8%
Rhode Island	34,000	9.6%	5,000	15.7%
South Carolina	176,000	6.9%	25,000	8.0%
South Dakota	44,000	5.0%	9,000	6.0%
Tennessee	257,000	7.3%	48,000	20.7%
Texas	967,000	5.0%	211,000	8.3%
Utah	76,000	7.2%	15,000	4.1%
Vermont	23,000	3.9%	3,000	-
Virginia	451,000	4.1%	143,000	3.7%
Washington	326,000	8.3%	57,000	12.3%
West Virginia	77,000	6.7%	21,000	10.9%
Wisconsin	208,000	8.4%	28,000	8.4%
Wyoming	33,000	5.4%	6,000	3.2%

"-" indicates insufficient data.

Source: JEC Democratic staff based on data from the Bureau of Labor Statistics, Current Population Survey.

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