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REPORT ON VETERANS' ADMINISTRATION'S ON-JOB TRAINING PROGRAM (B–178741)

A REPORT

OF THE

GENERAL ACCOUNTING OFFICE

SUBMITTED TO THE

COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES SENATE

VANCE HARTKE, *Chairman*

JULY 9, 1975

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-178741 July 9, 1975

The Honorable Vance Hartke
Chairman, Committee on Veterans'
Affairs
United States Senate

Dear Mr. Chairman:

Your May 15, 1975, letter requested this report on our survey of the Veterans Administration's (VA's) on-job training program under the current GI Bill. Our survey, which was completed in October 1974, covered eight selected VA regional office areas and was directed toward determining whether, during a continuing period of rising veteran unemployment, full use was being made of VA's on-job program as a source of employment and job training for veterans.

STATUS OF PROGRAM

Our survey showed that, due mainly to the VA efforts, a large number of on-job training opportunities have been developed for veterans. While available VA records do not identify the total number of employers with approved programs, available information shows that since the program began in 1967, through June 1974, about 207,000 veterans participated in the program and that as of November 30, 1974, about 26,500 approved employers were providing on-job training to about 58,200 veterans.

However, because of indications that many employers with approved on-job training programs did not have any veterans in training, during July through December 1973 we examined the records and files at the VA regional offices and/or State approving agencies in each of the eight areas. We identified (1) employers with approved programs, (2) approved employers with veterans in training at the time of our visit (active employers), and (3) approved employers without veterans in training at the time of our visit (inactive employers). Our analysis showed that in each area a significant percentage of approved employers were inactive. Overall, about 58 percent of the approved employers did not have any veterans in training.

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At our request, the VA regional offices and/or State approving agencies later gave us similar but updated statistics, which showed that as of September 1974, 65 percent of approved employers within the eight areas were inactive. These updated statistics and the statistics developed during our field visits, are presented in tables 1 and 2 below.

Table 1

Statistics Developed During Our Field Visits
July-December 1973

VA area	Total number of approved employers	Number and (percent) active	Number and (percent) inactive
District of Columbia	83	29 (35)	54 (65)
Illinois	1,238	408 (33)	830 (67)
Iowa	1,691	566 (34)	1,125 (66)
Kansas	976	392 (40)	584 (60)
Minnesota	2,828	1,012 (36)	1,816 (64)
Oklahoma	1,111	735 (66)	376 (34)
Virginia	798	306 (38)	492 (62)
Wisconsin	1,473	812 (55)	661 (45)
Total	10,198	4,260 (42)	5,938 (58)

Table 2

Updated Statistics Provided by VA Regional Offices
and/or State Approving Agencies
August-October 1974

VA area	Total number of approved employers	Number and (percent) active	Number and (percent) inactive
District of Columbia	105	20 (19)	85 (81)
Illinois	1,680	403 (24)	1,277 (76)
Iowa	2,142	617 (29)	1,525 (71)
Kansas	1,108	405 (37)	703 (63)
Minnesota	3,266	1,129 (35)	2,137 (65)
Oklahoma	1,019	618 (61)	401 (39)
Virginia	963	296 (31)	667 (69)
Wisconsin	1,735	753 (43)	982 (57)
Total	12,018	4,241 (35)	7,777 (65)

Many approved employers
needed trainees

From the lists of approved employers we selected a small sample, contacted them by telephone, and attempted to determine their willingness to hire veteran on-job trainees. Most employers contacted were located in the metropolitan areas within their respective VA regions.

In total, 271 employers were interviewed, 193 during September 1973-April 1974 and 78 more during September-October 1974--19 in Kansas; 28 in the District of Columbia; 29 in Oklahoma; 35 each in Illinois; Iowa, Minnesota, and Wisconsin; and 55 in Virginia.

Of the 271 employers, 38 said they had a veteran in the VA on-job training program. The remaining 233 said their program was inactive. While the duration of vacancies was not determinable from available records, some employers--74 of 271, or about 27 percent--said they never had a veteran participate in their program.

Of the 38 employers who had a veteran in training, 11 (29 percent) said they had an immediate need for an additional trainee and would have accepted one or more qualified veterans if referred. Twenty-two employers (58 percent) said they did not need any more trainees at that time but were still interested in VA's program and would hire a qualified veteran if a vacancy developed. The remaining five employers (13 percent) said that, after their current veteran had finished training, all skilled positions would be filled and that they would no longer want to participate in VA's program.

Of the 233 inactive employers interviewed, 54 (23 percent) said they did have an immediate need for trainees and would have accepted one or more qualified veterans if referred to them; 129 (55 percent) said they were not hiring at that time but were still interested in VA's program and would accept a veteran trainee if a vacancy developed. The remaining 50 employers (22 percent) said all skilled positions had been filled; and, therefore, they would no longer want to participate in VA's program.

In summary, we contacted 271 employers who had approved on-job training programs for veterans. Sixty-five, or almost one out of every four employers contacted, told us they had a need for on-job trainees and would have accepted one or more qualified veterans if one had been referred.

LIMITED FOLLOWUP

VA provides veterans with employment information assistance for a number of programs, including on-job training, primarily through its 72 veterans assistance centers. These centers are generally located in a VA

regional office or benefit office. The degree of job assistance varies from center to center; some have listings of job openings while others refer veterans to the nearest State employment service office.

The Department of Labor's Veterans Employment Service, working in cooperation with State employment service agencies, is responsible for (1) supervising the registration of eligible veterans in local employment offices and counseling and placing eligible veterans, (2) job development and job advancement activities for veterans, (3) obtaining current information on job availability in public and private sectors, (4) promoting the hiring of veterans, and (5) maintaining contact with employers and veterans organizations to advise employers of veteran availability and to advise veterans of job opportunities.

While both VA and the Veterans Employment Service provide veterans with employment information and assistance, neither agency has established procedures to systematically recontact previously approved on-job employers to identify available training positions.

VA central office officials stated that while some followup was being done by VA, VA did not have the authority or the manpower to establish any systematic followup program.

Officials of the Veterans Employment Service told us that, while there have been no special efforts in the past to followup on VA approved on-job employers, if VA furnished them a listing of all such employers, the Veterans Employment Service through the local veterans employment representative would contact these employers and would take appropriate action to see that qualified veterans are referred to any openings identified.

CONCLUSION

A large number of employers have expressed their interest in providing employment assistance for veterans by establishing on-job training programs; and many veterans have been placed in these programs. However, it appears that many more qualified veterans could have been placed in approved programs.

We believe that during this continuing period of rising unemployment every effort must be made to insure that all available and qualified veterans are placed in training or employment by those concerned with veterans assistance. The on-job training program appears to continue to have the potential for such placement. To obtain maximum benefit from the program, all employers with an approved on-job program should periodically be contacted to insure their continued commitment to the program and to determine their present or future needs for on-job trainees.

Neither the VA or the Department of Labor presently have a program to conduct such followup activities.

RECOMMENDATIONS TO THE ADMINISTRATOR OF VETERANS AFFAIRS AND TO THE SECRETARY OF LABOR

We recommend that the Administrator of Veterans Affairs require that each VA regional office periodically notify the appropriate Veterans Employment Service representative of all employers in the area who currently have approved on-job training programs for veterans. This notification should include the type of program approved and, if possible, the status of each program--active or inactive.

We recommend that the Secretary of Labor require the Veterans Employment Service to contact and periodically recontact approved employers to determine their need for on-job trainees and that all possible efforts be made to place veterans in these programs.

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As you requested, we did not obtain formal agency comments on this report. However, we have discussed the results of our survey with the Deputy Chief Benefits Director and other appropriate officials in VA's Department of Veterans Benefits and with officials of the Department of Labor's Veterans Employment Service. Their comments have been considered in the preparation of this report.

As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement, on actions taken on our recommendations, to the Senate and House Committees on Government Operations not later than 60 days after the date of the report and to the Senate and House Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report. We will be in touch with your office in the near future to make arrangements for the Department of Labor, the Veterans Administration, and the four Committees to receive copies of this report.

Sincerely yours,

Comptroller General
of the United States

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