

ENERGY JOBS FOR VETERANS ACT

MARCH 22, 2010.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. FILNER, from the Committee on Veterans' Affairs,
 submitted the following

R E P O R T

[To accompany H.R. 4592]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 4592) to provide for the establishment of a pilot program to encourage the employment of veterans in energy-related positions, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

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AMENDMENT

The amendment is as follows:
 Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be referred to as the “Energy Jobs for Veterans Act”.

SEC. 2. VETERANS ENERGY-RELATED EMPLOYMENT PROGRAM.

(a) **ESTABLISHMENT OF PILOT PROGRAM.**—To encourage the employment of eligible veterans in the energy industry, the Secretary of Labor, as part of the Veteran’s Workforce Investment Program, shall carry out a pilot program to be known as the “Veterans Energy-Related Employment Program”. Under the pilot program, the Secretary shall award competitive grants to three States for the establishment and administration of a State program to make grants to energy employers and labor-management organizations that provide covered training, on-job training, apprenticeships, and certification classes to eligible veterans. Such a program shall be known as a “State Energy-Related Employment Program”.

(b) **ELIGIBILITY FOR GRANTS.**—To be eligible to receive a grant under the pilot program, a State shall submit to the Secretary an application that includes each of the following:

(1) A proposal for the expenditure of grant funds to establish and administer a public-private partnership program designed to provide covered training, on-job training, apprenticeships, and certification classes to a significant number of eligible veterans and ensure lasting and sustainable employment in well-paying jobs in the energy industry.

(2) Evidence that the State has—

(A) a population of eligible veterans of an appropriate size to carry out the State program;

(B) a robust and diverse energy industry; and

(C) the ability to carry out the State program described in the proposal under paragraph (1).

(3) Such other information and assurances as the Secretary may require.

(c) **USE OF FUNDS.**—A State that is the recipient of a grant under this section shall use the grant for the following purposes:

(1) Making grants to energy employers and labor-management organizations to reimburse such employers and organizations for the cost of providing covered training, on-job training, apprenticeships, and certification classes to eligible veterans.

(2) Conducting outreach to inform energy employers, labor-management organizations, and veterans, including veterans in rural areas, of their eligibility or potential eligibility for participation in the State program.

(d) **CONDITIONS.**—Under the pilot program, each grant to a State shall be subject to the following conditions:

(1) The State shall repay to the Secretary, on such date as shall be determined by the Secretary, any amount received under the pilot program that is not used for the purposes described in subsection (c).

(2) The State shall submit to the Secretary, at such times and containing such information as the Secretary shall require, reports on the use of grant funds.

(e) **EMPLOYER REQUIREMENTS.**—In order to receive a grant made by a State under the pilot program, an energy employer shall—

(1) submit to the administrator of the State Energy-Related Employment Program an application that includes—

(A) the rate of pay for each eligible veteran proposed to be trained using grant funds;

(B) the average rate of pay for an individual employed by the energy employer in a similar position who is not an eligible veteran; and

(C) such other information and assurances as the administrator may require; and

(2) agree to submit to the administrator, for each quarter, a report containing such information as the Secretary may specify.

(f) **LIMITATION.**—None of the funds made available to an energy employer through a grant under the pilot program may be used to provide training of any kind to a person who is not an eligible veteran.

(g) **REPORT TO CONGRESS.**—Together with the report required to be submitted annually under section 4107(c) of title 38, United States Code, the Secretary shall submit to Congress a report on the pilot program for the year covered by such report. The report on the pilot program shall include a detailed description of activities carried out under this section and an evaluation of the program.

(h) **ADMINISTRATIVE AND REPORTING COSTS.**—Of the amounts appropriated pursuant to the authorization of appropriations under subsection (j), two percent shall be made available to the Secretary for administrative costs associated with implementing and evaluating the pilot program under this section and for preparing and submitting the report required under subsection (f). The Secretary shall determine

the appropriate maximum amount of each grant awarded under this section that may be used by the recipient for administrative and reporting costs.

(i) DEFINITIONS.—For purposes of this section:

(1) The term “covered training, on-job training, apprenticeships, and certification classes” means training, on-job training, apprenticeships, and certification classes that are—

(A) designed to provide the veteran with skills that are particular to an energy industry and not directly transferable to employment in another industry; and

(B) approved as provided in paragraph (1) or (2), as appropriate, of subsection (a) of section 3687 of title 38, United States Code.

(2) The term “eligible veteran” means a veteran, as that term is defined in section 101(3) of title 38, United States Code, who is employed by an energy employer and enrolled or participating in a covered training, on-job training, apprenticeship, or certification class.

(3) The term “energy employer” means an entity that employs individuals in a trade or business in an energy industry.

(4) The term “energy industry” means any of the following industries:

(A) The energy-efficient building, construction, or retrofits industry.

(B) The renewable electric power industry, including the wind and solar energy industries.

(C) The biofuels industry.

(D) The energy efficiency assessment industry that serves the residential, commercial, or industrial sectors.

(E) The oil and natural gas industry.

(F) The nuclear industry.

(j) APPROPRIATIONS.—There is authorized to be appropriated to the Secretary \$10,000,000 for each of fiscal years 2011 through 2015, for the purpose of carrying out the pilot program.

PURPOSE AND SUMMARY

H.R. 4592 was introduced on February 3, 2010, by Representative Harry Teague of New Mexico. H.R. 4592, as amended, would create a pilot program within the U.S. Department of Labor (DOL) to provide competitive grants for up to three States to encourage the hiring and training of military veterans in the energy industry.

BACKGROUND AND NEED FOR LEGISLATION

A recent survey of veterans’ unemployment by the DOL shows that the number of unemployed Iraq and Afghanistan veterans is now almost the same as the number of servicemembers currently deployed in support of those two wars. When the United States unemployment rate hit 9.7 percent last fall, veterans of the Iraq and Afghanistan wars were unemployed at a rate of 11.3 percent. Furthermore, from 2008 to 2009, the unemployment rate for young Iraq and Afghanistan veterans between the ages of 18 to 24, jumped seven points and hit 21.1 percent, as compared to 16.6 percent for the rest of the nation. Moreover, veterans’ unemployment in general has increased to 9.5 percent with over one million veterans seeking work. Among that number there are 246,000 between the ages of 18 and 34. Another 739,000 are between the ages of 35 and 64 or about 75 percent of unemployed veterans.

Additionally, energy employers have indicated a need to tap into a market of skilled, trained workers that does not always exist. Large scale investments in renewable energy, nuclear energy, natural gas, and energy efficiency, among other energy technologies, mean that a trained and skilled workforce must be developed quickly. Veterans are technically proficient, hard working and disciplined, and can provide an excellent source of talented employees to meet the energy industry’s needs.

Recognizing the need to fill the need of a growing industry with a professional workforce, and to combat the problem of unemployment among those who served our nation in uniform, Representative Harry Teague introduced H.R. 4592 to encourage energy employers to hire veterans. The bill establishes a competitive grant program in which up to three states could be selected to fund incentives for energy employers to hire veterans. The selected states would reimburse employers for the cost of training and apprenticeship needed to qualify the veteran for the job. The program legislated by the bill is different than other Federal employment programs, including others aimed at veterans, because it would ensure that a veteran has secured sustainable employment before the State reimburses the employer for the training. The employer benefits because he or she has the opportunity to hire a veteran and provide training and apprenticeship without incurring cost. The veteran benefits because employers are provided a further incentive to hire him or her for a position that might otherwise go to a non-veteran and because the employer is required to offer training and work experience that ensures sustainable employment for the veteran.

Entities eligible for funding through H.R. 4592 would include employers and labor-management organizations involved in the energy efficient building, construction and retrofits industries; the renewable electric power industry; the biofuels industry; the energy efficiency assessment industry; the oil and gas industry; and, the nuclear industry.

During Subcommittee consideration of the bill as introduced, the Ranking Member of the Subcommittee, Representative John Boozman of Arkansas, expressed concern that government funds would be used to artificially create jobs in the energy industry that were not created by regular market forces. Mr. Boozman also suggested that instead of paying a portion of the salary that the language be changed to reimburse employers that were providing on the job training or certification. In addition, DOL expressed concern that the bill language, as introduced, could create a program that was duplicative of current programs under its authority. DOL suggested the program be placed under the Veteran's Workforce Investment Program which already awards grants to train veterans for green energy jobs and that a portion of the appropriations be set aside for administration and evaluation of the program. These concerns were addressed by the Subcommittee in an amendment to H.R. 4592.

H.R. 4592 is meant to assist those who served their country in the Armed Forces to be able to continue their work for the security of our country when they return home—by getting a job, and a career, producing our energy right here in America. Energy independence is one of our nation's foremost security imperatives, and there is no one more suitable for—or capable of—filling energy jobs in America than our veterans.

HEARINGS

On February 25, 2010, the Subcommittee on Economic Opportunity conducted a legislative hearing on various bills introduced during the 111th Congress, including H.R. 4592. The following witnesses testified: The Honorable John J. Hall of New York; The

Honorable Adam H. Putnam of Florida; The Honorable Joe Sestak of Pennsylvania; The Honorable Adam Smith of Washington; The Honorable Michael R. Turner of Ohio; Mr. Robert W. Madden, Assistant Director, National Economic Commission, The American Legion; Mr. Justin Brown, Legislative Associate, National Legislative Service, Veterans of Foreign Wars; Mr. Timothy S. Embree, Legislative Associate, Iraq and Afghanistan Veterans of America; Mr. James Bombard, Legislative Director, National Association of State Approving Agencies; Mr. Mark E. Sullivan, Law Offices of Mark E. Sullivan, P.A.; Col. Shawn Shumake, U.S. Army, Director, Office of Legal Policy, Office of the Under Secretary of Defense (Personnel and Readiness), Program Integration and Legal Policy, U.S. Department of Defense; Mr. Keith M. Wilson, Director of Education Service, Veterans Benefits Administration, U.S. Department of Veterans Affairs, accompanied by Mr. Mark Bologna, Director of Loan Guaranty Service, Veteran Benefits Administration, U.S. Department of Veterans Affairs and Mr. F. John Brizzi, Jr., Deputy-Assistant General Counsel, U.S. Department of Veterans Affairs. Those submitting statements for the record included: The Honorable Bob Filner of California; The Honorable Ron Klein of Florida; Ms. Patricia E. Apy, American Bar Association; Ms. Stacy Bannerman of Medford, Oregon; Ms. Kelly Hruska, Government Relations Deputy Director, National Military Family Association; Mr. Brian Hawthorne, Legislative Director, Student Veterans of America; and, the Pennsylvania Association of Private School Administrators.

SUBCOMMITTEE CONSIDERATION

On March 4, 2010, the Subcommittee on Economic Opportunity met in an open markup session and ordered favorably forwarded to the full Committee H.R. 4592, as amended, by voice vote. During consideration of the bill the following amendment in the nature of a substitute was considered:

An amendment in the nature of a substitute by Mr. Harry Teague of New Mexico to create a "Veterans Energy Related Employment Program" pilot program which would award competitive grants to three states for the establishment of a program that would reimburse energy employers for the cost of providing on-the-job training for veterans in the energy sector while addressing the concerns highlighted in the February 25, 2010, Subcommittee legislative hearing was agreed to by voice vote.

COMMITTEE CONSIDERATION

On March 10, 2010, the full Committee met in an open markup session, a quorum being present, and ordered H.R. 4592, as amended, reported favorably to the House of Representatives, by voice vote.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the motion to report the legislation and amendments thereto. There were no record votes taken on amendments or in connection with ordering H.R. 4592 reported to the House. A motion by Mr. Jeff Miller of

Florida to order H.R. 4592, as amended, reported favorably to the House of Representatives was agreed to by voice vote.

COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 3(c)(1) of rule XIII and clause (2)(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the descriptive portions of this report.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee's performance goals and objectives are reflected in the descriptive portions of this report.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the estimate of new budget authority, entitlement authority, or tax expenditures or revenues contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

EARMARKS AND TAX AND TARIFF BENEFITS

H.R. 4592 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI of the Rules of the House of Representatives.

COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate on H.R. 4592 prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate for H.R. 4592 provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 12, 2010.

Hon. BOB FILNER,
*Chairman, Committee on Veterans' Affairs,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 4592, the Energy Jobs for Veterans Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Camille Woodland.

Sincerely,

DOUGLAS W. ELMENDORF,
Director.

Enclosure.

H.R. 4592—Energy Jobs for Veterans Act

Summary: H.R. 4592 would require the Department of Labor (DoL) to create a pilot program to assist veterans in qualifying for jobs in the energy sector. The bill would authorize the appropriation of \$50 million over the 2011–2015 period for this program. Assuming appropriation of the specified amounts, CBO estimates that implementing the legislation would cost \$31 million over the 2011–2015 period.

Enacting the legislation would not affect direct spending or revenues; therefore pay-as-you-go procedures would not apply.

H.R. 4592 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 4592 is shown in the following table. The costs of this legislation fall within budget function 700 (veterans benefits and services).

	By fiscal year, in millions of dollars—					2011– 2015
	2011	2012	2013	2014	2015	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Authorization Level	10	10	10	10	10	50
Estimated Outlays	0	3	8	10	10	31

Basis of estimate: Under H.R. 4592, the Department of Labor would be required to initiate a program that would provide grants to employers and organizations that provide training, apprenticeships, and certification classes to prepare veterans for employment in energy-related fields. To fund the pilot program, which would be available in three states, the bill would authorize the appropriation of \$10 million a year for 2011 through 2015. Based on historical spending patterns for similar programs, CBO estimates that implementing H.R. 4592 would cost \$31 million over the 2011–2015 period, assuming appropriation of the authorized amounts.

Pay-as-you-go considerations: None.

Intergovernmental and private-sector impact: H.R. 4592 contains no intergovernmental or private-sector mandates as defined in UMRA. State, local, and tribal governments that provide employment assistance to veterans would benefit from grants authorized in the bill.

Estimate prepared by: Federal Costs: Camille Woodland; Impact on State, Local, and Tribal Governments: Lisa Ramirez-Branum; Impact on the Private Sector: Elizabeth Bass.

Estimate approved by: Theresa Gullo, Deputy Assistant Director for Budget Analysis.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates regarding H.R. 4592 prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act would be created by H.R. 4592.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee finds that the Constitutional authority for H.R. 4592 is provided by Article I, section 8 of the Constitution of the United States.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

This section would provide the short title of H.R. 4592, as amended, as the “Energy Jobs for Veterans Act.”

Section 2. Veterans Energy-Related Employment Program

This section would create a “Veterans Energy Related Employment Program” pilot program which would award competitive grants to three States for the establishment of a program that would reimburse energy employers for the cost of providing on-the-job training for veterans in the energy sector. The reimbursements would go to employers or labor-management organizations.

This section would require that each participating State provide evidence that it can produce such training to serve a population of eligible veterans, has a diverse energy industry, and the ability to carry out such a program.

This section would authorize the use of grant funds to provide training to veterans, and conduct outreach to veterans informing them of the program and require that states submit proposals that certify that participating veterans would be hired at a wage rate consistent with the standard industry average for jobs that are technically involved and have a skill-set that is not transferable to other non-energy industries. Grant funds would be limited to veterans and the Secretary of Labor would be required to submit a report to Congress on the activities carried out by the program and an evaluation of the program.

This section would authorize two percent of appropriated funds to be used for administrative costs and authorize the Secretary of Labor to determine the maximum amount of each grant awarded that may be used by the States for administrative and reporting costs.

This section would authorize to be appropriated \$10 million a year for five years, beginning in 2011 through 2015.