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Before the Subcommittee on Benefits,
Committee on Veterans' Affairs, House
of Representatives

For Release on Delivery
Expected at 9:30 a.m. EDT
Thursday, June 7, 2001

VETERANS' EMPLOYMENT AND TRAINING SERVICE

Further Changes Needed to Strengthen Its Performance Measurement System

Statement of Sigurd R. Nilsen, Director
Education, Workforce, and Income Security Issues



GAO

Accountability * Integrity * Reliability

Mr. Chairman and Members of the Subcommittee:

Thank you for inviting me here today to discuss our recent report on the Veterans' Employment and Training Service's (VETS) performance measurement system. VETS, as part of the Department of Labor, administers programs and activities designed to help veterans obtain employment and training assistance. Recently, policymakers have focused increasing attention on VETS and its programs, advocating changes to the structure and administration of the program and in the way it assesses program performance. This Subcommittee introduced legislation during the 106th Congress that would restructure the program and require a new, comprehensive performance accountability system. In addition, in 1999, the Congressional Commission on Servicemembers and Veterans' Transition Assistance recommended that the Congress establish effective outcome measures for VETS. This focus on reform comes at a time when other federally funded employment and training programs are changing the way they provide services and measure performance. For example, the Workforce Investment Act (WIA), which provides employment and training assistance for youth, adults, and dislocated workers through one-stop centers, recently established outcome measures that are similar to those that VETS now proposes.

In our recently released report, requested by this Subcommittee, we reviewed VETS' efforts to improve its performance measurement system.¹ In that report, we examined VETS' proposed performance measures, the data source VETS proposes to use in the new system and other measurement issues that may affect the comparability of states' performance data. Our work was based on interviews and discussions we had with over 45 officials in 15 states, interviews with VETS officials, and a review of government documents and other relevant reports.

In summary, VETS' proposed performance measures are an improvement over the current performance accountability system because they focus more on what its programs achieve and less on the number of services provided by staff serving veterans. They also no longer require states to compare the level and associated service outcomes provided to veterans with those provided to nonveterans and are more closely aligned with WIA program measures, making it easier for service providers to report on

¹*Veterans' Employment and Training Service: Proposed Performance Measurement System Improved, But Further Changes Needed* (GAO-01-580, May 15, 2001).

outcomes. However, our work revealed a few areas of concern with the proposed measures. A comparison of the performance measures with the strategic plan indicates that VETS is sending a mixed message to states about what services to provide and to whom. VETS' strategic plan suggests that states focus their efforts on providing staff-assisted services to veterans, including case management, yet none of the proposed measures specifically gauge the success of these services. In addition, VETS' proposal includes one measure—the number of federal contractor jobs listed with local employment offices—that is not only process-oriented but also focuses on outcomes that are beyond the control of staff serving veterans. VETS also proposes that all states use a single data source—Unemployment Insurance (UI) wage records—to identify veterans who get jobs. Using wage record data will greatly improve the comparability and reliability of the new measures, however, these data also present some challenges that states will need to overcome. States generally do not have access to wage records from other states and, therefore, may not be able to track individuals who receive services in one state but get a job in another. In addition, certain employment categories are not included in wage record data. Finally, there are other issues related to how states count veterans for performance-reporting purposes that VETS needs to consider as they finalize their performance-reporting requirements. In our report, we made several recommendations to VETS regarding their proposed performance measurement system that could strengthen VETS' efforts to effectively measure the performance of its programs.

Background

VETS administers national programs intended to (1) ensure that veterans receive priority in employment and training opportunities from the employment service; (2) assist veterans, reservists, and National Guard members in securing employment; and (3) protect veterans' employment rights and benefits. The key elements of VETS' services include enforcing veterans' preference and reemployment rights and securing employment and training services. VETS' programs are among those federal programs whose services have been affected by WIA and other legislative changes aimed at streamlining services and holding programs accountable for their results.

VETS' Programs

VETS carries out its responsibilities through a nationwide network that includes representation in each of Labor's 10 regions and staff in each state. The Office of the Assistant Secretary for Veterans' Employment and Training administers VETS' activities through regional administrators and a VETS director in each state. These VETS staff are the link between VETS

and the states' employment service system, which is overseen by Labor's Employment and Training Administration (ETA). VETS funds two primary veterans' employment assistance grants to states—the Disabled Veterans' Outreach Program (DVOP) and the Local Veterans' Employment Representatives (LVER). Fiscal year 2001 appropriation for VETS was about \$212 million, including \$81.6 million for DVOP specialists (DVOPS) and \$77.2 million for LVER staff.² These funds paid for 1,327 DVOP positions and 1,206 LVER positions.

The DVOP and LVER programs provide employment and training opportunities specifically for veterans. A key responsibility of a DVOP is to develop job and job training opportunities for veterans through contacts with employers, especially small- and medium-size private sector employers. LVERs are to provide program oversight of local employment service offices to ensure that veterans receive maximum employment and training opportunities from the entire local office staff.³ In addition, DVOPS and LVERs traditionally have provided services that include locating veterans who need services and providing case management for those veterans in need of more intensive services. Increasingly, however, veterans are accessing services on their own, through tools such as internet-based job listings or resume writing software.

As part of the DVOP and LVER grant agreements, states must ensure that veterans receive priority at every point where public employment and training services are available. The DVOP and LVER programs give priority to the needs of disabled veterans and veterans who served during the Vietnam era, and state employment service systems are expected to give priority to veterans over nonveterans. To monitor the states' programs, VETS has been using a set of measures that evaluates states' performance in five dimensions: (1) veterans placed in training, (2) those receiving counseling, (3) those receiving services, (4) those entering employment, and (5) those obtaining federal contractor jobs. These measures primarily count the number of services that veterans receive and compare the totals with similar services provided to nonveterans. To ensure priority service

²In addition to funds for DVOPS and the LVERs, VETS' fiscal year 2001 appropriation included funds for the Homeless Veteran Program and Veterans Workforce Investment Program.

³The roles of the DVOPS and LVERs have been separately defined in two statutes. LVERs were first authorized under the original GI bill (the Servicemen's Readjustment Act of 1944) and DVOP specialists were authorized by the Veterans' Rehabilitation and Education Amendments of 1980.

to veterans, VETS expects levels of performance for services provided to veterans to be higher than levels for nonveterans. For example, veterans and other eligibles must be placed in or obtain employment at a rate 15 percent higher than that achieved by nonveterans.

To report on performance, VETS currently relies on the Employment and Training Administration's 9002 system to aggregate data reported by states on veterans and nonveterans who register with state Employment Services (ES) offices, track the services provided to them (such as counseling or job referral), and gather information on their employment outcomes. The 9002 system also collects information such as the registrants' employment status, level of education (e.g., high school, postsecondary degree/certificate), and basic demographic information, such as age and race.

Legislative and Regulatory Changes Affecting VETS

Over the past several years, the Congress has taken steps to streamline and integrate services provided by federally funded employment and training programs. WIA, which the Congress passed in 1998, requires states and localities to use a one-stop center structure to provide access to most employment and training services in a single location. WIA requires about 17 categories of programs, including VETS and ES programs, to provide services through the one-stop center. While DVOP and LVER staff are required to provide assistance only to veterans, it is unclear how their services will be integrated at the one-stop centers. However, according to VETS officials, agreements made with each state on planned services to veterans now include provisions on how DVOPS and LVERs will be integrated into the one-stop delivery system.

In addition to changing the way services are provided, programs are now increasingly held accountable for their results. Through the Government Performance and Results Act of 1993 (GPRA), the Congress seeks to improve the efficiency, effectiveness, and public accountability of federal agencies as well as improve congressional decision making. GPRA does so, in part, by promoting a focus on what the program achieves rather than tracking program activities. GPRA outlines a series of steps in which agencies are required to identify their goals, measure performance, and report on the degree to which those goals were met.

To address the goals of GPRA and in response to recommendations by us and other groups, such as the Congressional Commission on Servicemembers and Veterans Transition Assistance,⁴ VETS is currently developing a new system to measure the performance of its programs. Over the last several years, VETS conducted pilot programs in about eight states that tested some new performance measures and the use of new data to support these measures. VETS officials told us that they anticipate implementing their new performance measurement system in program year 2001.

VETS' Proposed Measures Hold Promise, but Some Concerns Remain

VETS' proposed performance measures include an (1) entered-employment rate, (2) employment rate following staff-assisted services, (3) employment retention rate, and (4) increase in the number of federal contractor job openings listed. These measures are an improvement over current ones, but certain aspects of these measures raise concerns that VETS needs to address.

Proposed Measures Are an Improvement Over the Current Ones

The proposed performance measures improve accountability because they place more emphasis on employment-related outcomes by eliminating process-oriented measures—measures that simply track services provided to veterans. Current process measures that VETS eliminated from the proposed performance system include the number of veterans referred to counseling, the number placed in training, and the number receiving certain other services, such as job referrals. As we noted in past reports, these process-oriented measures are activity- and volume-driven and focus efforts on the number of services provided, not on the outcomes veterans achieve.⁵ These measures offer states little incentive to provide services to those veterans who are only marginally prepared for work and who may need more intensive services requiring more staff time. The VETS' proposal still includes one process-oriented measure that simply reflects the percentage increase in the number of federal contractor job openings listed with the public labor exchange but adds two outcome-oriented

⁴See *Report of the Congressional Commission on Servicemembers and Veterans Transition Assistance*, January 14, 1999, Congressional Commission on Servicemembers and Veterans Transition Assistance, Arlington, VA.

⁵See *Veterans' Employment and Training Service: Focusing on Program Results to Improve Agency Performance* (GAO/T-HEHS-97-129, May 7, 1997) and *Veterans' Employment and Training Service: Better Planning Needed to Address Future Needs* (GAO/T-HEHS-00-206, Sept. 27, 2000).

measures—job retention after 6 months and the employment rate following staff-assisted services.⁶ The VETS’ proposal also retains an outcome measure that is in the current system—the entered-employment rate. (See table 1.)

Table 1: VETS’ Current Performance Measures Compared With Proposed Measures

Current measures	Process-oriented	Outcome-oriented
Entered-employment rate: The percentage of all registered veterans who were placed in or obtained employment.		X
Number of veterans placed in training: A count of the veterans placed in training.	X	
Number of veterans receiving counseling: A count of the veterans who received counseling services.	X	
Number of veterans receiving some reportable service: A count of the veterans who received at least one reportable service.	X	
Federal contractor jobs filled by Vietnam and special disabled veterans: A count of the veterans who were placed in jobs listed on the federal contractor job list.		X
Proposed measures	Process-oriented	Outcome-oriented
Entered-employment rate: The percentage of all registered veterans who were placed in or obtained employment.		X
Employment rate following receipt of staff-assisted services: The percentage of registered veterans who are employed after receiving some form of staff-assisted labor exchange services.		X
Employment retention rate at 6 months: Of the veterans who had entered employment following registration, the percentage of those who continued to earn wages 6 months after entering employment.		X
Federal contractor job openings listed with the public labor exchange: The percentage increase in the number of federal contractor job openings listed annually with the public labor exchange from one program year to the next.	X	

Source: Veterans’ Employment and Training Service, Department of Labor.

⁶VETS considers this measure as process-oriented “with an emphasis on outcomes.” However, for this report, we classified the measure as outcome-based because it reports an employment rate rather than only reporting a count of services.

The proposed performance measures also improve the way VETS establishes the level of performance that states are expected to achieve. VETS no longer requires states to compare the level of services provided to veterans with those provided to nonveterans.⁷ In past reports, we have pointed out that the use of these relative standards results in states with poor levels of service to nonveterans being held to lower standards for service to veterans than states with better overall performance.⁸ Under the proposed system, VETS will negotiate performance levels annually with each state based on that state's past performance, using guidelines similar to those used for WIA.⁹ VETS will also be able to adjust these levels based on economic conditions within each state, such as the unemployment rate, the rate of job creation or loss, or other factors.

The proposed performance measures are also similar to those established under WIA, making it easier for service providers to achieve WIA's goal of integrating and streamlining employment and training services. In the current environment, many of the programs that provide services through the one-stop centers have their own unique performance measures and program definitions, requiring multiple systems and multiple data collection efforts to track a single client. In the proposed system, VETS is trying to align its performance measures with those of WIA. Two of the five proposed measures—entered-employment rate and employment retention—are nearly identical to WIA's and to those proposed for ES.¹⁰ If VETS aligns the measures with those of WIA and ES, local offices will be more readily able to establish integrated data systems that will minimize the data collection burden on service providers and clients.

⁷While states will no longer be required to compare the level of services given to veterans and nonveterans, VETS is required to report annually to the Congress on the job placement rate of veterans compared with the rate for nonveterans. 38 U.S.C. § 4107.

⁸See [GAO/T-HEHS-97-129](#).

⁹VETS is planning to use WIA's negotiation process to establish expected performance levels for labor exchange services. VETS proposes that states use 2 years of data if possible, but not less than 1 year in determining trends for performance and factors that may influence performance.

¹⁰See [GAO-01-580 for a comparison of VETS, ES, and WIA performance measures](#).

Concerns Remain That VETS Should Address

While the proposed performance measures are an improvement over those currently in place, there are issues with these measures that VETS should address. First, a comparison of the performance measures with the strategic plan indicates that VETS is sending a mixed message to states about what services to provide and to whom. The strategic plan suggests that states focus their efforts on providing staff-assisted services to veterans, including case management. Yet, none of the proposed measures specifically gauges whether more staff-intensive services are helping veterans get jobs. VETS' proposal includes a measure that tracks employment outcomes following staff-assisted services. However, this measure is broadly defined, and the list of staff-assisted services includes nearly all services provided to veterans.¹¹ This makes the outcomes achieved for the staff-assisted measure nearly identical to those reported for the more general "entered-employment rate." In addition, as VETS has defined it, staff-assisted services include many services that might not be considered "intensive," such as referral to a job and job search activities. Because the definition is so broadly defined, a veteran who only attended a job search workshop would be counted the same as a veteran who received more intensive services, such as testing and employability planning. Both would be counted in the more general entered-employment rate measure, as well as the staff-assisted service measure. A stricter definition for staff-assisted services that includes only those services that are generally considered staff-intensive would allow VETS to more accurately assess the success of those services and help to clarify the goals of the program.

Second, VETS is sending a mixed message about which groups of veterans to target for services. As we noted in past reports and testimonies, VETS has inconsistently identified various "targeted" groups of veterans it plans to help.¹² In its strategic plan, VETS identifies two broad veterans groups that should be targeted to receive special attention—(1) disabled veterans

¹¹VETS uses the ETA definition of staff-assisted services. Staff-assisted services include (a) referral to a job; (b) placement in training; (c) assessment services, including an assessment interview, testing, counseling, and employability planning; (d) career guidance; (e) job search activities, including resume assistance, job search workshops, job finding clubs, providing specific labor market information and job search planning; (f) federal bonding program; (g) job development contacts; (h) tax credit eligibility determination; (i) referral to other services, including skills training, educational services, and supportive services; and (j) any other service requiring expenditure of time. Application taking and/or registration services are not included as staff-assisted services.

¹²See [GAO/T-HEHS-00-206](#).

and (2) all veterans and other eligible persons. And consistent with this, VETS proposes that expected performance levels be negotiated separately for each of these same two groups. Yet, the strategic plan also suggests that, when providing services to all veterans, special attention should be given to meeting the needs of certain other target groups, some of which might require more intensive services to become employed. The groups targeted for special attention include (1) veterans who have significant barriers to employment, (2) veterans who served on active duty during a war (or campaign or expedition in which a campaign badge has been authorized), and (3) veterans recently separated from military service. In reviewing VETS' proposed measures and the plan for negotiating performance levels, it is unclear what steps VETS will take to ensure that DVOPS and LVERs are provided ample opportunity and encouragement to focus attention on the portion of the "all veterans" group who may require more staff time to be successful in getting a job.

Last, VETS' proposal also continues to include a performance measure related to federal contractor job openings listed with the state's ES office. However, in its proposal, VETS has changed the measure. Under the current system, VETS tracks the number of Vietnam-era and special disabled veterans who were placed in jobs listed by federal contractors—an outcome measure. Now, under the proposed system, VETS will track the increase in the number of federal contractor jobs listed with the state's ES office—a process-oriented measure.¹³ This new measure ultimately holds DVOPS and LVERs accountable for the number of federal contractors in a given state or local area, not for veteran placements with those contractors. The presence of federal contractors in a given state or local area is unpredictable and is determined by the federal agencies awarding contracts. Furthermore, according to state officials that we talked with, the federal contractor measure should be eliminated altogether because it is the responsibility of contractors to list their job openings. In addition, it is Labor's Office of Federal Contract Compliance

¹³ Any contractor or subcontractor with a contract of \$25,000 or more with the federal government must take affirmative action to hire and promote qualified special disabled veterans, veterans of the Vietnam-era, or any other veterans who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized. Contractors and subcontractors with job openings, other than executive or top management jobs, must list them with the nearest state employment office. Veterans cited above receive priority for referral to federal contractor job openings listed at those offices.

that is responsible for ensuring that all companies conducting business with the federal government list their jobs with state ES offices and take affirmative action to hire qualified veterans.

Proposed Data Source for New Measures Is an Improvement but Will Bring Some Challenges

Consistent with WIA and ES, VETS is proposing that all states use UI wage records, which contain the earnings of each employee reported quarterly to state agencies,¹⁴ to identify veterans who get jobs. While these data will greatly improve the comparability and reliability of the proposed performance measures, they will also bring some challenges that VETS needs to address.

Proposed Data Source Will Help to Ensure Comparability and Reliability Across States

Using a single data source will help to standardize the way in which states collect data on veterans, thereby making it easier to compare performance across states. Currently, states are using various data sources for performance-reporting purposes. While almost all of the states in our review used a combination of data sources to determine whether or not a veteran got a job, most of the states relied substantially on one data source, but that source differed among states. For example, in program year 1999

- 7 of the 15 states that we contacted relied to a large extent on wage record data to determine whether a veteran got a job or not;
- 7 others relied, for the most part, on telephone calls and letters to veterans and employers to determine a veteran's employment status; and
- 1 state relied primarily on its new hire database for employment data.¹⁵

¹⁴Each calendar quarter, employers in a state provide wage information on their employees to their state's UI agency or some other state agency. The information contained in wage records varies from state to state. However, all wage records contain at least the following information: the calendar quarter that the wages were reported in, the employee's social security number, wages paid to the employee in that quarter, and employer information.

¹⁵The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 established the National Directory of New Hires and State Directories of New Hires. The National Directory is maintained by the Social Security Administration on behalf of the Department of Health and Human Services, Office of Child Support Enforcement. States maintain their own State Directories of New Hires and generally supply data for the National Directory. Information in these directories includes: new hire information, such as name, address, and social security number of the employee and the name, address, federal identification number of the employer; in some states, wage information; and UI claim information.

In addition to making state data more comparable, we found evidence that states currently using wage records have been able to better identify those veterans who get jobs after receiving services. A recent study found that UI wage records more accurately identified how many veterans in the state of Maryland got jobs after receiving DVOP, LVER, or ES services.¹⁶ In addition, most states in our review that are now using UI wage records, either as their primary data source or to augment other data sources, reported higher employment rates in program year 1999 for veterans they served than that year's national average of 30 percent.¹⁷ By comparison, all but one of the states that relied either on manual follow-up or the new hire database reported an employment rate below the national average.

Another benefit of using UI wage records is that staff assisting veterans will be relying on data already available rather than collecting additional information from veterans or employers. Relying on these already reported data would require less staff time from DVOP, LVER, and ES staff, freeing them to focus more on providing job-related services to veterans. State officials told us that relying on manual follow-up, such as telephone calls, has been labor-intensive and has diverted staff attention away from providing appropriate assistance to veterans.

UI Data Presents Some Challenges

While UI wage records offer advantages over the current data collection system, some challenges need to be addressed. First, states should find ways to identify interstate job placements. Because the UI wage record system resides within each state, states generally do not have access to wage records from other states, making it difficult to track individuals who receive services in one state but get a job in another. Currently, there is no national system in place that facilitates data sharing among states. However, in response to WIA requirements, states are developing an interstate UI wage record information sharing system, known as the Wage

¹⁶Using UI wage records, this study tracked veterans who registered with the Maryland Job Service during program year 1997 and found an entered-employment rate that ranged from 65 percent to 82 percent, depending on the way the study defined a registrant. In that same program year, Maryland reported to VETS an entered-employment rate of 31 percent, which was based on staff telephoning veterans and employers to verify employment. See *Proposed New Entered Employment Patterns of Veteran Wagner-Peyser Registrants in the State of Maryland*, by Robert Cook, BETAH Associates; and Edward Davin and Karin Willner, DynCorp (Apr. 12, 2000).

¹⁷See [GAO-01-580](#) for a list of all states and their respective entered-employment rates for program years 1996-99.

Record Interchange System (WRIS). The system is designed to minimize the burden on state unemployment insurance programs in responding to requests for wage record data, to ensure the security of the transactions involving individual wage records, and to produce the results at a low cost per record. In addition, some states have entered into agreements with neighboring states to share wage information in support of WIA. These efforts should help VETS as well.

Second, states should find ways to identify those veterans finding jobs in categories not covered by UI wage records. According to Labor, UI wage records include data on about 94 percent of workers. Certain employment categories are not included in these data, such as self-employed persons, most independent contractors, military personnel, federal government workers, railroad employees, some part-time employees of nonprofit institutions, and employees of religious orders. Therefore, the UI system will not be able to track and count veterans who get these types of jobs. This is an issue for WIA as well, and states are beginning to assess the extent to which this issue will affect their ability to accurately determine the outcome of WIA-funded programs.

Other Measurement Issues Affect Comparability of States' Performance Data

There are other issues not related to the use of UI wage records that VETS should consider as it finalizes its performance-reporting requirements. VETS' proposed performance system does not standardize how states report veterans or nonveterans who use self-service activities, making it difficult to reliably assess nationwide performance. In an environment in which self-service is becoming more common, we found that states vary in whether they register veteran job seekers who access self-service tools, such as internet-based job listings or resume writing software. For example, some states allow job seekers greater access to job listings without requiring that they register, while others have more restrictions on who can access job lists. Table 2 shows how such differences can affect entered-employment rates. In this example, 100 veterans enter the employment service for assistance. In both cases, 40 veterans ultimately get jobs after receiving identical services. In one case, the placement rate is 40 percent and in the other, 50 percent—a 10-percentage point difference. This difference results from counting all job seekers in one case and only those requiring staff assistance in the other. As a result of the different ways states currently count veterans and report outcomes, the entered-employment rate measure is not consistently calculated across states, and nationwide comparisons are misleading.

Table 2: A Comparison of Entered-Employment Rates by Registration Policy

All veterans required to register				Veterans accessing self-service do not have to register			
	Veterans registered	Number of veterans who get jobs	Number of veterans with jobs counted in entered-employment rate		Veterans registered	Number of veterans who get jobs	Number of veterans with jobs counted in entered-employment rate
40 veterans use self-service	40	10	10	40 veterans use self-service	0	10	0
60 veterans require staff assistance	60	30	30	60 veterans require staff assistance	60	30	30
Total	100	40	40	Total	60	40	30
Reported Entered-Employment Rate: 40/100 = 40%				Reported Entered-Employment Rate: 30/60 = 50%			

Source: GAO analysis.

VETS' proposed performance system does not standardize how long a veteran or nonveteran remains registered after seeking services for performance-reporting purposes. We found that states differ in how long they keep veterans registered. This difference makes the calculation of the entered-employment rate (i.e., the number of veterans that get jobs) different from state-to-state and nationwide comparisons unreliable. Many of the states we contacted count individuals as registered who have received a service in the last 6 months. However, two states only count those as registered who have received a service in the last 3 months, while two others count only those who received a service in the last 2 months. And in one state, anyone who has received a service from the state's employment office since 1998 is counted as a registrant when determining the entered-employment rate.

Conclusions and Recommendations

VETS has proposed changes to its performance measurement system that will move VETS closer to implementing an effective accountability system. However, additional changes are needed so that VETS can effectively determine whether its programs and services are fulfilling its mission. VETS continues to send a mixed message to states about what services to provide and to whom. In addition, two of the proposed measures—the entered-employment rate and the employment rate following staff-assisted services—may provide nearly identical results, and neither helps VETS to monitor whether more intensive services are being provided to veterans or whether these services are successful. Furthermore, through its planning documents and proposed performance measures, VETS continues to

inconsistently identify the groups of veterans that it wants states to help. Our report recommended that the Secretary of Labor direct VETS to redefine staff-assisted services to include only those that may be considered staff intensive, such as case management, so that VETS can evaluate these services. We also recommended that VETS clearly define its target populations so that staff assisting veterans know where to place their priorities. VETS acknowledged that its current strategic plan sends a mixed message to the states about which groups of veterans staff should target for special attention and noted that it is revising its planning documents to reflect a more consistent message. VETS disagreed, however, with our recommendation for a revised definition of the performance measure related to staff-assisted services.

VETS also maintains a measure related to federal contractors that does not focus on whether veterans get jobs but instead counts how many job openings are listed by federal contractors. In addition, state officials told us that it is the responsibility of the contractors, not DVOPS and LVERs, to list their job openings. Our report recommended that VETS eliminate this measure. While VETS disagreed with this recommendation, it agreed to reconsider the suitability of this specific measure after public comments have been received.

Finally, because VETS allows states to decide which veterans to include in its performance reports, data across states are inconsistent and state-to-state comparisons are unreliable. Our report recommended that VETS establish and communicate guidelines that standardize how to count veterans for performance-reporting purposes so that VETS will be able to assess program performance nationwide. VETS noted that it is working with ETA to determine how states can uniformly report veterans and nonveterans that use self-service activities and that the revised ETA 9002 report will provide instructions on how long individuals remain registered in the system.

Mr. Chairman, this concludes my prepared statement. I will be happy to answer any questions that you or other members of the Subcommittee may have.

GAO Contacts and Acknowledgments

For future contacts regarding this testimony, please contact Sigurd R. Nilsen at (202) 512-7215. Key contributors to this testimony were Dianne Blank, Elizabeth Morrison, and Amanda Ahlstrand.