

**Testimony of**

**VIETNAM VETERANS OF AMERICA**

**By**

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**Chairman, National Employment, Training, and Business Opportunities Committee**

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**Before the**

**House Committee on Veterans' Affairs**

**Subcommittee on Benefits**

**Regarding**

**The Veterans' Employment and Training Service**

**October 30, 2001**

Chairman Simpson, Ranking Member Reyes, and other distinguished members of the subcommittee, Vietnam Veterans of America (VVA) is pleased to have this opportunity to provide our views regarding the status of the Department of Labor's Veterans' Employment and Training Service (VETS).

As you may know, Mr. Chairman, VVA has long had serious reservations and deep concern about the generally not very effective national effort to assist veterans, especially disabled veterans and veterans at high risk to obtain and sustain meaningful employment. Ever year since VVA was founded in 1978, VVA has brought serious concerns to the Congress when it became clear that the Department of Labor (DoL) would not meaningfully address these concerns. There was a time when we thought that the problem was one of poor leadership at the Department of Labor, a flaccid bureaucracy, a lack of adequate resources, and perhaps the arrogant and anti-veteran corporate culture at the Employment and Training Administration of the US Department of Labor and their state partners. VVA has come to the conclusion that while all of the above was (and largely still is) true, the real problem was structure and philosophy.

The VVA National Convention in 1997 scrapped all of the many resolutions that we put on the books to try and provide remedy to the myriad problems of this so-called employment system, and particularly the veteran's portion of these services. One thing was abundantly clear: the average veteran, particularly disabled veterans and others most in need of assistance, simply were not receiving meaningful help in the most populous parts of our Nation. Like our distinguished colleagues at the other veterans' organizations, we had been trying to add proscriptive solutions to real problems by seeking additional black letter law. We were wrong to think that these solutions could ever work.

The people who run what used to be called the Job Service and now the Work Force Development Agencies, take money very, very seriously. It is virtually the only thing that gets and holds their attention. What is wrong with the current structure is that there is no reward for excellent performance, nor any sanctions for terrible performance and behavior. There is no way to get, much less hold the attention of management at every level in these agencies. Therefore, VVA has called for major changes in veterans' employment and training system since that time, and strengthened that call in 1997, calling for meaningful standards, better monitoring and analysis, and for private sector principles to be applied to any entity that purports to meet the employment needs of veterans, particularly disabled veterans and other veterans in greatest need.

The United States is a democratic republic. The United States is also a mercantile country, relying on a variation of market forces (i.e., cash) driven forces to make our economy work well, Our economy generally does work well. Applying a variation of the free market system and our democracy is why veterans served and fought. A carefully structured new system can make this system work.

In its September 2001 report on the status of VETS (GAO-01-928), the General Accounting Office (GAO) raised a number of concerns about the effectiveness of the VETS program in relation to the Workforce Investment Act of 1998 (WIA). A core concept behind WIA was the centralization of workforce-related services in “one-stop” centers. VETS participates in these centers through its Disabled Veterans’ Outreach Program (DVOP) and Local Veterans’ Employment Representative (LVER) programs.

When it examined the effectiveness of these centers and their utilization of DVOP & LVER services, GAO found that VETS was not collecting the data necessary to determine how effective these services were, particularly subsequent job retention and wages earned by program participants. At present, the only outcome data VETS collects is on the percentage of veterans served who gain employment. However, because each state uses different methods for verifying and measuring employment rates, the data submitted to VETS by the states represents a variable patchwork of dissimilar data, making any type of meaningful outcome measurement impossible. VVA does not understand why VETS has failed to negotiate effective agreements with state workforce agencies to develop a common standard for measuring outcomes in this area. This failure by DOL/VETS management has clearly compromised program effectiveness and is, bluntly stated, inexcusable. VVA has been urging a strengthening and simplification of this data gathering for some time, focusing on job placement. (The problem with “obtained employment”, and checking wage records is that the Work Force Development Agency (WFDA) may not have provided any real help to the veteran at all in his or her job search.)

Also inexcusable is the failure of VETS’ management to provide proper oversight of DVOP and LVER grants. We concur with GAO’s assessment that after so many years in existence, VETS still does not have effective performance management systems for monitoring compliance with program objectives. Part of the difficulty is that there are so few tools that the VETS staff has in the field. VETS can declare a state out of compliance and seize the grant funds, or move to recapture funds when the WFDA is caught red handed blatantly breaking the law. Otherwise their only tools are encouragement and moral suasion, or strong letters and potential political embarrassment of the agency. This is the fault not of the agency, but of the top political and permanent leadership of the United States Department of Labor, who have never strongly supported VETS pushing for performance in the field. It is also the fault of the Congress for not changing Federal law, to give the VETS staff in the field more control over rewards and sanctions. In other words, there must be real money tools for them to be effective.

Beyond the management oversight problems outlined above, GAO claims that the VETS program suffers from a “lack of flexibility” driven largely by its original authorizing legislation. As GAO noted in its report, existing law does not provide DVOP and LVER programs with the flexibility they need to move staff around within a state to match changing employment and residency patterns. The original law authorizing VETS was written under “Old Economy” conditions. Congress must modernize the VETS statute to bring the program into line with the “New Economy” and rapidly evolving job market.

Mr. Chairman, all of the preceding paragraph and “finding” is just plain eyewash. When the states’ WFDA’s ask for “flexibility” what they really mean is license for doing whatever they want with the money. There is virtually no proven record of performance on the part of most states that would lead any reasonable person to say yes when they say “Trust us.”

The assumption of the GAO that the “new” one stop centers created by the Workforce Investment Act (WIA) are working well to help citizens find jobs is just plain wrong. There is no reasonable basis on which to say this. It is worth noting that the same people who wrote this report also wrote the reports ten years ago that led to the eventual enactment of the WIA. It is worth noting that while the GAO spent much time in person with the state WDTA and others, but only limited phone interviews were used to seek input of the veterans organizations. It is also worth noting that the one stop centers say that they are in the “information sharing” business, rather than job placement. This stated mission is virtually impossible to measure in terms of real and material usefulness in the employment search. Therefore there is no way to hold the WFDA’s accountable for how well they are doing in regard to assisting Americans to find meaningful work at a living wage.

Mr. Chairman, there are quite a number of factual mistakes and erroneous assumptions in this report. VVA would be pleased to detail all of these in a report to this distinguished Committee, if you so desire. Let it suffice to say that the GAO is correct that rewards and sanctions are the minimum that needs to be done. GAO is wrong in their assumption of good will and a real desire to do a great job for veterans on the part of the WFDA officials in every state. Some are very good, and very committed to the mission. Many, particularly in our most populous states are not committed or only offer lip service.

Vietnam Veterans of America sincerely appreciates the opportunity to present our views on these extremely important issues, and we look forward to working with you, Mr. Chairman, and your distinguished colleagues on this Committee to address and resolve these and other important matters of concern to our nation’s veterans.