

**TESTIMONY FOR THE U.S HOUSE OF REPRESENTATIVES
COMMITTEE OF VETERANS' AFFAIRS
SUBCOMMITTEE ON BENEFITS**

**STATEMENT BY ROGER B. MADSEN
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Mr. Chairman and Members of the Subcommittee:

My name is Roger Madsen. I am the Director of the Idaho Department of Labor, a position I have held since January 1995. Our Department is the grantee for the Local Veterans' Employment Representative (LVER) and Disabled Veterans' Outreach Program (DVOP) programs in Idaho as well as the Employment Service, Unemployment Insurance program and other programs of the Workforce Investment Act. While not a veteran, I am a deeply committed veteran's advocate and former chair of the NASWA Veterans' Affairs Committee. I bring greetings, Mr. Chairman, from our friend Kent Phelps in our Blackfoot office. You may be aware that Mr. Phelps recently received a national award from the American legion for his exceptional service to veterans.

Thank you for this opportunity to speak briefly about our programs for veterans and the contributions veterans are making to our communities and our state. These veterans' programs, developed in the 1970's and 1980's, met the needs of the nation at a time we were bringing Vietnam veterans home to an unwelcoming society. The world of work was based on long term employment, where an entry level job was a ticket to a career and skills were good for a lifetime. Today the effective lifespan of a technical skill is frequently only about eighteen months and, in

some fields, five years on a job is considered stagnation. Today's service members and veterans have the technical skills and the work ethic needed to succeed in this world of work. What we do not have is a career development program for those veterans that allows us the flexibility to respond to rapid economic changes and the demands of business.

We have reviewed the General Accounting Office report to the committee concerning the veterans employment and training service and agree with many of their findings.

We recommend the following:

1. I join with many others in asking the Congress to fund the Local Veterans Employment Representative and Disabled Veterans Outreach Program grants at a more reasonable level and on a Program Year rather than Fiscal Year cycle. These grants are currently the only Department of Labor Employment and Training programs funded on a Fiscal Year cycle. Since all reporting on these programs is done on a Program Year cycle, it is difficult to match funding and performance data to accurately represent the return on investment for this program. I wish to express my appreciation to the committee, especially Mr. Smith and Mr. Evans, for your letters of support for this proposal. We also appreciate the proposed two-year carry over provision and the hold harmless provision that will allow small states like Idaho to stabilize staffing plans and provide consistent and reliable service to our veterans.

2. Allow veterans' representatives to be cross trained and provide to veterans the full range of services available in the one-stop. One of our biggest challenges is integrating veterans' services into our one stop environment. The current restrictions regarding the types of services LVER and DVOP staff can and cannot provide, for example, the prohibition against providing any unemployment insurance services to veterans, make it nearly impossible for veterans staff to be fully integrated into the one stop environment, although they very much want to be. They can see the future, but they cannot fully participate in it. In addition to being a disservice to our veterans' staff, it is a definite disservice to the veteran customers. While other customers may have their employment and unemployment insurance needs met by one individual, the veteran customer cannot. From a customer perspective, this is hardly seamless service. From an organizational perspective, this is hardly cost effective. The single most effective change to national policy that could be made is to relieve these restrictions on the types of services that an LVER or a DVOP can provide to a veteran.

3. Remove unnecessary restrictions and allow states greater discretion, flexibility and accountability to design, administer and operate veteran's programs in the way most effective in each state. Specific duties, management structures and staffing plans should be the responsibility of the state organization and not described in law, federal regulation or grant agreements. For example, the current law requires that LVER and DVOP staff be directly supervised by the Manager of the Service Delivery Point. This is overly restrictive, and impedes the operational design of the One-Stop. We would also suggest

that the law requiring that all DVOP positions be full time and that LVERs may be only half or full time restricts the state's ability to maximize the use of these professionals to best serve our veterans. Increased flexibility in the use of veterans' resources would allow a small state like Idaho to maximize the return on investment and the service to our customers with the limited LVER and DVOP funds provided. Again, we feel that it is our responsibility to meet the needs of Idaho's veterans and businesses, but we must have the flexibility to move staff and resources to address the changing nature of those needs. For example, at our office in McCall the area's unemployment rate is forecast at 7.6 percent, in a community in a very remote location. Nearly 20 percent of all registered applicants in that office are veterans. Yet, we must request a waiver of the law to post a half time veterans' representative there because fewer than the 350 veterans mandated for a half time position are registered. We are now told that this waiver may no longer be allowed. If that is the case, those veterans will lose a resource they have come to trust at a time when they need help from the government they served. As you know, Mr. Chairman and members of the Committee, like many rural areas of our nation, much of rural Idaho has been in a recession for several years with many counties having unemployment rates in double digits. The Department of Labor has focused other resources on these communities, but the veterans' program has been restricted by outdated legislation and uncertain funding.

4. Simplify the myriad of definitions and categories of veterans to allow dedicated veterans staff to help anyone who has served in the military, including that nearly one-

half of the nation's fighting force in Reserve or National Guard units, as well as those service members within one year of the completion of their military obligation.

5. Fund the employment program for veterans similar to other employment programs, with similar definitions for program and administrative costs. Under the current law, only the direct salary and benefit costs of the front line staff are allowable as program costs. All other expenses, including even the cost of maintaining space for an L.V.E.R. in an office, are considered administrative expenses and are tightly controlled and monitored. Should the veterans grants assume the funding model of the workforce investment act, all costs associated with directly serving veterans would be program costs and true administrative staff and technical services costs would be overhead. This would simplify reporting and reduce reporting costs. The current funding structure allows for little or no time for planning, often leaving us in the position of reacting to Congressional budgetary decisions after the fact. Additionally, VETS' recapture and modification process serves their purposes well in insuring the full expenditure of their allocated funds, but leaves the states bearing all the risk with no opportunity for reward. The majority of these funds are for staff costs which cannot be increased or decreased quickly without a serious impact on the performance and credibility of our program.

6. Task the U.S. Department of Labor with developing meaningful performance measures and allow each grantee to propose a service plan to address those measures as they apply in the local area. In our response to VETS proposed performance measures, we commended VETS for aligning their measures with those proposed by the Employment

Service. We find the measures of entered employment and retention to be meaningful when taken in context of the economic conditions that exist at the time they are measured. We find the proposed measure on the listing of openings by businesses with federal contracts to be unnecessary and non productive. We feel that it is our responsibility to help every veteran secure a job that meets his or her needs and skills and to help each employer in our state find and maintain the workforce necessary to be productive and profitable. We offer every business in Idaho a range of services to assist in solving employment and training related challenges. We would welcome the opportunity to partner with VETS to help businesses understand how the skills and work ethic of our veterans can be a part of those solutions. We do not see how it is appropriate for the U.S. Department of Labor to task us with the enforcement of their affirmative action regulations.

7. Eliminate the duplicative federal review of each service delivery point. While we have a good relationship with the V.E.T.S. Director in Idaho, her local office reviews rarely find issues our management staff were not already addressing. These reviews are an unnecessary level of federal oversight that, last year, consumed 24 weeks of her time and resulted in one minor finding.

8. The G.A.O. report recommends combining the LVER and DVOP grants into a single grant. While we see the administrative advantages for this consolidation, we are concerned that the total funding and the total number of veterans' representatives available may well be reduced under such a plan. We would ask that, if a single grant

program is adopted, a financial guarantee be included so states can maintain the stability and flexibility necessary to be effective.

As you know, Mr. Chairman, we in Idaho respect and appreciate the sacrifice our veterans have made to defend our nation. At the Idaho Department of Labor we have the skills, expertise, community support and dedication to help our veterans find their place in the civilian economy. With your assistance and continued support we will help America keep its promise to its veterans.

Thank you.