

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

**TERRY O'MAHONEY
COMMISSIONER REPRESENTING LABOR
TEXAS WORKFORCE COMMISSION**

October 30, 2001

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Chairman Simpson, Members of the Committee, my name is Terry O'Mahoney, Commissioner Representing Labor, for the Texas Workforce Commission (TWC), the agency responsible for workforce employment and training in Texas. I am pleased, and honored, to be with you today to address the General Accounting Office's (GAO) September 2001 report on "Veterans' Employment and Training Service; Flexibility and Accountability Needed to Improve Services to Veterans."

As a former United States Marine Corps Major and Naval aviator, I admire and respect the sacrifices that members of our armed forces everywhere have made in serving our country and we all owe these individuals a debt of gratitude. Ensuring that veterans' needs are addressed is an essential element in honoring that debt, and I commend the Committee for continuing its efforts toward that end.

We in Texas honor that debt as well, and have established a history and tradition of helping veterans. From the early days of Texas to the present, we have taken great pride in serving veterans and have achieved a good deal of success. It is upon that success that we would like to build, and we believe the points identified by the GAO Study will help us do just that.

Through the leadership of then Governor George W. Bush and the Texas Legislature, Texas began reforming the state's workforce system in 1995, a system later used as a model for national workforce reform through the Workforce Investment Act of 1998. The cornerstone of which is local control and flexibility. Texas has 28 Local Workforce Development Boards and over 142 workforce centers which, along with the agency, comprise the Texas Workforce Network. Each of these local Boards is required by state law to have at least one veteran as a member.

Our customers - the employers, job seekers, and communities of Texas - are in an environment that is constantly moving forward. They are able to access services seven days a week, 24 hours a day. Job orders, applications, job matching and job referral can be done over the Internet. Gone are the days when employers or applicants had to go to the "Unemployment Office" to register and obtain services. It is impressive to see where we are and how far we have come.

Local Boards ensure the delivery of service through integrated One-Stop centers. For the One-Stop center, flexibility is the key to meeting the needs of local employers, job seekers, and the community. Unfortunately, the federally funded Disabled Veterans' Outreach Program (DVOP) and Local Veterans' Employment Representative (LVER) programs, provided through the U.S. Department of Labor Veterans' Employment and Training Service (DOL-VETS), are rigid and prescriptive. These programs generally lack the flexibility necessary to meet the demand of today's integrated workforce initiatives.

As established by Title 38 U.S. Code, Chapter 41, DOL-VETS provides the funds for the program to the state, then services are delivered at the local level. However, often it appears the lines of authority, operational management, and expectations are blurred. Moreover, the funding cycle, fiscal operations, and reporting demands makes these grants some of the most closely monitored, staff intensive program in the agency.

I applaud the GAO study and believe the conclusions and recommendations contained therein are valid and worthy of support. From the study and from our experience, the basic foundation for today's workforce structure is a locally controlled, integrated workforce system that is envisioned in the Workforce Investment Act. To be effective and efficient in serving our customers, efforts must be taken to align other federal programs providing similar services toward the WIA model.

To facilitate this move Congress should consider the following six items:

1. GAO - "Provide states and local one-stops more discretion to decide where to locate DVOP and LVER staff and provide states the discretion to have half-time DVOP positions."
- TWC - In short, let the operator decide how to task-organize its resources to meet the local situation. As all of us who are veterans know, the front line is where the action is. The local people are in the best position to assess what is needed and how to get it done.

2. GAO - “Allow VETS and/or states the flexibility to better define the roles and responsibilities of staff serving veterans instead of including these duties in the law.”

TWC - I believe that roles and responsibilities for the DVOP/LVER positions should *not* be enumerated in law. Inclusion of these items in statute severely restricts those that manage the grant and those that deliver the services. Let us instead give the local level the flexibility to meet the day to day service demands.

3. GAO - “Combine the DVOP and LVER grant programs into one staffing grant to better meet states’ needs for serving veterans.”

TWC - As it stands now, a state could be overspent in one program, say DVOP, and under spent in LVER. But, because the two funding streams are categorical and can not be commingled, funds from one can not be used to offset costs in the other. A single funding source would enable more flexibility in staff positions, offer better upward mobility for staff, and enhance total operations by allowing more funds to directly reach the point of services without regard to category. Alternatively, this same objective could be accomplished if states were allowed to expend funds on either staff category as the overall situation dictates.

4. GAO - “Provide VETS with the flexibility to consider alternative ways to improve administration and oversight of the staffing grants, for example, eliminating the prescriptive requirements for monitoring DVOP and LVER grants.”

TWC - In the other programs available in the One-Stop, many of which are vastly larger than the DVOP/LVER grants, the state performs the monitoring role and our federal partners provide technical assistance to the state.

Another grant area I am concerned with is the DOL-VETS staff in the state. I believe the grant for this program and other state-administered services should be used to support state staff and their associated costs in the One-Stop centers, and not to pay for the administrative cost of federal employees.

5. GAO - “Making the DVOP and LVER grant funding cycle consistent with that of other employment and training programs.”

TWC - I know you are already working on this and I want to thank the Chairman and Ranking Member of this Committee for writing the Chairman of House Appropriations Committee and the Office of Management and Budget. Thank you for your efforts on this matter.

6. GAO - “Eliminate the requirement that VETS report on Federal Contractor Job Listings.”

TWC - Other recent GAO studies have also supported this stance. From a state perspective, there is little role for us in this area. A federal entity contracts with a business for goods or services. The contracted entity must file to DOL-VETS an annual VETS 100 report detailing the number of veterans in its workforce. And, another federal agency, the Office of Federal Contract Compliance is charged with

monitoring the contractors. It would seem that sufficient mechanisms are already in place at the federal level to satisfy any information needs relating to federal contractors, without requiring states to track the quantity of their job listings.

To further move toward DVOP/LVER program improvement several items in the GAO study were recommended for Executive Action. Specifically, the Secretary of Labor should direct VETS to:

“Specify performance goals and expectations for serving veterans and allow states the flexibility to present a plan for how they intend to meet these goals and expectations.” This would bring the DVOP/LVER program in line with other similar workforce elements and would result in a comprehensive and cohesive approach toward workforce initiatives and service delivery.

“Implement, as soon as possible, a performance measurement system that holds states accountable, reflects the agency’s goals and expectations, and defines how the performance data should be collected to ensure accuracy and reliability.” I think it should be recognized that DOL-VETS has taken a major first step in this direction with the development of new standards for veteran services. These new standards are similar to those already approved for the Public Labor Exchange and are closely related to those in place for the Workforce Investment Act.

“Implement a performance management system for state grantees that provides incentives for meeting goals and penalties, beyond corrective action plans, for not

meeting goals.” I wholeheartedly support this recommendation. As pointed out in the GAO study, Texas achieved a veteran Entered Employment rate of 45.8 percent, placing Texas in the top five percentile of all states. Even more important in that ranking is that Texas’ 45.8 percent equated to some 56,589 veterans entering jobs through our Texas Workforce Network, or 11 percent of the national total.

This concludes my comments on the specific recommendations contained in the GAO study. I would like to take this opportunity to extend my appreciation to the National Association of State Workforce Agencies (NASWA) and its Veterans’ Affairs Committee for its outstanding efforts in working with the House Veterans’ Affairs Committee, DOL-VETS, the Veteran Organizations, and the states themselves.

In closing let me add, the tasks that lie ahead are not easy. The DVOP/LVER programs were borne out of a sincere effort to ensure our nations’ veterans receive the support and service they so richly deserve. We do not take this obligation lightly. I believe our record and demonstrated performance reflects Texas’ commitment and dedication to serve those who have served, and those who continue to serve our country. Even as I affirm our dedication and commitment, I can also assure you that the systems of the past will not meet the demands of the future. I applaud you for recognizing the need for change and I welcome the opportunity to work with you, and all our partners, to develop a structure that enhances and improves services to veterans not only for today, but for tomorrow as well.

I will be happy to answer any questions.

**TEXAS WORKFORCE COMMISSION
VETERANS' SERVICES
PERFORMANCE STATISTICS**

TESTIMONY OF OCTOBER 30, 2001

The following statistics reflect services provided to veterans via the Texas Workforce Network for the year ending June 2000. This period was the baseline utilized by the General Accounting Office for their study on "Veterans' Employment and Training Service: Flexibility and Accountability Needed to Improve Services to Veterans."

CATEGORY	NUMBER ACHIEVED	PERCENTAGE ACHIEVED
<i>Applicants Registered</i>		
Non Veterans	1,322,720	
Veterans	123,651	
Vietnam Era Vets	43,214	
Disabled Veterans	7,348	
<i>Receiving Services</i>		
Non- Veterans	1,086,239	82.1%
Veterans	121,364	98.2%
Vietnam Era Vets	42,423	98.2%
Disabled Veterans	7,323	99.7%
<i>Referred to Jobs</i>		
Non-Veterans	577,132	43.6%
Veterans	73,693	59.6%
Vietnam Era Vets	26,584	61.5%
Disabled Veterans	5,097	69.4%
<i>Entering Jobs</i>		
Non Veterans	386,080	29.2%
Veterans	56,589	45.8%
Vietnam Era Vets	19,958	46.2%
Disabled Veterans	3,490	53.4%

In the measured areas, veterans received a higher level of services than non-veterans and disabled veterans received a level of service higher than all others received.

TWC also operates 11 joint sites with the Department of Veteran Affairs (VA) specifically to provide intensive employment support to veterans undergoing Chapter 31, Vocational Rehabilitation and Employment Training. For the performance period, 396 veterans were referred to TWC from VA and 260, or 63 percent, entered jobs at an average starting wage of \$11.82 per hour.

Another veteran service area is a joint venture among the Department of Defense (DOD), Department of Labor-Veterans' Employment and Training Service (DOL-VETS), and TWC to provide Transition Assistance Program (TAP) seminars to separating service members and their spouses. TAP seminars were provided to 5,889 military service members and their spouses at 13 military bases in Texas. The seminars, lasting one to three days, provide information on VA benefits, job search techniques, interviewing skills, translation of military duties into civilian job skills, resume preparation, and labor market information.

Additionally, TWC Veterans Training Grant provided an important bridge to civilian employment for those veterans with little or no job skills. The training grant provided veterans with training and placement, including classroom training, on-the-job training and remedial education. Texas was one of only 16 state to receive the grant. For the year, 306 veterans were trained and placed at an average starting wage of \$9.21 per hour.

The agency has actively supported efforts to recognize and honor employers, local staff and workforce center operators who have demonstrated excellence in hiring and serving veterans.

Last year:

- the Physically Challenged Services Industry (PCSI) of Fort Hood received the Disabled American Veterans' *National Small Employer of the Year Award*;
- PCSI also won the Veterans' of Foreign Wars *National Small Employer of the Year Award*.
- The Copperas Cove Workforce Center received the *International First Place Employment Center Award* from I.A.P.E.S.
- The Texarkana Workforce Center received the Veterans' of Foreign Wars *Second Place National Award for Employment Centers*.