

1 VETERANS EMPLOYMENT AND GOVERNMENT CONTRACTORS

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3 TUESDAY, JUNE 5, 2012

4 United States Senate,

5 Ad Hoc Subcommittee on Contracting Oversight,

6 Committee on Homeland Security and Governmental Affairs,

7 Washington, D.C.

8 The Subcommittee met, pursuant to notice, at 10:03

9 a.m., in Room 342, Dirksen Senate Office Building, Hon.

10 Claire McCaskill, Chairman of the Subcommittee, presiding.

11 Present: Senators McCaskill, Carper, and Begich.

12 OPENING STATEMENT OF SENATOR McCASKILL

13 Senator McCaskill. This hearing of the Subcommittee on

14 Contracting Oversight of the Senate Committee on Homeland

15 Security and Governmental Affairs will come to order.

16 I am happy today to be discussing a subject that I

17 think every American should be concerned about, and that is

18 the employment of our veterans. At the hearing today, we

19 are going to talk about an alarming trend in the employment

20 of the best that America has.

21 Service in the active duty military or the National

22 Guard or Reserve has historically been an advantage in

23 seeking employment. Recruiters for the military promise

24 that service could lead to careers. Yet after more than a

25 decade of war, we are seeing something very different, that

1 the men and women who have served so honorably in Iraq and
2 Afghanistan are facing unprecedented challenges in finding
3 employment.

4 Last week, the Department of Labor released its latest
5 unemployment figures, which show that the unemployment rate
6 in the United States is currently 8.2 percent. Those same
7 figures show that veterans who have served on active duty
8 since September of 2001 have an unemployment rate of 12.7
9 percent. The unemployment rate for veterans who have served
10 since September 2001 has also been increasing. In May 2011,
11 the unemployment rate for these veterans was 12.1. In May
12 2010, it was 10.6. These numbers are a stark reminder that
13 we are not doing enough to help our veterans and that we
14 must take new and urgent steps to improve our national
15 efforts to make sure veterans have the tools and the
16 opportunities they need to find careers after they leave the
17 military.

18 Part of the problem is that there are significant
19 barriers that veterans face in seeking employment. Veterans
20 are finding that all of their training and experience cannot
21 simply be translated into similar civilian jobs. They may
22 be finding employers who feel unsure about hiring veterans
23 and members of the National Guard and Reserve because they
24 do not understand what service requires. Breaking down
25 these barriers is critical and requires innovative and

1 comprehensive responses.

2 Part of the problem is the Government is not doing what
3 it should. Simply telling the veteran to go down to his or
4 her local employment office or to search the job boards, as
5 we have heard happens, is just not enough. Many different
6 Federal agencies, including the Defense Department, the
7 Veterans Administration, and the Department of Labor, have
8 programs to work with veterans on employment issues and some
9 are more successful than others. Government contractors are
10 well situated to be major employers of veterans, and many
11 are.

12 Contractors are also required by law to take
13 affirmative action to hire veterans. Since 2002, President
14 Bush signed into law a provision that requires companies
15 with Government contracts over 100,000 are required to post-
16 -over \$100,000 are required to post job listings at
17 nationwide employment offices, to report their veteran
18 hiring and employment numbers to the Department of Labor
19 through the VETS-100A form, and those with 50 or more
20 employees are required to develop a plan to hire veterans.
21 The question is, how well are the contractors doing at this?
22 The answer is, we have no idea.

23 Last year, I asked the Department of Labor for the
24 information collected from the Government contractors for
25 the past ten years. The Department was only able to provide

1 data for 2009 and 2010 because it only just became
2 electronically available. The Subcommittee staff prepared a
3 fact sheet summarizing this information, and I ask unanimous
4 consent that this fact sheet be included in the hearing
5 record.

6 [The information of Senator McCaskill follows:]

7 / SUBCOMMITTEE INSERT

1 Senator McCaskill. What this fact sheet shows is that
2 the information currently being collected and maintained by
3 the Department of Labor is spotty and frequently inaccurate.
4 We saw numbers that are obviously wrong, like seeing a
5 company whose number of veteran hires is 400 percent larger
6 than the total number of people working for the company. We
7 also saw a significant amount of missing information. For
8 example, the two companies represented here today do not
9 even appear in the data. Both had, in fact, submitted the
10 data, as required, and were able to produce it upon request
11 to the Subcommittee.

12 It seems that the reason for this discrepancy is with
13 the Department of Labor. There are two offices within the
14 Department of Labor that are responsible for collecting the
15 data and overseeing enforcing compliance. That is, the
16 Office of the Assistant Secretary for Veterans Employment
17 and Training, the Vets Office at the Department of Labor,
18 and the Office of Federal Contract Compliance Programs,
19 which is known as OFCCP--I will try not to use acronyms, it
20 is a hazard of this job--the Office of Federal Contract
21 Compliance Programs. Yet in conversations with the
22 Department of Labor, the Subcommittee learned that the Vets
23 Agency at Labor collects this information but never reviews
24 it for any purpose, and the Office of Federal Contract
25 Compliance has the authority to audit contractor compliance,

1 but, in fact, conducts very few and never attempts quality
2 assurance reviews.

3 This does not make any sense to me. It is almost like
4 we are going through the motions and do not care what the
5 result is. It is called "make work" but have no results.

6 I called this hearing today to bring together two
7 groups who are actually taking steps, active steps, to
8 promote contractor employment of veterans. We are here
9 today to learn from some of the Nation's leading Veterans
10 Service Organizations about the challenges facing veterans.
11 We will also hear from two large and well-known businesses
12 about the excellent work they are doing in recruiting and
13 hiring veterans. I look forward to a constructive
14 discussion today.

15 I also want to make one point clear from the outset.
16 The status quo is just not acceptable. The notion that
17 these highly trained and, frankly, veterans who we know make
18 great employees, the fact that we cannot get them employed,
19 the fact that their unemployment level is higher than the
20 Nation's unemployment level is, in fact, a shame. It is
21 something we should be ashamed of.

22 We cannot continue to betray the trust of our Nation's
23 veterans by not doing everything in our power to make sure
24 that they have access to employment. We cannot continue to
25 invest scarce Government resources and waste businesses'

1 time, demanding they file reports which nobody pays any
2 attention to and currently do not have any benefit to
3 veterans' employment. We need to avoid duplication in
4 programs, but also ensure that we are not taking a one-size-
5 fits-all approach.

6 This is a tall order, but when it comes to our
7 veterans, we have an obligation to do everything we can. I
8 hope this hearing will be a first step. I also sincerely
9 hope the Department of Labor is listening, because I plan to
10 follow up with them about the issues that we discuss here
11 today.

12 I thank the witnesses for being here and look forward
13 to their testimony.

14 I know Senator Carper is on his way and wanted to make
15 opening remarks when he gets here. I may indulge the
16 witnesses to interrupt you for purposes of his opening
17 remarks, but in the meantime, I will go ahead and introduce
18 our witnesses and we will begin your testimony today.

19 Ted Daywalt is the President and CEO of VetJobs.
20 VetJobs was founded in 1999 and has become one of the
21 leading Internet job boards for veterans and employers. Mr.
22 Daywalt served in the Navy and Navy Reserve for over 30
23 years. He has worked in the private and public sector and
24 is also Chairman of the Atlanta Regional Military Affairs
25 Council and Director of the College Educators for Veterans

1 Higher Education. Mr. Daywalt also sits on the Board of
2 Governors for the International Association of Employment
3 Websites, where he chairs the OFCCP Committee, which is the
4 acronym for the folks that are supposed to be doing
5 compliance at the Department of Labor.

6 Spencer Kympton is the Chief Operating Officer of The
7 Mission Continues, which is based in St. Louis, Missouri. I
8 am especially proud to welcome him here today. Founded in
9 2007, The Mission Continues is a nonprofit organization that
10 works to empower post-9/11 veterans by pairing them with
11 fellowships at not-for-profit organizations in their
12 communities. Mr. Kympton is a former Army officer and a
13 graduate of West Point. Prior to joining The Mission
14 Continues, Mr. Kympton worked at McKinsey and Company and
15 held the position of Vice President of Recruiting for Teach
16 For America.

17 Ramsey Sulayman is a Legislative Association for Iraq
18 and Afghanistan Veterans of America. Iraq and Afghanistan
19 Veterans of America was founded in 2004 to bring together
20 and empower the newest generation of wartime veterans. IAVA
21 has helped countless returning veterans with programs
22 focusing on physical and mental health, education, and
23 careers. Mr. Sulayman is a former Marine officer who served
24 in Operation Iraqi Freedom as an infantry platoon commander
25 and company executive officer.

1 Pamela Hardy is a Senior Manager in the Diversity and
2 Inclusion Team at Booz Allen Hamilton, where she is
3 responsible for all diversity hiring efforts. Ms. Hardy has
4 a Master's in human resources management and has worked in
5 various recruiting and consulting positions and specializes
6 in diversity recruiting strategies and techniques.

7 Sally Sullivan is an Executive Vice President of
8 ManTech International Corporation and leads ManTech's public
9 affairs, communications, and business development functions.
10 Prior to joining ManTech, Ms. Sullivan served as Vice
11 President for Defense, Space, and Secured Infrastructure at
12 Bechtel National and Sector Vice President for Business
13 Development at Northrop Grumman. You have hung out in the
14 defense sector, have you not.

15 Ms. Sullivan. Yes, Senator.

16 Senator McCaskill. It is the custom of this
17 Subcommittee to swear in all witnesses that appear before
18 us, so if you do not mind, I would like to ask you to stand.

19 Do you swear that the testimony that you will give
20 before this Subcommittee will be the truth, the whole truth,
21 and nothing but the truth, so help you God?

22 Mr. Daywalt. I do.

23 Mr. Kympton. I do.

24 Mr. Sulayman. I do.

25 Ms. Hardy. I do.

1 Ms. Sullivan. I do.

2 Senator McCaskill. Thank you, and let the record
3 reflect that the witnesses have all answered in the
4 affirmative.

5 We will be using a timing system today. We will not be
6 strict, so be comfortable. Do not worry that we are going
7 to hit a buzzer or a gong. We would ask that your oral
8 testimony try to be around five minutes. Your written
9 testimony will be printed in the record in its entirety.

10 And if you would begin, Mr. Daywalt, we appreciate you
11 being here.

1 TESTIMONY OF TED DAYWALT, PRESIDENT AND CHIEF
2 EXECUTIVE OFFICER, VETJOBS

3 Mr. Daywalt. Thank you, Madam Chairman. I appreciate
4 you having me here and I want to thank the staff here, as
5 well.

6 VetJobs has a unique vantage point in this discussion
7 as by the nature of our business over the last 13 years,
8 VetJobs has dealt with veterans and their family members on
9 a daily basis who are pursuing employment with Government
10 contractors. A big part of our membership base are
11 Government contractors, and VetJobs assists all veterans and
12 their family members to find work. From our perspective at
13 VetJobs, we find that, for the most part, Government
14 contractors are enthusiastic employers of veterans.

15 When looking at veteran employment, it helps to
16 understand that from an employer's perspective, there are
17 three groups that comprise the post-military service veteran
18 employment picture. The first group would be those who are
19 transitioning off active duty with no further military
20 obligation who are most frequently referred to just as
21 veterans. This group is the most desirable of the veteran
22 groups from which employers prefer to hire since candidates
23 have no further military obligation and come with many
24 skills and the attributes wanted by employers.

25 The second group is comprised of the Federal Reservists

1 of the Army, Navy, Air Force, Coast Guard, and Marine Corps.
2 While these influenzas have the same attributes as the
3 transitioning military, they are subject to being called up
4 on a regular basis.

5 The third group is the National Guard. While all three
6 groups are veterans, it helps to make the distinctions when
7 analyzing how the veterans are being employed or why
8 employers prefer one type of veteran over another. In going
9 to the numbers you cited at the opening, Madam Chairman, the
10 biggest part of the veteran unemployment problem is in the
11 National Guard. For the most part, those coming off active
12 duty are getting jobs, not that there are not problems, but
13 they are.

14 Of the three groups, the National Guard has unique
15 problems and is the least preferred source of veterans.
16 Unlike active duty component members from the National
17 Guard, component members return from war. They are
18 demobilized and thus do not have a ready source of income
19 unless they can find or have a civilian job. Given the bias
20 against hiring National Guard members due to the call-up
21 policies and high operation tempo, National Guard members
22 have problems maintaining a continuum of service with a
23 civilian employer.

24 Additionally, since the National Guard component member
25 belongs to the State and reports to the Governor of a State

1 or a Territory, the National Guard personnel are used for
2 local emergencies, such as flooding and hurricanes,
3 security, whatever. For example, the National Guard in
4 Georgia, which is where we are headquartered, has had six
5 one-year-plus call-ups in the last ten years. Now, that
6 makes it really hard to keep a job, even if you are only on
7 three of them.

8 Many studies have found that due to the constant call-
9 ups, employers shy away from hiring active members of the
10 National Guard and Reserves. This is why review, workforce
11 management, all have done studies that show that upwards of
12 70 percent of employers will not now hire as a new employee
13 an active member of the National Guard. Fortunately, many
14 of the Government contractors are supporters of the National
15 Guard and Reserve and this is important since the National
16 Guard and Reserve now represents over 50 percent of our
17 total fighting force.

18 It is important to understand why employers make hires.
19 Some Department of Labor officials like to tout how many
20 unemployed people there are for each job opening in the
21 country and bemoan the fact that employers of horrible
22 profit-making companies are not hiring the unemployed. DOL
23 and other Government officials who make these statements are
24 displaying a gross misunderstanding of how our economy works
25 and why employers hire candidates.

1 Employers do not hire someone just because they are
2 standing and breathing or they are unemployed. Employers
3 hire candidates to fill a need within the company. The
4 bottom line is employers look for qualified candidates to
5 hire. If one were to ask how many qualified candidates
6 exist for each job opening in the company, you would have
7 huge, very large, negative numbers in disciplines like
8 health care, engineering, maintenance, electricians,
9 welders. Right now, they are paying \$45 an hour with all
10 the overtime you can get for welders in the upper Midwest
11 and they cannot find enough welders. It is going to
12 probably go to \$50 by the end of the summer.

13 Government contractors are major employers. Many have
14 discussed with me the problems of finding qualified
15 candidates to hire. And for that reason, Government
16 contractors like to hire veterans because, generally, they
17 have excellent skill sets and they have the attributes that
18 they want.

19 In my written testimony, I use an example of a stellar
20 Government contractor, BNSF Railroad. You have a couple
21 others sitting right here at this table. They are to be
22 commended for their proactive hiring of veterans.

23 Also in my written testimony, I review the obstacles
24 that hinder Government contractors from hiring veterans.
25 Those obstacles include the VETS-100 report, which in my

1 personal opinion is kind of a waste of time because it is
2 not relevant, it is not timely, and it is not actionable.
3 The Office of Federal Contract Compliance Program actually
4 kind of disincentivizes companies who want to hire
5 veterans, and there are huge problems in the Transition
6 Assistance Program. All need to be reviewed, and in the
7 case of VETS-100, I would recommend you get rid of it.

8 But thank you for your time. I trust the information
9 presented will be of assistance. I will be happy to answer
10 any questions you have, ma'am.

11 [The prepared statement of Mr. Daywalt follows:]

1 Senator McCaskill. Thank you very much, Mr. Daywalt.

2 I welcome Senator Begich from Alaska here. Thank you,

3 Senator Begich, for joining us.

4 Mr. Kympton.

1 TESTIMONY OF SPENCER KYMPTON, CHIEF OPERATING
2 OFFICER, THE MISSION CONTINUES

3 Mr. Kympton. Madam Chairman and members of the
4 Subcommittee, thank you for inviting me to participate in
5 these important hearings. Based on my experience as a
6 veteran and my service at The Mission Continues, I believe
7 that this Subcommittee is doing work that is critical to the
8 success of today's generation of veterans.

9 Today, I am testifying as a West Point graduate and
10 former Army helicopter pilot and as a veteran who sought
11 meaningful employment after military service. I now serve
12 as the Chief Operating Officer of The Mission Continues, a
13 national nonprofit organization where we have worked with
14 over 350 veterans to pursue successful transitions to
15 civilian life.

16 Based on these experiences with veteran recruitment and
17 retention, I believe that there are several key lessons that
18 Federal contractors and corporate leaders can apply to
19 successfully tap into the great skills of today's veteran.
20 Applying these lessons will strengthen their organizations
21 while also building successful transitions for veterans.

22 At The Mission Continues, we create successful
23 transitions by engaging veterans in six-month community
24 service fellowships. Today, a cavalry scout mentors
25 hundreds of children at the Boys and Girls Club. A Marine

1 Corps sergeant helps his community prepare for disasters and
2 emergencies through the American Red Cross. An Army
3 communications specialist teaches English as a Second
4 Language to immigrant children and their parents.

5 We introduce these fellows to a meaningful mission. We
6 welcome them onto a distinct team. And we ask them to don a
7 new uniform of service. As they serve, we provide them with
8 living stipends and mentors. At the end of their
9 fellowship, we will challenge them to mark their lifetime
10 commitment to service by executing a service project in
11 their community. After their fellowship, they move on to
12 realize their post-fellowship goal of full-time employment,
13 continued education, or an ongoing role of service in their
14 community.

15 Our experiences with these fellows and with more than a
16 thousand veterans who applied for fellowships have shown us
17 this. When you connect veterans to a meaningful mission,
18 ask them to join a distinct team, and challenge them with a
19 set of goals that lead to definable impact, they excel.
20 Just as they excelled in their military service, they again
21 excel in their citizen service.

22 A primary factor in our selection and placement of
23 fellows is the passion they have for service. The cavalry
24 scout serves at the Boys and Girls Club because he is
25 fulfilled by mentoring youth. The Marine readies his

1 community because he is passionate about emergency response.
2 Reconnecting to a meaningful mission has been critical to
3 their success.

4 Our fellows are further enriched by the renewed
5 connection to a team. As you know, all enlistees and
6 officers take an oath to support and defend the Constitution
7 upon entering the military. They then join their military
8 units, each of which possesses a distinct identity and
9 strong traditions. Recently, we gathered more than 100
10 veterans and awarded them Mission Continues Fellowships. We
11 asked these fellows to take a similar oath and join this
12 distinct new team. In front of thousands of fans at a Major
13 League Baseball game, wearing sharp royal blue Mission
14 Continues polo shirts, standing at attention alongside their
15 new comrades in arms, these fellows proudly recited an oath
16 of service. They walked off the field motivated and eager
17 to serve.

18 While they serve, we also require that our fellows set
19 and achieve goals. They each identify at least three goals
20 for the impact they will have in their community. They
21 identify a post-fellowship goal that will impact their own
22 lives for years. We hold them accountable to those goals
23 and we partner in their success.

24 Roxley Pratt grew up in war-torn Sierra Leone. As a
25 child, he marveled at the sentries guarding the U.S. Embassy

1 there. He decided then that he wanted to be a Marine.
2 Years later, after escaping the siege of his city and
3 immigrating to America, he enlisted in the United States
4 Marine Corps. He honorably served for six years and his
5 service included deployments to Iraq. Upon his return,
6 people thanked him for his service, but when it came to
7 landing a job, he struggled to get interviews. Unemployed
8 and unable to translate his military skills at job fairs in
9 Southern California, Roxley found The Mission Continues.
10 Driven by his own experiences with homelessness and his
11 personal responsibility to assist those less fortunate, he
12 earned a fellowship with Habitat for Humanity. He is
13 reconnected to a mission that is important to him. He is
14 working on distinct teams, his team at The Mission
15 Continues, his team at Habitat for Humanity, and the teams
16 of volunteers he now organizes. He is translating military
17 skills to civilian skills and he is excelling.

18 Roxley's story can be the story of this generation of
19 veterans. It is a story of service in war and continued
20 service at home.

21 Madam Chairman, we are grateful for your support and
22 the support of this Subcommittee. I would welcome any
23 questions that you or other members may have. Thank you.

24 [The prepared statement of Mr. Kympton follows:]

1 Senator McCaskill. Thank you.

2 Mr. Sulayman.

1 TESTIMONY OF RAMSEY SULAYMAN, LEGISLATIVE
2 ASSOCIATE, IRAQ AND AFGHANISTAN VETERANS OF
3 AMERICA

4 Mr. Sulayman. Madam Chairman, Ranking Member,
5 distinguished members of the Subcommittee, on behalf of more
6 than 200,000 members and supporters of Iraq and Afghanistan
7 Veterans of America, I thank you for the opportunity to
8 share our views on this important issue.

9 I have spent 14 years in the Marine Corps trying to
10 execute the Marine Corps' two missions, winning battles and
11 making Marines. As an IAVA staff member, I do not make
12 soldiers, sailors, airmen, or marines, but I do try and make
13 their lives better. The views expressed in this testimony
14 reflect the views and analysis of IAVA and not the United
15 States Marine Corps.

16 Thank you for your attention to the pressing issues
17 facing our Nation's veterans. Unemployment is arguably the
18 most pressing issue facing veterans today. While recent
19 statistics may indicate that the employment outlook might be
20 getting better for veterans, the situation is still worse
21 than it ought to be. For example, the unemployment rate for
22 veterans 18 to 24 years old is nearly double the rate for 18
23 to 24-year-old civilians.

24 Helping veterans create their own jobs via small
25 business has been touted as part of the solution. Many

1 people have wondered whether Federal contracting laws and
2 goals are being met, and if not, what is the best manner in
3 which to do so.

4 There are three main areas to consider: Data,
5 outreach, and implementable solutions. I will address
6 outreach first. IAVA believes that the logical place to
7 begin is through the Transition Assistance Program, also
8 known as TAP, and in the Marine Corps, TAMP. Because TAP is
9 now mandatory for all service members, it is a convenient
10 touch point that will allow for the dissemination of
11 information on Federal contracting processes and
12 opportunities and the most basic level of training to the
13 widest possible audience. The Small Business Administration
14 is currently developing an entrepreneurship track for TAP
15 and we believe that this will be a key component in setting
16 veterans up for success.

17 We also believe that allowing veterans and their
18 spouses to retake TAP after separating, as proposed in S.
19 2246, the TAP Modernization Act of 2012, is a necessary
20 step. Allowing a veteran or spouse who has completed one
21 track of TAP--education, for instance--to retake a different
22 track based on new circumstances, in this case an
23 entrepreneurship track, is a small investment on the front
24 end which we believe will pay big dividends on the back end.

25 On the question of data, we must ask, what do we know

1 and what do we wish to know? There is a lot of data to be
2 had, but much of it is dispersed among different agencies.
3 VETS-100 and 100A has some meaningful data, but only as a
4 snapshot. It is also not easily accessible. The
5 information is more akin to a head count and misses some
6 crucial information. Because VETS-100 and 100A allows
7 reporting of veterans employed at any point during the
8 filing year, there is no guarantee that the level of veteran
9 employment by a Federal contractor or subcontractor is
10 consistently reliable or accurate. A contractor may have
11 100 veterans at the beginning of the year and two at the end
12 and can report 100 veterans employed.

13 In addition, without the inclusion of other relevant
14 information, the value of the VETS-100 and 100A forms is
15 limited. Some good examples would be the North American
16 Industry Classification System Codes that allow tracking the
17 number of veteran contractors by industry type and the era
18 from which the veteran hails. These pieces of information
19 would help elucidate in which industries veteran contractors
20 are most heavily and lightly concentrated and whether that
21 force is declining due to age. Much of that information
22 resides with SBA.

23 The certification process for a service disabled
24 veteran-owned small business or veteran-owned small business
25 should also be easy and consistent. IAVA supports efforts

1 to curb fraud and abuse by ascertaining the voracity of SDVO
2 or veteran-owned status, but we recognize that the
3 certification process should not discourage small businesses
4 with limited resources. We are concerned that the
5 statutorily mandated certification process currently used by
6 the Veterans Administration is too cumbersome. Extending
7 this system to all Federal agencies, as has been proposed,
8 would be unnecessarily burdensome on both Government and
9 small businesses.

10 It is also worth noting that the VA's Center for
11 Veterans Enterprise site, www.vetbiz.gov, was down for
12 approximately two weeks. It was up last Thursday and is now
13 back down again for maintenance and there is no information
14 posted as to when new veterans may expect to be able to
15 register their businesses online.

16 The Small Business Administration has relied on self-
17 certification and has experienced little fraud. IAVA
18 believes that maintaining this system with some enhanced
19 documentation requirements will help ease the burden on SDVO
20 and veteran-owned small businesses while helping to
21 guarantee that the consideration earned through service to
22 country is not abused.

23 As far as solutions go, during research for this
24 testimony, we pursued many different leads on making the
25 system more efficient and increasing the number of veteran

1 contractors. Many of the recommendations we heard often
2 already exist in some form.

3 For example, the idea of searchable centralized
4 database of veteran contractors that could be used by
5 Federal contracting officers and Federal contractors already
6 exists as the Central Contractor Registration, CCR, and
7 Dynamic Small Business Search, DSBS, systems. The use of
8 those resources to find veteran contractors, even by Federal
9 contracting officers, appears to be less than optimal
10 because, we were told, many people choose, quote, "the path
11 of least resistance," end quote.

12 Part of the assessment of the problem will require
13 review of the use of existing systems and processes, but
14 without data that is substantial, accessible, and easy to
15 understand, implementing solutions is a little bit akin to
16 shooting first and aiming later. Some of the reviews of
17 this data are already underway and ideally will result in
18 clarifying best and worst practices so good solutions can be
19 found.

20 We also believe that VA and DOL should be funnels to
21 the Small Business Administration. SBA are the experts on
22 small business and should be the prime actor in this area.

23 IAVA strongly welcomes the efforts of Congress, the
24 executive branch, and private industry in increasing the
25 number of veteran contractors, whether those contractors are

1 fulfilling Government or private contracts. As part of our
2 commitment, IAVA is willing to spread the word about
3 available opportunities or training to our membership and
4 the greater population through our extensive social media
5 outreach. We are also able and willing to partner with
6 either Government agencies or private corporations in
7 targeted efforts to help increase veteran employment through
8 our programs, such as Smart Job Fairs held in partnership
9 with the U.S. Chamber of Commerce.

10 We believe that employment is the number one issue
11 facing the veterans of Iraq and Afghanistan and will only
12 become more important as the war in Afghanistan ends. IAVA
13 appreciates the efforts of this Subcommittee and the other
14 witnesses and we look forward to helping in any way we can.
15 Thank you, and I am prepared to answer any questions that
16 you have.

17 [The prepared statement of Mr. Sulayman follows:]

1 Senator McCaskill. Thank you.

2 Ms. Hardy.

1 TESTIMONY OF PAMELA HARDY, SENIOR MANAGER,
2 DIVERSITY AND INCLUSION TEAM, BOOZ ALLEN HAMILTON

3 Ms. Hardy. Madam Chairwoman and distinguished members
4 of the Subcommittee, thank you for inviting me to testify
5 here today. I testify as a Senior Manager in the Diversity
6 and Inclusion Team at Booz Allen Hamilton, where I am
7 responsible for all aspect of our organizational efforts to
8 build and maintain a diverse and inclusive culture for all
9 employees at the firm. That includes making Booz Allen an
10 employer of choice for veterans.

11 Booz Allen is based in McLean, Virginia, and we have
12 over 80 offices throughout the United States. For nearly a
13 century, our work has helped U.S. Government agencies,
14 defense components, and other business and institutional
15 clients better execute the most challenging Government
16 missions around the world.

17 Forbes Magazine recently reported that Booz Allen
18 ranked as the top employer for veterans, citing the
19 approximately one-third of our employees who have self-
20 identified as having military backgrounds. We have also
21 been recognized by the National Guard and the Reserve as
22 well as by the Disabled American Veterans organization for
23 outstanding practices that support veterans. And we are
24 honored to have been named in the top ten of the G.I. Jobs
25 List of top 100 military-friendly employers for six years

1 running.

2 Booz Allen leads in veterans' employment because our
3 commitment to veterans and wounded warriors is part of our
4 corporate culture, coordinated by our senior leadership and
5 extending throughout the firm. We approach this commitment
6 by involving multiple aspects and layers of our business,
7 much like we integrate our various capabilities for our
8 clients. We hire veterans because of this commitment and
9 because veterans bring a unique knowledge and experience
10 base to their work. Few can know the challenges that face
11 our U.S. military and other Government clients better than
12 those who have served our country in uniform.

13 For these reasons, Booz Allen supports the Government's
14 efforts to encourage the hiring of former military members
15 and we believe that the current regulatory construct strikes
16 the right balance in allowing contractors like Booz Allen to
17 explore and develop programs that work best for their
18 particular organizations. We approach military hiring, for
19 instance, through a variety of creative recruitment
20 programs, but we also leverage the wide range of expertise
21 we provide to military clients, such as knowledge of
22 veterans' health services. To help us attract and support
23 new hires, we support veteran-owned businesses through our
24 contracting organization.

25 We use members of our own veteran workforce to mentor

1 and support other veteran employees through employee
2 resource groups, mentoring circles, education, and
3 leadership programs and other means. We focus on programs
4 to support military families and spouses. And, importantly,
5 veterans and wounded warriors are a major focus and
6 beneficiary of the firm's philanthropic efforts.

7 In our prepared statement, we detail several hiring and
8 retention programs that have made us so successful. In
9 hiring, we foster strategic recruitment partnerships with
10 nonprofit organizations in the military community. We also
11 run a Junior Military Officers Program to put recently
12 separated junior officers directly in contact with our
13 military recruiting team. And we participate in the U.S.
14 Army Partnership for Youth Success Program by pledging to
15 provide future full-time employment positions for qualified
16 Army-trained veterans.

17 We retain veterans through initiatives at our firm and
18 in the surrounding community. We offer an employee resource
19 group known as the Armed Services Forum to give former
20 members of the military a forum to interact with each other
21 and navigate their transition into the civilian workplace.
22 We have a proactive disability accommodations program,
23 generous military leave, and return policies for Reservists,
24 and we conduct targeted training and development programs to
25 help veterans convert skills they learned in the military

1 into skills they can use and market at Booz Allen. We have
2 also hosted several collaborative community summits across
3 the country to better understand and improve service
4 delivery to veterans across local government, advocacy,
5 health care, and other community organizations.

6 While we believe our firm is already effective in
7 employing veterans, we recognize that there is more work we
8 all need to do. Collaboration among industry, veterans'
9 organizations, and the Government is of paramount
10 importance, and we particularly support the Subcommittee's
11 efforts to enhance this type of collaboration.

12 Madam Chairwoman, thank you again for permitting me the
13 opportunity to discuss this important issue with you today.
14 I welcome any questions you may have.

15 [The prepared statement of Ms. Hardy follows:]

1 Senator McCaskill. Thank you very much.

2 Ms. Sullivan.

1 TESTIMONY OF SALLY SULLIVAN, EXECUTIVE VICE
2 PRESIDENT, MANTECH INTERNATIONAL CORPORATION

3 Ms. Sullivan. Madam Chairman and distinguished members
4 of the Committee, I am honored on behalf of ManTech
5 International Corporation to appear before you this morning
6 to share our experiences in hiring and retaining our
7 Nation's veterans.

8 ManTech is a global employer to almost 10,000 people.
9 That roughly 40 percent of our employees today proudly
10 identify themselves as having served or are currently
11 serving in the U.S. military is evidence of the success we
12 enjoy as a company and a culture that successfully attracts
13 those exiting the military and assimilates them into the
14 civilian workforce on a sustained basis. ManTech provides
15 those leaving the military with the opportunity to join the
16 civilian workforce, the opportunity to gain additional job
17 skills and training, health care coverage, and the
18 opportunity to continue to serve their country and support
19 an important mission as a contractor.

20 As the majority of our work today supports the U.S.
21 military and intelligence community, a large number of the
22 career opportunities available at ManTech are for positions
23 that directly support mission requirements and typically
24 require skills gained through military service and the
25 possession of active security clearances. Many of our

1 recruiting activities are focused on engaging those who are
2 in the process of exiting the military or those who have
3 recently exited.

4 ManTech is an active member of more than a dozen
5 military employment partnerships, such as the 100,000 Jobs
6 Mission, the Military Spouse Employment Partnership, Wounded
7 Warrior Project, Hiring Our Heroes, and VA for Vets. We
8 also build and maintain relationships directly with colleges
9 and universities that support the G.I. Bill and offer
10 programs developed especially for veterans. Over the past
11 year, we have participated in more than 125 hiring events
12 spanning 72 cities nationwide. As a result, we connected
13 with more than 5,000 veterans and hired more than 2,000 of
14 them.

15 As part of our outreach to recruits, we work closely
16 with the Transition Assistance Program, TAP, sponsored by
17 the U.S. military. Through TAP, we offer on-site assistance
18 to active duty soldiers who will be leaving the military,
19 including practical advice on how to develop and write a
20 resume, how to interview for a job, and how the civilian job
21 environment works.

22 Of the many things we do to retain our employees, to
23 include veterans, ManTech offers educational skills and
24 career development training as well as mentorship
25 opportunities. Our educational programs are offered through

1 ManTech University, or MTU, a first-class award-winning
2 corporate university established to support the emerging
3 training and educational needs of our employees.
4 Additionally, MTU has alliances with 13 different accredited
5 universities offering certificates, Bachelor's and Master's
6 degrees, and many MBAs, both online and in traditional
7 classroom settings. In 2011, a large percentage of our
8 veteran employees took advantage of training opportunities
9 through ManTech University. More than 40,000 courses were
10 successfully completed by our veterans, roughly ten courses
11 per veteran employee.

12 Many of ManTech's contracts require foreign
13 deployments, so ManTech offers two specific programs to
14 assist family members of deployed individuals. One program,
15 called LifeWorks, provides employees and family members free
16 confidential access to resources and counseling 24 hours a
17 day, 365 days a year. This program offers expert guidance
18 on health-related issues, addiction, grief and loss,
19 financial ideas, how to parent a difficult child or
20 teenager, and how to cope with stress.

21 Constant Care, a second program offered by ManTech, is
22 an internally-staffed program available to employees 24
23 hours a day, 365 days a year, by human resource
24 professionals who have the knowledge and experience to
25 assist deployed employees and their families. Constant Care

1 is similar to the Military Ombudsman program and, therefore,
2 is familiar and well received by veterans and their
3 families.

4 As a result of retention efforts such as these, many of
5 our new recruits come as referrals from existing employees,
6 which accounts in part for ManTech being named Number Six
7 Top Military Friendly Employers by G.I. Jobs Magazine, Most
8 Valuable Employer for the Military by CivilianJobs.com, one
9 of the country's most veteran-friendly employers by USAA
10 Magazine, and the Top Ten Best Employer for Veterans by
11 Military Times Edge Magazine.

12 Now, let me comment on ManTech's experience with
13 assembling and filing information regarding veterans and the
14 Department of Labor. Logistically, the assembling and
15 reporting information required by the Department of Labor
16 for the VETS-100A is an automated process by database
17 systems that capture employee information at the initial
18 stage of the hiring process, when information required for
19 payroll, health benefits, taxes, et cetera, is input into
20 our systems when new hires join ManTech. Each new employee
21 is asked to self-identify if they are a veteran, and this
22 information is aggregated and reviewed by human resource
23 specialists as well as by our senior management routinely
24 throughout the year.

25 Lastly, you have asked for our suggestions for

1 improving the Federal Government's effort to facilitate the
2 hiring of veterans by contractors. To answer this question
3 thoughtfully, I engaged with several cognizant employees
4 working in a variety of levels and roles. Whether human
5 resource specialist, recruiter, or line manager, their
6 answers were very consistent. All felt strongly that the
7 Federal Government already takes many bold and aggressive
8 actions to ensure maximum outreach to this important segment
9 of our population.

10 Further, we know that companies like ManTech have
11 embraced veterans' outreach. After all, if we have not
12 served ourselves, we each have family members and loved ones
13 who have selflessly served our Nation or are serving today.

14 Our recommendation is to stay the course with those
15 efforts we have in place today.

16 Madam Chairman, that concludes my oral statement and I
17 am pleased to answer any further questions.

18 [The prepared statement of Ms. Sullivan follows:]

1 Senator McCaskill. Thank you all very much.

2 It was interesting. I try to visit small businesses in
3 my State from time to time and I actually had a visit with a
4 plumbing supply house in St. Louis, and this is not a large
5 employer, less than 50 employees. The people that work
6 there, most of them have worked there many, many years. So
7 they want to be careful when they hire someone because they
8 assume when they hire someone, they are going to be with
9 them for years.

10 I did not go there to talk about hiring veterans, but
11 they brought it up with me. And the man that owns the
12 company said it was incredibly difficult for them to find
13 veterans, and he mentioned a couple of things and I would
14 love your take on this, Mr. Daywalt.

15 First, he said that the websites that in their
16 experience, as they looked at the various listings on the
17 websites, they were taken aback at how many people had put
18 information on the website that were not veterans, that
19 people had been able to access various websites and put
20 their employment--you know, that they were anxious to get
21 employed, and then when they actually did the due diligence,
22 they found that people were signing up on these websites
23 that were not veterans at all. So they found that
24 overwhelming. Because this is a small operation, they did
25 not really have--they ended up working at this for a while.

1 I mean, they spent a lot of time and energy. They finally
2 found two applicants that they are in the final process of
3 interviewing.

4 The other thing he mentioned to me, and I would like
5 your take on both of these issues, is matching. He said, at
6 the veterans' jobs fairs and the places they were going to
7 access, there would be employers there like banks and
8 Enterprise Rental Car, Anheuser-Busch, and they needed
9 people for their warehouse. They were not able to hire
10 someone who was disabled because they needed someone who was
11 going to help them load plumbing supplies into the warehouse
12 and out of the warehouse and deliver these plumbing
13 supplies. And he said it was clear to him how inefficient
14 this was because you had all these employers that wanted a
15 much different employee than he was looking for. And he
16 said that, once again, took hours and hours of their time
17 and effort to try to match up the right veteran with the
18 right job opportunity.

19 So if you could, if you would address those two issues
20 that this particular employer in St. Louis was struggling
21 with.

22 Mr. Daywalt. Yes, Madam Chairman. Excuse me. I am
23 suffering from allergies.

24 Your comment about not being vets does not surprise me.
25 There are a number of sites out there that do not validate

1 who the person is who is putting up the resume. You have
2 got over 300,000 Internet job boards out there. You have
3 got about 30 left in the military space. The leaders are
4 VetJobs, MilitaryHire, and Corporate Gray, and the three of
5 us actually do validate each person that is putting up their
6 resume. Some of the others, they will let anybody put up a
7 resume. And in reality, most veterans do not put their
8 resumes up on the Internet. We are getting over 200,000
9 visitors a month, but we only have 140,000 active resumes,
10 and it has been hammered into us that our friends over in
11 the sandbox are using sites like VetSuccess or other free
12 sites to track down veterans to go attack them here in this
13 country. I wish the press would cover that more.

14 But I hear that from a lot of employers because until
15 they need to make a hire, they are not always aware of who
16 the players in a given space are. It is sort of like I do
17 not know any heart doctors, but if all of a sudden I needed
18 to have a heart operation, I might start doing a lot of
19 research to find out who is going to be a good one. So it
20 is not a common thing that everybody uses on a daily basis.

21 Regarding the matching, the more advanced sites--ours
22 being one of them, MilitaryHire is another good example--
23 have matching mechanisms and career assessment tests that we
24 have people--we use the CRI tests out of Forth Worth, where
25 we can identify a veteran that matches best with the

1 employer. And the way you do it at VetJobs, we have
2 customer service reps. When a customer puts up a job, and
3 we have got about 52,000 jobs up today, when they are key
4 jobs, we will go into the database, identify people, and
5 refer them in to our customers. We have had a pretty good
6 success rate.

7 But a lot of the complaints that he or she was voicing
8 really comes from just not understanding how the system
9 works and it is because it is not a system that is used day
10 in and day out.

11 Senator McCaskill. Well, what would you suggest, if
12 anything, maybe that we--I mean, part of the problem in this
13 area is all of us want to help.

14 Mr. Daywalt. Right.

15 Senator McCaskill. And sometimes, all best intentions
16 have ugly endings in Government. And, frankly, I am
17 beginning to believe that this reporting requirement to the
18 Department of Labor is a good example of that--

19 Mr. Daywalt. Yes, ma'am.

20 Senator McCaskill. --where all best intentions, where
21 we were going to try to keep track of contractors hiring
22 veterans, but no one is doing the due diligence to make that
23 effort really meaningful in any way.

24 What could we do that would help an employer like
25 Crescent Plumbing Supply in St. Louis find veterans in a way

1 that is more efficient for them? Now, these are great folks
2 and they just kept working at it until they found two
3 because they wanted to do this because they love their
4 country and they want to hire veterans. But I am not sure
5 very many businesses as small as this business is would have
6 spent the time and effort they spent at it. What should we
7 be doing to make this easier? I am surprised that your
8 website would not pop up as one of the first if you went on
9 to search "hiring veterans"--

10 Mr. Daywalt. We generally pop up in the top three or
11 four.

12 Senator McCaskill. And is it very clear on your
13 website that all of the veterans on there have been
14 certified as veterans?

15 Mr. Daywalt. Well, yes.

16 Senator McCaskill. Okay.

17 Mr. Daywalt. I mean, we have got some people who put
18 their resumes up that were not veterans. We take them out.
19 But some suggestions to help improve the system, one would
20 be to have your veterans' representatives at the workforce
21 centers, what they call LVERs and DVOPs--I just assume you
22 understand the definitions are, Local Veteran Employment Rep
23 and Disabled Veteran Opportunity Program--

24 Senator McCaskill. I speak that foreign language now.

25 Mr. Daywalt. Okay.

1 Senator McCaskill. I have been on the Armed Services
2 Committee for six years.

3 Mr. Daywalt. We make jokes--

4 Senator McCaskill. I can do the acronym dance with
5 you.

6 Mr. Daywalt. We make jokes, you have got to have a
7 dictionary to understand the military acronyms, but having
8 more of them familiar with what goes on--and I am a little
9 outspoken, I am not politically correct, but, madam, you
10 have got a lot of people in the DOL who are the classic
11 bureaucrats. They would have a wonderful job if it were not
12 for all these damn people coming in wanting help. And they
13 do not take the initiative. And I will give you a real good
14 example.

15 We had a veteran down there in Georgia who needed a
16 job. He is in his 50s. He had been sitting over at the DOL
17 office for three days trying to get help to get a job, and
18 each day he would go in and say, "Oh, we have you in the
19 system now. Welcome back. You are in our system now. You
20 are in the system now." He did not give a damn about being
21 in the system. He wanted a job.

22 So someone had him give us a call and we found out
23 where he was living. He did not have a car. Did a Google
24 search of his apartment and found a public supermarket, a
25 Target, and a Wal-Mart all within walking distance of his

1 apartment complex. We called the managers of those three
2 stores and all three of them said, send him over. They
3 interviewed him. Two of them made a job offer and he took
4 one of them. He went with Target because they paid more
5 than the others. But we did all that inside of 20 minutes.

6 Why can you not have this \$50,000 bureaucrat sitting on
7 their butt in a nice air conditioned office do the same
8 thing? Because there is no penalty and no incentive to go
9 out and do it. I know that is not politically correct, but
10 that is the brute reality and we deal with that day in and
11 day out down in our office.

12 But having them better educated as to what the real
13 resources are for their local area, because all employment
14 is on a local level--

15 Senator McCaskill. Right.

16 Mr. Daywalt. --and being able to direct somebody as to
17 what are the good sites, what are the--we put out a listing
18 of what we consider to be all the legitimate job boards on
19 the Internet because there are so many rip-off sites,
20 especially targeting veterans and their spouses. But that
21 would be a big move forward if they would do that.

22 Senator McCaskill. Well, I think we have got to figure
23 out a way to try to remove as much as this as possible from
24 the Federal Government and put it in the State and local
25 offices where--because, frankly, they are going to be the

1 ones that are going to have the best ears to the ground.

2 Mr. Daywalt. Yes, ma'am.

3 Senator McCaskill. Let me ask about--both Booz Allen
4 and ManTech. You all have great records. Both of your
5 companies told us that the reporting requirements were not
6 burdensome on your companies. I am not sure that they are
7 providing much value, but you did say they were not
8 burdensome.

9 Let me ask you this about the National Guard problem.
10 Are the majority of the people that you are hiring actually
11 those that are leaving active service as opposed to National
12 Guard?

13 Ms. Sullivan. I cannot talk to those statistics. I
14 know that we capture those, and I could probably look
15 through my files here and see what those numbers are.

16 But we--I was thinking about Congressional mandate
17 programs and one of the Congressionally mandated programs
18 that we absolutely love, and we know it has a high impact
19 and it does make a difference and it has to do with those
20 who are in the process of separating from the military and
21 that is that TAP program. I think--

22 Senator McCaskill. Right, the Transition--

23 Ms. Sullivan. Yes. In the Army--

24 Senator McCaskill. Transition Assistance Program?

25 Senator McCaskill. --I think they call it ACAP. They

1 might call it a little bit different. But this is where you
2 can really, you know, work with them and help them think
3 through how to write a resume, you know--

4 Senator McCaskill. Right.

5 Ms. Sullivan. --how to--so I will look through our
6 numbers, and I may not be able to comment here, but I do not
7 think that the majority of them are National Guard or
8 Reserves. They are typically ones who are separating from
9 the military.

10 Senator McCaskill. Right. If you would get those
11 numbers for us, that would be helpful, Ms. Sullivan.

12 Ms. Sullivan. Mm-hmm.

13 Senator McCaskill. And how about you, Ms. Hardy? I
14 assume the same thing is probably true for Booz-Allen, that
15 the majority are those that are separating from active
16 service?

17 Ms. Hardy. Correct, and about 11 percent of our 30
18 percent of our hires self-identify as having recently
19 separated, representing, one, the highest overall diversity
20 constituency group within the firm, but also indicating that
21 these individuals are coming directly from the military,
22 from active duty to Booz Allen as a first stop.

23 I do not have the numbers for the Reservists but we do
24 capture them and certainly can provide that to the
25 Subcommittee.

1 Senator McCaskill. I think it would be really
2 important to get those numbers, and let me ask you, Mr.
3 Sulayman, I think this National Guard situation is a crisis.
4 I think it is something that we are kind of sweeping under
5 the rug and not paying close attention to. When I was the
6 elected prosecutor in Kansas City, I remember looking at
7 resumes and thinking the National Guard was a really good
8 thing. Now, that was before it became an operational
9 reserve.

10 And I think the testimony that was given here today
11 demonstrates the problem. These companies are not hiring
12 people just because they want to hire a veteran. They are
13 hiring them because they need them for their ongoing
14 business operations and you cannot blame them for not
15 wanting to hire someone and train them thinking they are
16 going to be gone four or five times over a six- or seven-
17 year period, or four or five times over a seven- or eight-
18 year period, or even four or five times over a ten-year
19 period.

20 Now, I know we are drawing down in Afghanistan and
21 obviously we have drawn down in Iraq, but I think that we
22 have permanently injured the ability of the National Guard
23 to get employment in our country by the way we have made
24 these changes, and I do not think they were well thought
25 out. I get it. We did not have enough boots and we had to

1 do it because our ground force was not big enough, but what
2 I do not think they anticipated that there was going to be
3 this problem and I think it is one of the reasons that we
4 have had some of the problems with suicides and some of the
5 other issues that we are seeing in our military.

6 What would you recommend that we could do, short of
7 convincing our military leadership that they need to go back
8 to the old way in terms of utilizing the Guard and the
9 Reserve? What could we do that would help this problem?

10 Mr. Sulayman. Well, ma'am, I mean, you really hit on
11 the big crux of the matter, is that the National Guard and
12 the Reserves have been used in unprecedented fashion in the
13 conflicts in Iraq and Afghanistan. They have been used as
14 an operational reserve. I know that in briefings I have
15 been to at the Pentagon, the Army has talked about their
16 Force Generation Model that they refer to as ARFORGEN. It
17 envisions Guard and Reserve units activating at least once,
18 or they say once every five years. So out of every five-
19 year period, you can expect to be deployed out of the
20 National Guard or Reserve, and more often if you are
21 switching units and you happen to catch the unit at the
22 right or the wrong time, depending on your opinion, in the
23 cycle. And that is going to be a continued issue,
24 particularly with smaller employers who can stand to absorb
25 that loss less well.

1 I know that there are--what we have heard from our
2 membership, somewhat anecdotally, is that they are not
3 getting hired because they are in the Guard or Reserve and
4 that employers have--it is one of the questions that they
5 are often asked. Are you in the Guard or Reserve? Are you
6 anticipating deploying any time soon? And that there are
7 some bills both in the House and the Senate that are
8 designed at strengthening USERRA protections and make that
9 law a little bit tougher. But, really--

10 Senator McCaskill. And USERRA protections are the
11 protections that were put into the law that prohibit the
12 discrimination against members of the Guard and Reserve in
13 connection with their military service.

14 Mr. Sulayman. Yes, ma'am. So having those employment
15 and reemployment rights a little bit stronger, we believe is
16 always a good thing. But we think that incentivizing
17 employers is--you know, it is better to dangle the carrot
18 than break out the stick. We believe that most employers
19 want to hire veterans. It is just, like you said, those
20 concerns of missing out an employee who you anticipate
21 having, especially if you are a small or medium-sized
22 business.

23 That is really a tough question. We have been trying
24 to work with employers through our Smart Job Fairs to
25 convince them that here is the value of a Guard or Reservist

1 and that they may be gone for a year out of a five-year
2 period, but their skills as managers and leaders are going
3 to be sharper and--I deployed with a Reserve unit to Iraq.
4 I was a light armored reconnaissance unit. We had,
5 obviously, heavily mechanical and we had a lot of mechanics
6 in the civilian world who I would say that after the nine
7 months that we were deployed, you know, tearing engines out
8 and tearing them apart and rebuilding them in a foot and a
9 half of moon dust sand in the Iraqi desert without any
10 electricity, without any water, without any lifts, you know,
11 basically improvising all this, you know, the Cummins diesel
12 engines and transmissions, Detroit diesel engines that run
13 the trucks that they repaired back in their civilian lives,
14 that that made them much better and more efficient at their
15 jobs once they returned home.

16 And that is really a job of selling that to potential
17 employers, because the Army, as you said, and the Marine
18 Corps, which is, I understand, going to operate on a similar
19 Force Generation Model with respect to reserves, are not
20 going to change that because of the operational commitments
21 that we have and what they need to fulfill.

22 Senator McCaskill. Let me turn to Senator Begich for
23 some questions, and then I have some additional questions I
24 will ask when he is completed. Senator Begich.

25 Senator Begich. Thank you very much, Madam Chair.

1 First, I appreciate you all being here and giving us
2 some insight on what we need to do about employment for
3 veterans. My State has about 11, 12 percent of the
4 population are veterans, the highest per capita in the
5 Nation, so we have a lot of need and, as you can imagine, a
6 lot of issues that come up.

7 When I was mayor, just to follow up on the Guard issue,
8 the ESGR, we always signed up on it because we wanted to
9 make sure people were taken care of no matter where they
10 were. Is there an--let me just throw an idea and I have a
11 couple of questions more specific to it. Anyone who wants
12 to answer, and I will start with you, Ramsey, if it is okay.
13 To create an incentive for the businesses to--they know they
14 are going to be gone for a period of time. The question is
15 how long can you keep those kind of jobs open. Is there,
16 through tax policy, is there an opportunity to create
17 incentives to incentivize them not only to hire them, but to
18 keep that space open and creating flex schedules? I do not
19 know who wants to answer--

20 Mr. Daywalt. Yes, I will answer that, sir. I have
21 testified about this several times in the past. Tax
22 incentives, while nice and a "feel good" from a political
23 standpoint, is not a driver to get people hired. And what I
24 hear from employers, I mean, they love getting the people
25 off active duty, but--

1 Senator Begich. Right.

2 Mr. Daywalt. --they would be more than willing to
3 support members of the National Guard and Reserve if they
4 were compensated for when their employee is taken away.

5 Senator Begich. Got it.

6 Mr. Daywalt. So if Sulayman works for me and he gets
7 called up, I want a direct cash stipend so that I can hire a
8 contractor to do his job until he gets back. That is the
9 cost of doing business.

10 Senator Begich. Get you.

11 Mr. Daywalt. I cannot spend the tax credit. And one
12 of the big problems with a lot of tax credits is that once
13 the Department of Labor lays on all their tracking
14 requirements, I may be getting \$9,600 back, but it may be
15 costing me \$11,000 for all of the reporting and tracking.

16 Senator Begich. Just to keep track of that.

17 Mr. Daywalt. And I am not going to make it up in
18 volume.

19 Senator Begich. So the better approach, at least from
20 your view, is if there is an opportunity to do a
21 differential, a cash differential for the period of time
22 deployed so you can at least keep the work flow moving--

23 Mr. Daywalt. Yes, but see, you have got a bigger
24 problem. It is a systemic problem. The USERRA was written
25 for when people were gone on the weekend or maybe a two-week

1 active duty--

2 Senator Begich. Right. Two weeks.

3 Mr. Daywalt. It was not designed for people being
4 going away for 12, 18, or 24 months. So it is out of--it is
5 an anachronism. What is happening now, and we documented
6 this when the Iowa brigade was called up, they had 750
7 people that were unemployed, a little over 30 percent of the
8 brigade. They did not lose their jobs when they were over
9 in Afghanistan. They lost their jobs before they left--

10 Senator Begich. Right.

11 Mr. Daywalt. --because it is announced about day 160
12 from mobilization day, and most of them lost their jobs
13 between day 150 down to day 90 because the employers
14 realized that if I lay you off under the guise of the
15 recession, I am not subject to USERRA because I am not
16 subject to USERRA until you have your orders in hand.

17 Senator Begich. Got you.

18 Mr. Daywalt. Now, if you say that we are going to make
19 USERRA effective the moment you announce a unit, nobody will
20 ever hire a member of the National Guard.

21 Senator Begich. Right.

22 Mr. Daywalt. You have a systemic problem. It is the
23 way the Guard and Reserve are being used. And until you fix
24 that problem, everything else is just going to be a band-
25 aid.

1 Senator Begich. Very good.

2 Mr. Sulayman. Sir, I agree in large part with what Mr.
3 Daywalt said, but, you know, one of the things that also has
4 to be considered is that less than one percent of the
5 population has served in these conflicts.

6 Senator Begich. That is right.

7 Mr. Sulayman. So this is not a situation where, you
8 know, like World War II, where you had, I think 11 percent
9 is the figure--and so everybody had a brother or cousin or
10 husband or wife or sister or, you know, there was a relative
11 or a neighbor, somebody who was close to you. And so
12 everybody had sacrifice. I mean, there was rationing of
13 sugar and gas stamps. I mean, my grandfather went away and
14 all his brothers, and it is interesting to hear my
15 grandmother talk about, you know, silk stockings, not being
16 able to have stockings during World War II. And I think
17 that is just weird, you know. I mean, it is just something
18 that is not in--and I have been in the Marine Corps for 14
19 years and that is something that just does not enter my
20 mind.

21 But I think employers have to understand that there is
22 a sacrifice associated with the wars that have been fought
23 and that while tax incentives or direct stipends, you know,
24 if those are the carrots that we come to understand are the
25 best solutions and that we can afford to do, hey, that would

1 be great. But it is also a matter of the country's shared
2 sacrifice.

3 Senator Begich. It is a moral obligation.

4 Mr. Sulayman. Yes, sir. I mean, it is a moral
5 obligation. The Reservists that I took over, a lot of them,
6 as Mr. Daywalt said, lost their jobs before we left. Oh,
7 hard economic times, your job is gone. And under USERRA, if
8 the job disappears, you do not have to find another
9 position.

10 So employers understanding that this is part of the
11 shared sacrifice, and hopefully as Afghanistan winds down,
12 this becomes less and less of a problem. But as Senator
13 McCaskill pointed out, with the unprecedented use and the
14 Army Force Generation Model that I was talking about, it
15 remains to be seen exactly what effect that is going to have
16 in the future, continuing an operational reserve.

17 So we really feel at IAVA that it is a moral
18 obligation. It is a small percentage of the population that
19 has been doing a lot of the fighting and multiple
20 deployments and--

21 Senator Begich. Let me hold you there, only because I
22 want to get--I have got one quick question left here, and it
23 is a big question, but kind of--on January 11, GAO reported
24 how many different employment training programs there are--I
25 think it is 40, 50--between the Department of Labor, the

1 Department of Veterans Affairs, and all these other
2 miscellaneous. I am coming more and more to the feeling
3 that maybe we consolidate these, put them all in the
4 Department of Veterans Affairs, focus in that arena.

5 Just give me a couple of quick thoughts. My time is
6 pretty close to being out here. But I just think with so
7 many Department of Labor tries, bless their soul, but
8 veterans understand veterans and it seems like we should
9 just shift it all, streamline it, and focus on what we
10 should be doing, and that is employing and retraining and
11 have the Veterans Administration do it in concert with their
12 veterans benefit programs and all these other things they
13 do. Any thoughts from folks?

14 Mr. Sulayman. Yes, sir. There is--

15 Senator McCaskill. Take your time. You do not need to
16 hurry.

17 Mr. Sulayman. Okay. There is legislation in the House
18 that is currently working its way through. I think it is
19 H.R. 4072--

20 Senator Begich. Right.

21 Mr. Sulayman. --which IAVA supports and is designed to
22 take Department of Labor and the veterans program and
23 transfer it wholesale to the VA. We subscribe to the same
24 thinking that you have, sir, that Veterans Affairs is what a
25 veteran thinks of when--where do I go for help? I am going

1 to the VA. And the fact that the legislation is written to
2 just basically make an address change is a good thing
3 because it is not diminishing any of the functions of--

4 Senator Begich. Right.

5 Mr. Sulayman. --the vets program--

6 Senator Begich. It seems like if you are a vet, you
7 are coming in. You are trying to figure out, do I need some
8 more education if I want to be in this job, and do I need
9 any medical assistance and some of the issues that I might
10 have had or might not have. But it seems like you want to
11 do that just kind of in one place--

12 Mr. Sulayman. Yes, sir, and DOL Vets has employment
13 outreach and VA has employment outreach. And so having DOL
14 Vets move and become VA Vets and do the employment for
15 veterans at VA to us makes sense because it removes some of
16 that duplicative effort that is over at VA and it just
17 centralizes it all.

18 And that is a little bit that I talk about in my
19 testimony here, as well. With the numbers and the outreach,
20 you know, for veterans small business, we feel that DOL--or
21 VA should be a conduit, that DOL should be a conduit. If
22 veterans come to DOL or VA looking for small business help
23 and advice, they should go to the veterans outreach over at
24 SBA because those are the experts, and that is the same
25 thing we feel with DOL Vets moving to VA.

1 Senator Begich. Madam Chair, can I ask--Ted, were you
2 about to say something to that issue?

3 Mr. Daywalt. Oh, no.

4 Senator Begich. Oh, okay. I appreciate it. Let me
5 just end there. You actually answered my second question,
6 which was on the small business. You got right to it,
7 because I think the same thing, that we want to make sure it
8 is as streamlined as possible. I know there are some good
9 efforts being done with TAP and trying to move
10 entrepreneurship. I still do not--you know, the TAP has a
11 lot of work to be done. I think the mind of a soldier going
12 into and having to take that program and figure out how--
13 they are not focused on that. I mean, they are focused on,
14 thank God, I am now doing XYZ. I have got to go to where
15 now for what?

16 And I think the more we can improve that, but also
17 entrepreneurs seem like a huge opportunity for veterans. I
18 just met some in Alaska on some small companies, all
19 veterans, incredible work they are doing, worldwide
20 operations now, small little manufacturing business but very
21 precise. They took their skill, turned it into a business
22 that struggled getting their business together, but because
23 enough of them banded together, they have some capital. It
24 just seems like that is an incredible track for veterans.
25 As someone who comes from a small business world, it seems

1 like this is a huge opportunity for the innovation.

2 Ted?

3 Mr. Daywalt. I would like to add to what you just
4 said, Senator. I am on the Small Business Council at the
5 U.S. Chamber and I have had--I have submitted 11 different
6 ideas of how to help the National Guard and Reserve, one of
7 which is for the Government to put up a pool of money so
8 that--and this would only help maybe 12, 14 percent of the
9 people in the National Guard--but a pool of money where they
10 can draw on, no interest or low interest notes so they can
11 buy a franchise.

12 Senator Begich. Yes.

13 Mr. Daywalt. There are a lot of advantages to that,
14 because veterans tend to hire other veterans. Everybody in
15 VetJobs is either in the military, married to the military,
16 or a child of the military--do not tell the DOL that, they
17 will say I am discriminating--but we do. And if they are in
18 the Guard, you cannot file a USERRA complaint against
19 yourself.

20 Senator Begich. Right. Right.

21 Mr. Daywalt. And while they are gone, their family can
22 be running it while they are deployed, and then when they
23 come back, there is no employment problem. There is no loss
24 of benefits. There is no loss of income. But it will only
25 help ten to 14 percent of them, and there are a lot of other

1 things to help the others, but entrepreneurship--veterans,
2 study after study--Booz has done a great study on that--
3 shows that some of your best entrepreneurs--

4 Senator Begich. Are veterans.

5 Mr. Daywalt. --were prior military because they have
6 that all important quality called leadership and they can
7 understand risk--

8 Senator Begich. That is right.

9 Mr. Daywalt. --because if I made a mistake out there,
10 it cost some of my troops their lives. So you can make a
11 decision very quickly. And so entrepreneurship would be a
12 big part. There is no silver bullet.

13 Senator Begich. Right.

14 Mr. Daywalt. I am always fascinated when I come up
15 here, because everybody is looking for the one silver bullet
16 that is going to solve all their problems. Your problem is
17 multifaceted. There is no one silver bullet. So you are
18 going to have to do 11, 12, 13 things, and none of them are
19 cheap.

20 Senator Begich. Right. I will just end with this
21 comment. Thank you, Madam Chair, for the chance to ask a
22 couple of questions. Again, thank you all for doing what
23 you are doing.

24 But you are right on the franchise piece. I have seen
25 some good reports and franchisers, which I have looked into

1 many times in my years, the veteran component, they look for
2 because of just what you said, because they know when they
3 say, okay, build five stores, it is like a mission and they
4 are on it and they figure out how to move through it. But
5 their issue is capital. It is always--because when you do a
6 franchise, there is no \$5,000 issue. It is a \$50,000 to
7 \$250,000--

8 Mr. Daywalt. Or more.

9 Senator Begich. --or more, depending on the franchise
10 you get.

11 Mr. Daywalt. The International Franchise Association
12 sponsors a group called VetFran. We are a part of that.

13 Senator Begich. Yes.

14 Mr. Daywalt. And they have got a big initiative going
15 on this summer, and the VFW and some of the other VSOs are
16 getting involved with it now. We think that is a good
17 solution.

18 Senator Begich. Yes.

19 Mr. Daywalt. But there--

20 Senator Begich. It is a piece.

21 Mr. Daywalt. It is a piece. That is just it. It is a
22 piece to the puzzle.

23 Senator Begich. Thank you, Madam Chair.

24 Senator McCaskill. Maybe we could do away with some of
25 the bureaucracies around this issue and take that savings

1 and put it into a fund that could--

2 Senator Begich. If we do--

3 Senator McCaskill. --for low-interest loans and--

4 Senator Begich. Combine the Department of Labor over
5 with Vets. Take that savings. Put it into--

6 Senator McCaskill. And it is more than just the
7 Department of Labor.

8 Senator Begich. Oh, yes, it is. Yes.

9 Senator McCaskill. There is something touching
10 veterans in almost every agency of Government, all for the
11 right reason, because people wanted to help veterans. But
12 what we have done is we have spawned, and what this hearing
13 today has shown is that one piece of that that we have
14 exposed is this report that everybody is supposed to file.
15 You guys are doing a great job. They do not even have your
16 data. One of the data they had showed that somebody hired--
17 you were not here, Senator, but the Committee got data from
18 the Department of Labor that showed that one company hired
19 400 percent veterans more than they employed, than their
20 total employees.

21 So, clearly, we are--

22 Senator Begich. We want more of those companies.

23 [Laughter.]

24 Senator McCaskill. Well, yes. I mean, the data is
25 like a joke. It is like a joke. It is like a bad joke.

1 Let me ask, the certification of--you know, this is
2 something that was scandalous that the SBA had to deal with,
3 where it was discovered that somebody was claiming to be a
4 veteran, was getting the advantages of being a veteran, and
5 was not a veteran. And even worse, I believe the example
6 that brought this to light was they were claiming a service
7 disabled veteran and they were not even a veteran.

8 So, first, how can we certify veterans for advantages
9 that we try to put into the law for them in a way that does
10 not hinder the entrepreneurship of them as they move into
11 the business world, and second, what about fronting? How
12 many veterans are being hired to front for companies to get
13 the benefits that are associated with a veteran-owned
14 business? In your experience, have you all seen that? And
15 if so, do you think the Government even dents the surface of
16 getting at fronting?

17 Mr. Sulayman. Well, ma'am, I can tell you that I have
18 heard of fronting. We have not heard anything anecdotally
19 and I have talked to folks at SBA and VA and DOL on those
20 issues a couple times.

21 The process that the VA goes through right now to
22 certify veteran contractors, veteran businesses, is
23 apparently statutorily mandated, and I understand that the
24 intent was to eliminate some of those issues and abuses.
25 But it has also made it very difficult for veteran-owned

1 companies, whether they are small--whether they are service-
2 disabled veteran-owned businesses or just veteran-owned
3 businesses, to get into the system. And you were talking
4 about some of the bureaucracy. If you look at--there is
5 vetbiz.gov, which is the VA's site, and then there is
6 fedbizops.gov, which is, I guess, the general site. There
7 are multiple touch points and I think that makes it
8 difficult for veterans to understand where they need to go
9 and what they need to do.

10 Anecdotally on that point, I have heard several
11 veterans who have gone through the VA's credentialing
12 process and think, okay, now I can do business with the
13 Federal Government, only to find out that they never had to
14 go through that process to do business with the other arms
15 of the Federal Government.

16 And we certainly have heard, not necessarily from our
17 membership but through the media and news, about instances
18 like SBA and veterans either fronting or companies claiming
19 to be SDBOs or veteran-owned businesses that are not. And
20 SBA, in talking to the veterans outreach folks over there,
21 they said that, historically, the rate is very low.

22 So we think that the self-certification that is used by
23 SBA is probably the way to go, but maybe add some small
24 barriers, you know, you have got to produce a certificate of
25 incorporation or you have got to produce incorporation

1 documents that show a veteran and the veteran's DD-214,
2 something that is a little bit more than self-certifying.
3 What exactly that would be and how best that would be done,
4 I could not say off the top of my head, but I think adding
5 some small hurdles, while still allowing that small business
6 to have a low barrier to entry into business with the
7 Federal Government, is probably the way to go, and I think
8 you would weed out most of that.

9 Fronting, I think, really, at that point, you know, I
10 mean, just taking somebody to the woodshed, judicially
11 speaking, is probably the way to end that.

12 Senator McCaskill. I just wonder if we were even doing
13 the oversight that is necessary to find the fronting. I
14 mean, what this hearing has taught me is that we are not
15 really paying attention. We are passing laws and then we
16 are not paying attention, and that is why we are going to
17 try to stay on this from a contracting standpoint and try to
18 continue to pay attention to see if we cannot--I am just,
19 dollar, bet you a dime, that it is going on out there, but
20 it has not been uncovered in any way.

21 Let me ask you, Mr. Kympton, I am fascinated by your
22 organization. It is a win-win-win-win-win-win-win. I
23 assume that all of this is being done with charitable
24 donations. Are there any Government funds that are involved
25 in your organization whatsoever?

1 Mr. Kympton. Madam Chairman, there are no Government
2 funds at this time, no.

3 Senator McCaskill. And what is the amount of stipend?
4 I mean, if someone is on a fellowship with your
5 organization, how many can you do a year, and how big is
6 your organization's budget, because we should--this is a
7 great example of where the private sector does--the not-for-
8 profit sector does a much better job than Government in
9 trying to assist not only the veterans, but the community
10 writ large as it relates to the various organizations that
11 you get fellowships in. How does this work? Are the
12 various organizations providing the money or do you provide
13 the money for the stipends during the fellowship?

14 Mr. Kympton. Madam Chairman, our loose planning figure
15 for a fellowship is \$10,000 per fellowship, and what that
16 funds is six months of living stipends for the fellow so
17 that he or she can work in a volunteer capacity within
18 whatever organization, whether that is Habitat for Humanity
19 or the Boys and Girls Club. And all of that money comes
20 currently from private dollars, either corporate
21 corporations or individuals who have seen the value of
22 placing veterans within these nonprofit and community
23 service organizations.

24 So the living stipend that we pay them so that they can
25 serve in a volunteer capacity represents roughly \$7,000 of

1 that \$10,000, and it is pegged to the AmeriCorps living
2 stipend. So we pegged it on something that is out there.
3 It varies by location. It varies by the cost of living in
4 that location. And, again, the intent is so that they can
5 serve in a volunteer capacity, reconnecting to a mission,
6 while they are also working towards a longer-term outcome
7 for the contract, whether that is full-time employment
8 either with the organization in which they are serving or
9 one that they have targeted as a place that they would like
10 to serve, or as a segue into continued education, or placing
11 them in that ongoing role of service in their community.

12 Senator McCaskill. Are you a United Way agency?

13 Mr. Kympton. No, we are not.

14 Senator McCaskill. So how many veterans are you
15 serving on an annual basis in this capacity?

16 Mr. Kympton. This year, we have targeted internally
17 somewhere between 400 and 500 fellows. Most recently, we
18 have organized these fellows into classes, cohorts, a very
19 military concept. So we brought 114 fellows together in San
20 Diego and started them as a class, and then after their
21 three-day orientation in person, a very kind of military
22 flavored orientation--

23 Senator McCaskill. And how do you find these veterans,
24 or how do they find you?

25 Mr. Kympton. The most prolific source of recruitment

1 right now for us are our former fellows or the volunteers
2 who have served with us in communities and have seen what
3 these fellows are capable of.

4 Senator McCaskill. Have you done National Guard folks?

5 Mr. Kympton. We have, yes.

6 Senator McCaskill. It seems like, to me, this might be
7 a good fit for the National Guard, because if you are
8 talking about a six-month fellow, you know, someone who has
9 been deployed and has come back and is serving in the
10 National Guard, I mean, maybe this model is something that
11 we could try to promote, not through Government but in the
12 private sector, to actually focus on the National Guard
13 population, because it seems to me that the flexibility that
14 a not-for-profit represents in terms of not being as worried
15 about future deployments upsetting the entire business model
16 of a not-for-profit makes a lot more sense than maybe some
17 of the other kinds of work that a Guard or Reservist could
18 look for.

19 Mr. Kympton. Madam Chairman, I can tell you both
20 anecdotally and with data that the organizations in which
21 our fellows serve deeply, deeply respect what they have
22 brought to those organizations in terms of the skill sets--

23 Senator McCaskill. Right.

24 Mr. Kympton. --and the unique experiences, and plus
25 they are getting a volunteer who are bringing all of those

1 skill sets and experiences to the table. So they keep
2 coming back to us. You know, we have placed more than one
3 fellow at Habitat for Humanity and I believe that is due to
4 the impact that these veterans are having on those
5 organizations.

6 Senator McCaskill. I bet they really give those
7 organizations a shot in the arm in terms of morale and
8 passion and focus. I think it is a terrific organization.

9 I want to give Senator Carper a chance. Am I calling
10 on you before you are ready? I have more questions if you
11 need time.

12 Senator Carper. I am ready. Thank you.

13 Senator McCaskill. Okay. Senator Carper.

14 Senator Carper. Thank you, Madam Chairman.

15 To our witnesses, welcome. It is very nice to see Ted
16 Daywalt again, and we welcome each of our witnesses.

17 Senator McCaskill. Just put your sign up here so the
18 people watching on C-SPAN know who you are.

19 Senator Carper. Thank you. Who is that guy, anyway,
20 sitting next to Claire McCaskill?

21 [Laughter.]

22 Senator Carper. Just, like, airdropped in from the
23 Finance Committee. Here we are.

24 But I just want to express my thanks. Some of you, and
25 I do not know if you have talked about it here today, we

1 have a situation going on where I am a former veteran, Navy
2 guy like Ted, and the idea of being able to pursue a degree
3 or post-secondary program while on active duty, being
4 detached, deployed around the world, I mean, that is great.
5 That could be--it is a great model, because the nature of
6 the work you do in the military is you are gone a lot and it
7 is just great.

8 Unfortunately, and we have some folks whose distance
9 learning colleges and universities, some of them do a great
10 job in screening people, preparing people for these
11 programs, making sure that they get the tutoring that they
12 need and a lot of support and they are actually being
13 prepared for jobs that will enable them to be productive
14 citizens and pay off whatever their loans or debts might be
15 that relate to their education. Not everybody is wearing a
16 white hat, though, in that industry, as we know.

17 As Mr. Daywalt knows, some of us have been working on
18 legislation that says, let us go back and actually revisit
19 the way the law used to be. It used to be that 15 percent
20 of the revenues of a proprietary school had to come from
21 sources other than the Federal Government and 85 percent
22 could come from the Federal Government. And then that was
23 changed to 90 percent could come from the Federal Government
24 but ten percent had to come from other places. Now the
25 rules are such that ten percent that can come from other

1 places can come from the G.I. Bill and from tuition
2 assistance for folks that are on active duty. So we have
3 literally got 100 percent of a college's or institution's
4 income can come from the Federal Government, no skin in the
5 game. Not a good situation. So we are trying to address
6 this and work our way back to a real 90-10 rule where ten
7 percent of revenues have to come from someplace other than
8 the Federal Government.

9 I wanted to just ask, if I could, of Mr. Daywalt, and
10 others if you want to jump in here, employers, we know, are
11 not readily snapping up some of our veterans. Some, they
12 are, but some, they are not. But even those that have
13 completed their college degrees using G.I. Bill benefits.
14 And I guess one of the questions is, why is that, and could
15 there be some correlation here between the quality of the
16 post-secondary training that folks are getting from the G.I.
17 Bill or from tuition assistance and whether or not it is
18 doing as much in terms of job preparation as we think it
19 ought to be getting? Could you just speak to that, Ted?

20 Mr. Daywalt. Sure, sir. I will start by saying that
21 if we did not have the National Guard problem, we would not
22 be sitting here talking about veteran unemployment today
23 because what we see, overall, the bulk of the veterans
24 coming off active duty are getting employed, or they go back
25 to school and then they get employed. But when they are

1 totally separated, employers still have to get a hold of
2 you. It is that National Guard issue.

3 You know, if we were talking about this problem 20
4 years ago, it was the over-50 veteran that could not get a
5 job. And then DOL did, I think, what was one of the best
6 programs it ever did, was put in these computer training
7 programs in all the workforce centers, and within six
8 months, the unemployment rate went from the 20s down to,
9 like, four or five percent.

10 Senator Carper. Is that right?

11 Mr. Daywalt. Because they have the skills. They just
12 did not know how to use the computer. In today's
13 environment, if you cannot use the computer, you are
14 illiterate. But the real unemployment problem--you know,
15 the overall unemployment rate for all veterans right now is
16 7.7 percent, using the CPS numbers. It is that young
17 veteran that is in the National Guard is where your real
18 problem is at.

19 But to your question, employers want to hire them. We
20 have got, what, 5,000, 6,000 companies that use VetJobs on a
21 regular basis. I can only think of one company I have ever
22 dealt with that I would say was anti-military.

23 Senator Carper. Out of how many?

24 Mr. Daywalt. Over 5,000.

25 Senator Carper. Whoa.

1 Mr. Daywalt. Only one that I would call anti-military.
2 Now--and the Government contractors, I know there is going
3 to be a big stink about what The Weather Channel did with a
4 major here recently, but for the most part, when there are
5 USERRA problems in a company, it is because an individual
6 made a stupid judgment, not--it is not corporate policy.
7 But, overall, they do want to hire them, sir.

8 You have got to fix a systemic problem. If you fix the
9 problem with the--you know, go back to the change of policy
10 on January 11, 2007--in 2006, the unemployment rate for your
11 18 to 24-year-olds was only about ten percent, thereabouts.
12 In 2008, it went up--I mean, at the end of 2007, it went to
13 over--like, 23 percent. And the employers started saying,
14 wait a minute. If you are going to take my employee away
15 for up to 48 months out of any 60, I am not going to keep
16 them, and that is why it doubled, and it doubled in the
17 young ones because that is where most of the members of the
18 National Guard are your 18- to 29-year-old veterans.

19 You get rid of that systemic problem, you will not need
20 a hearing like this today.

21 Senator Carper. Okay. Any other comments on the
22 issue? What I am looking for is the correlation between
23 folks that are using our G.I. Bill and maybe tuition
24 assistance and it is not preparing them for a real job.

25 Mr. Daywalt. Well, it does prepare them. The G.I.

1 Bill is working. It gives people--they go in--Student
2 Veterans of America and IAVA both have been very active
3 helping people to get into the schools. When they come out
4 of the schools on the other side, it prepares them. And a
5 lot of great companies--ManTech is a good example, where
6 they bring people in and they train them. They do not want
7 to hire them, but they do not want them taken away. It is a
8 simple problem.

9 Senator Carper. Yes. Ms. Sullivan?

10 Ms. Sullivan. So in thinking about any stones left
11 unturned, and I was glad that you brought up the G.I. Bill,
12 so certainly ManTech is as networked as anybody. We have a
13 successful program. Our numbers speak for themselves. It
14 is part of our culture. It is a part of our company, how we
15 operate.

16 But there is one thing that I heard universally from
17 people with inside of ManTech of, is there some stone
18 unturned that really could make the difference, really move
19 the needle in a significant way, and certainly I am not
20 expert on this, but something for all of us to consider is,
21 is there a way for veterans who are leveraging the G.I. Bill
22 and trying to improve their skill set so they become more
23 employable, something that we see is many times veterans who
24 are leveraging that G.I. Bill, in the process of getting
25 their education or more training, they lose their security

1 clearance. And for an employer like ManTech, and most of
2 our work is mission oriented so it serves the Department of
3 Defense or serves the intelligence community, that ability
4 to have a security clearance, an active one, is a very
5 necessary component, and that part of the market is still a
6 good market and it has got competitive pay.

7 So anything that could be done to help preserve that
8 clearance, maybe, I do not know, put it in a deep freeze or
9 a deferral mode versus just cancel it outright, I think
10 could be a real needle mover for everyone.

11 Senator Carper. Okay. Thanks.

12 Senator McCaskill. That is a great idea.

13 Senator Carper. Yes. Thank you very much.

14 Any other comments on this issue? Yes, sir.

15 Mr. Sulayman. Yes, sir. I know you are probably used
16 to hearing Tom Tarantino talk about the G.I. Bill issue on
17 IAVA's behalf, but that is something that, definitely, we
18 thank you for your leadership on with trying to change the
19 90-10 rule, and we have heard anecdotally, and we think we
20 have plenty of examples and there are plenty of statistics
21 to back up the idea that veterans, in trying to take
22 advantage of the best career-ready training program that is
23 out there, which is the G.I. Bill, especially the Post-9/11
24 G.I. Bill now that it can be used for licenses,
25 certifications, not just for post-secondary education, but

1 professional degrees and trades and everything else,
2 basically--

3 Senator Carper. It is even transferrable, I believe.

4 Mr. Sulayman. And transferrable to--

5 Senator Carper. Family members.

6 Mr. Sulayman. --to children and spouses and, I mean,
7 it is--

8 Senator Carper. What a deal.

9 Mr. Sulayman. It is an awesome program. But we--

10 Senator Carper. I think when we came back from
11 Southeast Asia at the end of the Vietnam War, I think we got
12 about \$200, \$250 a month.

13 Mr. Sulayman. Right, and there was a big differential
14 between the post-World War II G.I. Bill and the G.I. Bill
15 for the Vietnam era veterans. And this, the Post-9/11 G.I.
16 Bill, really restored some parity more on the level of the
17 post-World War II G.I. Bill and can be a game changer, and a
18 lot of institutions sprang up, as they did after World War
19 II, to take advantage of that and take advantage of some of
20 the loopholes. And we have found from our membership that
21 that really has been an issue for them, with not completing
22 degrees because they have exhausted the G.I. Bill on, quite
23 frankly, really expensive degrees that were not going to
24 prepare them for the jobs they were taking--criminal justice
25 technology, for instance.

1 I had a small business before I got deployed in
2 construction. I was reviewing some of the online
3 universities' courses in construction management technology
4 and I could not figure out how that would have applied to
5 any of my subcontractors that I used or me as a project
6 manager for a Fortune 500 construction company. It was
7 really--and that is one of those things, where if you go to
8 school and you get that degree and then you go out looking
9 for the job or you try and start up a business as a small
10 contractor and want to do business with Federal, State, or
11 local governments in construction, you know, those sorts of
12 things, that is not going to impress anybody and help you
13 out, and that is one of the things that we have found as we
14 have looked at the issue.

15 Senator Carper. All right. Anybody else?

16 Mr. Daywalt. To Ms. Sullivan's issue about security
17 clearances, we hear that all the time, and there is a
18 solution but it is going to take a change of paradigms over
19 at DOD. In our country, unlike in Europe, the individual
20 does not have the security clearance. The billet or the job
21 has the security clearance. And then when you step out of
22 that billet, you are no longer cleared. Now, at the TS/SCI
23 level, you have up to six months to get back into a job at
24 the TS/SCI level. Otherwise, you have to start all over
25 again with a brand new special background investigation,

1 very expensive, which is why--you know, we always make jokes
2 that when one Government contractor hires someone at the
3 TS/SCI level, especially with polygraph, they have not
4 filled a job, they have created a vacancy someplace else.

5 When the person goes to school, when they get out to go
6 back to work, they have got to start all over again. So the
7 solution is to create some billets that would be holding
8 billets so that, like when I stepped out of the Navy, I had
9 a TS/SCI, since I retired from Naval Intelligence, and if I
10 wanted to go back to school, I would be put into a billet
11 that leaves me at that security clearance, even though I am
12 not working at it, now when I go to apply for a job, I
13 already have my TS/SCI in place so that I can go into a--
14 because I would be switching from that billet to whatever
15 billet I go to work for in that company. That would be a
16 solution.

17 Now, a lot of your unions want to fight that because
18 then they cannot do the background checks and everything
19 else at DSS, but--and the same problems with the
20 certifications of veterans. You know, we have talked for
21 years about if a guy drives a truck in the military, he
22 could get a CDL license or be able to get an EMT license or
23 whatever in the civilian world, and everybody says they are
24 in favor of it until it gets on the floor of the House and
25 the unions say, oh, no, no, no, no, no, no, no, no. We are not

1 going to have them come out and compete with us. But that
2 would be a simple way to fix part of that problem.

3 Senator McCaskill. I think we passed that, did we not?

4 Senator Begich. We did, and also, there is a program
5 that--I am not sure I 100 percent agree with you, because
6 there is a program called Helmets to Hardhats that the
7 unions actually organized, because they are in huge needs
8 because the trades are averaging 52 to 55 years old and they
9 need replacements very quickly. And so I am not sure that
10 old paradigm of one group against is there because the
11 legislation we passed starts opening up the doors.

12 Senator McCaskill. Right.

13 Senator Begich. But I know the Helmets to Hardhats
14 program, at least in my State, has been somewhat successful.
15 That is why, when I walked out of here, it was with the
16 labor union about what they are doing.

17 Mr. Daywalt. And the purpose of Helmets to Hardhats is
18 to recruit people into the unions, which is great. I mean,
19 unions are good. But let us not stand in the way of--if you
20 are an electrician in the Army and you come out, you have
21 been in the Army 25 years, you are not going to go to
22 Detroit and start as a journeyman electrician, but that is
23 what the union wants you to do. You are going to go to
24 Right to Work States where you can make a decent wage and
25 not start at \$8 or \$9 an hour and work your way up through

1 some union bureaucracy. That is brute reality. I come from
2 Ruralsville. I am sorry.

3 Senator Carper. All right. Mr. Kympton, do you want
4 to say something, and then I am done. Thank you.

5 Mr. Kympton. Yes. Thank you, Senator. At The Mission
6 Continues, we are using the vehicle of service as a
7 reintegration strategy for veterans and are finding that it
8 is leading to employment, it is leading to continued
9 education.

10 Currently, Madam Chairman, as you asked, we are not
11 receiving any Federal funding to do that. I believe that
12 the G.I. Bill represents an opportunity to expand what we
13 allow veterans to focus that funding on and to choose the
14 training program or the education program that they want to
15 use as a vehicle to further employment. And that vehicle of
16 service, funding a six-months in service or funding a year
17 in service, might just be possible within the G.I. Bill
18 itself.

19 Senator Carper. Okay. Thanks.

20 All right. Thanks, Madam Chair. Thanks very much.
21 Thanks for holding this hearing and letting me slip by and
22 ask a couple of questions.

23 Senator McCaskill. Thank you. Senator--

24 Senator Carper. Captain, nice to see you.

25 Senator Begich. I do not. Actually, my last question

1 was just on that, the VOW to Hire Heroes Act, which is the
2 one we passed. I know one potential might be, and maybe it
3 is here, maybe it is in the Veterans Committee, is kind of
4 see where that is going, because the goal of it is to start
5 making sure that if you are an electrician in the military,
6 that you can make that transition into the private sector
7 without having to retrain, recertify, going through the
8 process. That legislation that was passed last year, or
9 this last several months ago, was pretty significant.

10 So it may be that it is a question we need to ask, I do
11 not know if it is here or given to the Veterans Committee,
12 kind of where that is at and how that is progressing,
13 because that is one of the biggest complaints I hear, you
14 know, that we see people who are--if you are a truck driver
15 in Afghanistan, you can be a truck driver anywhere is the
16 way I look at it. But they need to get the legislation that
17 is passed and what DOD is doing on that, so just a little
18 side note there.

19 Senator McCaskill. Let me finish up with this VETS-100
20 form. Do the two businesses represented here, do you feel
21 like going through the requirement of filling out this form,
22 has it in any way been beneficial to your company, even
23 though clearly the Department of Labor is not paying any
24 attention to it?

25 Ms. Sullivan. We aggregate so much information because

1 we are publicly traded, so any information that we collect
2 or report, it comes up to management's attention. I do not
3 think we have ever looked at, to my knowledge, the VETS-100A
4 as a management tool or resource. To that end, typically,
5 because we are publicly traded, there are a lot of reports
6 that we have to file relative to compliance, such as SEC
7 reporting and other things.

8 Senator McCaskill. Right.

9 Ms. Sullivan. So I am not sure that we have ever
10 stepped back, the compliance part, and really thought about
11 it in that sense.

12 Senator McCaskill. I am wondering, if we made these
13 public, if it would help. I mean, if the data was publicly
14 available, would you all not notice that they did not have
15 your data?

16 Ms. Hardy. Madam Chairwoman, we think providing public
17 access to all vets data would encourage other companies to
18 step up their practices and provide contractors with more
19 information about the Government's internal use of the data
20 will lead to new and creative solutions. So we think
21 transparency is the right approach.

22 Senator McCaskill. Yes. I think one of the reasons
23 that this data has been such a waste of time is because no
24 one has been paying attention to the fact that they are not
25 paying attention to it, whereas if it had to be publicly

1 posted, perhaps the agency would feel--and they are not here
2 today, but they will hear from us. We will make sure that
3 they are aware that we have discovered that no one is paying
4 attention. They are not checking this data. They are not
5 validating the data. They are not sharing the data. It is
6 just a check that someone is making in a box somewhere and
7 taking energy from companies that are doing it. But,
8 frankly, if you are not doing what you are supposed to be
9 doing, I do not think anybody over there would ever know it,
10 the way it is being operated now.

11 So perhaps the way we do it is to before we try to do
12 away with it, we try to make it public and see if it could
13 come to some good and make it transparent before we actually
14 try to say, let us--you know, unwinding legislation that was
15 put into place because people were trying to help a real
16 problem is hard. I mean, speaking of SEC companies, look at
17 Sarbanes-Oxley, right? I mean, it has become ingrained in
18 our business world, and I am not sure that it accomplished
19 what we wanted it to accomplish, other than providing full
20 employment for a whole lot of lawyers and accountants.

21 Ms. Sullivan. You know, so I realize that some of the
22 questions might come on reporting, and when I talk to folks
23 inside of ManTech who are more closely related to compliance
24 reporting and this report and everything, at the end of the
25 day, from a very practical sense of being an employer and

1 doing the kind of work that we do, it does not change our
2 behavior any because we are so mission focused. You know,
3 the work that we have are for positions required by the
4 Government that are very mission focused. So we are going
5 to do what we need to do anyway, and it is--so it is not--
6 one way or the other, it is not going to change our
7 behavior.

8 Senator McCaskill. Yes. I think it is time that we
9 step back from all of this and look and see what is a
10 meaningful way for the Government to impact this problem,
11 because I do not think this is a meaningful way to impact
12 it. There are meaningful ways we can. I think the new G.I.
13 Bill is one way, if we can get our act together and ferret
14 out these people that will have a special place you know
15 where for taking advantage of veterans and their families to
16 cabbage up their benefits without giving them one iota of
17 educational benefit.

18 But organizations like Mr. Kympton's and websites like
19 Mr. Daywalt, those are the things that are going to make the
20 difference, and tackling this Guard problem, really focusing
21 on the Guard problem, since that is really what is driving
22 these unemployment numbers. But those that want to do the
23 right thing because it supports who their company is will do
24 it. Those that do not will not, and I am not sure turning
25 in a report to the Government is going to have one bit of

1 impact on that.

2 So we will go forward from here. If you would get us
3 your information on Guard and Reserve hires, because I think
4 that will be instructive to us. If there is anything that
5 you all can add to the record about things that we should
6 unwind that the Federal Government is doing now, programs
7 that should be consolidated, you know, there is a big
8 controversy about moving all of these programs into VA, and
9 some of that is turf. Some of it may be legitimate. There
10 are those even, Mr. Sulayman, that think we should move the
11 SBA functions around veterans' programs over to VA. I think
12 the jury is out on that. But I want you all to feel
13 comfortable continuing to give information to this Committee
14 as we track this.

15 I wish I could tell you that Government contractors are
16 doing a good job of hiring veterans, but unfortunately, the
17 Government's incompetence in this area has made that
18 impossible for us to know. We have got two good examples
19 here today of companies that are doing the right thing, and
20 by the way, it is a pleasure for me to compliment
21 contractors. As you might know, most of the time when I sit
22 in this chair, I am not doing that. Most of the time I am
23 sitting in this chair, I am doing the opposite of that. So
24 it is pleasant for me to compliment you on the work you are
25 doing in this regard.

1 Thank you all for being here today and we will continue
2 to try to focus on this problem, and in a meaningful way
3 that does not cause businesses too much of a headache and
4 ultimately helps veterans get where they need to be, and
5 that is gainfully employed in a career where their
6 leadership has a chance to shine.

7 Thank you all very much. The Subcommittee is
8 adjourned.

9 [Whereupon, at 11:46 a.m., the Subcommittee was
10 adjourned.]