

VETERANS EMPLOYMENT AND GOVERNMENT CONTRACTORS

June 5, 2012

Senator Claire McCaskill

This hearing will now come to order.

We are here today to talk about an alarming trend in the employment of our nation's veterans.

Service in the active-duty military or the National Guard or Reserve has historically been an advantage in seeking employment. Recruiters for the military promised that service could lead to careers. Yet, after more than a decade of war, we are seeing something very different – that the men and women who have served so honorably in Iraq and Afghanistan are facing unprecedented challenges in finding employment.

Last week, the Department of Labor released its latest unemployment figures, which show that the unemployment rate in the United States is currently 8.2%. Those same figures show that veterans who have served on active duty since September 2001 have an unemployment rate of 12.7%.

The unemployment rate for veterans who have served since September 2001 has also been increasing. In May 2011, the unemployment rate for these veterans was 12.1%. In May 2010, it was 10.6%.

These numbers are a stark reminder that we are not doing enough to help our veterans, and that we must take new and urgent steps to improve our national efforts to make sure veterans have the tools and opportunities they need to find careers after they leave the military.

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

Part of the problem is that the government isn't doing what it should. Simply telling a veteran to go down to his or her local employment office, or to search the job boards, as we have heard happens, is just not enough. Many different federal agencies, including the Defense Department, the VA, and the Department of Labor, have programs to work with veterans on employment issues, and some are more successful than others.

Government contractors are well-situated to be major employers of veterans, and many are. Contractors are also required by law to take affirmative action to hire veterans. Since 2002, companies with government contracts over \$100,000 are required to post job listings at nationwide employment offices, to report their veteran hiring and employment numbers to the Department of Labor through the VETS-100A form, and those with 50 or more employees are required to develop an affirmative action plan.

The question is, how well are contractors doing at this? The answer is that we have no idea.

Last year, I asked the Department of Labor for the information collected from government contractors for the past ten years. The Department was only able to provide data for 2009 and 2010 because it only just became electronically available. The Subcommittee staff

prepared a fact sheet summarizing this information and I ask unanimous consent that this fact sheet be included in the hearing record.

What this fact sheet shows is that the information currently being collected and maintained by the Department of Labor is spotty and frequently inaccurate. We saw numbers that are obviously wrong, like seeing a company whose number of veteran hires is 400% larger than the total number of people working for the company.

We also saw a significant amount of missing information. For example, the two companies represented here today did not appear in the data. Both had in fact submitted the data as required and were able to produce it upon the request of the Subcommittee.

It seems that the reason for this discrepancy is with the Department of Labor. There are two offices within the Department of Labor responsible for collecting the data and enforcing compliance. That is the Office of the Assistant Secretary for Veterans Employment and Training (VETS) and the Office of Federal Contract Compliance Programs (OFCCP). Yet, in conversations with the Department of Labor, the Subcommittee learned that VETS collects this information but never reviews it for any purpose and OFCCP has the authority to audit contractor compliance, but in fact conducts very few and never attempts any quality assurance reviews.

This doesn't make any sense to me. So I called this hearing today to bring together two groups who are actually taking active steps to promote contractor employment of veterans. We're here today to learn from some of the nation's leading veterans service organizations about the challenges facing recent veterans. We will also hear from two large and well-known businesses about the excellent work they are doing in recruiting and hiring veterans.

I look forward to a constructive discussion today.

I also want to make one point clear from the outset: the status quo is just not acceptable. We cannot continue to betray the trust of our nation's veterans by not doing everything in our power to ensure that they have access to employment. We also cannot continue to invest scarce government resources – and waste businesses' time – demanding that they file reports which nobody pays any attention to and which don't seem to have any benefit to veterans employment. We need to avoid duplication in programs but also ensure that we are not taking a one-size-fits-all approach.

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

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