



Testimony

Before the Subcommittee on Economic
Opportunity, Committee on Veterans'
Affairs, House of Representatives

For Release on Delivery
Expected at 2:00 p.m. ET
Wednesday, November 18, 2015

VA BENEFITS

Outcome Measures and More Outreach Would Enhance the Post-9/11 On- the-Job Training and Apprenticeship Programs

Statement of Andrew Sherrill, Director
Education, Workforce, and Income Security

Accessible Version

Chairman Wenstrup, Ranking Member Takano, and Members of the Subcommittee:

I am pleased to be here today to discuss our November 2015 report on the Department of Veterans Affairs' (VA) Post-9/11 GI Bill on-the-job training (OJT) and apprenticeship programs.¹ As the military draws down its forces over the next few years, tens of thousands of servicemembers are expected to transition into civilian life. To better prepare themselves for meaningful employment, many will seek educational and training opportunities, which include OJT and apprenticeship programs. Post-9/11 GI Bill benefits were initially available only for higher education, which may not be the best path for every veteran, but in 2011 provisions were enacted that expanded benefits to cover OJT and apprenticeships.² For those who may not be interested in higher education, OJT and apprenticeships offer an opportunity to work full-time while training.

Under the Post-9/11 GI Bill, veterans can receive benefits for an OJT program lasting from 6 months to 2 years, or for an apprenticeship as long as 36 months.³ In addition to the wages they earn from their employer as a trainee or apprentice, veterans who choose to apply their Post-9/11 GI Bill benefits to an eligible OJT or apprenticeship program receive a tax-free, monthly housing payment from VA. The amount of the benefit is based on the basic allowance for housing (BAH) paid to servicemembers.⁴ The Department of Labor (DOL) offers OJT services and a Registered Apprenticeship program separate from the VA Post-9/11 GI Bill programs which follow similar models but differ from VA's programs in several key ways. For example, while all veterans who served for at least 90 days after Sept. 11, 2001 are generally entitled to Post-9/11 GI Bill benefits, local workforce development staff must determine that DOL OJT

¹GAO, *VA BENEFITS: Increasing Outreach and Measuring Outcomes Would Improve Post-9/11 GI Bill On-the-Job Training and Apprenticeship Programs*, [GAO-16-51](#) (Washington, D.C.: Nov. 12, 2015).

²Post-9/11 Veterans Educational Assistance Improvements Act of 2010, Pub. L. No. 111-377, § 105(b), 124 Stat. 4106, 4113-17 (2011) (codified at 38 U.S.C. § 3313(g)).

³38 U.S.C. § 3677(c)(2) and (3).

⁴38 U.S.C. § 3313(g)(3)(B)(i). Specifically, the law states that eligible veterans are to receive the equivalent of the BAH for a service member with dependents in pay grade E-5. Military pay grades determine both the BAH, which varies by ZIP code, as well as basic pay while in the military.

participants—civilians and veterans alike—need additional services to obtain employment.

My statement summarizes the findings from our November 2015 report, which addresses (1) how selected veterans and employers have used the Post-9/11 GI Bill OJT and apprenticeship programs and to what extent the programs have been used; (2) to what extent VA and states have taken steps to inform veterans and employers about these programs; (3) what challenges veterans and employers reported facing in using the programs, and (4) to what extent VA has assessed the performance and effectiveness of the programs.

For our November 2015 report, we analyzed VA program data, assessed their reliability, and determined they were sufficiently reliable for our purposes. We also reviewed relevant federal laws, regulations, and other documents. We surveyed state officials in all 44 states responsible for overseeing these programs.⁵ In addition, we conducted three non-generalizable surveys to collect information from (1) veterans, (2) employers and apprenticeship sponsors who have participated in the programs, and (3) veterans who received Post-9/11 GI Bill benefits while enrolled in a non-college degree program, such as a trade school. We conducted site visits in 2 states and interviewed state officials from an additional 11 states selected to reflect a range in the number of OJT and apprenticeship programs and in geographic location. We also interviewed federal officials and staff from veterans service organizations. In addition, we analyzed VA and DOL website information, as well as VA and DOL outreach materials, to examine the extent to which they included information on the Post-9/11 GI Bill OJT and apprenticeship programs. Lastly, we examined DOL outcome data for its related OJT and apprenticeship programs. We assessed the reliability of these data and found them sufficiently reliable for our purposes. A more detailed explanation of our methodology is available in our full report. The work upon which this statement is based was conducted in accordance with generally accepted government auditing standards.

⁵State Approving Agencies (SAA) are state agencies designated by the state's governor that evaluate, approve, and monitor education and training programs for the GI Bill. Not all SAAs are involved in the approval and supervision of apprenticeship and OJT programs; in some states the VA has this responsibility because those states chose not to contract with VA to administer aspects of the program themselves. VA is currently acting as the SAA for OJT and apprenticeship approvals in six states – Alaska, Connecticut, Hawaii, Maryland, Rhode Island, and Vermont – and the District of Columbia.

Veterans in Our Review Said the Post-9/11 OJT and Apprenticeship Programs Helped Them Transition to Civilian Life, but Relatively Few Veterans Have Participated

In our November 2015 report, veterans we surveyed said the Post-9/11 GI Bill OJT and apprenticeship programs have helped them transition to civilian life, but program data show relatively few veterans have participated. Most veterans who replied to our survey (125 of 156) cited more than one benefit to the program. Many specifically noted that receiving supplemental income helped them cover living expenses during their transition to civilian life (112 of 156).⁶ About half of the veterans responding to the survey (80 of 156) reported that the program allowed them to use their GI Bill benefits even though college was not a good fit for them. In addition, employers and apprenticeship sponsors who responded to our survey cited a number of benefits to participating, particularly those related to recruitment and retention.

We also found that since OJT and apprenticeship benefits became available in 2011, about 27,000—or 2 percent—of the 1.2 million veterans who have received Post-9/11 GI Bill benefits have participated in these programs. Occupations among those most frequently pursued by participants were police officer and sheriff; correctional officer and jailor; truck driver; electrician; firefighter; air traffic controller; immigration and customs inspector; veterans service representative; carpenter; and plumber, pipefitter, and steamfitter.

⁶In 2015, this supplemental income ranged from \$896 to \$3,923 per month for the first 6 months, depending on the location of the employer or apprenticeship sponsor.

VA and States Provide Varying Levels of Information and Outreach to Veterans and Employers

VA primarily provides information about the OJT and apprenticeship programs through mandatory Transition Assistance Program (TAP) briefings for transitioning servicemembers and on its website.⁷ However, these sources generally emphasize higher education and lack sufficient detail for veterans to reasonably understand how to use their GI Bill benefits for OJT and apprenticeships. For example, federal, state, and veterans service organization officials we interviewed identified TAP as one of the primary ways that veterans can learn about the Post-9/11 OJT and apprenticeship programs. However, out of 77 total pages in the TAP facilitator guide, and in briefing slides for the mandatory VA Benefits I and II courses, there is only one reference to the OJT and apprenticeship programs.⁸ In discussing Post-9/11 GI Bill benefits, the briefing slides generally refer to “education,” “tuition,” “school,” and “student,” and do not refer to employers, OJT, or apprenticeship opportunities, although these options are also available. Similarly, we found the information provided on VA’s Post-9/11 GI Bill web page and on its OJT and apprenticeship web page lacks enough detail for users to reasonably understand how to use their GI Bill benefits for the OJT and apprenticeship programs. The Plain Writing Act of 2010⁹ established requirements for clear and meaningful communication with the public regarding any federal benefits, and federal standards for internal control state that management should ensure there are adequate means of communicating with external stakeholders when there could be a significant effect on the agency achieving its goals.¹⁰ Further, VA’s strategic goals include empowering veterans to improve their well-being, and managing and improving VA operations to deliver seamless and integrated support.¹¹ If VA

⁷TAP was originally established by the National Defense Authorization Act for Fiscal Year 1991. Pub. L. No. 101-510, Sec. 502(a), § 1142, 104 Stat. 1485, 1552-55 (1990). The purpose of TAP is to prepare servicemembers leaving the military for their transition back into civilian life. It has recently been redesigned through the Veterans Employment Initiative and the VOW to Hire Heroes Act of 2011. Exec. Order No. 13,518, 74 Fed. Reg. 58,533 (Nov. 13, 2009) and Pub. L. No. 112-56, § 221, 125 Stat. 711, 715-18. The redesigned TAP is also known as Transition Goals, Plans, Success (Transition GPS).

⁸All servicemembers participating in TAP must take VA Benefits I and II courses, which discuss available benefits and services, including education benefits.

⁹Pub. L. No. 111-274, §§ 3(3) and 4(b), 124 Stat. 2861, 2161-62 (codified at 5 U.S.C. § 301 note).

¹⁰GAO, *Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington, D.C.: Nov. 1, 1999).

¹¹Department of Veterans Affairs, *Department of Veterans Affairs FY 2014-2020 Strategic Plan*.

does not provide sufficient detail regarding the OJT and apprenticeship programs, veterans may not be able to fully understand these benefits, and VA may not be able to fully meet its goals of serving this population. We recommended in our November 2015 report that the Secretary of Veterans Affairs identify and implement appropriate, cost-effective actions to increase awareness of OJT and apprenticeship benefits under the Post-9/11 GI Bill. VA concurred and said it will develop a guide for employers and apprenticeship sponsors about Post-9/11 GI Bill OJT and apprenticeship benefits. VA also said it will publicize this guide and make it available on VA's GI Bill website. Further, VA said it will send veterans and stakeholders information on OJT and apprenticeship benefits via an email blast and by posting information to the Employment Center section of VA's eBenefits website.

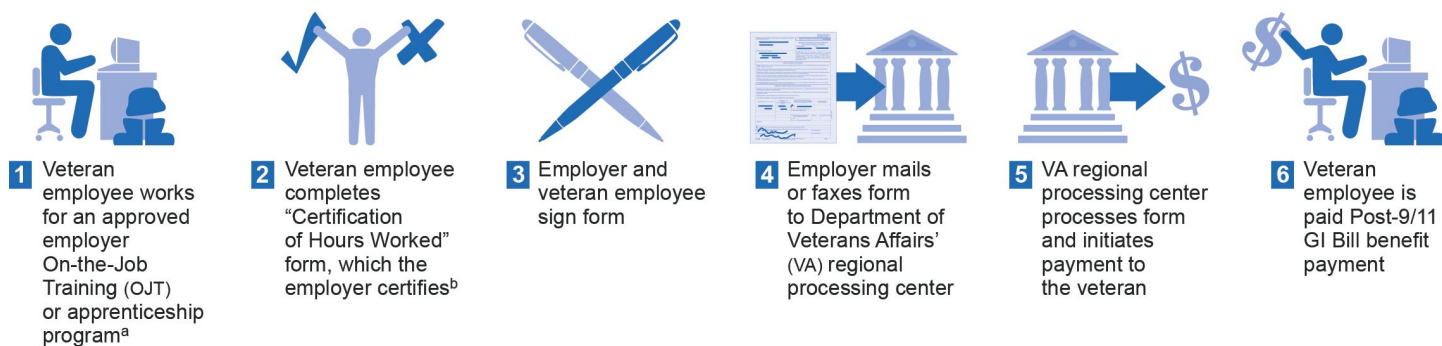
In addition, most state officials we surveyed reported that they reach out to veterans using direct methods, such as attending job fairs and providing briefings and presentations to veterans' groups. Fewer state officials reported using broader outreach methods, such as radio or television advertisements, to raise awareness of the programs. Some state officials said that they devote considerable staff time to outreach efforts. For example, a state program director in one state told us his agency created a video titled "OJT: It's Not Just for College" to distribute to stakeholders, a monthly newsletter on veterans' employment issues, and program fact sheets and brochures to be displayed in job centers and higher education veterans' offices. Our survey results also indicate that the level of outreach conducted varies by state. Specifically, officials in five states we surveyed indicated that, due to resource constraints, they were unable to engage in more intensive outreach efforts for veterans or employers.

Lack of Program Awareness and Administrative Burdens Have Challenged Veterans and Employers, According to State Officials and Program Participants

We also found that key challenges faced by veterans and employers in using the Post-9/11 GI Bill OJT and apprenticeship programs include lack of awareness and administrative burdens, according to state officials, veterans, and employers we surveyed. Most state officials surveyed reported that lack of awareness about the programs was a primary challenge they faced in facilitating veteran (39 of 44) and employer (39 of 43) participation. In addition, most state officials (39 of 44) reported that veterans' lack of understanding regarding how they can use these benefits to pursue career goals was a top challenge. State officials we surveyed also cited some of the same challenges that we identified in our review of VA's information resources, as discussed above. For example, 36 of 44 responding state officials pointed to the emphasis on education in Post-9/11 GI Bill materials rather than on OJT or apprenticeship as a challenge in facilitating veteran participation.

Further, over half of state officials surveyed (24 of 42) cited challenges related to VA's current paper-based payment processing system, which requires employers to fax or mail monthly forms to VA in order for a veteran to receive benefits (see fig. 1).

Figure 1: Monthly Benefit Payment Process for Post-9/11 GI Bill On-the-Job (OJT) and Apprenticeship Programs



Source: GAO analysis of Department of Veterans Affairs (VA) documents. | GAO-16-215T

^aGenerally this process occurs after each month of work, however, it can occur retroactively for a number of months.

^bIn the case of the apprenticeship program, apprenticeship sponsors generally certify hours worked.

In addition, 11 of the 15 employers and apprenticeship sponsors we interviewed said the process is burdensome or inefficient, and 7 said they often had to re-submit monthly certifications multiple times because VA officials said they had not received them. Six of the 28 veterans we interviewed said their benefits have sometimes been delayed. VA is developing a new data system, called Veterans Approval, Certification,

Enrollment, Reporting and Tracking System (VA-CERTS), which will update the systems for certifying program approvals and monthly hours worked, and for processing educational benefits, including those for OJT and apprenticeship, according to VA officials. However, VA officials said this system may not be implemented until 2017 at the earliest. In the interim, administrative challenges could hinder program participation. We recommended in our November 2015 report that the Secretary of Veterans Affairs identify and implement cost-effective steps to ease administrative challenges in submitting paperwork or receiving payments as the new automated VA-CERTS system to process program approvals and benefit payments is being developed and implemented. VA concurred and stated it will explore the feasibility of cost-effective options and will develop a plan to ease challenges for employers and veterans to submit paperwork and receive payments.

Little Is Known about the Performance of VA's OJT and Apprenticeship Programs

In addition, we found little is known about the performance of VA's Post-9/11 GI Bill OJT and apprenticeship programs because VA does not measure program outcomes, such as whether participants retain employment after completing the program. Federal standards for internal control call for establishing and reviewing performance measures to allow an agency to evaluate relevant data and take appropriate actions.¹²

Without such measures, VA is limited in its ability to assess its programs. We recommended that the Secretary of Veterans Affairs establish measures to report on program outcomes for Post-9/11 GI Bill OJT and apprenticeship programs, including considering relevant data sources and seeking legislative authority to gain access to data, if necessary. VA concurred and said program performance metrics should be developed to report on program outcomes. VA said it will develop a plan to determine the feasibility of collecting and publishing program outcome data for the OJT and apprenticeship programs. VA set a target completion date of June 2016 for all actions set forth in response to our recommendations.

Given the absence of performance measures for VA's programs, we examined DOL outcome data for its related OJT and apprenticeship programs. The data indicate the potential for positive outcomes for these training models. For example, according to 2013 DOL program data, 85

¹²GAO, *Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington, D.C.: Nov. 1, 1999).

percent of Post-9/11-era veterans who received OJT services entered employment within 3 months of completing their training, and 86 percent of these veterans retained employment over the subsequent 6 months. Additionally, Post-9/11-era veterans who used OJT services earned 25 percent more in the second and third quarters after finishing their OJT services than they had earned prior to receiving services. While these data indicate the potential for positive employment outcomes for an OJT approach, they do not necessarily reflect outcomes for veterans in VA's programs.

Chairman Wenstrup, Ranking Member Takano, and Members of the Subcommittee, this concludes my prepared remarks. I would be happy to answer any questions that you may have.

GAO Contact and Staff Acknowledgments

For further information regarding this testimony, please contact Andrew Sherrill at (202) 512-7215 or sherrilla@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. Individuals who made key contributions to this testimony include Laura Heald (Assistant Director), Susan Aschoff, James Bennett, Mindy Bowman, Amy Buck, David Chrisinger, Sheila McCoy, Jean McSween, Almeta Spencer, Michelle Loutoo Wilson, and Craig Winslow.

Appendix I: Accessible Data

Accessible Text

Accessible Text for Figure 1: Monthly Benefit Payment Process for Post-9/11 GI Bill On-the-Job (OJT) and Apprenticeship Programs

1. Veteran employee works for an approved employer On-the-Job Training (OJT) or apprenticeship program^a
2. Veteran employee completes “Certification of Hours Worked” form, which the employer certifies^b
3. Employer and veteran employee sign form
4. Employer mails or faxes form to Department of Veterans Affairs’ (VA) regional processing center
5. VA regional processing center processes form and initiates payment to the veteran
6. Veteran employee is paid Post-9/11 GI Bill benefit payment

Source: GAO analysis of Department of Veterans Affairs (VA) documents.
| GAO-16-215T

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.

GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's website (<http://www.gao.gov>). Each weekday afternoon, GAO posts on its website newly released reports, testimony, and correspondence. To have GAO e-mail you a list of newly posted products, go to <http://www.gao.gov> and select "E-mail Updates."

Order by Phone

The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's website, <http://www.gao.gov/ordering.htm>.

Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

Connect with GAO

Connect with GAO on [Facebook](#), [Flickr](#), [Twitter](#), and [YouTube](#).
Subscribe to our [RSS Feeds](#) or [E-mail Updates](#).
Listen to our [Podcasts](#) and read [The Watchblog](#).
Visit GAO on the web at www.gao.gov.

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Website: <http://www.gao.gov/fraudnet/fraudnet.htm>

E-mail: fraudnet@gao.gov

Automated answering system: (800) 424-5454 or (202) 512-7470

Congressional Relations

Katherine Siggerud, Managing Director, siggerudk@gao.gov, (202) 512-4400, U.S. Government Accountability Office, 441 G Street NW, Room 7125, Washington, DC 20548

Public Affairs

Chuck Young, Managing Director, youngc1@gao.gov, (202) 512-4800
U.S. Government Accountability Office, 441 G Street NW, Room 7149
Washington, DC 20548