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MILITARY PERSONNEL

Performance Measures Needed to Determine How Well DOD's Credentialing Program Helps Servicemembers

Accessible Version

On October 21, 2016, this report was revised to correct the date on both the cover and highlights page to reflect October 2016 not October 2017.

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Performance Measures Needed to Determine How Well DOD's Credentialing Program Helps Servicemembers

Why GAO Did This Study

DOD reimburses the Department of Labor quarterly for unemployment compensation payments provided to former servicemembers. In 2015, DOD reported that unemployment compensation for veterans was \$434 million. Differences between military and civilian occupational classification systems can make it difficult for servicemembers to identify civilian jobs that are comparable to their military occupational specialties. Section 2015 of Title 10 directed DOD to carry out a program to enable servicemembers to obtain professional credentials related to their military training that translate into civilian occupations.

Senate Report 114-49 accompanying the National Defense Authorization Act for Fiscal Year 2016 included a provision for GAO to review DOD's credentialing program. This report (1) assesses the extent to which DOD implemented the statutorily required credentialing program and developed performance measures to guide the program; and (2) describes how DOD engages with states to enhance opportunities for servicemembers to attain credentials. GAO reviewed DOD policies and procedures and other documentation and interviewed relevant officials.

What GAO Recommends

GAO recommends that DOD develop and implement performance measures for its credentialing program. DOD did not concur with the recommendation, but GAO continues to believe that performance measures are needed to measure the success of the program, as discussed in the report.

View [GAO-17-133](#). For more information, contact Brenda S. Farrell at (202) 512-3604 or farrellb@gao.gov.

What GAO Found

The Department of Defense (DOD) has taken steps to establish the statutorily required credentialing program, but it has not developed performance measures to gauge the program's effectiveness. Office of the Secretary of Defense (OSD) officials are in the process of coordinating a draft DOD instruction for the program that will assign responsibilities and prescribe procedures for its operation, and each of the services has established websites to help its servicemembers find information on certifications and licenses related to their jobs. Servicemembers can use these websites to obtain background information on credentialing and detailed information on credentials related to a military occupational specialty, credential requirements, potential gaps between military training and civilian credentialing requirements, and resources available to fill in those gaps. Neither the draft DOD instruction nor any other guidance provided by OSD, however, establishes any performance measures by which to evaluate the program's effectiveness. By using performance measures, conducting ongoing monitoring, and reporting on progress in meeting its desired outcomes transparently, key decision makers can obtain feedback for improving the program. DOD officials collected some credentialing data for fiscal year 2015, such as the number of credentials that active duty and reserve servicemembers successfully attained and expenditures for the credentialing program. However, without performance measures that have targets and a baseline against which to measure current performance, DOD officials and other decision makers may find it difficult to determine whether DOD's credentialing program is on track to achieve desired results or, alternatively, needs corrective actions.

DOD engages with states in various efforts to further assist servicemembers in attaining credentials, including working at the state level to encourage and support the development of credentials for servicemembers, with efforts varying by state. For example, DOD created the "USA 4 Military Families" initiative to engage with state-level policymakers, not-for-profit associations, concerned business interests, and other state leaders regarding the needs of military members and their families. DOD also provided data and subject matter expertise to an 18-month partnership project with the Department of Labor and National Governors Association. This project was designed to identify state-level professional requirements that can be met through the training received by servicemembers in the armed forces and to identify strategies to remove barriers to servicemembers' efforts to attain credentials. The six states participating in the project found that transitioning servicemembers and veterans encounter various barriers when trying to attain civilian credentials, such as civilian licensing boards that are not accustomed to military documentation of a servicemember's training and experience. The project also identified strategies to enable states to accelerate the licensing and certification of veterans based on the challenges identified, such as working with educational institutions to set up accelerated programs that provide veterans advanced standing in existing programs, or offer bridge courses to prepare veterans entering existing programs.

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Abbreviations

COOL	Credentialing Opportunities On-Line
DOD	Department of Defense
NDAA	National Defense Authorization Act
OSD	Office of the Secretary of Defense

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October 17, 2016

The Honorable John McCain
Chairman
The Honorable Jack Reed
Ranking Member
Committee on Armed Services
United States Senate

The Honorable Mac Thornberry
Chairman
The Honorable Adam Smith
Ranking Member
Committee on Armed Services
House of Representatives

From 2000 through 2015, Department of Defense (DOD) data indicate that unemployment compensation for military service veterans increased from \$170 million to a peak of \$944 million in 2011 before declining to \$434 million in 2015.¹ According to DOD, some servicemembers experience difficulty finding civilian jobs after leaving the service, even though they typically receive extensive, high-quality training during their military careers, as well as work experience, that can prepare them for a wide range of occupational specialties. This difficulty is increased by the fact that differences between military and civilian occupational classification systems can make it difficult for separating or retiring servicemembers to identify jobs in the civilian workforce that are comparable to their military occupational specialties.

To help ensure that servicemembers' skills can be applied to meet the needs of civilian employers when they leave the military, the

¹Sections 8521-25 of Title 5 of the U.S. Code provide for a program of unemployment compensation for unemployed individuals separated from the Armed Forces. DOD components are responsible for budgeting unemployment compensation benefits for unemployed ex-servicemembers. An ex-servicemember is eligible for unemployment compensation if he or she was discharged or released under honorable conditions and has completed his or her first full term of active service, or meets other qualifying conditions. 5 U.S.C. § 8521(a)(1)(A)-(B). The Department of Labor is the executive agent for the program, but administration is accomplished by each state.

administration, in 2012, created the DOD Military Credentialing and Licensing Task Force. This task force was charged with identifying military specialties that readily transfer to high-demand civilian jobs, working with civilian credentialing associations to address gaps between military training programs and requirements for credentialing, and providing servicemembers with greater access to necessary certification and licensing exams.² Congress also took action to address the credentialing of servicemembers by enacting section 551 of the Carl Levin and Howard P. “Buck” McKeon National Defense Authorization Act (NDAA) for Fiscal Year 2015, which amended 10 U.S.C. § 2015 to require DOD to carry out a program to enable members of the armed forces to obtain, while serving in the armed forces, professional credentials related to their military training and skills.³

Senate Report 114-49 accompanying the NDAA for Fiscal Year 2016 included a provision for us to review DOD’s credentialing program.⁴ This report (1) assesses the extent to which DOD implemented the statutorily required credentialing program, developed performance measures to guide the program, and identified any challenges; and (2) describes how DOD engages with states to enhance opportunities for servicemembers to attain credentials.

For our first objective, we interviewed officials in DOD and each of the military services and obtained documentation where available to determine the extent to which the credentialing program has been implemented, identify any challenges associated with implementation,

²According to DOD, credentialing is an umbrella term to cover both “certifications” and “licenses.” “Certifications” refers to the voluntary process by which a nongovernmental entity grants a time-limited recognition and use of a credential to an individual after verifying that he or she has met predetermined and standardized criteria. “Licensure” refers to the mandatory process by which a governmental agency grants time-limited permission to an individual to engage in a given occupation after verifying that he or she has met predetermined and standardized criteria.

³Pub. L. No. 113-291, § 551 (2014). These credentials must be related to military training and skills that are acquired during service in the armed forces incident to the performance of the servicemember’s military duties and translate into civilian occupations. *Id.*

⁴Senate Report 114-49 refers to the program as a “credentialing and licensing programs.” DOD refers to its program as a “credentialing payment program” because DOD generally defines “credentials” as including both certifications and licenses. This report uses DOD’s terminology to describe the program.

and collect any data and methodologies used to measure the implementation and effectiveness of the program. We also obtained and reviewed fiscal year 2015 credentialing program data from the Army, the Air Force, and the Navy. We assessed the reliability of this information by reviewing the program data and service officials' responses to our data reliability questionnaire. We found this information and data to be sufficiently reliable for the purpose of reporting cost information and the numbers of credentials obtained by the services. To assess how DOD measures the effectiveness of its credentialing program, we used federal Standards for Internal Control⁵ to review DOD's draft policy to determine whether it included controls for monitoring and key attributes of performance measures, such as measurable targets and baseline data, outlined in our previous work.⁶

For our second objective, we interviewed officials at DOD—including the Defense State Liaison Office and the military services—as well as the Department of Labor to determine how DOD engages with states to foster further development of servicemembers' credentialing programs. We obtained and reviewed previous reports on DOD's efforts to address servicemember credentialing, such as the National Governors Association's final report on its project related to states' experiences with veterans' credentialing and DOD's report on civilian credentialing for military occupations. We also obtained and reviewed the Executive Office of the President's 2012 and 2013 reports on leveraging and streamlining

⁵See GAO, *Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington, D.C.: Nov. 1999). These standards were in effect prior to fiscal year 2016 and cover the time period of government agencies' data. The standards were subsequently updated. The updated standards went into effect on October 1, 2015. See GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 10, 2014).

⁶See GAO, *Tax Administration: IRS Needs to Further Refine Its Tax Filing Season Performance Measures*, [GAO-03-143](#) (Washington, D.C.: Nov. 22, 2002), p. 45, for a description of how we developed the attributes of effective performance goals and measures. We also reviewed the Government Performance and Results Act of 1993. See also *GPRA Performance Reports*, [GAO/GGD-96-66R](#), (Washington, D.C.: Feb. 14, 1996); *Missile Defense: Opportunity to Refocus on Strengthening Acquisition Management*, [GAO-13-432](#) (Washington, D.C.: Apr. 26, 2013); *Performance Measurement and Evaluation: Definitions and Relationships*, [GAO-11-646SP](#) (Washington, D.C.: May 2011); and *Agency Performance Plans: Examples of Practices That Can Improve Usefulness to Decisionmakers*, [GAO/GGD/AIMD-99-69](#) (Washington, D.C.: Feb. 26, 1999).

credentialing for servicemembers, veterans, and their spouses.⁷ On the basis of DOD demographic data on the number of active duty servicemembers in each state, we selected three states with the highest numbers of active military servicemembers to contact for our examination of DOD's efforts to work with state-level officials. While information we obtained from these three states is not generalizable, it provides valuable examples of initiatives the states are undertaking on behalf of servicemembers. We interviewed DOD regional liaisons, state-level government officials, an official representing a state-level non-government organization, and state-level legislative liaisons who work with DOD on state- and local-level credentialing efforts, to determine the degree to which they collaborate.

We conducted this performance audit from September 2015 to September 2016 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

According to officials in the Office of the Under Secretary of Defense for Personnel and Readiness,⁸ when military servicemembers leave active duty they may have trouble finding civilian jobs. A veteran entering private-sector employment for the first time may lack the familiarity with effective job search strategies that someone with civilian work experience could be expected to have. While in the service, veterans may have held jobs that do not exist in the civilian world, and others may have difficulty in

⁷See National Governors Association Center for Best Practices, Workforce Development Program, *Veterans' Licensing and Certification Demonstration: A Summary of State Experiences, Preliminary Findings, and Cost Estimates* (Sept. 2015); DOD, *Pilot Program: Civilian Credentialing for Military Occupational Specialties* (Sept. 27, 2013); Executive Office of the President, *Military Skills for America's Future: Leveraging Military Service and Experience to Put Veterans and Military Spouses Back to Work* (May 31, 2012); and Executive Office of the President, *The Fast Track to Civilian Employment: Streamlining Credentialing and Licensing for Service Members, Veterans, and Their Spouses* (Feb. 2013).

⁸The Under Secretary of Defense for Personnel and Readiness is responsible for maintaining DOD's credentialing program and monitoring implementation and compliance.

determining how to adapt the skills they acquired in the military to a different context, even where those skills are more directly applicable. Numerous actions, such as the following, have been taken to help servicemembers find civilian jobs when they leave the military:

- Congress passed the VOW to Hire Heroes Act of 2011,⁹ which required the Department of Labor to carry out a demonstration project on credentialing for the purpose of facilitating the seamless transition of members of the armed forces from service on active duty to civilian employment.¹⁰
- In 2012, DOD, at the President's direction, created the DOD Credentialing and Licensing Task Force to identify opportunities for servicemembers to earn civilian occupational credentials.¹¹ The task force oversees the coordination and execution of DOD and military service credentialing initiatives. According to the task force, they set out to (1) identify military specialties that readily transfer to high-demand jobs; (2) work with key stakeholders and civilian credentialing agencies to address gaps between military training programs and credentialing requirements; and (3) provide servicemembers with greater access to necessary certification and licensing exams. The task force's first action was to offer up to 126,000 servicemembers the opportunity to obtain machinist, logistics, welding, and engineering certifications for high-demand manufacturing jobs.
- The NDAA for Fiscal Year 2012 authorized further actions to support servicemembers' preparation for employment in the civilian sector. Section 551 authorized the Secretary of a military department to carry out one or more programs to provide eligible members of the armed forces with job and employment skill training to help prepare them for employment in the civilian sector.¹² Section 558 required the

⁹The VOW to Hire Heroes Act of 2011 also included efforts to revamp the Transition Assistance Program, which is a gateway to information and services available to servicemembers transitioning to civilian life. We previously reported on this program in *Transitioning Veterans: Improved Oversight Needed to Enhance Implementation of Transition Assistance Program*, [GAO-14-144](#) (Washington, D.C.: Mar. 5, 2014).

¹⁰38 U.S.C. § 4114, *amended by* Pub. L. No. 112-56, § 237 (2011).

¹¹*Military Skills for America's Future: Leveraging Military Service and Experience to Put Veterans and Military Spouses Back to Work*, Executive Office of the President (Washington: D.C.: May 31, 2012).

¹²Pub. L. No. 112-81, § 551 (2011) (codified as amended at 10 U.S.C. § 1143).

Secretary of Defense to carry out a pilot program to assess the feasibility of permitting servicemembers to obtain civilian credentialing for skills required for military occupational specialties or qualification for duty specialty codes.¹³

- Section 542 of the NDAA for Fiscal Year 2014 required the Secretaries of the military departments to make information on civilian credentialing opportunities available to servicemembers.¹⁴
- Section 551 of the NDAA for Fiscal Year 2015 amended 10 U.S.C. § 2015 to require DOD and the Department of Homeland Security (with respect to the Coast Guard) to carry out a credentialing program that allows servicemembers to obtain professional credentials related to military training and skills acquired during service in the armed forces.¹⁵
- Section 559 of the NDAA for Fiscal Year 2016 amended 10 U.S.C. § 2015 to add a third-party accreditation requirement to DOD's credentialing program.¹⁶ This section requires that any credential in DOD's credentialing program be accredited by an accreditation body that meets six requirements aimed at quality assurance. The new third-party accreditation requirement must be implemented no later than 3 years after the date of the enactment of the NDAA for Fiscal Year 2016.

¹³Pub. L. No. 112-81, § 558 (2011).

¹⁴Pub. L. No. 113-66, § 542 (2013).

¹⁵Pub. L. No. 113-291, § 551 (2014) (codified as amended at 10 U.S.C. § 2015).

¹⁶Pub. L. No. 114-92, § 559 (2015) (codified as amended at 10 U.S.C. § 2015).

DOD Has Taken Steps to Establish the Statutorily Required Credentialing Program but Has Not Developed Performance Measures, and Challenges Remain

While DOD has taken steps to establish the statutorily required credentialing program, it has not developed and implemented performance measures to gauge the effectiveness of the program, and some challenges remain. Although the NDAA for Fiscal Year 2015 does not statutorily require performance measures, it may be difficult to determine whether DOD's credentialing program is on track to achieve desired results or, alternatively, needs corrective actions without such measures.

DOD Has Taken Steps to Establish a Statutorily Mandated Credentialing Program

DOD has taken steps to establish a credentialing program and provide payment of expenses to servicemembers obtaining credentials, in accordance with statutory requirements established in the NDAA for Fiscal Year 2015. Also, DOD has established a process to help ensure quality control while establishing its credentialing program. Section 551 of the NDAA for Fiscal Year 2015 amended 10 U.S.C. § 2015 to require DOD to (1) carry out a program that allows servicemembers to obtain professional credentials related to military training and skills acquired during service in the armed forces, which help to qualify them for civilian occupations; and (2) provide for the payment of expenses for servicemembers for professional accreditation, federal occupational licenses, state-imposed and professional licenses, professional certification, and related expenses.¹⁷ It is up to each service to determine how it will pay for credentials in DOD's credentialing program. According to service officials, each service paid for credentials in fiscal year 2015 differently. For example, the Army took funding for the program out of existing service funds, while the Air Force used funding associated with a budget activity for voluntary education.

¹⁷Pub. L. No. 113-291, § 551 (2014) (codified as amended at 10 U.S.C. § 2015). "Expenses" refers to expenses for classroom instruction, hands-on training (and associated materials), manuals, study guides and materials, text books, processing fees, and test fees and related fees. *Id.* The statute also required the Secretary of Defense and the Secretary of Homeland Security, with respect to the Coast Guard, to prescribe regulations to carry out the credentialing program. *Id.*

While Office of the Secretary of Defense (OSD) officials are still in the process of coordinating a draft DOD instruction for the program that will assign responsibilities and prescribe procedures for the operations of the program, each of the services has established Credentialing Opportunities On-Line (COOL) websites to help their servicemembers find information on certifications and licenses related to their jobs. Service officials stated that they have contracts with a private company to help them design, maintain, and update their individual COOL websites. The contractor conducts research and analysis for military and civilian jobs. Servicemembers can use the COOL websites to obtain background information on credentialing and find detailed information on credentials related to a military occupational specialty, credential requirements, potential gaps between military training and civilian credentialing requirements, and resources available to fill those gaps. In order to ensure the quality of the credentials on the COOL websites, DOD uses three different mechanisms. First, it has designed the COOL websites to show the accreditation status for credentials that have been accredited by a third-party organization. Third-party organizations evaluated these credentials to determine whether they meet standards to verify their validity. Second, DOD has the COOL websites show credentials that qualify for funding under one of the GI Bill programs, which provides funding for servicemembers to take college courses. Lastly, DOD uses a credentialing standards checklist (see table 1) to help ensure the quality of credentials on the COOL websites. DOD does not allow a credential to be listed on the COOL websites unless it meets the conditions in this checklist.

Table 1: DOD's Credentialing Standards Checklist Used to Determine Whether to Include a Credential on Its Website

Standard/Requirement	Met?	Comments/Documentation
	Yes or No	Provide link(s) or submit supporting documentation
1. The credentialing body will not require the candidate to have completed training that is solely provided by the credentialing body.	(empty cell)	(empty cell)
2. If the credentialing body does provide an educational or training program, it must not imply that it is the only approved program as a requirement for the credential.	(empty cell)	(empty cell)
3. If the credentialing body does provide an educational or training program, those individuals responsible for training must not be affiliated with or responsible for the development of credentialing standards or the approval process.	(empty cell)	(empty cell)
4. The credential exam fee must not be bundled with non-examination-related costs (i.e. training materials, membership cards, organizational magazines, etc.).	(empty cell)	(empty cell)

Standard/Requirement	Met? Yes or No	Comments/Documentation Provide link(s) or submit supporting documentation
5. The credentialing body must document the specific tasks, knowledge, job duties, and/or skills that are purportedly being measured by the assessment process (e.g. exam, portfolio review, requirements review) associated with the exam.	(empty cell)	(empty cell)
6. The credentialing body must document the development of the exam assessment, specifying psychometric processes.	(empty cell)	(empty cell)
7. The content areas of the assessment or exam must be directly aligned with information gathered during a job/task analysis, role delineation, and/or subject-matter expert consultation.	(empty cell)	(empty cell)
8. Evidence regarding the validity and reliability of the assessment/exam scores must be documented.	(empty cell)	(empty cell)
9. The credentialing body must publish all assessment/examination processes and procedures required of the candidate.	(empty cell)	(empty cell)
10. The certification/license must be recognized and in use by industry/organizations other than the credentialing body's organization.	(empty cell)	(empty cell)
11. The credentialing body must be accessible and responsive to both the applicant and certification holder (i.e. Internet, Phone, Email)	(empty cell)	(empty cell)
12. Membership in an association affiliated with the credentialing body will not be required for initial certification/license.	(empty cell)	(empty cell)
13. The certification/license must have a time limit of Continuing Education requirements, with options for recertification and/or maintenance clearly outlined.	(empty cell)	(empty cell)
14. The credential(s) offered must not be tailored toward or centric to military servicemembers or occupations. It must fulfill a need in the civilian workforce.	(empty cell)	(empty cell)

Source: DOD. | GAO-17-133

DOD Has Not Developed and Implemented Performance Measures for Its Credentialing Program

While DOD has taken steps to establish the statutorily required credentialing program, it has not developed and implemented performance measures to gauge the success of the program. OSD officials developed a draft DOD instruction for the program that will assign responsibilities and prescribe procedures for the operation of the program and payment of credentialing expenses, but this instruction does not include performance measures. OSD officials said that they anticipate issuing the DOD instruction for the program early in 2017. Although the NDAA for Fiscal Year 2015 does not statutorily require performance measures, these measures are important to monitor and assess the

quality of the program's performance. OSD officials told us that they do not have any performance measures or goals in place to measure the success of the credentialing program. Standards for Internal Control in the Federal Government¹⁸ require the monitoring of a program's activities to enable managers to gauge a program's effectiveness. When we applied this standard to DOD's draft instruction, we noted that the draft assigns the responsibility for monitoring, which is in accordance with the standards; however, the draft does not contain any performance measures—a key standard for internal control, and necessary for evaluating a program's effectiveness.

By using performance measures, conducting ongoing monitoring, and reporting on progress in meeting desired outcomes in a transparent manner, key decision makers can obtain feedback for improving both policy and operational effectiveness. Through our prior work on performance measurement, we have identified several important attributes of performance measures (see table 2).¹⁹ Also, we have previously reported that by tracking and developing a performance baseline for all performance measures, agencies can better evaluate whether they are making progress and goals are being achieved.²⁰

¹⁸See [GAO/AIMD-00-21.3.1](#) and [GAO-14-704G](#). Both versions of the *Standards for Internal Control in the Federal Government* include the internal control monitoring.

¹⁹See GAO, *Tax Administration: IRS Needs to Further Refine Its Tax Filing Season Performance Measures*, [GAO-03-143](#) (Washington, D.C.: Nov. 22, 2002), p. 45, for a description of how we developed the attributes of effective performance goals and measures. We considered key legislation, such as the Government Performance and Results Act of 1993 and other performance management literature. See also *GPRA Performance Reports*, [GAO/GGD-96-66R](#), (Washington, D.C.: Feb. 14, 1996); *Missile Defense: Opportunity to Refocus on Strengthening Acquisition Management*, [GAO-13-432](#) (Washington, D.C.: Apr. 26, 2013); *Performance Measurement and Evaluation: Definitions and Relationships*, [GAO-11-646SP](#) (Washington, D.C.: May 2011); and *Agency Performance Plans: Examples of Practices That Can Improve Usefulness to Decisionmakers*, [GAO/GGD/AIMD-99-69](#) (Washington, D.C.: Feb. 26, 1999).

²⁰See GAO, *Defense Health Care Reform: Additional Implementation Details Would Increase Transparency of DOD's Plans and Enhance Accountability*, [GAO-14-49](#) (Washington, D.C.: Nov. 6, 2013), p. 17 for a description of why the baseline measure was added as an attribute of effective performance measures.

Table 2: Attributes of Effective Performance Measures Identified by GAO

Attribute	Definition
Balance	A suite of measures ensures that an organization's various priorities are covered.
Clarity	Measure is clearly stated, and the name and definition are consistent with the methodology used to calculate it.
Core program activities	Measures cover the activities that an entity is expected to perform to support the intent of the program.
Government-wide priorities	Each measure covers a priority such as quality, timeliness, and cost of service.
Limited overlap	Measure should provide new information beyond that provided by other measures.
Linkage	Measure is aligned with division and agency-wide goals and mission and is clearly communicated throughout the organization.
Measurable target	Measure has a numerical goal.
Objectivity	Measure is reasonably free from significant bias or manipulation.
Reliability	Measure produces the same result under similar conditions.
Baseline and trend data	Measure has a baseline and trend data associated with it to identify, monitor, and report changes in performance and to help ensure that performance is viewed in context.

Source: GAO. | GAO-17-133

OSD has not provided any guidance for using performance measures for the program, but it asked the services in fiscal year 2015 to compile and report quarterly the numbers of licenses and certificates they fund for each military occupation. The Army, the Air Force, and the Navy reported these data, but the Marine Corps did not, as it did not begin paying for credentials until the end of fiscal year 2015. Specifically, OSD asked the services to report data by military occupation on the number of credentials that active duty and reserve servicemembers successfully attained (see table 3) and expenditures for the credentialing program (see table 4).

Table 3: Credentials Attained by Servicemembers in Fiscal Year 2015

Service	Credentials attained
Army	13,828
Air Force	78
Navy	6,493
Marine Corps	—
Total	20,399

Source: GAO analysis of service data. | GAO-17-133

Notes: Totals shown include only credentials obtained voluntarily by servicemembers, not the numbers servicemembers obtained as part of their mandatory, regular military training. The Marine Corps did not have data to report in fiscal year 2015 because it only started paying for credentials at the end of the year.

Table 4: Department of Defense Credentialing Program Expenditures in Fiscal Year 2015

	Army	Air Force	Navy	Total
Credentialing exams	\$1,406,670	\$114,832	\$2,183,807	\$3,705,309
Credentialing renewals	—	—	23,147	23,147
Study materials	498,848	—	—	498,848
Classroom instruction	1,076,308	—	—	1,076,308
Processing fees	37,992	3,702	36,395	78,089
Membership fees	179,465	—	—	179,465
Other	618,965	—	—	618,965
Total	\$3,818,248	\$118,534	\$2,243,349	\$6,180,131

Source: GAO analysis of service data. | GAO-17-133

Notes: Totals shown include only credentials obtained voluntarily by servicemembers, not the numbers servicemembers obtained as part of their mandatory, regular military training. The Army numbers represent the Training and Doctrine Command only and do not include any financial information from the Medical Command. The Marine Corps did not have data to report in fiscal year 2015 because it only started paying for credentials at the end of the year.

OSD officials collected program data from the services in fiscal year 2015, but stated that it is difficult to make observations about the outlook of the program given that their data pertain only to that one year. Officials said that they need to obtain more data so that they can better understand the effects of the program. They said they have modified the fiscal year 2016 data call for the services and are hoping that the new reporting format will provide more useful data. OSD officials said that for fiscal year 2016, the services will no longer report credentialing data by military occupation but rather will report these data at a higher, aggregate level. For example, instead of reporting credentialing data for every health care-related military occupation, the services will report a roll-up of the data for all those occupations under one category. OSD officials said that collecting credentialing data for every military occupation resulted in having too much data that they found not to be useful. Officials said they believe that consolidation of the data at a higher, collective level will be more helpful when reviewing the number of credentials that servicemembers attained and expenditures for the program. OSD officials also stated that they need to develop performance measures and goals but that they were waiting until they finished the draft DOD instruction for the program. While we agree that finishing the draft DOD instruction for the program is important, we believe that developing performance measures for the program that have a baseline by which future progress is to be measured should be established early in the program, and that

awaiting the final DOD instruction's issuance may inhibit DOD's ability to ensure that its program goals are being met.

Without performance measures for the program, decision makers will lack transparency over DOD's efforts to improve the credentialing of servicemembers. Specifically, without performance measures that have targets and a baseline against which to measure current performance, DOD officials and other decision makers, such as members of Congress, may find it difficult to determine whether DOD's credentialing program is on track to achieve desired results or, alternatively, needs corrective actions.

DOD Has Identified Challenges in Meeting Statutory Requirements for the Credentialing Program

After the NDAA for Fiscal Year 2016 was passed, OSD officials expressed concern over the challenge posed by the new third-party accreditation requirement placed on DOD's credentialing program. Specifically, section 559 of the NDAA for Fiscal Year 2016 amended 10 U.S.C. § 2015 to require that any credential in DOD's credentialing program be accredited by an accreditation body that meets six requirements²¹ aimed at quality assurance. The new third-party accreditation requirement must be implemented no later than January 2018.

OSD officials said that about 70 percent of the credentials in the program and listed on the COOL website are not accredited by a third-party agency. OSD officials said that, even though some credentials are not accredited by a third-party, they are still widely accepted within the private sector and are considered the industry standard. OSD officials also said

²¹Title 10, section 2015 of the U.S. Code, amended by Pub. L. No. 114-92, § 559, requires that the accreditation body: (1) be an independent body that has in place mechanisms to ensure objectivity and impartiality in its accreditation activities; (2) meet a recognized national or international standard that directs its policy and procedures regarding accreditation; (3) apply a recognized national or international certification standard in making its accreditation decisions regarding certification bodies and programs; (4) conduct on-site visits, as applicable, to verify the documents and records submitted by credentialing bodies for accreditation; (5) have in place policies and procedures to ensure due process when addressing complaints and appeals regarding its accreditation activities; and (6) conduct regular training to ensure consistent and reliable decisions among reviewers conducting accreditations. Additionally, the accreditation body must meet such other criteria as the Secretary concerned considers appropriate in order to ensure quality in its accreditation activities.

that DOD uses a quality assurance process to ensure that the credentials available to servicemembers are of high quality. While OSD officials identified the third-party accreditation requirement as a challenge to DOD's credentialing program, subsequent congressional proposals would give DOD alternatives for ensuring quality over its program. Specifically, section 561 of H.R. 4909 and section 562 of S. 2943 for the NDAA for Fiscal Year 2017 contain a proposed amendment that would provide alternatives to the third-party accreditation requirement. The proposed amendment states that any credential in DOD's credentialing program would need to meet one of the following four requirements:

- be accredited by a nationally recognized third-party personnel certification program accreditor;
- be sought or accepted by employers within the industry or sector involved as a recognized, preferred, or required credential for recruitment, screening, hiring, retention, or advancement purposes; and, where appropriate, be endorsed by a nationally recognized trade association or organization representing a significant part of the industry or sector;
- grant licenses that are recognized by the federal government or a state government; or
- meet credential standards of a federal agency.

OSD officials said that the proposed amendment would eliminate the challenge caused by the statute's third-party accreditation requirement and would give them more flexibility in identifying and paying for valid credentials for servicemembers.

DOD Engages with States to Further Assist Servicemembers in Attaining Credentials

DOD engages with states in various efforts to further assist servicemembers in attaining credentials. For example, DOD works at the state level through its Defense State Liaison Office to encourage and support the implementation of laws and regulations that assist servicemembers in obtaining credentials aimed at improving their employability. These efforts vary by state. DOD also worked with the Department of Labor and the National Governors Association's Center for Best Practices to implement a statutorily required demonstration project in six states to identify and address barriers to servicemembers' ability to obtain credentials.

DOD Works with States to Support the Development of Servicemember Credentialing Efforts

DOD works with states to advance the development of credentialing initiatives for servicemembers, but the specific efforts and results vary from state to state. To address this, DOD created the “USA 4 Military Families” initiative, which is managed by DOD’s Defense State Liaison Office and focuses on engaging with state-level policymakers, not-for-profit associations, concerned business interests, and other state leaders regarding the needs of military members and their families. In developing these networks and partnerships, DOD seeks to work at the state level to remove unnecessary barriers and significantly improve the quality of life for military families.

To identify the issues on which the USA 4 Military Families initiative will focus, DOD reviews state-related issues annually. The Defense State Liaison Office requests input on potential issues from external organizations, personnel and readiness organizations, military services, the joint staff, and the National Guard. The input is analyzed, the DOD offices that provided input to create the list are consulted again, and the Defense State Liaison Office develops a list of priorities. The final list of priorities is approved by the Assistant Secretary of Defense for Military and Reserve Affairs (Readiness and Force Management). One of the 2016 issue areas that the initiative has identified and focused on is the development of credentialing programs at the state level. The Defense State Liaison Office has encouraged state legislators to establish requirements for licensure boards through state-level statutes and regulations to do the following:

- allow separating servicemembers to obtain credit toward occupational licenses based on their military education, training, and experience that is essentially equivalent to licensing requirements;
- allow separating servicemembers remaining in that state to transfer a current license from another state through endorsement or temporary licensing;
- allow deactivating reserve members to practice in the state of origin for a temporary period with a license that would have otherwise expired while on active duty; and
- establish requirements for academic institutions to grant separating servicemembers credit toward degree and certificate requirements for education, training, and experience gained in the military.

According to DOD officials, between the years 2013 and 2015 state legislators in 37 states enacted 66 bills related to military servicemember credentialing and credit for military training, education, and experience.

For example, in 2014 Minnesota enacted a bill that makes expedited and temporary licensing available to veterans in health care professions such as optometry, marriage and family therapy, clinical counseling, and podiatry. In 2015 and 2016 several states, including Texas and Colorado, adopted interstate agreements to acknowledge licensed emergency medical service personnel from other member states, giving those professionals the ability to work in any of the member states.

We met with officials from DOD's Defense State Liaison Office and the department's South Atlantic and Southeast regional liaison offices, as well as with state-level government officials in three states and an official representing a non-government state-level organization, to obtain their views on DOD efforts to work at the state level to assist servicemembers in attaining credentials. The DOD officials stated that they work to educate and inform legislators and policymakers about the issues in which DOD is most interested. Officials we met with in Georgia, Florida, and Virginia told us that individual states focus on those employment issues that reflect their state economies. According to officials with the state of Florida's Department of Business and Professional Regulation, Florida focuses on the employment of servicemembers once they have left military service, as opposed to working to attract servicemembers to the state based on the skills and competencies they acquired while in the military. According to Florida state officials, the state's three largest credentialing programs are real estate, cosmetology, and construction. Two of those programs, real estate and cosmetology, are not aligned with any military service occupations. Officials with the Commonwealth of Virginia's Secretary of Veterans and Defense Affairs told us that they focus on attracting servicemembers who possess training, education, skills, or knowledge gained while in military service that are in line with occupations typically found within the state of Virginia. For example, Virginia is working to grow and develop manufacturing businesses within the state, so it seeks to attract servicemembers who have the necessary skills and abilities to contribute to that industry. In Georgia, an official with the Camden Partnership—a nonprofit organization that promotes community support for Naval Submarine Base Kings Bay—told us that that organization works directly with the community and the installation, and not with DOD, to encourage retiring and separating servicemembers to remain in the community. For example, the nonprofit organization worked with the naval installation to identify and align military occupations assigned to the installation with civilian occupations that served the local community.

Additionally, Virginia passed a law that requires the Virginia Board of Education to provide a provisional teaching license, valid for a period not to exceed 3 years, to any former member of the armed forces of the United States or the Virginia National Guard who has received an honorable discharge and has the appropriate level of experience or training but does not meet the requirements for a renewable teacher license.²² Georgia passed a law to require professional licensing boards and other boards to adopt rules and regulations for implementing a process by which transitioning servicemembers may qualify for temporary licenses, licenses by endorsement, expedited licenses, or a combination thereof.²³

²²Va. Code Ann. § 22.1-298.1.

²³Ga. Code Ann. § 43-1-34.

DOD Assisted the Department of Labor and the National Governors Association in Implementing a Demonstration Project in Six States to Assist Servicemembers in Attaining Credentials

DOD provided data and subject matter experts to the Department of Labor and the National Governors Association to implement a demonstration project to identify state-level professional requirements that are met through military training, along with strategies to remove barriers to relevant credentials and license. Section 4114 of Title 38 of the U.S. Code, as amended by section 237 of the VOW to Hire Heroes Act of 2011, required a demonstration project on credentialing for the purpose of facilitating the seamless transition of servicemembers from service on active duty to civilian employment.²⁴ The statute directed the Department of Labor to identify federal, state, and industry credentialing requirements that are met through the training that servicemembers receive while serving in the armed forces, as well as to identify strategies to remove barriers to servicemembers' efforts to attain credentials. In response, the Department of Labor contracted with the National Governors Association to carry out an 18-month demonstration project designed to meet those requirements.²⁵

DOD supported the demonstration project by providing the National Governors Association with data and subject matter experts to assist in project development. Specifically, DOD's Defense Manpower Data Center provided information on the distribution of recently separated servicemembers associated with each of the states chosen to participate in the project. DOD also provided subject matter experts who reviewed and commented on documents used to provide guidance to the states throughout the demonstration project, as well as reviewed and commented on the National Governors Association's final report.

Using DOD data, the National Governors Association selected six states—Illinois, Iowa, Minnesota, Nevada, Virginia, and Wisconsin—to participate in the 18-month project. Each state selected up to three high-

²⁴38 U.S.C. § 4114(a), *amended by* VOW to Hire Heroes Act of 2011, Pub. L. No. 112-56, § 237(a) (2011). The statute authorized the demonstration project to be carried out for a period of 2 years beginning on the date of enactment of the VOW to Hire Heroes Act of 2011. *Id.* at § 4114(d), *amended by* Pub. L. No. 112-56, § 237(a)(3) (2011).

²⁵See National Governors Association Center for Best Practices, Workforce Development Program, *Veterans' Licensing and Certification Demonstration: A Summary of State Experiences, Preliminary Findings, and Cost Estimates* (Sept. 2015). GAO did not review or validate the methods or results of this project.

demand occupations that correspond with one of three pre-selected military occupational specialties: medic, police, and truck driver.²⁶

According to the National Governor's Association, the six states participating in the project found that transitioning servicemembers and veterans encounter the following three types of barriers when trying to attain civilian credentials:

- Veterans who have military training and experience that are equivalent to the training and experience of licensed civilians often find that civilian licensing boards are not accustomed to recognizing the military documentation of their training and experience.
- Veterans who experience gaps between their military training and experience and civilian requirements may have to participate in duplicative training to attain relevant licensure or certification.
- Administrative rules and processes within civilian credentialing systems may create hurdles for veterans in obtaining licensure or certification that are unrelated to their ability to competently provide professional services to the public.

The project also identified strategies, such as the following, for states to accelerate the licensing and certification of veterans based on the barriers identified:

- To address equivalency challenges, states can assess the equivalency of military training courses and use official documentation to permit veterans with fully or partially equivalent training and experience to sit for civilian licensure examinations, or to license veterans by endorsement.
- To address training gaps, states can work with educational institutions to set up accelerated programs for veterans that bridge gaps, provide veterans with advanced standing in existing programs, or offer bridge courses that prepare veterans to enter existing programs.

²⁶38 USC § 4114(b)(1) required the Assistant Secretary for Veterans' Employment and Training, in consultation with the Assistant Secretary for Employment and Training, to select not more than five military occupational specialties for purposes of the demonstration project. Each specialty selected by the Assistant Secretary for Veterans' Employment and Training shall require a skill or set of skills that is required for civilian employment in an industry with high growth or high worker demand. *Id.*

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- To address administrative or processing challenges, states can assess any non-skill-related requirements that might disadvantage veterans, such as fees or length of experience, or can take steps to make civilian employment pathways friendlier to veterans through concerted outreach to both veterans and prospective employers.

In its final report, the National Governors Association Center for Best Practices stated that five of the six states included in the project have implemented policies to allow veterans to apply for licensure reciprocity, and three of the states have implemented protocols to allow veteran licensure by examination. All six states have engaged in the development of bridge programs, three of which were operational by the close of the projects' demonstration periods. In addition, five states have established strategies to grant advanced standing to veterans in training programs, and three states have implemented strategies to streamline administrative rules and processes.

Conclusions

DOD has made progress in its efforts to support servicemembers who are transitioning from the armed forces into the civilian workforce by establishing the statutorily mandated credentialing program and engaging with the states. Key to these efforts are programs that translate the skills that servicemembers have learned while serving in the armed forces to feasibility for jobs in the civilian workforce. However, DOD has not established measures for the program's performance and the extent to which it is achieving desired goals and outcomes. Without measures that go beyond simply counting the numbers of credentials obtained by servicemembers, DOD will be unable to fully assess its efforts to assist servicemembers in attaining credentials, and it will be difficult for the department to reliably determine whether its credentialing program is both meeting desired goals and outcomes and improving servicemembers' ability to successfully enter the civilian workforce.

Recommendation for Executive Action

To improve the management of DOD's credentialing program and better determine whether the program is achieving its desired results, we recommend that the Secretary of Defense direct the Under Secretary of Defense for Personnel and Readiness to develop and implement program performance measures that include key attributes, such as a baseline and goals, that can be used to assess performance.

Agency Comments and Our Evaluation

We provided a draft of this report to DOD and the Department of Labor for review and comment. In its comments on a draft of this report, DOD did not concur with our recommendation. DOD's comments are reprinted in their entirety in appendix II. DOD provided technical comments, which we incorporated into the report as appropriate. The Department of Labor provided technical comments on a draft of this report, which we incorporated into the report as appropriate.

DOD did not concur with our recommendation to develop and implement performance measures for its credentialing program that include key attributes, such as a baseline and goals that can be used to assess performance. In its written comments, DOD stated that the services neither require nor force servicemembers to earn credentials, which are not required by their military duty or position. DOD further stated that establishing any criteria that might create a perverse incentive to force servicemembers into earning voluntary credentials would be counterproductive, and servicemembers would feel pressured to earn credentials they may neither need nor want. We do not believe that establishing a performance measure that entails tracking the numbers of credentials earned over time and comparing these numbers to a baseline would create a perverse incentive for servicemembers. Instead, we are suggesting that for management purposes, DOD would find the tracking of how many servicemembers are obtaining these credentials useful in determining servicemember awareness of the program, how to reach greater numbers of servicemembers, and increase the usefulness of its credentialing program.

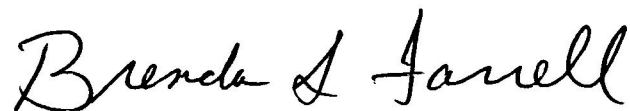
DOD also stated that it has put in place a basic reporting system to capture credential attainment and associated costs that provide the necessary information to gauge program performance and that it supplements this information by sponsoring periodic, point-in-time studies to assess the credentialing program. DOD explained that it believes this core performance information and the periodic studies will provide the necessary information to assess the efficacy of established credentialing programs and will allow it to make adaptations, as necessary. DOD's efforts to capture credential attainment and associated cost information is a positive step to help gauge program performance and will be supported by DOD's plans to supplement this information through periodic studies. However, capturing data and conducting periodic, point-in-time studies to assess a program does not constitute measuring an agency's progress against a goal. As we note in our report, by tracking and developing a performance baseline for all performance measures, agencies can better evaluate whether they are making progress and goals are being

achieved. As we conducted our work, and as we note in our report, DOD officials responsible for this program told us that they agreed that they needed to develop performance measures and goals but that they were waiting until they finished the draft DOD instruction for the program. We continue to believe that developing performance measures for the program that have a baseline by which future progress is to be measured should be established early in the program and that awaiting the final DOD instruction's issuance may inhibit DOD's ability to ensure that its program goals are being met.

In its response, DOD also noted that the numbers of credentials we include in two tables of our draft report are limited only to those voluntarily attained by servicemembers, paid for through the services' voluntary credentialing program, and do not contain those awarded as part of DOD's regular training. Including only voluntary credentials in those tables was our intent because the scope of our work focused on efforts being made by DOD to help servicemembers who are seeking help beyond their regular, mandatory military training. We have added notes to tables 3 and 4 of our report to clarify what we included in our totals.

We are sending copies of this report to the appropriate congressional committees; the Secretary of Defense; the Secretary of Labor; the Secretaries of the Army, the Navy, and the Air Force; the Commandant of the Marine Corps; and the Under Secretary of Defense for Personnel and Readiness. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-3604 or farrellb@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff members who made key contributions to this report are listed in appendix II.



Brenda S. Farrell
Director
Defense Capabilities and Management

Appendix I: Comments from the Department of Defense

Subsequent to the Department of Defense's letter, the GAO report number was revised from GAO-16-838 to the current report number GAO-17-133.



READINESS

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

SEP 27 2016

Ms. Brenda S. Ferrell
Director, Defense Capabilities Management
U.S. Government Accountability Office
441 G Street, NW
Washington DC 20548

Dear Ms. Ferrell:

This is the Department of Defense (DoD) response to the GAO Draft Report 16-838, "MILITARY PERSONNEL: Performance Measures Needed to Determine How Well DoD's Credentialing Program Helps Service members," dated August 29, 2016 (GAO Code 100342).

Attached is DoD's response to the one recommendation in the subject report. My point of contact is Frank C. DiGiovanni, who can be reached at frank.c.digiovanni.civ@mail.mil, or 703-695-2618.

Sincerely,

A handwritten signature in blue ink, appearing to read "DBanks", is located below the "Sincerely," text.

Diana C. Banks
Deputy Assistant Secretary of Defense
(Force Education and Training)

Attachments:
As stated

GAO DRAFT REPORT DATED AUGUST 29, 2016
16-838 (GAO CODE 100342)

**“MILITARY PERSONNEL: PERFORMANCE MEASURE NEEDED TO DETERMINE
HOW WELL DOD'S CREDENTIALING PROGRAM HELPS SERVICEMEMBERS”**

**DEPARTMENT OF DEFENSE COMMENTS
TO THE GAO RECOMMENDATION**

RECOMMENDATION 1: To improve the management of DoD's credentialing program and better determine whether the program is achieving its desired results, we recommend that the Secretary of Defense direct the Under Secretary of Defense for Personnel and Readiness to develop and implement program performance measures that include key attributes, such as a baseline and goals, that can be used to assess performance.

DoD RESPONSE: Non-concur. More than half of credentials earned by Service members are voluntary in nature and are completely at the discretion of the Service member to decide which credential to pursue and when to pursue it. Therefore, Services neither require nor force Service members to earn credentials which are not required by their military duty or position. Establishing any criteria which might create a perverse incentive to force Service members into earning voluntary credentials would be counterproductive. Service members would feel pressured to earn credentials they may neither need nor want.

The Department executes a credentialing program for three diverse reasons: (1) Meet Mandatory Occupational Requirements - some credentials are mandated because law, regulation, or policy requires a Service member to have a certain credential in order to serve in a military specialty, or designated capacity. (2) Promote Professionalization of the Force. Credentials enhance the professionalism of the Force by allowing Service members to acquire skills above minimum occupational requirements. These credentials are voluntary. (3) Improve Transition to the Civilian Workforce. Credentials demonstrate to civilian employers that military training and experience are on par with more traditional civilian workforce training, education, and experience. These credentials are also voluntary.

The Department has put in place a basic reporting system to capture credential attainment and associated costs that we believe provides the necessary information to gauge program performance. We supplement this information by sponsoring periodic, point in time studies to assess our credentialing program, such as the credentialing study the RAND Corporation currently has underway and the study that the Center for Naval Analysis has recently completed. We must also consider if the data is collectible and readily available within our existing databases, available via the good-will of other government agency partners, and does not violate Personally Identifiable Information principles. We believe this core performance information and the periodic studies will provide the necessary information to assess the efficacy of established credentialing programs and will allow us to make adaptations, as necessary.

It is important to note that the numbers of credentials included in Tables 2 and 3 of the GAO report are limited only to certifications and licenses attained by Service members and paid for through the Services' voluntary credentialing programs. They do not include the many

Subsequent to the Department of Defense's letter, the table numbers were revised from tables 2 and 3 to tables 3 and 4.

2

credentials Service members attain as a requirement of their military occupations – that is, mandatory credentials; nor do they include additional credentials awarded outside the Services' voluntary credentialing programs, such as those awarded by technical schools, apprenticeship programs, and Community College of the Air Force.

Appendix II: GAO Contact and Staff Acknowledgments

GAO Contact

Brenda S. Farrell, (202) 512-3604 or farrellb@gao.gov

Staff Acknowledgments

In addition to the contact named above, key contributors to this report were Beverly Schladt, Assistant Director; Stephanie Moriarty, Shahrzad Nikoo, Brian Pegram, Andrew Sherrill, Michael Silver, John Van Schaik, and Cheryl Weissman.

Appendix III: Accessible Data

Agency Comment Letter

Text of Appendix I: Comments from the Department of Defense

Page 1

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Diana C. Banks

Deputy Assistant Secretary of Defense

(Force Education and Training)

Attachments: As stated

Page 2

GAO DRAFT REPORT DATED AUGUST 29, 2016

16-838 (GAO CODE 100342)

"MILITARY PERSONNEL: PERFORMANCE MEASURE NEEDED TO DETERMINE HOW WELL DOD'S CREDENTIALING PROGRAM HELPS SERVICEMEMBERS"

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Page 3

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