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Health, Education, and
Human Services Division

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September 30, 1998

The Honorable Jack Quinn
Chairman, Subcommittee on Benefits
Committee on Veterans' Affairs
House of Representatives

Subject: Veterans' Employment and Training Service: Assessment of the Fiscal Year 1999 Performance Plan

Dear Mr. Chairman:

The Congress considers employment services for veterans to be a national responsibility. National policy is detailed in title 38 of the U.S. Code, establishing that veterans should receive employment and training opportunities, with priority given to disabled veterans and Vietnam-era veterans. Legislation passed in 1980 established the Veterans' Employment and Training Service (VETS) with its own Assistant Secretary within the Department of Labor. The Assistant Secretary for Veterans' Employment and Training serves as the principal advisor to the Secretary of Labor on all policies and procedures affecting veterans and sets counseling, training, and placement policies and goals for veterans served through the public employment service and other employment and training programs. VETS had a budget of about \$184 million in fiscal year 1998. Under VETS, employment services are mainly provided through staffing grants by Disabled Veterans' Outreach Program (DVOP) specialists and Local Veterans' Employment Representatives (LVER). These staffing grants are provided to each of the 50 states, the District of Columbia, Puerto Rico and the Virgin Islands.¹ The DVOP and LVER staff, whose positions are federally funded, are part of the states' employment service systems and provide direct employment services to eligible veterans.

In recent years, legislation such as the Government Performance and Results Act of 1993 has created new expectations for how federal agencies will manage their programs. The Results Act is a powerful tool that brings discipline to program management by requiring major federal agencies to clearly define their missions and establish long-term strategic goals, as well as annual goals linked to them;

¹For this correspondence, we use the word "states" to refer to the 50 states, the District of Columbia, Puerto Rico, and the Virgin Islands.

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measure their performance against the goals they have set; and report on their progress in meeting these goals. Component agencies of departments, such as VETS, are not required by the Results Act to prepare strategic and performance plans. Component agencies may, however, prepare these plans, and VETS has done so, at the direction of the Secretary of Labor.

Because of your interest in VETS' contribution to employment and training opportunities for veterans, you asked that we review its performance plan for fiscal year 1999, which was submitted to the Congress in February 1998. You also asked that we incorporate into our review any relevant information from our 1997 report on DVOP and LVER grants.² Using criteria in the Results Act, we reviewed VETS' fiscal year 1999 performance plan in terms of three questions: (1) To what extent does the plan provide a clear picture of intended performance across the agency? (2) How well does the plan discuss the strategies the agency will use to achieve its performance goals? (3) To what extent does the agency's performance plan provide confidence that its performance information—that is, the data used to gauge the agency's progress toward its goals—will be credible?

To assess VETS' fiscal year 1999 annual performance plan, we relied on information derived from our 1997 testimony on VETS' draft strategic plan and performance measures,³ our report to the Congress regarding the services provided through DVOP and LVER staffing grants, VETS' performance plan for fiscal year 1999, and discussions with agency officials about VETS' performance goals and measures. We performed our work from April 1998 to August 1998 in accordance with generally accepted government auditing standards.

In summary, considering that this is the first performance plan that VETS has produced, the plan contains a great deal of useful information to inform the Congress about VETS' intended performance. We expect that as VETS gains experience, future performance plans will build upon this initial effort and become increasingly useful to the Congress and the public. Some particular strengths of the current performance plan are the extent to which it reflects VETS' mission in its strategic goals, which are linked with Labor's strategic goals, and its acknowledgment that many other agencies within the Department of Labor and outside Labor are important to achieving its goals. However, a number of refinements could be made to VETS' 1999 annual performance plan to clarify its goals. Specifically, while the performance plan outlined a goal for all but one of VETS' activities, many of the goals are not quantifiable in 1999 and others are redundant or ambiguous. In addition, the plan provides little

²Veterans' Employment and Training Service: Services Provided by Labor Department Programs (GAO/HEHS-98-7, Oct. 17, 1997).

³Veterans' Employment and Training Service: Focusing on Program Results to Improve Agency Performance (GAO/T-HEHS-97-129, May 7, 1997).

information about detailed strategies the agency intends to use to achieve its goals. Finally, the plan provides little confidence that its performance information will be credible because so much of the data to be used have not yet been developed.

BACKGROUND

Under the Results Act, beginning with fiscal year 1999, executive agencies are to use their strategic plans to prepare annual performance plans. Annual performance plans establish the connection between the long-term goals of the strategic plan and an agency's day-to-day activities. Performance plans are to include annual goals linked to the activities displayed in budget presentations as well as the indicators the agency will use to measure performance against the results-oriented goals. Agencies are subsequently to report each year on the extent to which goals were met, provide an explanation if these goals were not met, and present the actions needed to meet any unmet goals.

In February 1998, Labor submitted its annual performance plan for fiscal year 1999 to the Congress. This plan identified Labor's three strategic goals—"A Prepared Workforce," "A Secure Workforce," and "Quality Workplaces." Labor's departmentwide performance plan included 51 performance goals and indicators to use in measuring agencywide progress during fiscal year 1999 toward achieving its strategic goals and mission. In addition, although not required by the Results Act, Labor's component agencies, such as VETS, also prepared performance plans at the direction of the Secretary of Labor.

VETS administers the national policy set forth in title 38 of the U.S. Code that veterans receive priority in employment and training opportunities. Its mission is to help veterans, reservists, and National Guard members obtain employment and protect the employment rights and benefits associated with their military service. The key elements of VETS' mission include enforcement of veterans' preference and reemployment rights under the Uniformed Services' Employment and Reemployment Rights Act (USERRA), employment and training assistance provided by VETS' grantees, public information services, interagency liaison, and training through the National Veterans' Training Institute (NVTI) for those assisting veterans.

VETS' fiscal year 1998 appropriation of about \$184 million includes \$80 million for DVOP specialists grants and \$77 million for LVER grants. This appropriation also includes \$25 million for VETS' administrative costs and \$2 million for NVTI, which trains service providers' staff and managers. The administrative activity supports a nationwide network that includes representation in each of Labor's 10 regions and in each state to ensure veterans' reemployment rights and administer grants such as the Job Training Partnership Act (title IV-C) and the Homeless Veterans Reintegration Project.

VETS provides states with multiyear grants for DVOP and LVER staff to provide veterans and eligible persons employment and training opportunities through the states' employment service agencies. The federally paid VETS director in each state is the link between VETS and the state employment service systems. VETS' state directors ensure that states carry out their obligations to provide services to veterans under various federally funded programs, including the services provided under the DVOP and LVER grants. The DVOP specialists provide intensive employability and job development services to help veterans secure permanent employment, particularly veterans with service-connected disabilities and other disadvantaged veterans. LVER staff provide job development, placement, and supportive services directly to veterans and act as functional supervisors of the services provided veterans by other local office staff to ensure compliance with the performance standards for services to veterans.⁴

Allocations to states for the DVOP and LVER grants are based on positions authorized by statutory funding formulas.⁵ VETS' fiscal year 1997 appropriations funded fewer DVOP and LVER positions than authorized by the statutory funding formulas—78 percent of the DVOP specialists (1,568) and 84 percent of the LVER staff (1,340). From fiscal year 1990 to 1997, the amount appropriated for DVOP and LVER grants also did not fund the number of statutorily authorized DVOP or LVER positions. When appropriations are not sufficient to support the number of positions authorized, VETS reduces each state's share of the authorized DVOP and LVER grant funds proportionately.

VETS' PERFORMANCE PLAN COVERS MOST ACTIVITIES
BUT PROVIDES INCOMPLETE PICTURE OF INTENDED PERFORMANCE

VETS' performance plan provides much useful information about the agency, but it gives an incomplete picture of intended performance across the agency. VETS' three strategic goals—a prepared workforce, a secure workforce, and quality work places—reflect Labor's departmentwide and VETS' mission, and each of VETS' 19 performance goals and their indicators relate to one of the strategic

⁴For information on the services provided by DVOP and LVER staff, see GAO/HEHS-98-7, Oct. 17, 1997.

⁵The statutory formula provides one DVOP specialist for every 6,900 veterans residing in the state who are Vietnam-era, post-Vietnam-era, or disabled veterans. The statutory formula for LVER staff provides for a total of 1,600 full-time LVER staff. Each state receives the number of LVER positions it had on board as of January 1, 1987, plus one additional position—bringing the national total to 1,439. Remaining positions are allocated across states by taking an average of three factors: the number of veterans in a state, the number of veterans registered for employment assistance, and the number of full-service local employment service offices.

goals. VETS' plan also acknowledges the importance of identifying and coordinating crosscutting programs in achieving and measuring its goals. But even though VETS' performance goals and the indicators developed to measure agencywide progress toward achieving its mission and strategic goals during fiscal year 1999 also reflect improvement over the performance standards used in the past, further improvement is needed.

Connecting Mission, Goals, and Activities
to Labor's Strategic Plan

VETS' annual performance plan reflects the agency's mission and is linked to Labor's departmentwide plan. The performance plan notes that the key elements of VETS' mission include five items—enforcement of veterans' employment rights, veterans' employment and training assistance, public information services, interagency liaison, and training of staff who serve veterans. VETS' performance goals address four of these elements but not the last—staff training through NVTL. VETS' three strategic goals—a prepared workforce, a secure workforce, and quality work places—mirror Labor's three strategic goals⁶ and cover most of VETS' responsibilities, with the exception of NVTL.

VETS' plan explains how its strategic goals apply to the departmental goals as follows. (See the following listing of the VETS plan's three strategic goals and 19 associated performance goals. Enclosure I contains a listing of VETS' fiscal year 1999 performance goals, the associated measures, and our observations about the goals and measures.)

A Prepared Workforce: VETS' outcome goal is to increase employment, earnings, and assistance. VETS expects to achieve this goal by offering veterans and transitioning service members an improved array of ways to develop their employability, supportive services, easily accessible self-help tools, and notification of job openings to give them an advantage in the labor market. VETS hopes these advantages will (1) reduce unemployment rates of veterans' groups whose unemployment rates are higher than the national average and (2) maintain and increase the levels of satisfaction of all of the more than 14 million veterans in the labor force. Thirteen of VETS' performance goals support this strategic goal.

A Secure Workforce: VETS' outcome goal is to increase compliance with worker protection laws and prevent veterans, reservists and National Guard members from losing private (non-VA) pension rights or benefits because of military service or required training. VETS expects to achieve this goal by increasing the guidance and training of staff who handle veterans' complaints. Three of VETS' performance goals support this strategic goal.

⁶For our assessment of Labor's plan, see Results Act: Observations on Labor's Fiscal Year 1999 Performance Plan (GAO/HEHS-98-175R, June 4, 1998).

Quality Workplaces: VETS' outcome goal is to foster equal opportunity work places by reducing discrimination against veterans because of military service, service-connected disability, or National Guard and reserve training. VETS expects to achieve this goal by implementing programs and assisting other agencies to implement programs targeted toward reducing such discrimination. Three of VETS' performance goals support this strategic goal.

VETS' Strategic and Performance Goals for Fiscal Year 1999

A Prepared Workforce--Enhance Opportunities for America's Workforce

1. Assist veterans to find jobs.
2. Develop and implement a national Veterans' Dislocated Worker Project initiative.
3. Increase overall veterans' satisfaction with Labor's employment assistance.
4. Increase wages for veterans who enter employment.
5. Decrease length of time veterans receive unemployment benefits.
6. Increase the percentage of veterans who were helped into jobs by states' Employment Security Agencies who were in the same job, or a similar job, 1 year after becoming employed.
7. VETS' grantees will help homeless veterans find jobs that lead to careers.
8. In addition to the continuing priority given to veterans with service-connected disabilities, reduce national unemployment rates for women, African American, Hispanic, Native American, young (aged 20 to 24), disabled, and economically disadvantaged veterans.
9. Increase employment rates for women, African American, Hispanic, Native American, young (aged 20 to 24), disabled, and economically disadvantaged veterans who are served by states' Employment Security Agencies.
10. Increase employment rate for veterans who have been determined to be job-ready by the Vocational Rehabilitation and Counseling Service and referred to states' Employment Security Agencies.
11. Increase the number of special disabled, recently separated, and Vietnam-era veterans who are helped into jobs through the Job Training Partnership Act title IV-C programs.
12. Increase the percentage of veteran welfare recipients who enter employment and achieve self-sufficiency.
13. Increase the number of service members and spouses participating in the Transition Assistance Program.

A Secure Workforce--Promote the Economic Security of Workers and Families

14. Improve the percentage of pension cases resolved within 120 days.
15. Resolve pension complaint cases within 1 year of filing date.
16. Reduce the number of pension complaints.

Quality Workplaces--Foster Quality Workplaces That Are Safe, Healthy, and Fair

17. Increase customer satisfaction (both employers' and complainants') relative to USERRA and processing of complaints.
18. Increase federal contractor employer awareness of affirmative action and reporting responsibilities.
19. Increase veteran and federal agency awareness of federal veterans' preference rights.

Recognizing Crosscutting Efforts

As required by the Results Act, VETS' plan acknowledges that other agencies both within the Department of Labor, such as the Employment and Training Administration, and outside Labor, especially the Departments of Defense and Veterans Affairs, are important to VETS in achieving its goals and effectively measuring its achievements. VETS' plan notes this in both a separate section on crosscutting issues, and in comments on individual goals. For example, one of its goals is to increase the number of service members and spouses participating in the Transition Assistance Program for those leaving military service. The plan notes that the Department of Defense will be a partner in a Transition Assistance Plan impact evaluation. In comments on other goals, VETS notes the importance of consultation and coordination with the Employment and Training Administration and the Bureau of Labor Statistics to collect needed information.

Defining How Expected Performance Will Be Measured

VETS' new performance goals and associated measures reflect an improvement over its other internal performance standards, but they do not provide a clear picture of what VETS intends to accomplish in fiscal year 1999. They are an improvement in that they present absolute measures, not just measures of performance for veterans relative to nonveterans. However, some of the 19 performance goals and indicators in its plan (1) have no specific goal established for fiscal year 1999, usually because they rely on data sources not yet developed; (2) are redundant because they appear in other goals; and (3) are ambiguous or have only a tenuous relationship to their associated objective. Moreover, VETS does not provide a performance goal for all of the program activities in the agency's budget.

In testimony last year,⁷ we suggested that VETS' performance standards could be improved if they focused more on evaluating performance in absolute terms—that is, a numerical standard that would apply to all states—and not stated relative to the level of assistance or outcomes achieved for nonveterans. VETS' current internal standards that are used to assess the performance of states have a series of measures that establishes the level of desired performance as 15-, 20-, or 25-percent greater than the employment service agency's performance for nonveterans. Thus, if a state's placement rate for nonveterans was 8.55 percent, the placement standard for veterans would be 9.83 percent, or 15 percent higher than the nonveteran placement rate. (For a discussion of these internal performance standards, see enc. II.) In contrast, the new performance measures in VETS' annual performance plan are all absolute measures.

⁷Veterans' Employment and Training Service: Focusing on Program Results to Improve Agency Performance (GAO/T-HEHS-97-129, May 7, 1997).

Of the 19 performance goals included in the fiscal year 1999 performance plan, 12 have no specific goals established for fiscal year 1999, and many goals rely on data sources that need to be developed before performance can be measured. For some goals, VETS established a performance measure for fiscal year 2002 without an interim measure for fiscal year 1999, allowing no specific progress to be measured in fiscal year 1999. In several cases, where surveys or baselines were to be developed, VETS could have listed those particular tasks as a fiscal year 1999 goal to ensure that steps were taken and completed toward developing baselines for measurement. For example, one goal (#6)—to increase the percentage of veterans who are helped into jobs by state Employment Security Agencies and retain that job or a similar job 1 year after entry into employment—is a good outcome-oriented goal, but no database is available to measure job retention. Furthermore, the plan is unclear about how VETS proposes to obtain the data needed to measure job retention.

Two of the goals are redundant because they are included in other goals. For example, a goal of helping 1,800 homeless veterans into jobs leading to careers (#7) had already been included in another goal (#1)—assist veterans to find jobs. Likewise, the goal of increasing the number of veteran welfare recipients into jobs and self-sufficiency (#12) appears to be a subset of the targeted veterans group in another goal—increasing employment rates for female, African American, Hispanic, Native American, young (aged 20 to 24), disabled, and economically disadvantaged veterans served by states' employment service agencies (#9).

We also noted that some of VETS' performance goals are ambiguous and others have only a tenuous relationship between the data to measure achievement and the associated objective. For example, the language needs to be clarified in one goal (#1) to indicate whether assisting veterans to find jobs is the same as having veterans obtain employment—that is, will the number of veterans who are provided assistance, regardless of whether they get a job, be counted, or will the measure be the number who obtain jobs? For the performance measures that indicate percentage increases, the plan does not indicate whether performance is to be measured by adding percentage points or multiplying percentage increases. In other cases the indicator may not be an accurate measure of the desired outcome. For example, reducing the number of pension complaints by 7 percent by fiscal year 2002 (#16) is used as an indicator of increased compliance with laws regarding veterans' pension benefits. This may not be a good measure of increased compliance with pension and benefit rights for veterans because, if VETS' actions raise veterans' awareness of their pension and benefit rights, the number of complaints may increase, even if compliance also improves.

We also found that the plan for fiscal year 1999 does not establish any performance goals for NVTI even though—according to the Results Act—the plan should identify annual performance goals that cover all of the program activities in the agency's budget. VETS' budget includes DVOP and LVER staffing grants

that provide employment assistance to veterans; administrative funds for staffing to ensure that grantees carry out their obligation to provide services to veterans and enforce veterans' preference and reemployment rights; and NVTI, which provides training to people serving veterans. While VETS acknowledged in its performance plan that the NVTI budget activity supports all three VETS strategic goals by providing training required for goal attainment, NVTI is not tied to a specific strategic goal, nor are performance goals for NVTI included in the plan.

VETS' PERFORMANCE PLAN DOES NOT ADEQUATELY PORTRAY
HOW ITS STRATEGIES WILL HELP ACHIEVE ITS GOALS

VETS' performance plan gives little information about the strategy the agency will use to achieve its goals. For some goals, strategy information is missing altogether. For example, VETS plans to increase veterans' overall satisfaction with employment assistance (#3), but the plan does not address specific ways in which customer satisfaction can be improved.

Relatedly, the plan does not describe how VETS' performance goals will be communicated to those state and local officials responsible for supporting and implementing the goals. Agency officials told us that the VETS director in each state will meet with the grantees—the state's employment service systems representatives—to explain VETS' annual performance goals and obtain commitment by state leadership to support the goals. This strategy should be clearly stated in the plan.

Finally, VETS' plan does not clearly indicate how it will link the performance measures for fiscal year 1999 to the internal performance standards that VETS has used for many years to assess the performance of the DVOP and LVER grantees. (See enc. II for a discussion of these internal performance standards.) Although agency officials explained that VETS can take no corrective actions against grantees who do not meet the fiscal year 1999 performance goals, DVOP and LVER staffing grants include assurances that states will provide priority services to veterans, and VETS can take corrective action against a state that does not provide a higher level of service to veterans than nonveterans. States may well provide better employment assistance to veterans if VETS could better link its performance goals for fiscal year 1999 to VETS' long-standing internal performance standards of giving veterans service at a rate exceeding that for service to nonveterans.

VETS' PERFORMANCE PLAN DOES NOT
PROVIDE CONFIDENCE THAT ITS
PERFORMANCE INFORMATION WILL BE CREDIBLE

VETS' performance plan cannot provide assurance that the information it provides about fiscal year 1999 performance will be credible because so many of the measures it intends to use are still not developed. Many of the measures

depend on new data collection procedures. In many cases, these data collection instruments and procedures are dependent on adequate funding and coordination with other agencies. Although VETS provides some contingency plans if the funding is not available, we cannot judge the credibility of the performance information until these plans are implemented. Also, changes in how assistance is provided could limit VETS' ability to determine whom it serves.

For more than half of the goals for fiscal year 1999, performance data are not currently available because instruments to measure performance are being developed, their development and availability are contingent on agreements still being negotiated with other agencies, or they are dependent on funding not yet available for data collection. For example, VETS cannot measure progress in increasing wages for veterans entering employment by 4 percent (#4) until a database is developed to provide this information. Also, increasing employment rates by 2 percent for targeted veteran groups (#9) cannot be measured until VETS revises the present reporting system to capture more and better information on the target group veterans. Achievement of other goals—such as developing and implementing the Veterans' Dislocated Worker Program (#2) or increasing veterans' satisfaction overall with employment assistance (#3)—may not be measured because funding is not available to conduct surveys to gather the needed data.

For goals still needing baseline data for measurement, VETS officials said they will identify cost-effective measurement instruments and continue coordination efforts with other federal agencies, but until they do this we are unable to judge the credibility of the performance information. In its plan, VETS notes that if funding is not available for some of the measurement instruments, it will explore the possibility of conducting focus groups that are less expensive, although the results would be considerably less reliable. VETS also intends to modify existing reports to capture data required to measure some goals and plans to coordinate with other federal agencies or entities such as the Employment Security Systems Institute, which was instrumental in the development and maintenance of the current reporting system.

In addition, VETS acknowledged in its plan that as more states offer employment services electronically, it will be increasingly difficult to measure the number of individual job-seekers benefiting from its services. Because many of the job-seekers will not be counted by the states' employment service systems if they are served electronically and cannot be tracked, VETS will be challenged in verifying the full performance of its DVOP and LVER grantees.

AGENCY COMMENTS

We provided a draft of this correspondence to the Department of Labor for comment, but Labor declined to comment. However, at a meeting with the Assistant Secretary for Veterans' Employment and Training and members of his

staff at the conclusion of our work, we summarized our comments on the performance plan, and the Assistant Secretary agreed with our findings. He also stated that as VETS prepares its fiscal year 2000 performance plan, our observations would be quite helpful.

We are providing copies of this correspondence to the Senate Committee on Veterans' Affairs, the Secretary of Labor, and the Director of the Office of Management and Budget. We will also make copies available to others upon request.

If you have any questions about this correspondence, please contact me at (202) 512-7014. Major contributors include Sigurd R. Nilsen, Assistant Director; Betty S. Clark, Evaluator-in-Charge; and Kelly S. Mikelson, Evaluator.

Sincerely yours,



Carlotta C. Joyner
Director, Education and
Employment Issues

Enclosures - 2

VETS' PERFORMANCE GOALS AND MEASURES FOR FISCAL YEAR 1999

Performance goal	Performance measure	GAO observations
A Prepared Workforce--Enhance Opportunities for America's Workforce		
1. Assist veterans to find jobs.	Assist 300,000 veterans to find jobs--10,000 have service-connected disabilities and 1,800 are homeless.	This is a results-oriented goal with measurable outcomes, and data are generally available. However, the language needs to be clarified to indicate whether <u>assisting</u> veterans to find jobs is the same as veterans <u>obtaining</u> employment.
2. Develop and implement a national Veterans' Dislocated Worker Project initiative.	No specific measure for fiscal year 1999. Plan notes that measure for fiscal year 1999 cannot yet be determined but that VETS intends to help approximately 25,000 unemployed or otherwise dislocated veterans into jobs annually for 5 years.	Performance measures are contingent upon program start-up requirements and uncertainty about funding. However, VETS could have developed a process measure for fiscal year 1999 such as a goal toward implementing this initiative.
3. Increase veterans' overall satisfaction with Labor's employment assistance.	No specific measure for fiscal year 1999, but measure is to increase overall satisfaction by 10% by fiscal year 2002.	VETS intends to develop a customer satisfaction survey, which will be administered in fiscal year 2000. Results will be compared with a baseline survey done in 1995. Again, VETS could have developed a process measure for fiscal year 1999 targeted toward developing a customer satisfaction survey.

Performance goal	Performance measure	GAO observations
4. Increase wages for veterans who find jobs.	No specific measure for fiscal year 1999, although the plan states that wages should increase by 4% per year.	Baseline is under development--VETS says it will consult with the Employment and Training Administration (ETA), the Bureau of Labor Statistics (BLS), and states' Employment Security Agencies to determine information/revisions necessary in collecting data.
5. Decrease length of time veterans receive unemployment benefits.	No specific measure for fiscal year 1999, but overall measure is to reduce time by 1 week by fiscal year 2002.	VETS said it will coordinate with ETA to analyze unemployment compensation data and, with the Department of Defense, evaluate transitioning veterans who participated in the Transition Assistance Program compared with those who did not.
6. Increase the percentage of veterans who were helped into jobs by states' Employment Security Agencies who were in the same job, or a similar job, 1 year after becoming employed.	Increase percentage, but no specific measure for fiscal year 1999.	This measure is contingent upon revision to ETA Form 9002 and funding for a special survey to determine job retention and assess job retention across time.
7. VETS' grantees will help homeless veterans find jobs that lead to careers.	Assist 1,800 homeless veterans to find jobs each year.	This goal is included in #1 and, consequently, is redundant.

Performance goal	Performance measure	GAO observations
8. In addition to the continuing priority given to veterans with service-connected disabilities, reduce national unemployment rates for female, African American, Hispanic, Native American, young (aged 20 to 24), disabled, and economically disadvantaged veterans.	No specific measure for fiscal year 1999, but overall measure is to reduce unemployment for these targeted veteran groups by 5% through fiscal year 2002.	VETS said it will work with ETA to possibly change the ETA Form 9002 to capture more and better information on target-group veterans. As with other goals with percentage increases, the plan does not indicate whether the measure is based on a percentage-point increase (by adding) or simply a percentage increase (by multiplying).
9. Increase entered employment rates for female, African American, Hispanic, Native American, young (aged 20 to 24), disabled, and economically disadvantaged veterans who are served by states' Employment Security Agencies.	Increase employment rates for these targeted veteran groups by 2% for fiscal year 1999.	This measure is contingent upon changes to the ETA Form 9002 and development of a database that includes information on these targeted groups.
10. Increase the employment rate for veterans who have been determined to be job-ready by the Vocational Rehabilitation and Counseling Service and referred to states' Employment Security Agencies.	Increase employment rate by 2% per year.	No comment.

Performance goal	Performance measure	GAO observations
11. Increase the number of special disabled, recently separated, and Vietnam-era veterans who are helped into jobs through the Job Training Partnership Act title IV-C programs.	Increase the number of these veterans helped into jobs by 2% per year.	No comment.
12. Increase the percentage of veteran welfare recipients who enter employment and achieve self-sufficiency.	Increase percentage, but no specific measure for fiscal year 1999.	VETS says it will work with the Department of Health and Human Services and ETA to develop baseline data. Data collection is also dependent on revising the ETA Form 9002. This goal could be included as a subset of #1 or #9.
13. Increase the number of service members and spouses participating in the Transition Assistance Program.	No specific measure for fiscal year 1999, but overall goal of 10% by fiscal year 2002.	No comment.
A Secure Workforce--Promote the Economic Security of Workers and Families		
14. Improve percentage of pension cases resolved within 120 days.	Improve pension cases resolved by 1% annually, up to a cumulative 5% in FY 2002.	No comment.
15. Resolve pension complaint cases within 1 year of filing date.	Resolve 90% of all pension complaint cases within 1 year of filing date.	No comment.

Performance goal	Performance measure	GAO observations
16. Reduce the number of pension complaints.	No specific measure for fiscal year 1999, but the overall measure is to reduce the number of pension complaints by 7% by fiscal year 2002.	Reducing number of complaints is a measurable goal; however, a reduced number of complaints may not necessarily be a good proxy for promoting a secure workforce if the workforce was discouraged from making complaints. Futhermore, making veterans more aware of their pension and benefits rights may increase the number of complaints.
Quality Workplaces—Foster Quality Workplaces That Are Safe, Healthy, and Fair		
17. Increase customer satisfaction (both employers' and complainants') relative to USERRA and processing of complaints.	Increase customer satisfaction, but no specific measure for fiscal year 1999.	VETS says it will develop and administer a customer satisfaction survey to establish a baseline for measuring satisfaction. A process goal for developing the customer satisfaction survey, planned for fiscal year 2000, would have been useful.
18. Increase federal contractor employer awareness of affirmative action and reporting responsibilities.	Increase awareness but no specific measure for fiscal year 1999.	No comment.
19. Increase veteran and federal agency awareness of federal veterans' preference rights.	Increase awareness but no specific measure for fiscal year 1999.	No comment.

VETS' INTERNAL PERFORMANCE MEASURES

As provided for by federal law, VETS has established internal performance standards to determine state compliance with requirements to give employment services to veterans. These standards of performance evaluate states in five service categories: (1) veterans placed in or obtaining employment, (2) Vietnam-era veterans and special disabled veterans placed in jobs on the Federal Contractor Job Listing (FCJL), (3) veterans counseled, (4) veterans placed in training, and (5) veterans who received some reportable service. To ensure priority service to veterans, VETS expects veterans to be served at a rate exceeding the service to nonveterans. Veterans and eligible persons should be served at a rate 15 percent higher than nonveterans, Vietnam-era veterans at a rate 20 percent higher, disabled veterans at a rate 25 percent higher, and placement rates for special disabled veterans in jobs listed by federal contractors should also be 25 percent higher than the rate for nonveterans. Thus, if a state's placement rate for nonveterans is 8.55 percent, the placement rate for veterans should be 9.83, or 15 percent higher than the nonveteran placement rate.

For program year 1995,⁸ the national placement rate for nonveterans was 20.4 percent, so the veterans' placement standard was 23.5 percent. The actual placement rate for veterans was 26.1 percent, which exceeded the standard. (See table II.1.) The only area where a substantial number of states failed to meet the standards was in "reportable services." In over half of these cases, the state's standard was at 100 percent or more. Iowa, for instance, categorizes employment development plans—which also involve counseling and interviewing—as a reportable service; because this is done for every employment service client, it is impossible for veterans to be served at a higher rate than nonveterans.

⁸While DVOP and LVER funds are appropriated on a fiscal year basis, the grants operate on a program year, which runs from July 1 to June 30. For example, program year 1995 started on July 1, 1995, and ended on June 30, 1996.

Table II.1: VETS' National Performance Standards and Results, Program Year 1995

Numbers in percent

	Standard	Actual
Placed/obtained employment		
Veterans and eligibles	23.5	26.1
Vietnam-era veterans	24.5	25.2
Disabled veterans	25.5	30.5
FCJL placements		
Vietnam-era veterans	Not applicable	2.6
Special disabled veterans	Not applicable	4.4
Counseled		
Veterans and eligibles	4.3	7.2
Vietnam-era veterans	4.5	7.6
Disaled veterans	4.7	11.4
Placed in training		
Veterans and eligibles	0.6	1.1
Vietnam-era veterans	0.7	1.2
Disabled veterans	0.7	2.3
Received reportable services		
Veterans and eligibles	87.1	82.4
Vietnam-era veterans	90.9	82.3
Disabled veterans	94.6	85.4

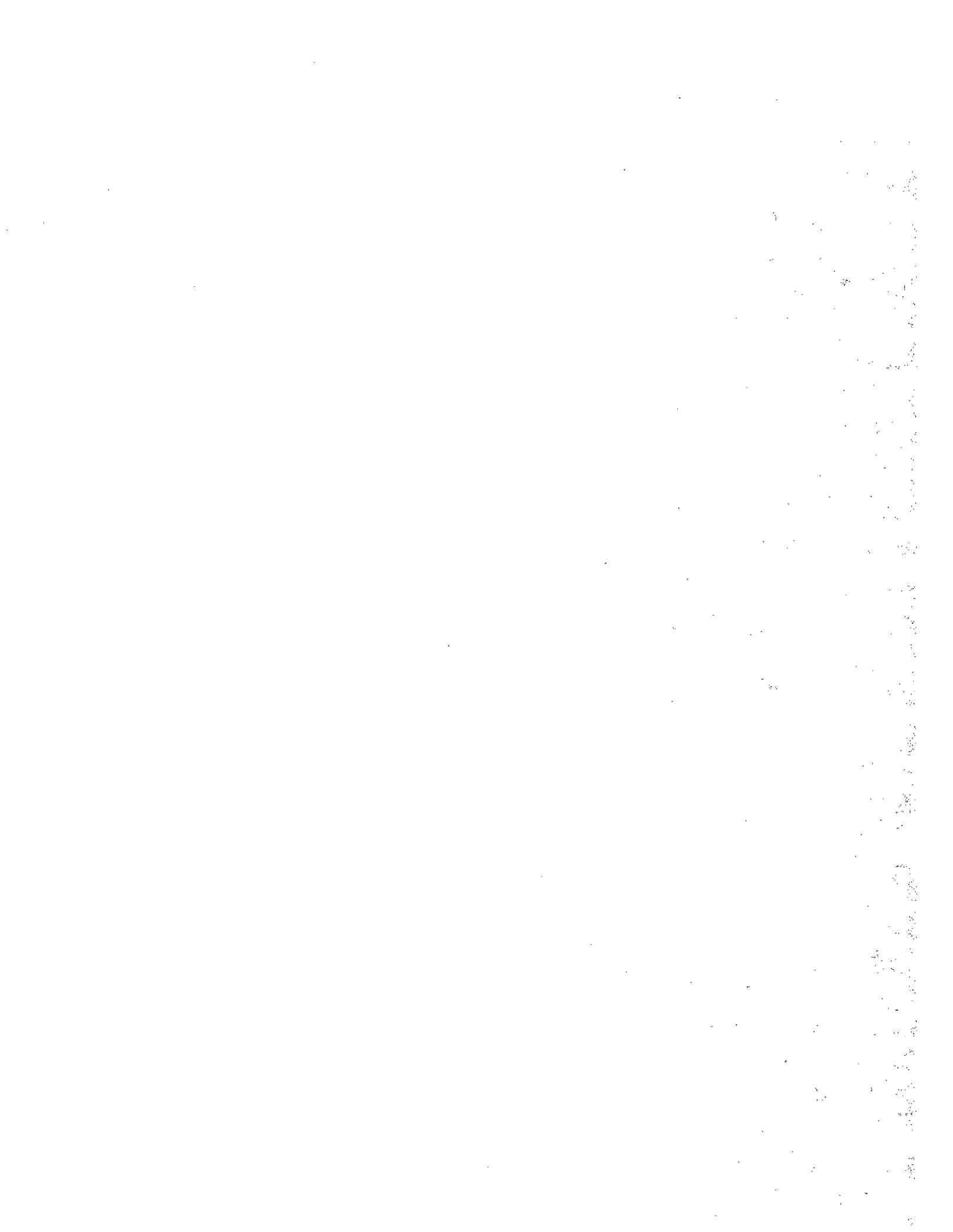
Notes: The national standards and results information is compiled by VETS.

"Veterans and eligibles" refers to veterans and certain others who are nonveterans but are eligible for veterans' services, such as veterans' spouses and dependents.

These internal performance standards set the base standard to the number of nonveteran applicants served. Consequently, a state that has a poor level of service to nonveterans would be held to a lower standard for service to veterans than a state with a better overall performance. For example, in one state with a low placement rate for

nonveteran applicants (5.62 percent) for program year 1995, the state was required to place 363 veteran applicants, or 6.47 percent of its total veteran applicants. In this case, the state met its performance standard by placing 416 of its veteran applicants. On the other hand, a state with a higher placement rate for nonveterans did not meet its performance standard even though it placed nearly 22 percent of its veteran applicants.

(205374)



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