



Employment for Veterans: Trends and Programs

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Summary

Veterans' employment outcomes in the civilian labor market are an issue of ongoing congressional interest. This report offers introductory data on veterans' performance in the civilian labor market as well as a discussion of veteran-targeted federal programs that provide employment-related benefits and services.

According to federal data, the unemployment rate for veterans who served after September 2001 is higher than the unemployment rate for nonveterans. Conversely, the unemployment rate for veterans from prior service periods (a much larger population than post-9/11 veterans) is lower than the nonveteran unemployment rate. The varied demographic factors of each of these populations likely contribute to these variations, though their degree of influence is unclear.

There are a number of federal programs to assist veterans in developing job skills and securing civilian employment. Broadly speaking, these programs can be divided into (1) general veterans' programs, (2) programs that target veterans with service-connected disabilities, and (3) competitive grant programs that offer supplemental services but may not be available to veterans in all areas.

General veterans' programs begin with transition programs that are provided to exiting members of the Armed Forces. These transition programs cover a variety of topics including information on identifying occupations that align with military skills and specializations, conducting job searches, applying for employment, and navigating veterans' benefits. One of the most common veterans' benefits is educational funding through the GI Bill. The GI Bill programs typically provide funding for tuition, fees, housing, books, and other educational costs while the veteran is enrolled.

Veterans who are seeking employment without obtaining additional training may receive job search assistance and other services from Local Veterans Employment Representatives (LVER). Veterans who wish to pursue employment in the federal government are assisted by several policies that give them preference in the competitive hiring process or, in some cases, allow them to forego the competitive process and be appointed directly. Veterans who wish to start a small business may receive loans and technical assistance from the Small Business Administration (SBA).

Veterans with service-connected disabilities who have obstacles to employment may be assisted by the Vocational Rehabilitation and Employment (VR&E) program. This program provides assistance in identifying an occupation that is consistent with the veterans' skills and interests and providing the services (including educational services) necessary to achieve that outcome. Disabled veterans and other veterans with multiple barriers to employment can receive assistance from the Disabled Veterans Outreach Program (DVOP), which funds personnel positions to provide assistance in local labor markets.

In addition to these nationwide programs, the federal government also funds competitive grant programs for state, local, and private entities to provide employment-oriented services to veterans. These include the Homeless Veterans Reintegration Program, which provides employment services in conjunction with other supportive services and Veterans Upward Bound (VUB), which prepares educationally disadvantaged veterans for postsecondary coursework.

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Background

Veterans' employment outcomes in the civilian sector are an issue of ongoing congressional interest. A number of programs currently exist to assist veterans in obtaining or training for civilian employment. There is regular congressional debate about expanding or otherwise amending these programs to better serve veterans.

This report discusses veterans' employment trends and programs. The first section presents data on veterans' employment outcomes, identifying recent trends, and discussing issues to consider when interpreting veterans' employment data. The following sections present brief discussions of existing programs that provide employment-related services to veterans. These services are divided into (1) general programs that are broadly available to veterans, (2) programs that target veterans with service-connected disabilities, and (3) competitive grant programs that provide additional employment-related services to veterans but may be limited in scope or availability.

Notably, this report does not attempt to provide an exhaustive list of all programs that may assist veterans in the labor market nor does it attempt to provide comprehensive information on the programs it discusses. Instead, it aims to provide a broad overview of the largest employment-related programs as well as other initiatives that may inform future policy. For detailed information on each program, readers are encouraged to refer to the CRS reports or other sources that are referenced in each section.¹

Employment Trends Among Veterans²

Estimates of veterans' employment and unemployment are published by the Bureau of Labor Statistics (BLS). The estimates are derived from the Current Population Survey (CPS), a monthly household survey in which respondents may self-identify as veterans. Veterans' employment outcomes are frequently compared to the employment outcomes of nonveterans to establish veterans' relative performance in the labor market.

This section will divide workers into three groups: (1) Gulf War Era II veterans who served at any point after September 2001, (2) veterans from prior service periods, and (3) nonveterans.³ Since these populations vary in many characteristics that may influence employment outcomes, comparisons between these groups should be conducted with caution.

Recent employment outcomes for veterans and non-veterans are presented in **Table 1**. As the table shows, the unemployment rate for Gulf War Era II (GWII) veterans is higher than the unemployment rates of both veterans from other service periods as well as nonveterans. GWII

¹ References also include a CRS analyst to contact about the topic. In cases where a topic does not list a contact, inquiries should be directed to the coordinator of this report.

² This section was prepared by Benjamin Collins, Analyst in Labor Policy, bcollins@crs.loc.gov, 7-7382.

³ The designation of Gulf War Era II veterans follows the definition set by the Bureau of Labor Statistics. Data for veterans from other periods were calculated by subtracting Gulf War Era II veterans data from total veterans data. Nonveterans are limited to persons age 18 and over.

veterans, however, constitute only about one-fifth of the veteran labor force (about 2.3 million of just under 11 million).

Table 1. Employment Outcomes by Veteran Status, 2013 Annual Average

	Population (thousands)	Labor Force (thousands)	Unemployed (thousands)	Unemployment Rate
All Veterans	21,397	10,975	722	6.6%
Gulf War Era II Veterans	2,837	2,286	205	9.0%
Other Veterans	18,560	8,689	517	6.0%
Nonveterans	215,339	142,391	10,202	7.2%

Source: Bureau of Labor Statistics’ Employment Situation historical data for Table A-5, generated at <http://www.bls.gov/webapps/legacy/cpsatab5.htm>.

Notes: Gulf War Era II veterans are those who served any time after September 2001. Nonveterans exclude persons under age 18.

Several factors that are not observable in **Table 1** should also be considered when interpreting the employment data in the table.⁴

- *The GWII veteran labor force is younger than the nonveteran labor force.* About 60% of GWII veterans in the labor force are under the age of 35, compared to about 36% of nonveterans in the labor force. Since younger workers generally have higher unemployment rates than older workers, GWII veterans’ relative youth may influence their unemployment rate.⁵
- *Veterans have a different educational distribution than nonveterans.* Among those in the labor force, only 1% of GWII veterans and 3% of other veterans have less than a high school education, compared to 9% of nonveterans. Conversely, the proportion of college graduates among the labor forces of GWII veterans (33%) and other veterans (30%) are slightly lower than nonveterans (36%).⁶ The effect of this different educational distribution on veterans’ employment outcomes is unclear.
- *Disability issues.* In 2012, approximately 14% of all veterans and 28% of GWII veterans reported a service-connected disability.⁷ Among veterans of all service periods, there was little difference between veterans with a service-connected disability and veterans without a service-connected disability in their respective

⁴ Data on veterans’ characteristics are 2012 annual averages and therefore not directly comparable to the data in **Table 1**. Data on veterans’ characteristics are from Bureau of Labor Statistics, “Employment Situation of Veterans—2012,” March 20, 2013, <http://www.bls.gov/news.release/vet.htm>. Monthly data on veterans’ characteristics are not published by BLS. Demographic data for 2013, which will be comparable to data in **Table 1**, will be released in March 2014.

⁵ Ibid. Table 2A.

⁶ Ibid. Table 3. Data only consider veterans age 25 and over. About 11% of the GWII veterans in the labor force are under the age of 25.

⁷ Ibid. Table 6. Approximately 17% of veterans did not report their disability status and were excluded from this analysis.

labor force participation rates (47% v. 52%) and unemployment rates (6.5% v. 7.1%). Among GWII veterans, veterans with a service-connected disability were less likely to participate in the labor force (70% v. 87%), though GWII veterans with service-connected disabilities had a lower unemployment rate than veterans from the same era who did not report a service-connected disability (8.0% v. 12.5%).⁸ Comparable data on employment outcomes for nonveterans with disabilities were not available.

- *Categorization of post-military transition period.* Recent veterans who have not yet secured post-service employment are categorized as unemployed and entitled to unemployment insurance.⁹ The classification of this transition period may increase GWII veterans' unemployment rate.

Figure 1 presents recent historical data on unemployment rates for GWII veterans, other veterans, and nonveterans.¹⁰ Several trends emerge over the approximately five-year reference period:

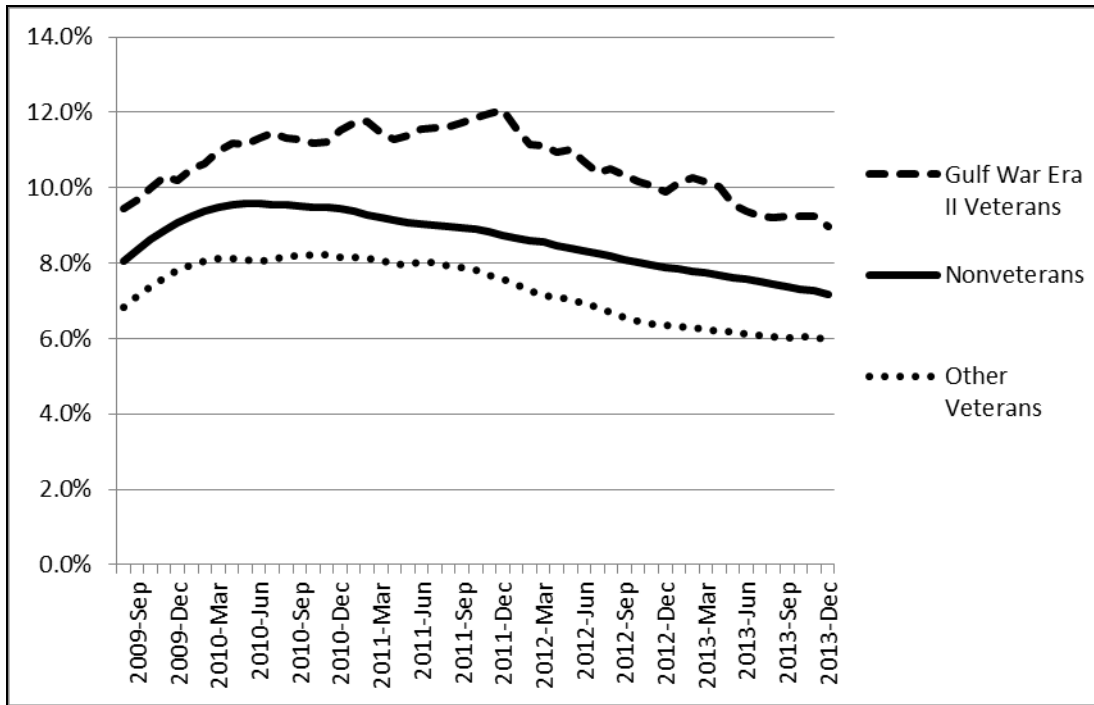
- *The unemployment rate for GWII veterans is typically above that of other veterans and nonveterans.* The average unemployment rate for the period in the graph was 10.3% among GWII veterans, 7.1% among other veterans, and 8.3% among nonveterans. As noted previously, differences in the characteristics of each population may influence their respective unemployment rates.
- *The unemployment rate for GWII veterans is more dynamic than the unemployment rate for other populations.* While using a 12-month moving average somewhat controls for large variations in monthly estimates, changes in the GWII veterans' unemployment rate are still more dynamic than the changes for other populations. This dynamism is likely due to small sample sizes of GWII veterans in the surveys rather than abrupt changes in this population's unemployment rate.
- *The unemployment rate for each group trends similarly over the reference period.* While the dynamic nature of the GWII veterans' unemployment rate somewhat masks this trend, each group's unemployment rate followed a generally upward trend early in the period covered by the graph and then declined during the later period. The similarity of these trends underscores the influence of the broader labor market on veterans' employment outcomes.

⁸ Ibid. Table 6.

⁹ For more information on unemployment insurance for former members of the armed services, see CRS Report RS22440, *Unemployment Compensation (Insurance) and Military Service*, by Julie M. Whittaker.

¹⁰ The reference period was determined by the earliest availability of monthly data for GWII veterans.

Figure I. Unemployment Rates by Veteran Status
12-month moving averages



Source: 12-month moving average calculated by CRS based on monthly data from the Bureau of Labor Statistics' Employment Situation historical data for Table A-5, generated at <http://www.bls.gov/webapps/legacy/cpsatab5.htm>.

Notes: Data are displayed as the final month of the 12-month moving average. For example, September 2009 is the 12-month period ending in September 2009. Gulf War Era II veterans are those who served any time after September 2001. Nonveterans exclude persons under age 18.

Employment-Related Programs for Veterans

This report highlights the primary employment and training services programs that are authorized to improve veterans' employment outcomes. It does not, however, attempt to present a comprehensive list of employment-related programs for veterans. This report emphasizes programs available to veterans of active duty and generally omits discussion of programs that target former members of the military reserve. It also omits discussions of programs or program components that provide benefits to eligible family members of veterans. In some cases, programs may have stopped accepting applications or are not currently funded. When this is the case, it is noted in the ensuing discussion. The Work Opportunity Tax Credit (WOTC), an incentive for employers that hired qualified veterans, expired at the end of calendar year 2013. The WOTC is discussed in the final section of this report.

The veteran-targeted programs in this report are presented in **Table 2**. Each is discussed in greater detail in the subsequent text. These programs are grouped into three categories:

- *Programs that are broadly available to veterans.* While they may have some eligibility limitations, these programs are generally available to veterans in all geographic locations, with or without service-connected disabilities;
- *Programs that target veterans with service-connected disabilities.* These programs include the Vocational Rehabilitation and Employment program as well as specialized versions of some generally available veterans programs; and
- *Competitive grant programs.* These programs fund employment-related services for veterans but may be limited in scope or geographic availability.

Table 2. Employment-Related Programs, Benefits, and Services for Veterans

Program	Description	FY2013 Funding
General Programs, Benefits, and Services for Veterans		
Transition Assistance Program (TAP) / Transition Goals Plans Success (Transition GPS)	TAP provides services to exiting service members related to obtaining civilian employment and otherwise transitioning to civilian life. The Transition GPS curriculum is currently being implemented within TAP. Transition GPS is mandatory for nearly all exiting service members with expanded services over a five-day curriculum.	\$14 million from the Department of Labor (DOL); \$122 million from the Department of Defense (DOD) ^a
Educational Benefits (GI Bill)	GI Bill programs generally provide funds for educational costs as well as living expenses while enrolled in educational programs. The most-used program for recent veterans is the Post-9/11 GI Bill.	\$10.4 billion (estimated) ^b
Veterans Retraining Assistance Program (VRAP; no longer accepting applications)	VRAP provides educational benefits for unemployed veterans between the ages of 35 and 60 who are not eligible for a GI Bill or other VA educational program. VRAP benefits are limited to 12 months.	\$1.1 billion (estimated) ^c
Local Veterans Employment Representatives (LVER)	LVER funds state personnel positions that assist veterans in securing employment in their local area. LVER activities include but are not limited to outreach to local employers and referral to training or education benefits, LVER is funded out of Jobs for Veterans State Grant (JVSG) funds.	\$161 million (also funds DVOP)
Federal Hiring Preferences and Special Hiring Authorities	Veterans receive preference when applying for nearly all competitively-hired federal employment. There are also special hiring authorities in which qualified veterans may be directly appointed to a position that would otherwise be competitively hired.	not applicable
Priority of Service in DOL training programs	Veterans receive priority of service for any DOL-funded training or employment service program that they are eligible for as a member of the general public.	not applicable

Program	Description	FY2013 Funding
Small Business Administration (SBA) Programs	SBA has a variety of programs to assist veterans with developing and managing a small business, financing a small business, and acquiring federal contracts.	\$2.5 million for Veterans' Business Outreach Centers and \$7 million for the "Boots to Business" training initiative; veterans are also eligible to participate in other SBA training and lending programs
Programs for Veterans with Service-Connected Disabilities		
Vocational Rehabilitation and Employment (VR&E)	VR&E provides funding for training, subsistence, and other expenses to support veterans with service-connected disabilities to pursue an employment outcome or independent living course.	\$921 million (estimated) ^d
Disabled Veterans Outreach Program (DVOP)	DVOP funds state personnel positions that provide intensive employment services to disabled and other high-need veterans.	\$161 million (also funds LVER)
Specialized versions of other programs	TAP, federal hiring preference and WOTC have specialized components that target veterans with service-connected disabilities.	Included in general program costs
Competitive Grant Programs that Provide Supplemental Services		
Homeless Veterans Reintegration Program (HVRP)	HVRP provides competitive grants to organizations that provide employment assistance and other supportive services to homeless veterans.	\$36 million
Veterans Upward Bound (VUB)	VUB provides services such as tutoring and application assistance to aid veterans in preparing for a program of postsecondary education	\$13 million
Veterans Workforce Investment Program	VWIP provides competitive grants to public and nonprofit organizations to provide training and/or employment services to veterans.	No funds appropriated in FY2013. ^e

Source: Sources are listed in each program's section of this report.

- a. The VA also funds a portion of TAP activities, though the FY2013 funding level was not available. In FY2012, the VA's portion of TAP activities was \$9 million.
- b. Program is an entitlement. FY2013 costs are estimates for Post-9/11 GI Bill and Montgomery GI Bill-Active Duty only and do not include administrative expenses.
- c. Estimate assumes program enrollment reaches statutory maximum. VRAP is a temporary program that was authorized for the entirety of FY2013. The program stopped accepting applications after October 1, 2013, and will stop paying benefits after March 31, 2014.
- d. Program is an entitlement. FY2013 costs are estimates and include benefits and subsistence allowances; they do not include administrative and counseling expenses.
- e. \$14.6 million was appropriated for VWIP in FY2012. The program remains authorized under section 168 of the Workforce Investment Act.

General Veterans' Employment and Training Programs

The programs discussed in this section are available to most veterans of active duty. In the interest of simplicity, this report generally does not present detailed eligibility criteria for each program and benefit, though it does attempt to note eligibility requirements that categorically exclude large numbers of veterans (such as the eligibility window following discharge for GI Bill benefits). This report may omit requirements that would exclude relatively few veterans, such as most programs' exclusion of veterans who were dishonorably discharged.¹¹ The specific eligibility criteria for each program will usually be available in the external sources that are referenced in the report section that discusses the program.

Transition Programs for Separating Members of the Armed Forces¹²

In 1990, as the post-Cold War drawdown was beginning, Congress authorized a set of benefits and services to assist military personnel in the transition to civilian life.¹³ Some of these authorities continued in effect after the drawdown was complete and formed the basis of the Transition Assistance Program (TAP). TAP underwent substantial modification in 2012 and 2013, with the introduction of a revamped curriculum known as Transition GPS.¹⁴ TAP and the new Transition GPS curriculum are both described below.

Transition Assistance Program (TAP)

TAP provides pre-separation services and counseling on a number of transition-related topics to separating members of the Armed Forces.¹⁵ In addition to guidance on broader transition issues such as financial management and health care, TAP includes information on the following employment issues as they relate to veterans:

- the correlation between military skills and civilian occupations;
- professional certifications, including licensing and apprenticeships;
- public and community service opportunities, including federal employment opportunities and veterans' hiring preferences (described in a subsequent section of this report);
- self-employment and entrepreneurship, including veterans' small business and entrepreneurship programs; and
- education and training assistance, including use of veterans' educational benefits and other job training opportunities.

¹¹ For a more detailed discussion of factors that may influence a former service member's eligibility for veterans' benefits, see CRS Report R42324, "*Who is a Veteran?*"—*Basic Eligibility for Veterans' Benefits*, by Umar Moulta-Ali.

¹² This section written by Lawrence Kapp, Specialist in Military Manpower Policy, lkapp@crs.loc.gov, 7-7609.

¹³ Codified at 10 U.S.C. 1141-1150.

¹⁴ Terri Cronk, "New Program Aims to Better Help Troops Transition to Civilian Life," American Forces Press Service, August 18, 2012, available at <http://www.defense.gov/news/newsarticle.aspx?id=117544>.

¹⁵ Formerly, TAP also included a program called Disabled Transition Assistance Program (DTAP), which provided individual instruction for disabled servicemembers regarding their job-readiness and special needs they might have as a result of their disability, along with information on the VA's Vocational Rehabilitation and employment services. DTAP was incorporated into the VA benefits segment of the new Transition GPS curriculum in 2012.

TAP services are provided at many military installations, often found in the military installation's career or family support offices. The Department of Defense (DOD), Department of Labor (DOL), Department of Veterans Affairs (VA), and the Department of Homeland Security (DHS) are each involved in conducting TAP.¹⁶ The curriculum for TAP underwent major revision in 2012. The redesigned curriculum is called Transition GPS, discussed below.

Transition GPS

Transition GPS is the name of the redesigned TAP curriculum brought about by the work of the executive branch's Veterans' Employment Initiative Task Force and intended to conform with the Veterans Opportunity to Work (VOW) to Hire Heroes Act of 2011.¹⁷ Among other changes, the VOW Act made participation in TAP mandatory for nearly all separating military personnel and required that each TAP participant receive "an individualized assessment of the various positions of civilian employment in the private sector for which such member may be qualified" as a result of their military training. These statutory changes took effect on November 21, 2012, one year after the enactment of the VOW Act.

DOD introduced the Transition GPS pilot program at seven military bases in the summer of 2012, and it is now conducted at major military installations across the country and overseas. It includes a five-day core program that incorporates the elements of TAP described above into a redesigned curriculum, which is intended to ensure that servicemembers are "career ready" when they leave military service. The core curriculum includes the following modules: pre-separation counseling (4 hours), VA benefits¹⁸ (6 hours), employment workshop (24 hours), financial planning (4 hours), resilient transition (1 hour), and a crosswalk between military and civilian skills that includes a "skills gap" analysis (2 hours). Servicemembers are also required to develop an individual transition plan, and participate in a "capstone event." The capstone event verifies that the servicemembers meet career readiness standards and have a viable individual transition plan.¹⁹

Some of the key differences between the "legacy" TAP curriculum and the new Transition GPS curriculum include

- the five-day core curriculum is mandatory, not optional, for nearly all separating servicemembers;
- class sizes are smaller than under the previous curriculum to provide individual attention;
- the required individual transition plan is standardized and tied to the servicemembers' personal goals;

¹⁶ Memorandum of Understanding between the Department of Labor, Department of Defense, Department of Veterans Affairs, and Department of Homeland Security, "Transition Assistance Program and Disabled Transition Assistance Program," signed September 19, 2006, available at <http://www.dol.gov/vets/vpls/VPL%20Attachments/VPL%201-08%20Attch%201%20-%20Transition%20Assistance%20and%20Disabled%20Transition%20Assistance%20Programs%20Memorandum%20of%20Understanding%20dated%20September%2019,%202007..pdf>.

¹⁷ The VOW to Hire Heroes Act is Title II of P.L. 112-56. In addition to modifying TAP, the law had other provisions related to veterans' employment.

¹⁸ As part of the VA benefits briefing, participants are required to set up a VA benefits account online.

¹⁹ If a servicemember has not met the career readiness standards or created a viable transition plan, the capstone event will ensure they are referred for appropriate training or remedial assistance.

- successful completion is based on achieving “career readiness standards,” not simply attendance;
- the program concludes with a capstone event, which verifies that each servicemember meets career readiness standards and has a viable individual transition plan; and
- in addition to the core curriculum, servicemembers are able to participate in optional tracks for higher education, entrepreneurship, and technical training, each of which last two days. Servicemembers can participate in all three optional tracks if they so desire.

The “core” Transition GPS curriculum was implemented in November 2012. Implementation of the optional tracks began in 2013 and should be fully implemented by March 2014.

GI Bill Educational Assistance Programs²⁰

The VA administers several educational assistance programs for veterans (commonly known as GI Bills) that are intended to avert unemployment, adjust veterans to civilian life, reward military service, encourage recruitment and retention in the military, and make education affordable. VA educational assistance payments are available for approved programs of education as well as living expenses while enrolled.²¹

While there are several GI Bill programs, the vast majority of veterans who utilize education benefits do so under the Post-9/11 GI Bill or the Montgomery GI Bill-Active Duty (MGIB-AD). Both programs provide benefits for 36 months of full-time schooling or the equivalent in part-time attendance.²² The Post-9/11 GI Bill provides separate payments for tuition and fees, supplies, housing, and other costs. The maximum benefit for tuition and fees at a public institution of higher learning is equal to in-state tuition and fees for that program of education. As of August 1, 2013, the maximum benefit for tuition and fees at a private or foreign institution is \$19,198 per academic year. The monthly housing allowance under the Post-9/11 GI Bill varies by geographical location and ranges from \$768 to \$3,258.²³ MGIB-AD provides a single monthly payment to the veteran to cover both education and living expenses. As of October 1, 2013, the maximum benefit under MGIB-AD is \$1,648 per month.

Post 9/11 GI Bill benefits are typically available within 15 years of discharge or release from active duty. MGIB-AD benefits (and most other GI Bill benefits) are generally available within ten years. Notably, GI Bill benefits are not considered when calculating a student’s eligibility for

²⁰ For more information on each of the GI Bills, see CRS Report R42785, *GI Bills Enacted Prior to 2008 and Related Veterans’ Educational Assistance Programs: A Primer*, by Cassandra Dortch, and CRS Report R42755, *The Post-9/11 Veterans Educational Assistance Act of 2008 (Post-9/11 GI Bill): Primer and Issues*, by Cassandra Dortch.

²¹ Eligible educational programs include but are not limited to college courses, vocational programs, entrepreneurship courses, apprenticeships, on-the-job training, and licensing or certification tests.

²² Benefits can be used in nonconsecutive months. For example, a veteran may use GI Bill benefits for four traditional nine-month full-time academic years.

²³ The lowest rate is in Alpena County, MI, and the highest rate is in New York City. Monthly housing allowances under the Post-9/11 GI Bill equal the monthly basic allowance for housing for a member of the Armed Forces with dependents in pay grade E-5 in the military housing area in which the veteran’s educational institution is located. Local rates are available at <http://www.defensetravel.dod.mil/Docs/perdiem/browse/Allowances/BAH/PDF/2012/2012-With-Dependents-BAH-Rates.pdf>.

need-based Pell grants, meaning that a veteran who meets Pell grant criteria may receive both Pell grants and GI Bill benefits.²⁴ As an additional benefit, educational assistance received under a VA education program (including subsistence or housing allowances for enrolled veterans) is not subject to federal income tax.

In its FY2014 budget, the VA estimated that total FY2013 benefits for the Post-9/11 GI Bill and Montgomery GI Bill-Active Duty were \$10.4 billion.²⁵

Veterans Retraining Assistance Program (VRAP; not currently accepting applications)²⁶

VRAP is a temporary program that provides training assistance to older unemployed veterans who are no longer eligible for the GI Bill.²⁷ The VA began accepting applications for VRAP benefits on May 15, 2012, and beneficiaries were eligible to begin training July 1, 2012. As required by statute, the VA stopped accepting VRAP applications after October 1, 2013, and is scheduled to stop paying benefits after March 31, 2014.

VRAP provides up to 12 months of training benefits to unemployed veterans who are not eligible for other VA education programs and are between the ages of 35 and 60.²⁸ VRAP benefits are limited to training at community colleges or technical schools in occupations that DOL has identified as “high demand.”²⁹ Monthly benefit levels are limited to the maximum amounts under the MGIB-AD program (described in the previous section). While benefits are limited to 12 months, veterans may enroll in programs longer than 12 months. In cases where a program is less than 12 months, benefits are limited to the duration of the program.

Local Veterans Employment Representatives (LVER) Employment Services

The LVER program provides formula grants to states to hire personnel that provide assistance to veterans who are seeking employment.³⁰ LVER staff provide employment services to veterans and conduct outreach to local employers to develop employment opportunities for veterans. Outreach activities might include advocacy efforts to local employers and workshops for veterans seeking employment. LVER staff are familiar with a range of veteran services and may provide referral to other benefits and services (such as education benefits under the GI Bill) that support veterans seeking employment.

²⁴ For more information on Pell Grants, see CRS Report R42446, *Federal Pell Grant Program of the Higher Education Act: How the Program Works, Recent Legislative Changes, and Current Issues*, by Shannon M. Mahan.

²⁵ FY2014 VA budget is available at <http://www.va.gov/budget/products.asp>.

²⁶ For more information on the VRAP program, including current application procedures and current enrollment levels, see <http://benefits.va.gov/vow/education.htm>.

²⁷ VRAP was created by the VOW to Hire Heroes Act. See Section 211 of P.L. 112-56.

²⁸ Veterans are ineligible for VRAP if they were discharged under dishonorable conditions, are receiving VA compensation due to unemployability, or are enrolled in a federal or state job training program.

²⁹ The VA has identified more than 200 occupations as eligible for VRAP benefits. See http://benefits.va.gov/vow/docs/VRAP_High_Demand.pdf for the complete list.

³⁰ LVER is codified at 38 U.S.C. 4104.

Statute specifies that, “to the maximum extent possible,” states should hire veterans as LVER personnel, with the highest preference given to veterans with service-connected disabilities who are otherwise qualified for the position.³¹ LVER personnel work in conjunction with the One-Stop delivery system, and are often physically stationed at One-Stop Career Centers, as established by the Workforce Investment Act of 1998 (WIA; P.L. 105-220).³²

The LVER program is part of the Jobs for Veterans State Grant (JVSG) program, which is administered by the Veterans Employment and Training Service (VETS) of DOL.³³ JVSG also provides funds for the Disabled Veterans Outreach Program (DVOP), which provides services to disabled and other high-need veterans and is described in a subsequent section of this report. In FY2013, JVSG’s budget authority was approximately \$161 million. JVSG is funded out of the Employment Security Administration Account in the Unemployment Trust Fund.

Priority of Service in DOL-Funded Training and Employment Service Programs

In addition to veteran-targeted programs, DOL administers a number of public programs to assist individuals in training for and securing employment. These services include subsidized training as well as employment services such as job search assistance and resume preparation. The Jobs for Veterans Act of 2002 (P.L. 107-288) specifies that veterans will receive priority of service in all DOL-funded training programs for which they are qualified.³⁴ DOL has clarified that this includes all services provided at One-Stop Career Centers (including employment services such as job search assistance).³⁵

In 2011, DOL launched a Gold Card initiative directed at Post-9/11 veterans. In addition to priority in all training programs, the initiative also provides veterans with intensive employment services such as job readiness assessments, career guidance, and referral to training through federal or state programs. Qualified veterans may also receive six months of follow-up services from a case manager.³⁶

Federal Employment³⁷

There are several programs and policies that provide a preference for veterans in obtaining employment in the federal government. These policies and programs can either give veterans an advantage in the competitive hiring process or, in some cases, allow a veteran to be appointed without going through the competitive process.

³¹ See 38 U.S.C. 4104(c).

³² For more information on WIA and One-Stop Career Centers, see CRS Report R41135, *The Workforce Investment Act and the One-Stop Delivery System*, by David H. Bradley.

³³ More information on veteran-related initiatives administered the U.S. Department of Labor, including the JVSG program, is available at <http://www.dol.gov/vets/>.

³⁴ To receive priority of service, a veteran must meet the program’s eligibility criteria regarding age, employment history, or other characteristics.

³⁵ See 20 C.F.R. 1010.200-330.

³⁶ More information on the Gold Card initiative is available at <http://www.dol.gov/vets/goldcard.html>.

³⁷ For a more in-depth discussion of federal employment for veterans, see archived CRS Report RS22666, *Veterans Benefits: Federal Employment Assistance*, by Christine Scott.

Points Preference in Competitive Hiring

In the federal hiring process for competitive positions, candidates may be evaluated through a system that assigns point values to relevant experience, skills, and education. Depending on the specifics of their active military service, veterans may receive extra points added to their numerical score.

A five-point preference is available to veterans who served after September 11, 2001.³⁸ A five point-preference is also available to veterans who served during specified wartimes or in specified campaigns.³⁹ A ten-point preference is available to veterans who either (1) have a service-connected disability or (2) received a Purple Heart. The ten-point preference is available to these veterans regardless of their period or location of service.

Special Hiring Authorities

There are several hiring programs that allow qualified veterans to be appointed to what would otherwise be competitive federal positions without having to compete with the general public. Typically, these programs allow an agency to hire a veteran in a shorter period of time than it would take to fill the position through the competitive service process. To be eligible for these special hiring authorities, a veteran must have been separated from the Armed Forces for less than three years, have served in a qualified combat mission, or be disabled.⁴⁰

Other Initiatives

In 2009, President Barack Obama issued Executive Order 13518, which aimed to “enhance recruitment of and promote employment opportunities for veterans within the executive branch[.]”⁴¹ The program established a Council on Veterans Employment that included 24 agencies and required each agency to develop an agency-specific plan and designate an office or officer for promoting employment opportunities for veterans within the agency. The order also established a website that offered veteran-specific information on obtaining federal employment as well as contact information for the individual or office in each agency responsible for promoting veterans’ employment within the agency.⁴²

³⁸ The service period under this criteria is set to end on the date prescribed by Presidential proclamation or law as the last date of Operation Iraqi Freedom. As of this writing, no such proclamation or law has been issued.

³⁹ Applicable dates and criteria are available from the Office of Personnel Management at <http://www.opm.gov/staffingportal/vetguide.asp#2>When.

⁴⁰ Full details on these hiring authorities is available from the Office of Personnel Management at <http://www.opm.gov/staffingportal/vetguide.asp#6>.

⁴¹ The full text of the order, including a list of participating agencies, is available at <http://www.gpo.gov/fdsys/pkg/FR-2009-11-13/pdf/E9-27441.pdf>.

⁴² See <http://www.fedshirevets.gov/AgencyDirectory/index.aspx> for a list of agency contacts.

Small Business Administration Programs⁴³

The Small Business Administration (SBA) has a variety of programs to assist veterans with developing and managing a small business, financing a small business, and acquiring federal contracts. Congressional interest in these programs has increased in recent years primarily due to reports by veteran organizations that veterans were experiencing difficulty accessing the SBA's programs, especially the Patriot Express Pilot Loan Guaranty Program, as well as general interest in facilitating the transition of veterans from military to civilian life.

The SBA currently provides management and technical assistance training services to veterans through its various management and technical assistance training partners and responds to veteran inquiries through its SBA district offices.⁴⁴ The SBA's Patriot Express Pilot Loan Guaranty Program, which became operational in 2007, is a component of SBA's larger 7(a) lending program, available only to veterans, certain active military service people, and certain spouses.⁴⁵ The loan proceeds can be used for expansion, renovation, new construction, the purchase of land or buildings, the purchase of equipment, working capital, etc. The Patriot Express program differs from the general 7(a) program in that it features streamlined documentation and processing features, a lower loan limit (up to \$500,000), and has a targeted SBA processing time of one business day. As of September 30, 2013, the SBA had provided 9,507 Patriot Express loans totaling \$811.3 million since 2007. In FY2013, the SBA provided 1,019 Patriot Express loans totaling \$112.4 million.⁴⁶

Also, on November 8, 2013, the SBA announced that it is waiving the upfront, one-time loan guaranty fee for all veteran loans under the SBAExpress program from January 1, 2014, through the end of FY2014. The SBAExpress program is similar to the SBA Patriot Express program in that it has streamlined documentation and processing features. SBAExpress is available to both veterans and non-veterans, and provides loans of up to \$350,000. The SBA announced that the SBAExpress program's veteran fee waiver was part "of SBA's broader efforts to make sure that veterans have the tools they need to start and grow a business."⁴⁷

The SBA also assists veterans through its Military Reservist Economic Injury Disaster Loan Program (MREIDL), which supplements its general, direct-loan disaster lending program. MREIDL provides disaster assistance in the form of direct loans of up to \$2 million to help small business owners who are not able to obtain credit elsewhere to meet ordinary and necessary operating expenses that they could have met but are not able to meet because an essential

⁴³ This section was prepared by Robert Jay Dilger, Senior Specialist in American National Government, rdilger@crs.loc.gov, 7-3110, and Sean Lowry, Analyst in Public Finance, slowry@crs.loc.gov, 7-9154. For a more detailed discussion, see CRS Report R42695, *SBA Veterans Assistance Programs: An Analysis of Contemporary Issues*, by Robert Jay Dilger and Sean Lowry.

⁴⁴ See CRS Report R41352, *Small Business Management and Technical Assistance Training Programs*, by Robert Jay Dilger.

⁴⁵ See CRS Report R41146, *Small Business Administration 7(a) Loan Guaranty Program*, by Robert Jay Dilger, and U.S. Small Business Administration, "SOP 50 10 5(E): Lender and Development Company Loan Programs," (effective June 1, 2012), pp. 83, 127, at [http://www.sba.gov/sites/default/files/SOP%2050%2010%205\(E\)%20\(5-16-2012\)%20clean.pdf](http://www.sba.gov/sites/default/files/SOP%2050%2010%205(E)%20(5-16-2012)%20clean.pdf).

⁴⁶ U.S. Small Business Administration, "WDS Report, Amount and Count Summary Data File, as of September 30, 2013."

⁴⁷ U.S. Small Business Administration, "SBA Announces New Measures to Help Get Small Business Loans Into the Hands of Veterans," November 8, 2013, at <http://www.sba.gov/content/sba-announces-new-measures-help-get-small-business-loans-hands-veterans>.

employee has been called up to active duty in their role as a military reservist or member of the National Guard due to a period of military conflict.⁴⁸

The SBA also assists small businesses, including service-disabled veteran-owned small businesses, in acquiring federal contracts through its management and oversight of the federal government's procurement goals for small businesses.⁴⁹ Under the goaling program, at least 3% of the total value of all small business eligible prime contract awards and subcontract awards are supposed to be awarded to small businesses owned and controlled by service-disabled veteran-owned small businesses.⁵⁰

Programs for Veterans with Service-Connected Disabilities

Additional employment services exist for veterans with service-connected disabilities. The Vocational Rehabilitation and Employment (VR&E) program provides comprehensive services for veterans with a service-connected disability and does not have an analogue among general veterans' program. Other programs for disabled veterans are specialized variations of general programs that were discussed previously.

Vocational Rehabilitation and Employment (VR&E)⁵¹

VR&E provides job training and employment services to veterans who have service-connected disabilities.⁵² To be entitled to VR&E services, a veteran with a service-connected disability must also demonstrate an employment handicap that hinders the veteran's ability to prepare for, obtain, or retain employment consistent with his or her abilities, aptitudes, and interests.

VR&E offers several tracks of services, depending on the veteran's employment objective and needs. Veterans who already have the necessary job skills or seek to return to previous employment can receive short-term services such as resume assistance and job accommodations. Veterans who need job skills are eligible for education and training benefits as well as employment services once they complete training. The VA has reported that long-term services, including education and training, is the most-utilized VR&E track.

In FY2013, VR&E benefits are estimated to be approximately \$921 million. Program administration, including counseling, are estimated to be an additional \$234 million.⁵³

⁴⁸ U.S. Small Business Administration, "Disaster Assistance Program: SOP 50-30-7," May 13, 2011, p. 48, at <http://www.sba.gov/sites/default/files/SOP%2050%2030%207.pdf>; and 13 C.F.R. §123.508. For further information and analysis concerning the SBA's disaster assistance loan program, see CRS Report R41309, *The SBA Disaster Loan Program: Overview and Possible Issues for Congress*, by Bruce R. Lindsay.

⁴⁹ See CRS Report RL33243, *Small Business Administration: A Primer on Programs*, by Robert Jay Dilger and Sean Lowry.

⁵⁰ See P.L. 100-656, the Business Opportunity Development Reform Act of 1988 and P.L. 105-135, the HUBZone Act of 1997—Title VI of the Small Business Reauthorization Act of 1997 (small businesses generally); and P.L. 106-50, the Veterans Entrepreneurship and Small Business Development Act of 1999 (service-disabled veteran owned).

⁵¹ For more information on the VR&E program, see CRS Report RL34627, *Veterans' Benefits: The Vocational Rehabilitation and Employment Program*, by Benjamin Collins.

⁵² VR&E also provides independent living services to veterans who are not able to work. In FY2011, approximately 25% of completed rehabilitations under VR&E were independent living (i.e., not employment-based) rehabilitations.

⁵³ FY2013 estimates are on page 2B-2 and page 3F-2Volume III of the FY2014 VA budget at <http://www.va.gov/> (continued...)

Disabled Veterans Outreach Program (DVOP) Employment Services⁵⁴

DVOP provides formula grants to states to hire staff to provide a range of intensive services to veterans with service-connected disabilities as well as other veterans with multiple barriers to employment.⁵⁵ Services include case management, referral to other service providers (e.g., the VA's VR&E program discussed in the prior subsection), employment counseling, and job search assistance.

DVOP is part of DOL's JVSG program, which also funds the previously discussed LVER program.⁵⁶ In FY2013, JVSG's budget authority was approximately \$161 million. JVSG is funded out of the Employment Security Administration Account in the Unemployment Trust Fund.

Components of General Programs that Target Disabled Veterans

Several of the broader veterans programs described previously in this report, have specialized components for disabled veterans. Additional detail can be found in the sources referenced in each program's primary section of this report.

- *Transition Assistance Program.* TAP and the Transition GPS curriculum provide specialized services for exiting service members with service-connected disabilities.
- *Federal Employment.* As discussed in the section above, veterans with a service-connected disability are eligible for the highest preference in competitively-hired federal positions. Disabled veterans are also eligible for special hiring authorities, including noncompetitive appointments for qualified veterans with a disability rating of 30% or more from the VA.⁵⁷
- *Work Opportunity Tax Credit* (currently expired, see WOTC section for full details). Some WOTCs were available for businesses that hired veterans who were eligible for disability compensation from the VA. The largest available tax credits were for hiring a veteran who was eligible for disability compensation and who was unemployed for at least 6 of the 12 months prior to hire.

Veteran-Targeted Competitive Grant Programs

Additional programs provide competitive grants for entities that provide services to veterans. Since the programs are competitive grants, they may only be available in certain areas, may have limited capacity, or may only serve a targeted veteran population.

(...continued)

budget/docs/summary/Fy2014_Volume_III-Benefits_Burial_Dept_Admin.pdf.

⁵⁴ This section was prepared by David H. Bradley, Specialist in Labor Economics, dbradley@crs.loc.gov, 7-7352.

⁵⁵ DVOP is codified at 38 U.S.C. 4103A.

⁵⁶ JVSG is described in greater detail in the "Local Veterans Employment Representatives (LVER) Employment Services" section of this report. More information on veteran-related initiatives administered the U.S. Department of Labor, including the JVSG program, is available at <http://www.dol.gov/vets/>.

⁵⁷ For more information on the "30% or More Disabled Veterans" hiring authority, see <http://www.opm.gov/staffingportal/vetguide.asp#30%Disabled>.

Homeless Veterans Reintegration Program (HVRP)⁵⁸

HVRP is a competitive grant program administered by DOL. The HVRP program has two goals. The first is to assist veterans in achieving meaningful employment, and the second is to assist in the development of a service delivery system to address the problems facing homeless veterans.

HVRP grantee organizations provide services that include outreach, assistance in drafting a resume and preparing for interviews, job search assistance, subsidized trial employment, job training, and follow-up assistance after placement. Recipients of HVRP grants also provide supportive services not directly related to employment such as transportation, provision of assistance in finding housing, and referral for mental health treatment or substance abuse counseling.

FY2013 appropriations for HVRP were \$36.2 million.

TRIO Veterans Upward Bound (VUB)⁵⁹

The TRIO Veterans Upward Bound (VUB) program provides services to assist veterans in preparing for a program of postsecondary education. VUB projects provide academic instruction, tutoring, assistance in completing secondary school, assistance with college admissions and applications, and assistance applying for financial assistance. It is administered by the Department of Education (ED).

To be eligible for participation, veterans must be in need of academic support to pursue education beyond secondary school successfully. At least two-thirds of program participants must be low-income, potential first-generation college students. The remaining one-third of participants must be either low-income, potential first generation college students, or otherwise be at-risk of academic failure. The program defines a veteran who is at-risk for academic failure as an individual who has been out of high school or dropped out of a program of postsecondary education for five or more years; has scored on standardized tests below the level that demonstrates a likelihood of success in a program of postsecondary education; or meets the definition of an individual with a disability.

In FY2013, ED allocated \$13 million of the \$796 million in TRIO appropriation to VUB projects.⁶⁰

Veterans Workforce Investment Program (VWIP; not funded since FY2012)⁶¹

WIA authorizes grants for programs to meet the needs of “veterans with service-connected disabilities, veterans who have significant barriers to employment, veterans who served on active duty in the Armed Forces during a war or in a campaign or expedition for which a campaign

⁵⁸ For more information on the HVRP, see CRS Report RL34024, *Veterans and Homelessness*, by Libby Perl.

⁵⁹ For more information on TRIO programs, including Upward Bound, see CRS Report R42724, *The TRIO Programs: A Primer*, by Cassandra Dortch.

⁶⁰ U.S. Department of Education, Veterans Upward Bound Program, Funding Status, <http://www2.ed.gov/programs/triovub/funding.html>, as downloaded on January 5, 2014.

⁶¹ VWIP is authorized by Section 168 of WIA. Questions on VWIP should be directed to David H. Bradley, dbradley@crs.loc.gov, 7-7352.

badge has been authorized, and recently separated veterans.” Programs may contain training or other employment services. VWIP is administered by DOL.

VWIP did not receive an appropriation in FY2013 or FY2014, though the program remains authorized.⁶² DOL has stated the intent of reserving FY2014 funds under the Workforce Innovation Fund (another DOL-administered competitive grant program) for grants that target veterans and military families, but, as of this writing, no such grants have been solicited.

Recently Expired Programs

Work Opportunity Tax Credit (WOTC) for Employers⁶³

The WOTC provided a tax credit for employers who hired qualified veterans. In cases where the eligible hire worked at least 400 hours, the credit was equal to 40% of the wages paid to the eligible veteran, up to a certain level.⁶⁴

Authorization for WOTC expired after December 31, 2013. DOL subsequently issued guidance on January 2, 2014, instructing state workforce agencies to continue to accept WOTC applications. The guidance noted that “in the past when the tax credit program’s authority lapsed and Congress subsequently reauthorized the program, certain legislative provisions allowed for retroactive certification of eligibility for the period between the expiration date and the reauthorization date.”⁶⁵

Under the most recent authorization (which expired after December 31, 2013), the criteria and credit amounts for veterans were

- a maximum credit of \$2,400 for hiring a veteran who was receiving Supplemental Nutrition Assistance Program (SNAP; formerly food stamps) benefits for at least three months during the year prior to hire;
- a maximum credit of \$2,400 for hiring a veteran who had been unemployed for a total of at least four weeks but less than six months in the year prior to hire;
- a maximum credit of \$4,800 for hiring a veteran who was eligible for disability compensation from the VA and was within one year of discharge or release from military duty;
- a maximum credit of \$5,600 for hiring a veteran who had been unemployed for a total of at least six months in the year prior to hire; and

⁶² In FY2012, \$14.6 million was appropriated for VWIP grants.

⁶³ For more information on the WOTC, see CRS Report RL30089, *The Work Opportunity Tax Credit (WOTC)*, by Christine Scott. This report also describes nonveteran target populations that are eligible for the WOTC (e.g., at-risk youth or individuals convicted of a felony).

⁶⁴ The size of the WOTC is based on wages paid the employee during the first year of employment. In cases where an eligible hire works between 120 and 400 hours, the tax credit is reduced to 25% of wages paid. If the eligible hire works fewer than 120 hours, the employer is not eligible for the credit.

⁶⁵ See U.S. Department of Labor, Training and Employment Guidance Letter TEGL 8-13, issued January 2, 2014, http://wdr.doleta.gov/directives/attach/TEGL/TEGL_8_13_Acc.pdf.

- a maximum credit of \$9,600 for hiring a veteran who was eligible for disability compensation from the VA and who had been unemployed for a total of six months in the year prior to hire.

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