

Joint Informational Hearing

Assembly Committee on Business and Professions- Chair, Susan A. Bonilla

Assembly Committee on Veteran Affairs - Chair, Jacqui Irwin

Assembly Committee on Labor and Employment- Chair, Roger Hernández

Building Upon Positive Momentum: Continuing Efforts to Expand Employment Opportunities for Veterans

Wednesday, February 10, 2016

9:30-11:30a.m.

State Capitol, Room 4202

Background Paper

INTRODUCTION

For many veterans, the transition from the military to the civilian workforce can be challenging. Employers and veterans¹ are often unsure of how skills utilized in the military can translate into a different work environment, and veterans may be unsure about how to apply for and interview for a job. Further, veterans returning from active duty may be dealing with mental and physical health issues or a disability.

Fortunately, the employment situation for veterans is improving. According to the latest U.S. Bureau of Labor Statistics (BLS) estimates, unemployment rates for veterans across the nation are at an all-time low.² Further, past and present estimates show that California's own veteran unemployment rates have decreased in recent years.³

However, the BLS also estimates that California still has the fifth highest percentage of unemployed veterans.⁴ This is important because California has the highest number of total

¹ In California, a "veteran" is any person who has served full time in the armed forces in time of national emergency or state military emergency or during any expedition of the armed forces and who has been discharged or released under conditions other than dishonorable (Government Code §188540.4). However, most state benefits require an honorable discharge or release from active service under honorable conditions.

² U.S. Bureau of Labor Statistics, "The Employment Situation — December 2015," Economic News Release, January 8, 2016, <http://www.bls.gov/news.release/empsit.t05.htm>.

³ U.S. Bureau of Labor Statistics, "Employment Situation of Veterans — 2013," Economic News Release, (March 20, 2014), http://www.bls.gov/news.release/archives/vet_03202014.htm; and U.S. Bureau of Labor Statistics, "Employment Situation of Veterans — 2014," Economic News Release, (March 18, 2015), http://www.bls.gov/news.release/archives/vet_03182015.htm.

⁴ Ibid. Note: veterans excluded from the labor force calculations include those neither employed nor unemployed, such as retired persons, students, those taking care of children or other family members, and others who are neither working nor seeking work.

veterans and the second highest number of veterans in the workforce, which leaves California with the highest raw number of unemployed workforce veterans—64,000 (7.4 % of the state’s labor force). By way of comparison, the state with the second highest number is Florida with an estimated 40,000 unemployed veterans (5 % of the state’s labor force), while the average number among the fifty states is approximately 11,460 (about 5.3 % of the labor force). While neither the composition of nor the reason for the numbers is clear, what is clear is that many veterans face unique challenges that result from active duty. Therefore, now is the time to build upon the positive momentum and ensure that the safety nets for veteran-specific issues are secure.

This background paper is intended to provide a brief overview of the progress made towards expanding employment opportunities for veterans. Specifically, this paper will explore three avenues that the state can utilize in order to provide opportunities for veterans: (1) state-wide hiring initiatives, (2) opportunities under the Workforce Innovation and Opportunity Act (WIOA), and (3) assistance with professional licensing and educational requirements.

I. VETERANS AND STATE EMPLOYMENT

Improving employment opportunities through a state-wide hiring initiative for veterans can lay the ground work for pathways to opportunities and sets a positive example for private sector employers. California has had a veteran’s preference system in the state hiring process for many years. However, the system has not been analyzed and it is unclear if the system works. In short, we still do not know if the state has effective practices to reach, hire, and retain veterans. In response, the legislature passed AB 1397 (Committee on Veterans Affairs), Chapter 645, Statutes of 2014 to address the analysis gap to inform executive and legislative branch decision makers as to whether we have an effective system in place.

Prior to the enactment of AB 1397, existing law required the California Department of Human Resources (CalHR) to review state examinations, hiring and other employment practices to see if they work. The CalHR is also required to maintain statistics designed to yield the analysis necessary for the evaluation of equal employment opportunity within the state civil service with regard to race, ethnicity, gender, and disability. The CalHR also collects information on veterans that is the same or substantially similar to that which it collects for other protected groups. This data, combined with the additional analysis required by AB 1397, will hopefully inform the state on whether a different system is needed.

For instance, in 2014, veterans were hired at 95.6 % of the level of their presence in the labor force. However, they transferred at 72.0 % of the average rate, they were promoted at 106.1 % of the average rate, and they were demoted at 111.7 % of the average rate.⁵ While the raw numbers may not seem to suggest much, an analysis of the statistics may inform the state if veterans need additional training, resources, or placement tools are needed.

⁵ California Department of Human Resources, “Annual Census of Employees in State Civil Service 2014,” December, 2015.

There are a number of successful hiring initiatives to cite as examples, including at the federal level and in the private sector. For instance, one component of the 2011 federal Joining Forces program was to challenge private sector businesses to hire 100,000 veterans and military spouses.⁶ Private sector businesses met the challenge, and the initiative has likely played a role in the significant decrease in veteran unemployment since.

The Work for Warriors (WFW) program is a state and federally funded “Free Direct Placement Program,” an employment initiative.⁷ The WFW program operates in California and is aimed at reducing the unemployment rate among California Service Members (SMs) in the National Guard and Department of Defense Reserve by placing them into gainful full-time employment. The WFW program is open to all currently serving National Guard and Department of Defense Reserve personnel, post-9/11 veterans, spouses, and Gold Star Families.

According to the WFW program, it was first established in 2012 to reduce the California National Guard unemployment rate by 25% in one year. The initiative was a combined effort from The Adjutant General (TAG) of the California National Guard, Major General David S. Baldwin and the former Speaker of the Assembly, John A. Perez. The WFW program has exceeded the goal and has helped place approximately 4000 service members, veterans and spouses within three years of being established. In addition, the WFW program has over 250 business partners throughout California. For instance, the Bureau of Security and Investigative Services (BSIS) within the Department of Consumer Affairs (DCA) has reported that it has performed outreach with the WFW program.⁸

In addition, many private sector entities have established their own initiatives. One example is the coffee chain Starbucks. Last month, the company testified at a hearing before the U.S. Senate Committee on Veterans about its own program, which is halfway towards meeting its goal of hiring 10,000 veterans.⁹ Another example is the car company, Tesla Motors, Inc., which specifically seeks out the advanced technical, electrical, and mechanical skills veterans have learned in the military.¹⁰ Similar initiatives by the state in Information Technology (IT), communications, or other applicable fields could help establish career pathways while also reducing the number of unemployed veterans.

Census Data on State Hiring. The number of identified veterans in state civil service decreased by 235 during 2014.¹¹ However, the number of new hires provided veteran preference during 2014 increased by 139. Nevertheless, there was an even larger increase in the number of total

⁶ https://www.whitehouse.gov/sites/default/files/docs/jf_employmentfactsheet.april23.pdf.

⁷ <http://www.workforwarriors.org/about.html>.

⁸ Department of Consumer Affairs, “Supplemental Report of the 2014-15 Budget Package Department of Consumer Affairs (Item 1110-001-XXXX).”

⁹ U.S. Congress, Senate, Committee on Veteran Affairs, *Is Transition Assistance on Track?*, 2015, <http://www.veterans.senate.gov/download/starbucks-kress-testimony-121515>.

¹⁰ http://www.mercurynews.com/business/ci_26086136/tesla-motors-mission-hire-american-veterans.

¹¹ California Department of Human Resources, 2015.

hires, so the percentage of new hires that were veterans declined from 4.4% in 2013 to 3.9% in 2014. A legislative change to the veterans' preference system was recently put into effect, but it is too early to tell what its effects may be in the long term. Considering the over-64 age group has a higher proportion of veterans than any other age group in civil service, it appears that more veterans retired from civil service last year than were hired into it. CalHR is keeping veteran representation a priority as it works with stakeholders on Civil Service Improvement initiatives related to hiring.

CalHR also acknowledges that there are areas in which future improvement is needed. For example, CalHR continues work on its Veterans Opportunity in the Workforce and the State (VOWS) data system, which will enable collection and reporting of information on veterans who did not apply for preference upon application to enter state civil service.

II. FEDERAL AND STATE WORKFORCE STRATEGIES FOR VETERANS

In addition to direct initiatives to hire veterans, the state is also making efforts to train, educate, and create opportunities for workers, including veterans. The Workforce Investment Act of 1998 (WIA) establishes the current federally-funded workforce development system. Under WIA, the U.S. Department of Labor (DOL) distributes funds to the states based on formulas that consider unemployment rates and other economic and demographic factors.

The federal Workforce Innovation and Opportunity Act (WIOA), which passed on July 22, 2014, builds upon and supersedes WIA.¹² Highlights of the WIOA reforms include:

- *Strategically aligns investments in workforce development programs* to ensure that services provided are coordinated and complementary to ensure job seekers acquire skills and credentials that meet employers' needs.
- *Promotes accountability and transparency* by ensuring that investments are evidence-based and data-driven, and accountable to participants and tax-payers.
- *Fosters regional collaboration* to promote alignment of programs with regional economic development strategies to meet local needs.
- *Improves quality and accessibility of services* received by job seekers and employers at their local job centers by, among other things, establishing criteria for certification of the centers that ensures continuous improvements.
- *Improves services to employers and promotes work-based training* – matching employers with skilled individuals by promoting the use of industry and sector partnerships.
- *Promotes the use of Registered Apprenticeship programs* which has proven successful at providing workers with career pathways and opportunities to earn while they learn.
- *Streamlines and strengthens the roles of Workforce Development Boards* – both state and local – to ensure programs are coordinated, complementary and consistent across the state.

¹² Public Law 113–128—JULY 22, 2014 128 Stats. 1425.

The WIOA provisions took effect on July 1, 2015, the first full program year after enactment. However, the WIOA state unified and local plans and the WIOA performance accountability provisions do not take effect until July 1, 2016.

The California State Workforce Development Board (WDB) implements WIA and WIOA at the state level. The WDB's goal is to develop a unified, strategic planning process to coordinate various education, training, and employment programs into an integrated workforce development system that supports economic development. The WDB coordinates with WIOA core programs operated by the California Department of Education (CDE), the Employment Development Department (EDD), and the Department of Rehabilitation (DOR), to submit a unified state plan to the DOL and the United States Education Department (ED).

The state plan outlines a comprehensive four-year strategy for the investment of federal workforce training and employment services dollars in a manner that aligns, coordinates, and when appropriate, integrates service delivery for the programs funded under WIOA. A draft of the state plan was released December 2015 and made available for public comment. The state plan will be finalized and submitted to the DOL in March 2016.

According to the draft state plan, between 2017 and 2027, the state will produce one million "middle-skill" industry-valued and recognized postsecondary credentials broadly as sub-baccalaureate credentials with demonstrable labor market value, including industry-recognized certificates, or certifications, or certificates of completion of apprenticeship, or professional licenses, recognized by California or the federal government, as well as industry-valued associate degrees that facilitate movement into either the labor market or longer term educational programs aligned with the state's workforce needs. During this time, the state will also double the number of people enrolled in apprenticeship programs.

Veterans often receive technical training and education, which can become a valued asset due to the demand created by the program. Combined with the alignment between training programs and credentialing, WIA and WIOA have the potential to provide valuable assistance to California's veterans.

State-Level Workforce Development—the Veterans' Program. The Veterans' Program is a grant-funded program within the Employment Development Department's (EDD) Workforce Services Branch.¹³ The EDD is California's designated state workforce agency. The primary objective of EDD's Veterans' Program is to develop and support programs that increase opportunities for veterans, including employment services, job training, vocational education, supportive services, and participation in community college programs. Veterans with disabilities receive the highest priority in all employment services.

¹³ Employment Development Department, "Veteran's Program," January, 2014, http://edd.ca.gov/pdf_pub_ctr/de8714t.pdf.

Specifically, the program provides:

- Dedicated staff. Veterans' Program staff is responsible for providing employment services to veterans and eligible spouses. Eligible veterans are entitled to receive priority services in job referrals and referrals to training as well as other employment-related services.
- Veterans' priority in CalJOBS. Through CalJOBS, veterans can view a wide variety of job listings located throughout California, and if qualified, refer themselves to employers for consideration. The veterans' priority hold process allows veteran job seekers to view or access new and reopened job listings during the first 24 hours of posting.
- Honor a Hero, Hire a Vet Job and Resource Fair (HAH-HAV). The EDD annually conducts several HAH-HAV Job and Resource Fair strategically located throughout California.
- California Association of County Veterans Service Officers (CACVSO). The CACVSO assists veterans and dependents at the county level, to provide information on federal and state veterans' benefits, and to help veterans or their dependents complete application forms for benefits.

III. LICENSING TRENDS AND TRAINING MODELS

In addition to hiring initiatives and workforce development, the state has also taken steps to improve employment opportunities for veterans by reducing unnecessary occupational licensing burdens. There are many costs associated with licensing, including fees, educational costs, and the inability to perform the work requiring a license. While professional licensing has its benefits, and is often necessary to protect consumers, it is important to ensure that the requirements imposed on licensees are truly tied to benefits provided to consumers. Further, because veterans are a unique population, there are additional considerations to take into account.

Mobility. The White House's Council of Economic Advisors (CEA) has recently pointed out that strict licensing creates barriers to mobility for licensed workers, including veterans.¹⁴ Military applicants may be stationed away from the state where they earned their license (Permanent Change of Station (PCS) move). Veterans may also end up moving to a different state when they are discharged. If the state they move to does not accept their license, the military applicants and their families may have to repeat education and training to meet the state-specific requirements.

The impact is even higher on younger workers in highly licensed occupations, who may be just starting out and do not have strong ties to a specific geographical location. According to U.S. Department of Veterans Affairs estimates, California has the second highest number of veterans ages 25-35 (166,506) in the nation.¹⁵

¹⁴ Council of Economic Advisors, "Occupational Licensing: A Framework for Policy Makers," July, 2015, https://www.whitehouse.gov/sites/default/files/docs/licensing_report_final_nonembargo.pdf.

¹⁵ National Center for Veterans Analysis and Statistics "Table 6L: VetPop2014 Living Veterans By State, Age Group, Gender, 2013-2043," The Veteran Population Projection Model 2014, http://www.va.gov/vetdata/docs/Demographics/New_Vetpop_Model/6L_VetPop2014.xlsx.

There is also a significant impact on the spouses of veterans and military applicants. According to the U.S. Department of Defense and the Department of the Treasury, "...about 35[%] of military spouses in the labor force work in professions that require State licenses or certification, and they are ten times more likely to have moved across state lines in the last year than their civilian counterparts."¹⁶ Therefore, it is important to examine whether there are licensing requirements that may be unnecessarily burdening veterans and military families.

Educational Burdens. The issue of repeating unnecessary education and training can be a problem for all licensed professionals. However, the impact can be particularly troublesome for veterans. Many veterans enter the military at an age when their peers are attending college. Therefore, when they exit the military, they are lacking in educational experience compared to their non-veteran counterparts.¹⁷

Further, many veterans utilize funds from the Post-9/11 Veterans Educational Assistance Act of 2008 (Post-9/11 GI Bill). The Post-9/11 GI Bill offers educational benefits for those who served since September 11, 2001. It will pay up to 36 months of tuition up to the cost of the most expensive public school in the state and will also provide for some living expenses and books.

However, veterans must use the benefits within a 36 school-month time frame. For those suffering from Post-Traumatic Stress Disorder (PTSD), Traumatic Brain Injury (TBI) or other mental or physical injuries, the timeframe may be too short to complete school. As a result, veterans may have a tougher time than their civilian counterparts when they are unable to utilize the license, training, or education they already have. According to a 2012 study by the Institute of Justice, California has the seventh highest average number of days of education required for lower and middle-skill occupations (549 days).¹⁸ Hawaii ranks first (724 days) and Pennsylvania ranks last (113 days).

In addition, veterans may not receive the support they need from schools. For-profit schools may specifically target veterans and military members for enrollment.¹⁹ They sometimes offer special incentives for enrolling military members and have also been known to misrepresent potential career opportunities and salary outcomes to students, while encouraging them to take classes that will have little benefit for their future. Therefore, establishing uniform curricula and ensuring a wide-availability in both public and private schools may help.

¹⁶ United States Department of Treasury & U.S. Department of Defense, "Supporting Our Military Families: Best Practices for Streamlining Occupational Licensing Across State Lines," 2012, http://archive.defense.gov/home/pdf/Occupational_Licensing_and_Military_Spouses_Report_vFINAL.PDF.

¹⁷ Assembly Committee on Veterans Affairs, "Policy Background for Committee Members," January, 2015.

¹⁸ Dick Carpenter, Angela C. Erickson, Lisa Knepper, and John K. Ross, "License to Work: A National Study of Burdens from Occupational Licensing," 2012, Institute for Justice, <https://www.ij.org/licensetowork>.

¹⁹ Assembly Committee on Veterans Affairs, 2015.

One way to address the issue would be to provide military applicants a state license educational credit for military training and education. However, sometimes qualifications are specifically described in statute and provide the regulating entity with little to no discretion over what experience or education can be accepted.²⁰ Others are limited by schools and the accrediting agencies, many of the DCA entities “...do not determine the applicability of military experience and training to the profession, rather it is the responsibility of approved schools to grant credit toward the educational requirements of a license.”²¹ In addition, schools may be afraid of risking their accreditation by providing credit that has not been preapproved by an accrediting entity.

As a result, statutory remedies may be necessary. For instance, as a result of the 2015 joint sunset review hearings, SB 466 (Hill), Chapter 489, Statutes of 2015 changed the Board of Registered Nursing’s (BRN) enacting statute to require the BRN to disapprove schools that do not provide credit for military training. However, the BRN is unique in that it is one of three boards under the DCA that does its own school approvals, rather than use an accrediting agency.

Another statutory approach would be to deal with schools or accrediting agencies directly. For example, AB 2462 (Block), Chapter 404, Statutes of 2012 required the Chancellor of the California Community Colleges to determine, by July 1, 2015, the courses for which credit should be awarded for prior military experience. However, implementation is still ongoing.²²

If a model is needed, there are many programs that already translate military experience, such as the American Council on Education (ACE), which is used by the federal Defense Activity for Non-Traditional Education Support (DANTES) program.²³ ACE’s College Credit Recommendation Service (CREDIT) connects workplace learners with colleges and universities by helping adults gain access to academic credit for formal courses and examinations taken outside traditional degree programs, including the military.

Another would be to align the state’s educational requirements for each license with the requirements of other states. Doing so would make education more portable between states and allow for the use of distance education. For instance, the National Council for State Authorization Reciprocity Agreements (NC-SARA) has created a voluntary agreement among its member states and U.S. territories that establishes comparable national standards for interstate offering of postsecondary distance-education courses and programs. Distance learning would allow military applicants and their families who are stationed overseas or who move between states to obtain education online.

²⁰ Department of Consumer Affairs, “Report to the California State Legislature: Acceptance of Military Experience & Education Towards Licensure,” October 1, 2012.

²¹ DCA, 2014.

²² Pamela D. Walker “Survey of Courses Students Are Awarded Credit for Prior Military California Community Colleges Chancellor’s Office”

²³ <http://www.acenet.edu/about-ace/Pages/default.aspx>

Reciprocity and Portability. Many military applicants may already have licenses or training in specific professions. To practice a licensed profession in the military, the individual just needs to be licensed in a state. Therefore, there are ways to offset the costs for those who already have a license. States can avoid duplicating educational and training requirements by providing temporary or provisional licenses, accepting out-of-state licenses (reciprocity), or substituting military training for educational credit.

Early evidence suggests the use of military training for some provisional licenses “...is unlikely to lead to a reduction in the quality of services provided.”²⁴ Further, there are options for harmonizing licensing requirements with other states when possible. This would help make licenses, education, and training more portable between the military and different states (for more information, see the Nurse Licensure Compact (NLC)²⁵ and Interstate Medical Licensure Compact (IMLC)).²⁶

In California, many boards and bureaus under the DCA offer some sort of reciprocity for professionals licensed in other states. However, most still require additional education and examination beyond and all still require additional licensing fees. Specifically, there are 10 boards or bureaus that offer full reciprocity or accept the passage of a national exam without additional education; 13 boards offer some reciprocity for education or licenses; and 12 that offer no reciprocity.

Fee Waivers and Application Priority. Licenses also take time to process, and the applications, background checks, and renewals have associated fees. To assist with the issue, the board and bureaus under the DCA must waive renewal requirements for active duty military personnel and expedited processing for their spouses or domestic partners.²⁷

CONCLUSION

This hearing is intended to examine the state’s progress on assisting veterans through initiatives, workforce development, and licensing issues. It will also examine successful models and question whether they will work for the state.

²⁴ Morris M. Kleiner, “Reforming Occupational Licensing Policies,” 2015, The Hamilton Project. Brookings Institution, http://www.hamiltonproject.org/papers/reforming_occupational_licensing_policies/, 23.

²⁵ <https://www.ncsbn.org/nurse-licensure-compact.htm>

²⁶ <http://www.licenseportability.org/>

²⁷ http://www.dca.ca.gov/about_dca/military.shtml