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**STATEMENT OF
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COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
UNITED STATES HOUSE OF REPRESENTATIVES
MAY 26, 2021**

Chairman Levin, Ranking Member Moore and Members of the Subcommittee:

Thank you for inviting DAV (Disabled American Veterans) to testify at today's oversight hearing of the Subcommittee of Economic Opportunity on "Veteran Employment Amid the COVID-19 Pandemic."

DAV is a congressionally chartered national veterans service organization of more than one million wartime veterans, all of whom were injured or made ill while serving on behalf of this nation. Our mission begins with the principle that this nation's first duty to veterans is the rehabilitation and welfare of its wartime disabled. This principle envisions vocational rehabilitation and/or education to assist disabled veterans to prepare for and obtain gainful employment so that the full array of talents and abilities of disabled veterans are used productively. Today, as our nation begins to cautiously ease restrictions and America is looking to get back to work in our "new normal," our vision must also include those service-disabled veterans who have lost their employment due to the public health crisis, ensuring they can re-establish secure employment and a long-lasting career or occupation.

Challenges Created by COVID-19

When 2019 came to a close, the veteran unemployment rate was the best it had been since the Great Recession, dropping to a low of 2.9%. Compared to the non-veteran unemployment rate of 3.4% during this same period, it was clear that the economic outlook for veterans was the best it had been in over a decade.

However, as COVID-19 took hold in March 2020, all of the previous gains quickly vanished. By April, over one million veterans had filed for unemployment benefits and the unemployment rate soared to 11.7%. In addition, small businesses were being impacted by the economic shutdowns and by September, over 160,000 businesses had been shuttered with over half estimated to never reopen.

As of April 2021, more than a year into the pandemic, the unemployment rate for veterans has dropped to 5.3%, which is still higher than the pre-pandemic rates. However, tracking the numbers for service-disabled veterans is difficult as the monthly

or quarterly unemployment rates are not available for veterans with a service-connected disability, but only through the annual Veteran Supplemental Survey that is conducted in August through the Bureau of Labor Statistics (BLS). However, even in this snapshot of time, some troubling numbers have emerged.

The survey shows the unemployment rate for those who make up the largest era of service-connected disabled veterans—Gulf War II or post-9/11—are drastically overrepresented in the unemployment rolls. For example, in the recently released survey of 2020, it was reported that Gulf War II era service-disabled veterans had an unemployment rate of 8.2%, but among those rated with a 60% or higher Department of Veterans Affairs (VA) disability, the rate was up to 11.8%. These numbers have been shown to be rather consistent throughout the pandemic.

In addition, many veterans who are out of work and looking to find a means of supporting themselves and their families fall into a group that has either lost or used their eligibility for educational and employment programs through the VA. For many, in fact, this is the second economic crisis that they would have weathered and they likely used any available educational or vocational assistance already. For example, a significant number of veterans have either lost their Post-9/11 GI Bill eligibility or have used it, or in the case of service-disabled veterans who are eligible for Veteran Readiness and Employment (VR&E) services, many have used their benefit or have let the 12-year application time period elapse. For these veterans, there are scant other options available.

The plight for many recently unemployed disabled veterans is further compounded by the loss of a “sheltered” work environment. Pre-pandemic, many veterans worked for organizations that had made work accommodations for their disability, and the challenge now, for veterans who lost their job, is finding a new employer during the ongoing pandemic that can make necessary work accommodations for their service-connected disabilities.

What DAV Has Done

DAV knew that an immediate response was required for the service-disabled veterans who found themselves without a means to provide for themselves and their families. On April 9, 2020, less than a month after the shutdowns began, DAV established the COVID-19 Unemployment Relief Fund. The aid program, which ended in April of 2021, provided one-time payments to eligible service-connected ill and injured veterans who have lost employment or income due to COVID-19. The issued grants were meant to help veterans pay bills, obtain food and provide for their families. DAV awarded grants to 8,527 veterans, totaling \$2,131,750 in direct aid.

In addition, DAV understood that helping veterans connect with employers during this time was of utmost importance. In mid-March of 2020, we quickly pivoted our in-person job fairs to a full schedule of virtual events, creating a path forward for job-seeking veterans, service members and spouses to engage directly with numerous local

and national companies. In 2020 specifically, DAV hosted 92 job fairs, with 63 held entirely online—an increase of the 12-15 virtual job fairs that DAV had hosted annually prior to the pandemic. The total attendees for these events in 2020 was 32,438, with 5,290 job offers extended to participants. So far in 2021, DAV has held another 30 job fairs, all of them virtual.

While we as a nation still face challenges brought on by the COVID-19 pandemic, we expect that we will resume our full schedule of in-person job fairs starting in June, complimented by an increased number of virtual job fairs to accommodate a wider range of participants.

DAV Recommendations

At the beginning of the pandemic, Congress reacted swiftly to address issues that student veterans would likely face in the near future. Among the actions taken, DAV was extremely pleased with the creation of the Veteran Rapid Retraining Assistance Program (VRRAP). The benefit, which is open to about 17,000 veterans with no other education or employment entitlement through the VA, would pay for veterans to train in one of over 200 “high-demand” occupations to help get them back in the workforce. However, this program just started accepting applications in May—almost 14 months into the pandemic. Initial reports show that the demand for this program is high, with 3,600 applications being submitted in the first month. We fear that the resources available will quickly be exhausted, and veterans will be made to wait while an expansion of the program is passed into law. We believe a more permanent assistance program is needed as the outlook for economically impacted veterans grows increasingly dire.

In addition, DAV recommends Congress consider two changes to the current VR&E program, as we believe that it has a proven record of bolstering veteran employment during hardship. Also, while other programs would need to be “stood up” before they could provide assistance, the VR&E program is already fully functional and could start helping veterans right away.

The VR&E program, also known as the Chapter 31 program, assists veterans and service members with service-connected disabilities that provide an employment barrier to prepare for, obtain, and maintain suitable employment. Veterans with at least a 20% disability evaluation or a 10% evaluation with a serious employment handicap meet the eligibility criteria. VR&E provides comprehensive services to include vocational assessment, rehabilitation planning, and employment services. For veterans with service-connected disabilities so severe that they cannot immediately consider work, the VR&E program offers services to improve their ability to live as independently as possible within their families and communities.

Currently, a veteran who was discharged after January 1, 2013, no longer has a delimiting date for VR&E eligibility. This change to the delimiting date was passed and

signed into law in January 2021 as part of the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020, Public Law 116-315.

DAV appreciates this first step but believes that it leaves out the vast majority of disabled veterans who need assistance now. In fact, the removal of the 12-year delimiting date for veterans who discharged from military service after 2013 will not begin to help veterans until the year 2025. It also fails to take into consideration whether the veteran's condition has progressively increased in severity to the point of unemployability, nor does it account for whether the veteran developed a more severe condition since their first disability claim, perhaps due to underlying conditions brought about by exposure to burn pits.

Additionally, a veteran who has already utilized VR&E services cannot enroll in the program a second time. This is particularly concerning during times of national economic distress where a large number of previously employed service-disabled veterans now find themselves without work. Troublingly, the percentage of seriously disabled veterans who were unemployed was too high even prior to the pandemic.

As previously noted, the Post-9/11 generation is not seeing the same rebound in unemployment numbers like their older veteran counterparts. This is worrisome as this is the same generation that, due to continuous wars and multiple deployments, have shown considerable rates of service-related disabilities that could hamper their ability to find gainful employment. According to the March 2021 report released by BLS, among Gulf War II era veterans, 40% (1.8 million) reported a service-connected condition and of those, 54% (972,000) reported having a disability rating of over 60%, which is considered seriously disabled. As cited above, the unemployment rate for those with a disability rating of 60% or higher rises to 11.8%.

DAV recommends Congress pass legislation that would do two things: first, permanently eliminate the 12-year delimiting date to apply for VR&E, leaving a veteran's date of entitlement open ended for all veterans; and second, allow veterans who have previously utilized VR&E services and lost their job due to the pandemic enroll for a second time.

We believe that these two recommendations would be responsible and effective ways of helping service-disabled veterans reintegrate into the workforce and find employment with suitable accommodations for their disabilities.

It should also be noted that while we would seek the re-admittance of those who had previously utilized VR&E and lost their employment only during the pandemic, we seek the permanent elimination of the 12-year delimiting date. We believe that the effects of this economic shutdown will be felt far longer than we can foresee and this program should not turn away any veteran in need of help finding employment due to their service-connected disabilities, no matter the time frame.

Finally, DAV asks that Congress look at new ideas or a better framework to elevate the employment and education programs within the VA currently housed under the Office of Transition and Economic Development (OTED). Currently, the OTED programs inside VBA must compete with the compensation, pension and insurance programs, of which compensation is by far the largest program and historically tends to dominate the attention of VBA leadership and personnel. Because of the scale and scope of the claims and appeals processing reforms, VA's economic opportunity programs have too often been challenged to secure funding and resources.

We are appreciative that this Committee and the House of Representatives passed H.R. 2494 last week, which would separate these programs into a new Veterans Economic Opportunity and Transition Administration to elevate veterans' employment and educational needs within the department.

VA should have as much focus on the economic opportunities for veterans as it has for their health care and benefits. When service members leave the military, not all will seek VA health care, disability compensation or apply for benefits available through the National Cemetery Administration. However, as they transition to the next chapter of their lives, the vast majority of new veterans will be looking for gainful employment, educational or entrepreneurial opportunities—especially during times of crisis, like today.

VA should anticipate these needs and have programs that are ready for veterans when the next economic crisis occurs so that they do not have to wait for Congressional action to create or revive programs to help. The average veteran does not have the time to wait when they are struggling to put food on the table and a roof over their head. The VA should have programs in the wings for these events instead of waiting on reactionary legislation.

Mr. Chairman, the nation has a long road ahead before we can correct course in the wake of this economic crisis. Our service-disabled veterans will be significantly affected for a considerable amount of time, making it imperative to provide them assistance as quickly as possible to help them get back on the path to meaningful employment.

This concludes my testimony on behalf of DAV. We look forward to working with this Subcommittee on ways to get America's disabled veterans back to work.