

HB

6

<TARGET><BILL>HB 6</BILL><SUBJECT>HB
6</SUBJECT><COMM>HMLV29</COMM></TARGET>

Close Public Testimony

Open the Bill to Committee Discussion

Assuming you want to move the Bill:

The chair would entertain a motion to move HB 6 from committee.

- version number (as amended?) with individual recommendations and
WITH ATTACHED ZERO FISCAL NOTE

Take At Ease and remind members to sign the committee report

Next Meeting: Our next meeting will be Thursday, March 26 when we'll hear HB 126, Code of Military Justice. It's the Chair's intent to hold HB 126 for another hearing the week after.

It's 1:32 and we are adjourned.

29-LS0042E
Wayne
3/3/15

CS FOR HOUSE BILL NO. 6()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - FIRST SESSION

BY

**Offered:
Referred:**

Sponsor(s): REPRESENTATIVES TUCK, Lynn

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to a voluntary preference for veterans and for spouses and domestic**
2 **partners of veterans by private employers."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 *** Section 1.** AS 18.80.200 is amended by adding a new subsection to read:

5 (c) Nothing in this chapter is intended to prohibit a private employer from
6 granting an employment preference to a veteran, or to a spouse or domestic partner of
7 a veteran, when hiring an employee. In this subsection,

8 (1) "domestic partner" means a person who is cohabiting with another
9 person in a relationship that is like a marriage but that is not a legal marriage;

10 (2) "veteran" means a person who was honorably discharged from
11 service in

12 (A) the armed forces of the United States;

13 (B) a reserve unit of the armed forces of the United States;

14 (C) the Alaska Territorial Guard;

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- (D) the Alaska Army National Guard;
- (E) the Alaska Air National Guard; or
- (F) the Alaska Naval Militia.

* **Sec. 2.** AS 23 is amended by adding a new chapter to read:

Chapter 55. Employment of Veterans.

Sec. 23.55.010. Veteran hiring preference allowed. A private employer may grant an employment preference to a veteran, or to a spouse or domestic partner of a veteran, when hiring an employee. In this section,

(1) "domestic partner" means a person who is cohabiting with another person in a relationship that is like a marriage but that is not a legal marriage;

(2) "veteran" means a person who was honorably discharged from service in

- (A) the armed forces of the United States;
- (B) a reserve unit of the armed forces of the United States;
- (C) the Alaska Territorial Guard;
- (D) the Alaska Army National Guard;
- (E) the Alaska Air National Guard; or
- (F) the Alaska Naval Militia.

CS FOR HOUSE BILL NO. 6()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-NINTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES TUCK, Lynn

*CIVIL RIGHTS
7:11*

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to a voluntary preference for veterans by private employers."**

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5 granting an employment preference to a veteran when hiring an employee. In this
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- 7 (1) the armed forces of the United States;
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- 10 (4) the Alaska Army National Guard;
- 11 (5) the Alaska Air National Guard; or
- 12 (6) the Alaska Naval Militia.

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- (1) the armed forces of the United States;
- (2) a reserve unit of the armed forces of the United States;
- (3) the Alaska Territorial Guard;
- (4) the Alaska Army National Guard;
- (5) the Alaska Air National Guard; or
- (6) the Alaska Naval Militia.

HOUSE BILL NO. 6

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE TUCK

Introduced: 1/9/15

Referred: Prefiled

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to a voluntary preference for veterans and for spouses and domestic**
2 **partners of veterans by private employers."**

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4 *** Section 1.** AS 18.80.200 is amended by adding a new subsection to read:

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9 person in a relationship that is like a marriage but that is not a legal marriage;

10 (2) "veteran" means a person who was honorably discharged from
11 service in the armed forces of the United States or the Alaska Territorial Guard.

12 *** Sec. 2.** AS 23 is amended by adding a new chapter to read:

13 **Chapter 55. Employment of Veterans.**

14 **Sec. 23.55.010. Veteran hiring preference allowed.** A private employer may

1 grant an employment preference to a veteran, or to a spouse or domestic partner of a
2 veteran, when hiring an employee. In this section,

3 (1) "domestic partner" means a person who is cohabiting with another
4 person in a relationship that is like a marriage but that is not a legal marriage;

5 (2) "veteran" means a person who was honorably discharged from
6 service in the armed forces of the United States or the Alaska Territorial Guard.



Representative Chris Tuck

House Minority Leader

Alaska State Legislature

District 23 - Representing Dimond Estates, Foxridge, Taku,
Campbell, Northwood and Windemere

Sponsor Statement

House Bill 6

Employment Preference for Veterans & Spouses

House Bill 6 removes barriers to employment for veterans and their spouses. According to a 2012 survey of veterans from all eras, 64% of respondents said they had a difficult transition from military service to civilian life, attributed largely to employment challenges.

As of June 2014, nearly 600,000 veterans were unemployed. The jobless rate for post-9/11 veterans was 6.4%, with young male veterans experiencing a jobless rate of more than 12%. During 2013, Alaska saw over 2,000 military personnel separate from service and return home and the Department of Defense has stated they expect this number to rise in coming years.

Many states are making great strides to improve veteran employment by removing professional licensing barriers and crediting military education and experience. However, employment ultimately depends on employers providing workforce opportunities.

Although forty states and the District of Columbia award preference to veterans who are being considered for hire to a public position, private employers are prohibited from establishing comparable business hiring policies.

House Bill 6 would allow an optional veteran hiring preference for private employers by taking advantage of an option available under the Civil Rights Act of 1964. To date, twelve states have adopted similar legislation and is supported by the United States Department of Defense.

It's time Alaska takes action by joining these other states in passing House Bill 6 to help our veterans and our small businesses.

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Rep.Chris.Tuck@akleg.gov

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LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

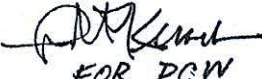
State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

February 10, 2015

SUBJECT: Sectional summary for HB 6 (W.O No. 29-LS0042\H)

TO: Representative Chris Tuck
Attn: Kendra Kloster

FROM: Daniel C. Wayne 
Legislative Counsel FOR DCW

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Clarifies that nothing in AS 18.80, a chapter protecting persons from various types of unlawful discrimination, is intended to prohibit a private employer from granting an employment preference to a veteran or the spouse or domestic partner of a veteran. Defines "domestic partner" and "veteran" for purposes of AS 18.80.

Sec. 2. Establishes that employers may grant an employment preference to a veteran or the spouse or domestic partner of a veteran. Defines "domestic partner" and "veteran" for purposes of the section.

DCW:dla
15-061.dla

Fiscal Note

State of Alaska
2015 Legislative Session

Bill Version: HB 6
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB006-DOLWD-CO-03-13-15
Title: EMPLOYMENT PREFERENCE FOR VETS &
SPOUSES
Sponsor: TUCK
Requester: House Military & Veterans' Affairs

Department: Department of Labor and Workforce Development
Appropriation: Commissioner and Administrative Services
Allocation: Commissioner's Office
OMB Component Number: 340

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2016	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2016 Request	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
OPERATING EXPENDITURES	FY 2016	FY 2016					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

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Estimated SUPPLEMENTAL (FY2015) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2016) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? **No**
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Not applicable, initial version.

Prepared By: <u>Anna Latham, Special Assistant to the Commissioner I</u>	Phone: <u>(907)465-4531</u>
Division: <u>Commissioner's Office</u>	Date: <u>03/13/2015 01:04 PM</u>
Approved By: <u>Heidi Drygas, Commissioner</u>	Date: <u>03/13/15</u>
Agency: <u>Department of Labor and Workforce Development</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2015 LEGISLATIVE SESSION

BILL NO. HB 6

Analysis

This bill adds definitions for "domestic partner" and "veteran" in Alaska Statutes 18 and 23. This bill allows private employers to grant an employment preference to a veteran, or to a spouse or domestic partner of a veteran, when hiring an employee.

There is no fiscal impact to the Department of Labor and Workforce Development anticipated as a result of this legislation.

Fiscal Note

State of Alaska
2015 Legislative Session

Bill Version: HB 6
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB006-OOG-HRC-3-13-2015
Title: EMPLOYMENT PREFERENCE FOR VETS &
SPOUSES
Sponsor: TUCK
Requester: House State Affairs

Department: Office of the Governor
Appropriation: Commissions/Special Offices
Allocation: Human Rights Commission
OMB Component Number: 1

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2016 Appropriation Requested	Included in Governor's FY2016 Request	Out-Year Cost Estimates					
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues

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Estimated SUPPLEMENTAL (FY2015) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2016) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency?
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Initial version

Prepared By:	Guy Bell, Director	Phone:	(907)465-3876
Division:	Administrative Services	Date:	03/13/2015 04:00 PM
Approved By:	Paula M. Haley, Executive Director	Date:	03/13/15
Agency:	Alaska Human Rights Commission		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2015 LEGISLATIVE SESSION

BILL NO. HB 6

Analysis

This bill will allow a private employer to grant an employment preference to a veteran, or to a spouse or domestic partner of a veteran, when hiring an employee.

The Commission does not anticipate any fiscal impact if this bill were to become law.



READINESS AND FORCE
MANAGEMENT

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

22 January 2015

The Honorable Chris Tuck
House Minority Leader
State Capitol, Room 404
Juneau, AK 99801

Dear Representative Tuck,

On behalf of the Deputy Assistant Secretary of Defense, Military Community and Family Policy, I want to thank you for your support of Service members in private sector hiring, as evidenced by your sponsorship of House Bill 6 (HB6) in the 2015 Alaska legislative session. This new and significant 2015 Department of Defense priority simply allows employers to utilize a veterans hiring preference, without fear of unanticipated discrimination allegations or related legal issues, and imposes no requirement upon private sector employers.

This effort will greatly aid private sector employers hire Service members who move back to Alaska upon completing their military service obligation. It will legally allow them to give hiring preferences to those new veterans and greatly assist the veteran's transition to civilian life. Because state and local governments already offer this hiring preference, the change would also allow some measure of equity between the private and public sector when competing for veteran talent. If the policy change, as represented in HB6 is successful, Alaska will join 12 other states already providing this help to transitioning veterans.

Last year, according to the Defense Manpower Data Center data, over 2,000 military personnel separated and returned to Alaska and we know that number is likely to rise in the coming year given the continued force shaping efforts. Nationally, as of June 2014, 573,000 veterans were unemployed. The jobless rate for post 9/11 veterans was 6.4%, with young male veterans aged 18-24 enduring an unemployment rate of 12.4%; these percentages exceed civilian counterpart rates. If enacted, this measure certainly has the potential to have a significant positive impact.

We greatly appreciate that the Alaska legislature has been a champion in addressing our key military family quality of life issues for the past eight years. We intend to provide as much information and support as possible as your policy recommendation (currently contained in HB6) moves forward in upcoming hearings before the House Military & Veterans Affairs and Labor & Commerce Committees and on the House Floor.

As always, Mark San Souci, our Northwest Regional Liaison, stands ready to support where he can. If you have questions or need assistance, please do not hesitate to contact me at 571.372.5321 or Mark at 571.309.4622, mark.b.sansouci.civ@mail.mil.

Sincerely,

Thomas L. Langdon, Ed.D.
Director, State Liaison & Educational Opportunity
(Military Community and Family Policy)



Representative Chris Tuck

House Minority Leader

Alaska State Legislature

District 23 - Representing Dimond Estates, Foxridge, Taku,
Campbell, Northwood and Windemere

Veteran Hiring Protection Facts

Provided by Department of Defense

- Ten percent of veterans who served in Iraq and Afghanistan were unemployed in October 2013.
- Forty States, the District of Columbia, Guam and Puerto Rico already award preference to veterans in initial hiring for public positions.
- While Title VII of the Civil Rights Act of 1964 prohibits veteran's preference in employment as unlawfully discriminatory, Section 11 of the act allows special rights of preferences to be granted to veterans as long as they are authorized under Federal, state or local law.
- Washington State was the first to pass legislation on a permissive veterans' preference law HB 1432 in 2011.
- To date, 12 states-Arkansas (Ark. Code Ann. § 11-15-103), Florida (HB 7015 2014: F.S. 295.188), Idaho (SB 1316), Iowa (SB 303), Maine (LD 1832/Chap. 576), Massachusetts (MA SB 1878), Minnesota, North Dakota (ND ST 37-19.1-05), Oregon (HB 4023), South Carolina, (HB 4922), Virginia (SB 516) and Washington-allow private employers to voluntarily give preference to veterans when making hiring decisions.
- The federal Government has been incorporating veterans' hiring preferences since the establishment of the Veterans' Preference Act of 1944, which is now codified in Title 5 USC.
- In 2011, President Obama challenged the private sector to hire or train 100,000 unemployed veterans and their spouses by the end of 2013.
- In April 2014, the administration reported over 290,000 veterans and military spouses have been trained or hired.
- As part of the initiative Joining Forces, new commitments were announced for private companies to hire a combined 435,000 veterans over the next five years.

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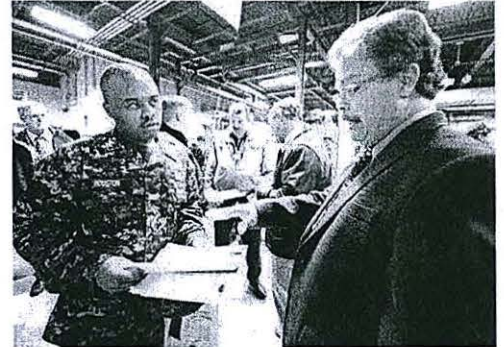
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PROTECTION FOR PRIVATE SECTOR VETERANS' HIRING POLICIES

Private sector employers attempting to establish preferred veteran hiring practices may be risking claims of discrimination.

KEY MESSAGE: Many companies would like to hire veterans because of their unique skill sets, proven work ethic, and reliability, but are hesitant to do so out of fear of being sued under Title VII of the Civil Rights Act of 1964. However, Title VII, Section 11 of the Civil Rights Act contains a carve-out that exempts veterans' preference processes that are authorized by state statute.



DISCUSSION POINTS:

- States are making great strides to improve veteran employability by removing professional licensing barriers and crediting military education and experience. However, employment ultimately depends on employers providing workforce opportunities.
- Forty States and the District of Columbia award preference to veterans who are being considered for hire to a *public* position.
 - Unlike government employers, who have been incorporating veterans' hiring preferences since 1944, *private* employers are prohibited from establishing comparable business hiring policies.
 - Because veterans are overwhelmingly male, the United States Equal Employment Opportunity Commission (EEOC) interpreted many veterans' preference processes to have a disparate impact on women.
- Statutes that allow private sector veteran preference policies (that are parallel to those used by state and local governments) allow employers to equitably compete for veteran talent.
- Through statute, states can establish policy that enables employers to provide targeted improvements in veteran workforce opportunities:
 - The statute can authorize, without mandating, a private sector employer to establish a veterans' preference process for honorably discharged veterans;
 - The veterans' preference processes authorized in state statute are not subject to EEOC challenge under the Title VII exception¹:
 - "Nothing contained in this subchapter shall be construed to repeal or modify any Federal, State, territorial, or local law creating special rights or preference for veterans."²
 - The language requires that an employer applies the preference policy uniformly to employment decisions regarding hiring and promotion.

As of June 2014, 573 thousand Veterans were unemployed and the jobless rate for post-9/11 veterans was 6.4 %, with young male Veterans (ages 18 to 24) experiencing an unemployment rate of 12.4%.¹

¹ U.S. Equal Employment Opportunity Commission, *Policy Guidance on Veterans' Preference Under Title VII*, Notice N-915.06.

² 42 U.S.C. § 2000e-11 (1982).



HIRING PROTECTION BESTS PRACTICES

SUBJECT: Private sector employers attempting to establish preferred veteran hiring practices may be risking claims of discrimination. States can protect these employers by enacting language that offers the option to incorporate a veterans' hiring preference policy.

PRINCIPLES:

- The statute can authorize, without mandating, a private sector employer to establish a veterans' preference process for honorably discharged veterans;
- The veterans' preference processes authorized in state statute are not subject to EEOC challenge under the Title VII exception¹:
 - "Nothing contained in this subchapter shall be construed to repeal or modify any Federal, State, territorial, or local law creating special rights or preference for veterans."²
 - The language requires that an employer applies the preference policy uniformly to employment decisions regarding hiring and promotion.

BEST PRACTICE EXAMPLE:

- Section from FL HB 7015 2014³:

"F.S. 295.188 Preference in hiring veterans for private employers.-

(1) The Legislature intends to establish a permissive preference in private employment for certain veterans.

(2) A private employer may adopt an employment policy that gives preference in hiring to an honorably discharged veteran, as defined in s. 1.01(14); the spouse of a veteran with a service-connected disability, as described in s. 295.07(1)(b); the unremarried widow or widower of a veteran who died of a service-connected disability, as described in s. 295.07(1)(d); or the unremarried widow or widower of a member of the United States Armed Forces who died in the line of duty under combat-related conditions. Such policy shall be applied uniformly to employment decisions regarding hiring and promotion.

(3) These preferences are not considered violations of any state or local equal employment opportunity law."

DISCUSSION:

- The language in the third paragraph emphasizes protecting the employer's right to hire, rather than mandating the employer must hire a veteran.
- Although a private sector employer may currently establish a voluntary veterans' preference process, many are hesitant to do so out of fear of being sued under Title VII of the Civil Rights Act.
 - Because veterans are overwhelmingly male, the EEOC has interpreted many veterans' preference processes to have a disparate impact on women. For example, Florida has

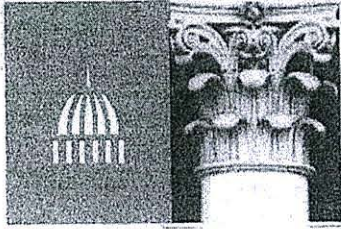
¹ U.S. Equal Employment Opportunity Commission, *Policy Guidance on Veterans' Preference Under Title VII*, Notice N-915.06.

² 42 U.S.C. § 2000e-11 (1982).

³ Online Sunshine, Florida Legislature, 2014 Florida Statutes Title XX, CH 295, www.leg.state.fl.us/Statutes/

roughly 1.5M veterans. Of the total number, roughly 1,354,000 are men and roughly 166,000 are women.

- Section 11 of Title VII of the Civil Rights Act contains an exemption for veterans' preference processes that are authorized by state statute. To date, 12 states-Arkansas (Ark. Code Ann. § 11-15-103), Florida (HB 7015 2014: F.S. 295.188), Idaho (SB 1316), Iowa (SB 303), Maine (LD 1832/Chap. 576), Massachusetts (MA SB 1878), Minnesota, North Dakota (ND ST 37-19.1-05), Oregon (HB 4023), South Carolina, (HB 4922), Virginia (SB 516) and Washington (WA HB1432)-allow private employers to voluntarily give preference to veterans when making hiring decisions.
- Research by the Florida Department of Veterans Affairs suggests that when states authorize private employers to avail themselves of the Section 11 exemption, the disparate impact cause of action is taken off the table. However, the private employer's veterans' preference policy must be neutral in its application, and not a pretext for discrimination.
- While Florida has been mentioned above, the legislation enacted by the other states listed above cover the same protections with respect to hiring veterans. Additionally, Florida, Minnesota, North Dakota, and Washington are among the growing number of states that are including surviving spouses in their protection policies.



National Conference of State Legislatures

LEGISBRIEF

BRIEFING PAPERS ON THE IMPORTANT ISSUES OF THE DAY

DECEMBER 2013

VOL. 21, No. 46

Giving Veterans Hiring Preference

By Jennifer Schultz

Veterans offer a unique set of skills, experiences and leadership abilities developed and honed during their years of military service, yet unemployment rates for veterans remain high. The jobless rate for veterans of Iraq and Afghanistan increased to 10 percent in October 2013, significantly higher than the national average of 7.3 percent. Today, more than 750,000 veterans are looking for work.

The road to employment can be difficult for veterans returning to civilian life due to difficulties with identifying transferable skills, self-marketing and cultural barriers, among others. According to a 2012 survey of veterans from all eras, 64 percent of respondents said they had a difficult transition from military service to civilian life, attributed largely to employment challenges.

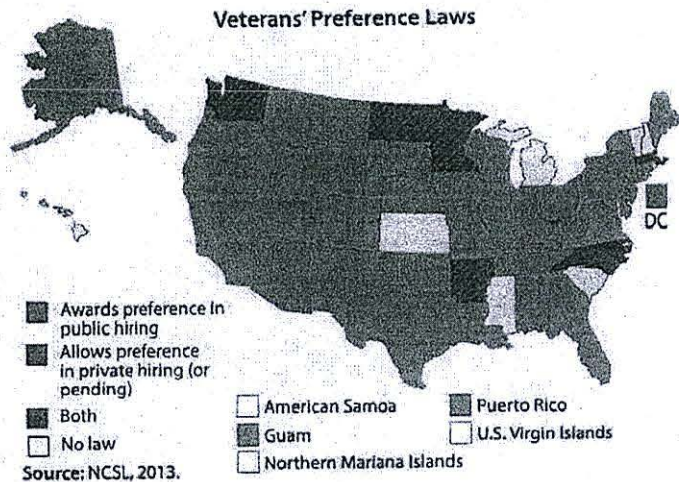
The military discharges approximately 160,000 active duty service members and approximately 110,000 Reserve and National Guard service members each year, according to U.S. Department of Labor estimates. With more and more veterans returning home, state legislatures are more focused than ever on easing these veterans' transition to civilian jobs in both the public and private sectors. One policy many states have embraced provides a uniform method by which special consideration is given to qualified veterans seeking employment. Veterans' preference laws recognize the sacrifices and experiences of those serving in the Armed Forces by helping position them more competitively in the hiring process.

State Action

Forty states, the District of Columbia, Guam and Puerto Rico award preference to veterans in initial hiring for public positions, usually by adding points to examination scores that determine the relative ranking of candidates. At least 21 states and Puerto Rico extend those preferences to internal actions such as promotions, transfers and retentions. Disabled veterans and prisoners of war are awarded preference points in 36 states, the District of Columbia and Guam. Members of the National Guard are awarded preference in 12 states.

Did You Know?

- Ten percent of veterans who served in Iraq and Afghanistan were unemployed in October 2013.
- One of the greatest challenges veterans face in finding employment is explaining how their military skills translate to the civilian workforce.
- Forty states, the District of Columbia, Guam and Puerto Rico award preference to veterans in public employment, while four states allow private employers to voluntarily give preference to veterans.



National Conference
of State Legislatures

Executive Director
William T. Pound

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While eligibility requirements vary by state, most award preference to honorably discharged veterans of the U.S. Armed Forces who served on active duty. Sixteen states and the District of Columbia require veterans claiming preference to have served for a specified period of time, and 17 states and Guam require state residency. In 25 states and the District of Columbia, the spouse or surviving spouse of an eligible veteran may be entitled to preference points. Laws in 21 states are enforced with civil penalties or extend a right of appeal to veterans who believe preference was wrongfully withheld.

While the majority of states grant some form of employment preference to veterans in the public sector, private employers have been hesitant to favor veterans due to long-standing federal laws that prohibit discrimination in hiring. Title VII of the Civil Rights Act of 1964 prohibits veterans' preference in employment as unlawfully discriminatory due to the potential disparate impact on women. However, Section 11 of the act allows special rights or preferences to be granted to veterans as long as they are authorized under federal, state or local law. To date, four states—Arkansas, Minnesota, North Dakota and Washington—allow private employers to voluntarily give preference to veterans when making hiring decisions. Legislation is currently pending in Massachusetts and North Carolina.

Washington was the first state to pass a permissive veterans' preference law in 2011. HB 1432 allows private, nonpublic employers to award a voluntary preference to veterans, surviving spouses and spouses of disabled veterans. Laws in Minnesota and North Dakota contain similar language. Arkansas' legislation requires participating employers to apply a preference policy uniformly when hiring, promoting or retaining veterans, surviving spouses and spouses of disabled veterans. The law also requires the state to maintain a registry of employers that adopt a veterans' preference policy, which advocates say will give veterans a valuable tool to identify prospective employers.

At least 12 states and the District of Columbia provide tax credits to encourage private employers to hire veterans. Employers typically may claim the tax credit for the first and second taxable year in which they employ one or more qualified veterans. Credits range from \$1,000 to \$5,000 for each veteran hired. In 2013, 58 bills were introduced on this topic in 20 states, though only Mississippi enacted legislation this year.

Federal Action

The federal government has given veterans some degree of preference in employment since the end of the Civil War. The policy in its present form stems from the Veterans' Preference Act of 1944, which is now codified in Title 5 of the United States Code. Under the law, veterans who are disabled or who served on active duty in the Armed Forces during specified periods or in military campaigns are entitled to preference over non-veterans both in hiring and retention. Preference points (either five or 10) are added to passing grades earned in entrance examinations.

In 2011, President Obama challenged the private sector to hire or train 100,000 unemployed veterans and their spouses by the end of 2013. In April of this year, the administration announced that businesses had already hired or trained 290,000 veterans and military spouses. The first lady, as part of her initiative *Joining Forces*, announced new commitments from private companies to hire a combined 435,000 veterans over the next five years.

NCSL Contact and Resources

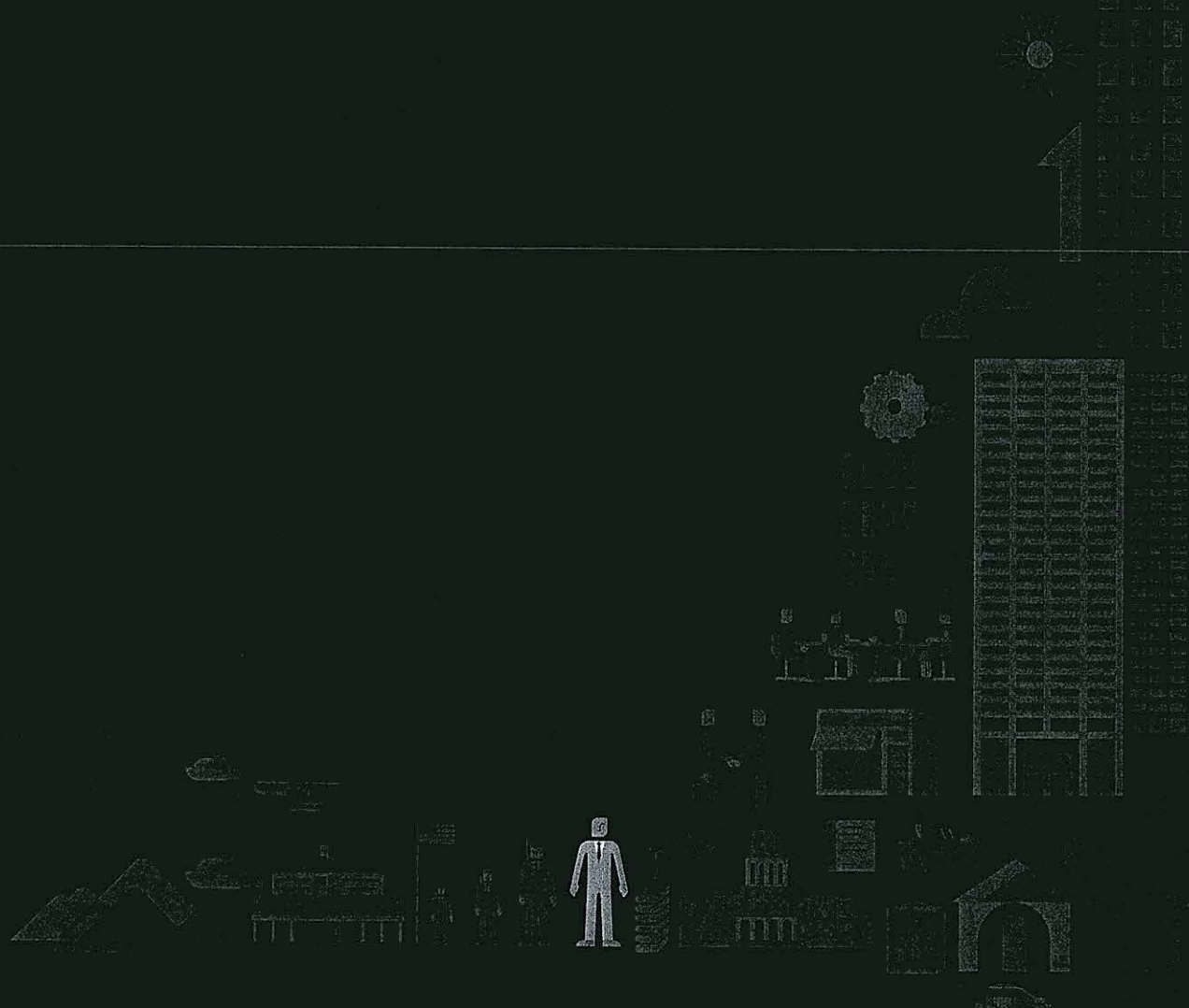
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NCSL Military and Veterans' Affairs webpage

NCSL Military and Veterans' Affairs Legislation Database

VETERANS' EMPLOYMENT CHALLENGES

Perceptions and experiences of transitioning from military to civilian life



Foreword

With tens of thousands of Iraq and Afghanistan veterans returning from service and looking to start new careers in a challenging economic environment, the nation is focused more than ever on helping veterans transition into civilian careers.

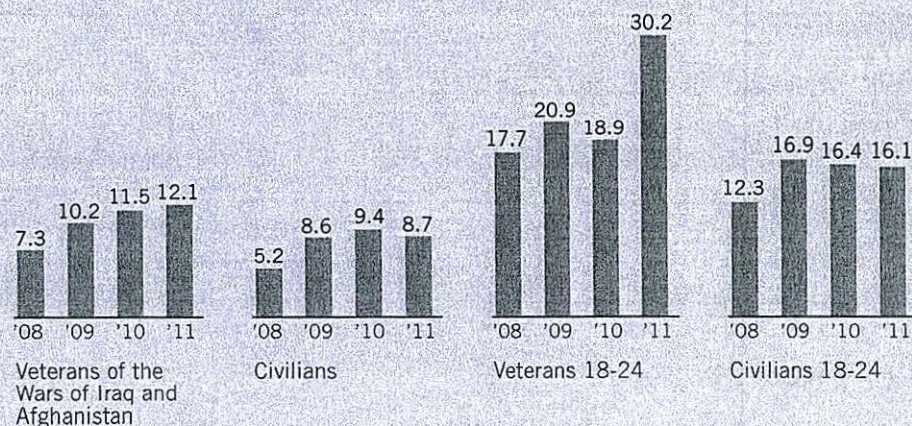
Veterans offer a unique set of skills, experiences and leadership abilities developed and honed during their years in the military and in the crucible of combat, yet unemployment rates highlight the difficulties returning veterans are facing in their search for new careers.

Working with the Iraq and Afghanistan Veterans of America organization, Prudential conducted this survey to better understand veterans' experiences and perceptions around finding civilian careers. While veterans of all age groups were included in the sample, the large majority, and the focus of this research, are post-9/11 or Gulf War-era II veterans.

By shining a light on veterans' transition experience, this research serves as a source of actionable information for the range of programs—military, nonprofit and private sector—that support the goal of putting veterans on the path to employment, and ensuring that as a nation we continue to benefit from all that service members have to offer in their new careers.

Unemployment Rate *Total annual average percentage*

Source: Bureau of Labor Statistics



For more detail on the methodology and respondent profile, please see page 10.

Summary

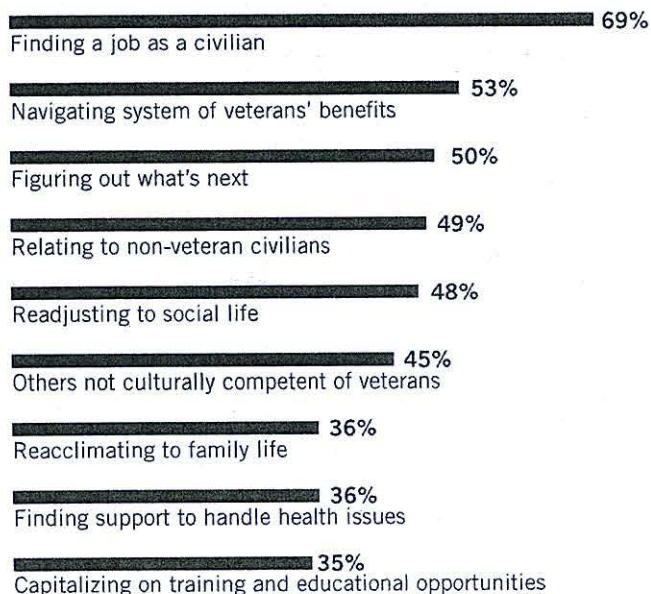
- 1. Two-thirds of veterans experienced a difficult transition from military to civilian life.**
Close to half did not feel ready to transition. Difficulties are largely attributed to unemployment and health challenges, but also to the need for time to “figure out what’s next” or decompress after their service.
- 2. Veterans name “finding a job” as the greatest challenge in transitioning, with transferring military skills to a civilian environment a major hurdle.**
Aside from the difficulties of the current job market, one of the greatest challenges veterans report in finding a job is explaining how their military skills translate to the civilian workforce. Nearly all believe they have the skills needed to land their ideal job, but the majority express concerns about how to translate their skills to a business environment.
- 3. Most feel their military service is respected by employers, but three in five veterans express concerns about cultural barriers.**
Half are specifically concerned about employers not understanding military culture. Employed veterans are more likely to feel valued, while unemployed veterans are more likely to believe their experience is not respected nor understood by employers.
- 4. Two-thirds say they are facing a health challenge as a result of their military service.**
Veterans who report a physical or mental health challenge have had more difficult transitions, show the highest need for support, and report greater employment concerns.
- 5. Not all veterans received support or training for transitioning to the civilian workforce.**
Two-thirds said they received transition support. The primary source was the Transition Assistance Program, which less than half found effective.
- 6. About one in five veterans surveyed are unemployed and currently seeking employment.**
Most job seekers say they are prepared to search for a job, but nearly just as many say they need more help with multiple job search skills. Veterans report that they need the most help with networking.
- 7. Job seekers report using multiple resources for trying to find employment, but show great interest in additional tools.**
Interest is high in new transition programs or services customized for veterans, which close to three-quarters view as being important to their success.
- 8. There are high expectations for employer-provided support programs for veterans.**
Veterans are looking to employers to not only nurture their career, but also support their transition to civilian life and accommodate any health challenges they might be facing.

Challenges Faced in Transition to Civilian Life

The majority of veterans describe their transition to civilian life as difficult, and name “finding a job” the greatest challenge

- Overall, 64% of respondents said they had a difficult transition from military service to civilian life. Difficulty is largely attributed to employment challenges. In fact, 86% of unemployed veterans said their experience was difficult, versus 53% of employed veterans.
- More than two-thirds of veterans consider “finding a job” as the greatest challenge in transitioning to civilian life (69%). Not surprisingly, most unemployed veterans report this as their greatest challenge (89%).
- The next greatest challenge for veterans is navigating the benefit and support system for veterans (53%), followed closely by the basic transitional steps of “figuring out what’s next” (50%) and readjusting to their social lives outside of the military (48%).
- Reservists and National Guardsmen, who are more accustomed to going on and off duty, rate their challenges similar to veterans not affiliated with the Reserve Component.

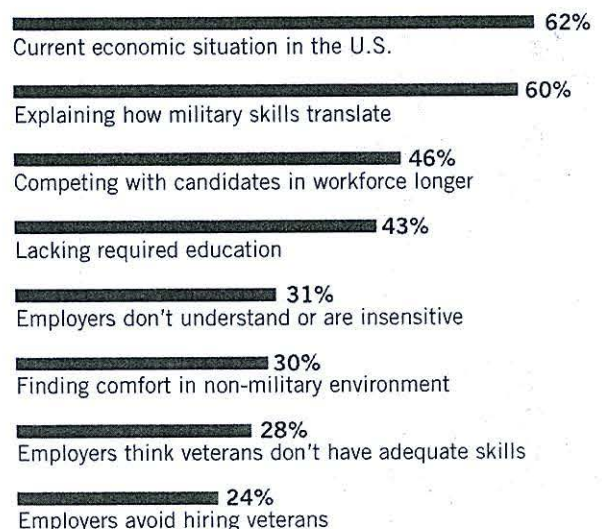
Greatest challenges in **TRANSITIONING** to civilian life



Translating military skills to civilian work is viewed as a roadblock to finding a job

- When asked about their greatest challenge in finding a job, veterans point to “the current economic situation in the U.S.” as the number one obstacle—recognizing that this macroeconomic issue magnifies the unique challenges that they are already facing.
- The next biggest challenge veterans name is explaining how their military experience translates to skills of interest to a civilian employer (60%). This is a consistent theme throughout the study in terms of being a barrier to employment.
- Veterans also see practical hurdles, such as “competing with candidates who have been in the workforce longer than me” (46%) and a lack of education (43%).
- Close to one in four believe that employers simply avoid hiring veterans (24%)—primarily due to concerns about multiple deployments or military training and time commitments of the Reserve Component, and fears of dealing with veterans’ disabilities or “too much baggage.”
- Virtually all veterans cite at least one challenge in seeking employment (98%), and two-thirds name three or more challenges (68%).

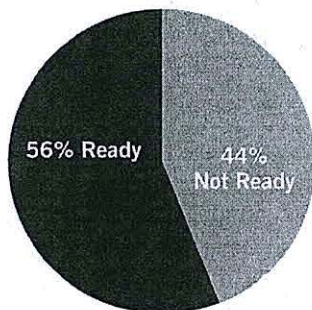
Greatest challenges in **FINDING** a job



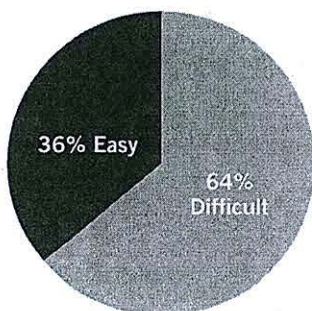
Close to half of veterans did not feel ready to transition from military service

- About half of veterans said they felt ready to transition to civilian life (56%), leaving close to half who were not (44%).
- Readiness to transition increases with education, but not necessarily by age. More significant is the presence of a health challenge. Veterans facing physical or mental health issues are twice as likely as healthy veterans to say they were “not ready” to transition (53% vs. 28%, respectively).
- Veterans deployed six or more times were somewhat less ready than their peers who had fewer deployments (52% vs. 43%). Role in service also has some impact—with the least ready from combat arms, protective services, and transportation, and the most ready from electronics, engineering, and administrative backgrounds.
- Veterans who stated they were “not ready” to transition generally reported higher transition concerns, were less prepared to search for a job, and were less likely to be employed.

Veterans who felt ready to transition to the civilian workforce



Ease of transition to civilian life

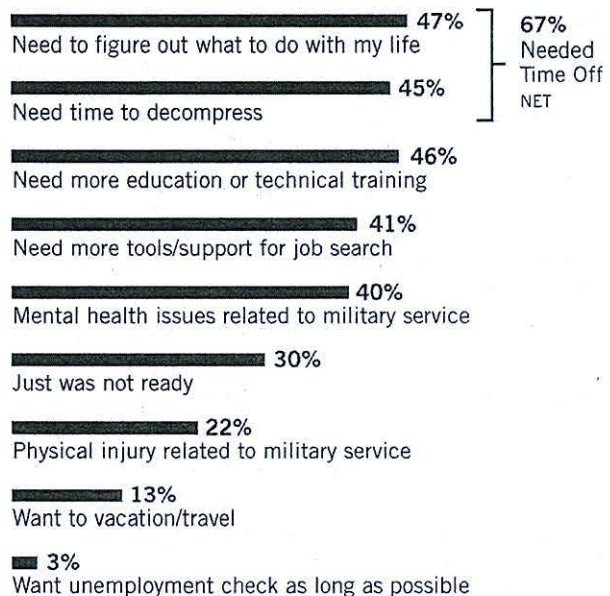


Those not ready to transition want and need time to decompress

- Among veterans who did not feel ready to transition, two-thirds indicated that they needed time to figure out what’s next or simply time to decompress.
- Close to half said they need more education, with younger veterans showing more of a need.
- Close to half also point to physical (22%) and/or mental (40%) health challenges as the reason for why they did not feel ready.
- Among those who did feel ready, 48% of respondents stated that family played a leading role in supporting their transition. Work experience prior to active duty was also considered helpful in their transition (39%), and is remarkably higher among veterans who served in the Reserve Component (50%).

Why veterans don't feel ready for transition

Among veterans “not ready” to transition.

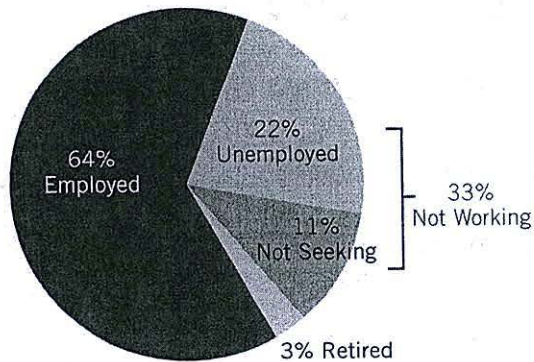


Perceived and Experienced Barriers to Employment

One in five veterans are unemployed

- Among the veterans surveyed, 64% are currently employed and 3% are retired. Meanwhile, 33% reported that they are not working, which includes a segment of veterans who are not seeking employment (11%), and those who are unemployed and seeking employment (22%).
- Employment varies by segment, with one of the most pronounced differences being by education—76% with an advanced degree are employed, versus 50% with a high school degree.
- Among those not seeking employment, 70% said they are students, 39% are disabled or focusing on rehabilitation, and 20% are frustrated or discouraged by the economy.
- Active-duty service members who expect to separate from the military within the year give similar reasons for not seeking employment, but the most popular reason was that they plan to wait until they are officially separated.

Veterans' self-reported employment status



Education is a priority for many

- 44% of veterans reported that they are either a full-time (30%) or part-time (14%) student. Among these students, two-thirds say they are using the Post-9/11 GI Bill.
- The student population rises among the unemployed (53%) and not seeking (70%) segments, both of which were more likely to name "lacking education" as a barrier to employment.
- Veterans have high educational aspirations; among those who only have a high school degree, three-quarters hope to achieve a college degree or more (74%).

Health challenges are pervasive and often lead to a more difficult transition

- In total, 65% of respondents reported that they are experiencing some kind of physical or mental health challenge as a result of their military service:

Physically disabled (33%)
 Recovering from injury (19%)
 Post-traumatic stress disorder (33%)
 Other psychological stress (31%)

- Data show that veterans with a health challenge have had more difficulty in transitioning to civilian life, including employment challenges:

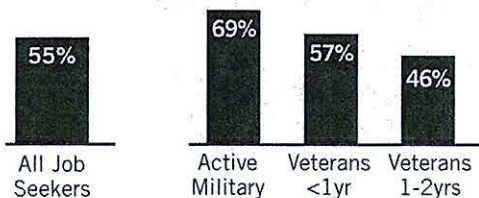
Impact of health challenges

Veterans with...	Health Challenge	NO Health Challenge
Difficult transition	72%	48%
"Not ready" to transition	53%	28%
Unemployed	23%	18%
Household income <\$50K	53%	40%

Most believe they have the skills to land a job, but expectations and readiness to search vary

- Nine in 10 job seekers believe they “definitely” (55%) or “somewhat” (35%) have the skills needed to land their ideal job. Veterans point to skills learned in the military that can be transferred to a civilian job—such as problem solving, leadership, ethics, and time management. Although less frequently, they also cite specific skills, such as information technology, health care, mechanical, and aviation.
- Nearly all job seekers feel prepared to search for a job (91%), with half “very prepared” (49%). Expectations and preparedness increase somewhat with age but more so with education.
- Active-duty service members are more confident than veterans in their skills and potential.

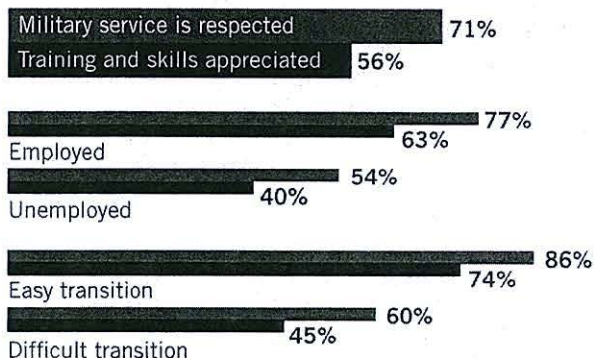
Job seekers who “definitely” believe they have the skills needed to land their ideal job



Perceptions of respect and appreciation waver by experience

- The majority feel their military service is respected by employers (71%), but fewer believe their skills and training are appreciated by employers (56%). Negative experiences drive lower perceptions on both counts.
- Active-duty service members are more likely to feel their service is respected and appreciated by employers.

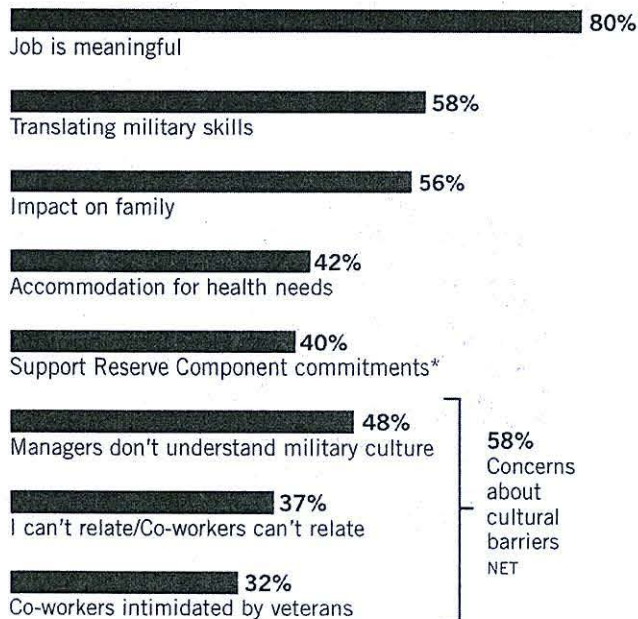
Perceived respect and appreciation of employers



Veterans express unique concerns about finding employment

- Veterans are most concerned about finding a job that is meaningful to them. After that, three in five worry about how to translate their military skills to a business environment (58%).
- Other high concerns include impact on family, accommodation for health needs, and support for any Reserve commitments they may have. So not only do they face anxiety about finding a job, but finding the right job.
- Half worry that non-veteran managers do not understand military culture (48%), and about a third feel non-veteran co-workers are intimidated by veterans (32%) or that they won't be able to relate (37%). These concerns are significantly higher among those “not ready” to transition.

Concerns when looking for employment



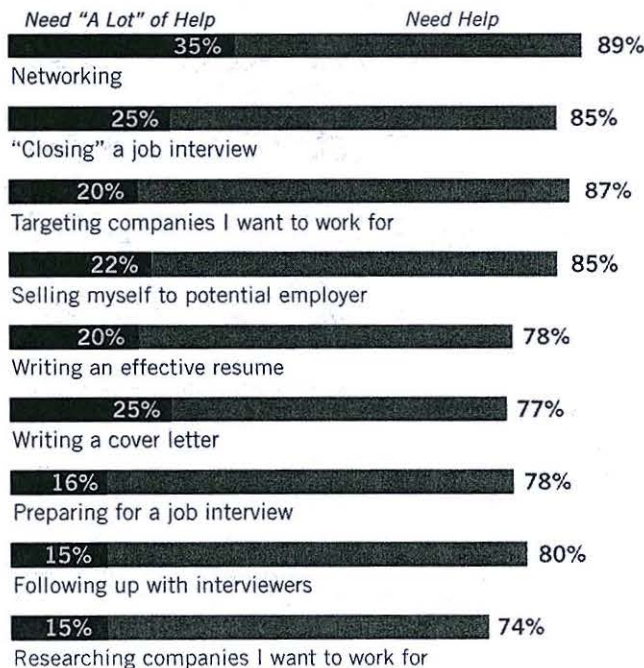
*Re-based to reflect only RC responses

Gaps and Opportunities for Support Programs

Job seekers are using multiple resources, but still say they need more help

- Overall, current unemployed job seekers report fairly high rates of using “job search” resources. Nearly half say they have used 10 or more resources (45%) in their job search, while just 8% have used less than five.
- Online services (91%), newspapers (72%), registering with online job boards (68%), and attending career fairs (61%) are among the most used.
- When probed on specific job search tasks, a large majority say they need help. On average, one in five confess to needing “a lot” of help. This includes help with resume writing, interview skills, and targeting the companies where they’d like to work. Veterans say they need the most help, however, with networking.
- Most job seekers believe in-person networking to be an effective tool (70%). Online networking, through either professional sites (52%) or social network sites (35%), follow in perceived effectiveness. Actual usage of these networking resources is lower than their perceived effectiveness.

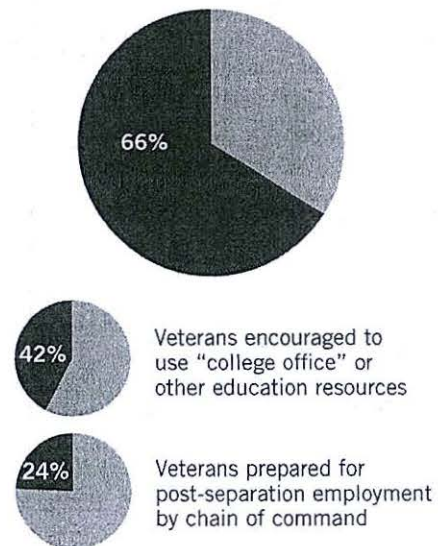
Specific needs of job seekers



Not all veterans received transition support; those who did had mixed experiences

- Overall, 66% of veterans indicated that they received some kind of support or training for transitioning to the civilian workforce—leaving a third (34%) who did not get any at all. Army veterans were almost twice as likely to not get training compared to Navy and Marines (41% vs. 22%).
- Only one-quarter said their chain of command prepared them for post-separation employment (24%), and four in 10 said they were encouraged to use the base/post command “college office” or educational resources (42%).
- The range of training is limited. While 55% of veterans attended a Transition Assistance Program (TAP) seminar, only 10% relied on a college career center, 7% used state or local government support programs, and 6% used the Veterans’ Employment and Training Service (VETS) program.
- TAP seminar attendees gave the program lukewarm ratings, with less than half saying it helped them successfully reintegrate to civilian life (48%) or provided valuable employment assistance (48%).

Veterans who report receiving training or support for transitioning to civilian life



Veterans express strong interest in potential customized programs

- When presented ideas for additional programs or services customized for veterans, receptivity was high across the board. Generally speaking, receptivity was higher among the youngest veterans.
- More than half (53%) would be “very likely” to use a program that provided assistance in translating military skills to their civilian equivalents, which correlates with the high number of veterans naming this as a particularly challenging task.
- On average, in considering the ideas presented, close to three-quarters viewed potential programs as being important to their success.
- Overall, the data reveal that respondents would want and appreciate any additional help they can get.

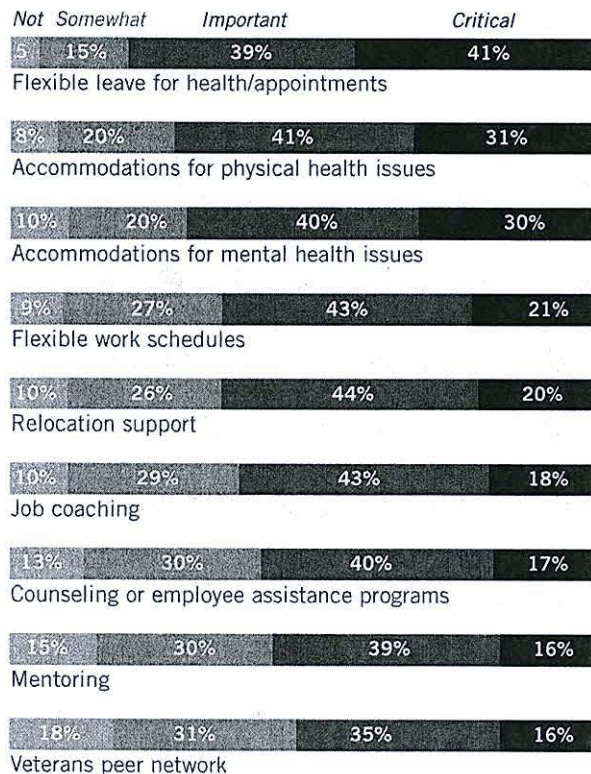
Veterans’ reactions to potential new programs

	<i>Very likely to use</i>	<i>Important to success</i>
A job bank targeted for veterans	61%	78%
Better access to college education, or technical training	54%	79%
Assistance in translating military skills to civilian equivalents	53%	79%
A program to help place veterans in internships	51%	73%
A program to help fund business dress, travel, relocation	51%	62%
Resume, cover letter and interviewing skills workshops	50%	80%
One-on-one career counseling	47%	70%
Certification and licensing translation counseling	46%	72%
A mentorship program with veteran mentors	45%	69%
A program to develop networking skills	39%	67%

Veterans have high expectations for employer-provided support programs

- Eight in 10 respondents feel it is important for employers to provide flexible leave for the health issues that veterans face (80%). This view is even higher among veterans who are actually facing a physical or mental health challenge (86%).
- Approximately two-thirds rated employer-provided veteran support programs as “critical” or “important” to their success. Few name any of the employer-provided support programs as “not so important.”
- Veterans are looking for employers to provide career opportunities, but also health and transition support. So to be considered a veteran-friendly corporation, at least some of these benefits and support services may need to exist.

Importance of employer-provided veteran support programs



About the Study

Research Objectives

This study explores the employment challenges faced by veterans. Specifically, the research was designed to gather insights on:

1. The challenges veterans face in transitioning from military to civilian life,
2. The perceived and experienced barriers to employment, and
3. Any gaps and opportunities that might exist for new or improved veteran support programs

Methodology

Prudential's study *Veterans' Employment Challenges* polled 2,453 veterans and soon-to-be veterans in an online survey from December 12, 2011, through January 23, 2012. The margin of error is $\pm 1.98\%$, at the 95% confidence level.

The study was designed to be inclusive of veterans from all service eras who met the following criteria:

- Veterans or Reserve Components who are inactive, individual ready reserve, inactive duty for training, or active duty operational support; or
- Active military or Reserve Components who plan to retire or separate from active duty within a year

Sampling

There are an estimated 21.6 million men and women in the United States who are veterans—individuals who have previously served on active duty in the U.S. Armed Forces and who are now civilians. While this study accepted a spectrum of veterans from all service eras, it should be noted that the sample was designed to weigh heavily on a sub-segment of the veteran population having served since 2001, also known as Gulf War-era II veterans, who are 2.4 million (11%) of the veteran population.*

The study's participants came from two sample sources:

- 1,018 surveys were completed by members of the e-Rewards Panel, which allowed for gathering a random sample of all veterans who met the criteria. (e-Rewards, Inc. is a global leader in digital data collection.)
- 1,435 surveys were completed by members of the Iraq and Afghanistan Veterans of America organization (IAVA). Partnering with the IAVA allowed for precisely targeting Gulf War-era II veterans.

After initial analysis, it was clear that, over the generations, veterans have indeed faced significant and common challenges in their reintegration to civilian life. The new generation of veterans, however, expressed higher concerns and greater challenges in their transition.

As such, this report was designed to focus on the 1,845 respondents who are Gulf War-era II veterans who served missions in the wars of Iraq and Afghanistan, such as Operation Iraqi Freedom, Operation Enduring Freedom, Operation Noble Eagle, and Operation New Dawn.

*Source: Bureau of Labor Statistics, *Current Population Survey*.



Iraq and Afghanistan Veterans of America (IAVA) is the nation's first and largest nonprofit, nonpartisan organization dedicated to improving the lives of our newest veterans and their families. Through providing innovative health, education, employment and community programs, IAVA strives to build an empowered generation of veterans who provide sustainable leadership for our country and their local communities. Learn more, get involved and join the over 200,000 Member Veterans and Civilian Supporters now at www.IAVA.org.

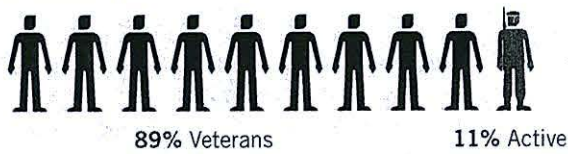
Profile of respondents

Quotas were set to monitor for age, race, and gender against U.S. Census Bureau data as well as Department of Defense service member tracking data. All other segments fell out naturally from the random sampling.

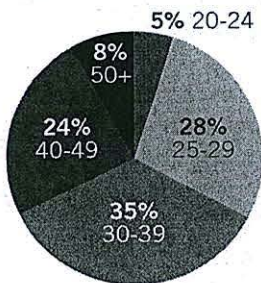
Half of the respondents represent veterans or active-duty service members who serve(d) in the Reserve Component (49%).

Below is a breakdown of the demographics of the 1,845 Gulf War-era II veterans included in this analysis.

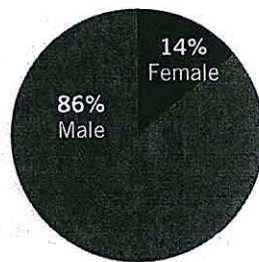
Overall Makeup of Sample



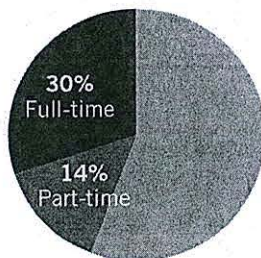
Age



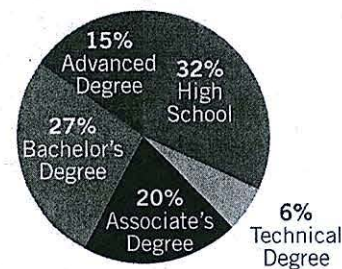
Gender



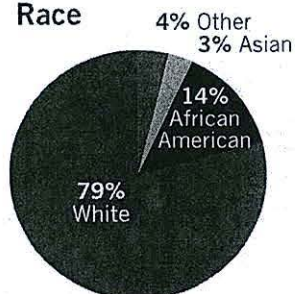
Student



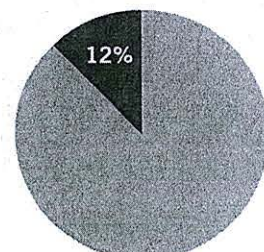
Education Completed



Race



Hispanic



This study provides new data that underscores the challenges many veterans face when transitioning to civilian careers.

It shows that while many veterans need some time after deployment to help them transition and take the next steps in their lives, getting the job they want in the current economic environment is their primary challenge. Military-related health challenges also have an impact on veterans' transition experience and their expectations of employer support.

Veterans surveyed view current training and transition support programs as not meeting their needs in many cases. Almost all are looking for or would value additional veteran support programs to help them transition back to civilian life, get them on the path to new careers, and assist them in translating their military skills into civilian roles.

Against this backdrop, among the many possible steps that could be considered to enhance veterans' transition experience, following are four ideas that may help address issues identified in this research:

- Build on existing training programs that help address the work experience and education gaps that may hinder younger veterans' transition into new careers.
- Strengthen existing programs or create new ones that focus on coaching veterans and hiring managers about how military skills relate or can be explained and adapted for civilian careers.
- Provide hiring managers with tools and education to help them understand the value proposition of veterans in the workforce and the benefit of developing and fostering veteran employee communities within an organization.
- Create job search "boot camps" that go beyond resume-writing to include interview skills, networking, and career/job research and sourcing techniques.

