

May 27, 2008

Congressional Committees

Subject: Military Personnel: DOD Needs Data to Determine if Active Duty Service Has an Impact on the Ability of Guard and Reservists to Maintain Their Civilian Professional Licenses or Certificates

Since 2001, the Department of Defense (DOD) has relied on more than 600,000 members of the National Guard and Reserve components¹ to support various operations abroad and at home. In particular, from September 2001 to July 2007, the department deployed more than 434,000 reservists to support operations in DOD's Central Command area of responsibility that includes Afghanistan and Iraq. Furthermore, DOD has modified its mobilization policy, which had previously limited the cumulative amount of time that reservists could be involuntarily called to active duty for the Global War on Terrorism. Under DOD's new policy, which went into effect in January 2007, involuntary mobilizations for reserve component service members are generally limited to no more than 12 months, and there are no cumulative limits on these involuntary mobilizations.

While on active duty, reservists may be unable to take the required professional development courses or periodic tests needed to retain their professional currency in fields such as accounting or software engineering. The Uniformed Services Employment and Reemployment Rights Act (USERRA)² protects rights of qualifying National Guard members, reservists, and certain other members of the uniformed services returning to their civilian employment after being absent due to military service. The act, however, does not explicitly address issues related to licenses and certifications.

In the National Defense Authorization Act for Fiscal Year 2008,³ Congress mandated that we examine the number and type of professional or other licensure or certification requirements that may be adversely affected by extended periods of active duty, and identify options that would help provide relief. Specifically for this report, our objectives were to examine (1) DOD's efforts to identify the extent to which active duty service has had an impact on the ability of reservists to maintain

¹ For purposes of this report, the term reserve component, or reservists, refers to the collective forces of the Army Reserve, the Army National Guard, the Navy Reserve, the Air Force Reserve, the Air National Guard, and the Marine Corps Reserve.

² Pub. L. No. 103-353 (1994), as amended, codified at 38 U.S.C. §§ 4301-4334.

³ Pub. L. No. 110-181, § 516 (2008).

Report Documentation Page				Form Approved OMB No. 0704-0188	
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1. REPORT DATE 27 MAY 2008		2. REPORT TYPE		3. DATES COVERED 00-00-2008 to 00-00-2008	
4. TITLE AND SUBTITLE Military Personnel: DOD Needs Data to Determine if Active Daily Service has an Impact on the Ability of Guard and Reservists to Maintain Their Civilian Professional Licenses or Certificates				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Government Accountability Office, 441 G St., NW, Washington, DC, 20548				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT Same as Report (SAR)	18. NUMBER OF PAGES 13	19a. NAME OF RESPONSIBLE PERSON
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified			

professional licenses or certifications in their civilian careers, and (2) current relief options for addressing these issues if needed.⁴

For our first objective, we examined relevant policies and procedures governing the collection of reserve component demographic information and determined what, if any, data DOD collects on a routine basis. We also interviewed officials in the Office of the Secretary of Defense, the U.S. Air Force Reserve and Air National Guard, U.S. Army Reserve and Army National Guard, U.S. Marine Corps Reserve, U.S. Navy Reserve, National Guard Bureau, and Defense Manpower Data Center (DMDC) responsible for collecting reserve component demographic data, conducting surveys of personnel attitudes and concerns, and administering pre- and postmobilization processing. For our second objective, we met with and obtained documentation from the National Governors Association regarding state initiatives to provide relief to reservists experiencing challenges with maintaining state professional licenses and certifications subsequent to active duty. We also obtained information from the association about its 2007 survey instrument of state programs and services available to members of the National Guard, reserve, active forces, and their families, as well as its collaboration with DOD on the issue. In addition, we interviewed officials in the Office of the Secretary of Defense about any existing programs that are designed to provide similar relief to servicemembers. We conducted this performance audit from March 2008 through May 2008 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Summary

The degree to which reservists serving on active duty have had difficulty maintaining professional licenses or certifications in their civilian careers is unclear, because neither DOD's Office of the Assistant Secretary of Defense for Reserve Affairs nor the reserve components collect the necessary data to track and monitor the issue. While all members of the Ready Reserve are required to provide their civilian employment information upon joining the reserves and to review and update that information each year, the required information includes employment status, the employer's name, the employer's mailing address, the civilian's job title, and the total number of years in the current occupation, but does not include information on the impact active duty service potentially has on maintaining licenses and certifications. Officials at DMDC, which administers DOD's departmentwide Status of Forces Survey, confirmed that surveys of reservists conducted to date have not inquired about the impact of active duty service on a reservist's ability to maintain civilian professional licenses and certifications. Without any initial information on the scope of the issue, DOD is unable to identify the extent, if any, of the impact of active duty on the ability of reservists to maintain professional licenses or certifications in their civilian careers.

⁴ We are reporting on these objectives because neither DOD nor the services were collecting, tracking, reporting, or tracking civilian professional license and certification data during the time of this review.

DOD's Office of the Assistant Secretary of Defense for Reserve Affairs has not established relief policies and practices specifically designed to assist reservists in maintaining their civilian credentials. However, relief mechanisms do exist that may be applicable or serve as a model if DOD determines that a need exists to address the issue of expired professional licenses and certification. Some states, for example, have enacted provisions to provide relief to reservists in certain circumstances. In addition, different entities within DOD have developed programs and initiatives to assist servicemembers in obtaining licenses and certification. Further, the Office of the Under Secretary of Defense for Personnel and Readiness administers a program for military spouses who have experienced similar challenges maintaining civilian professional licenses and certifications because of their partner's active duty obligations. Although the focus of that program is on providing assistance to military spouses to acquire new licenses and certifications, military spouses who need to renew their credentials upon relocating, such as nurses, are also eligible.

DOD reviewed a draft of this report but did not provide formal agency comments. DOD did provide technical comments and we made changes to the report where appropriate.

Background

Occupational credentialing is an official recognition of a process by which an individual meets a set of defined standards, generally through education, training, experience, and testing. Two primary types of occupational credentialing are licensure and certification.

- 1) **Licensure:** Licenses are granted primarily by state – but also federal and local –government agencies to individuals to regulate the practice of a specific occupation or profession, such as a physician, a cosmetologist, or an air traffic control tower operator. Federal, state, or local laws and/or regulations define the standards that individuals must meet to become licensed. Licenses are typically required and issued by a government entity, i.e., individuals are not authorized to practice an occupation in a location without first obtaining the required license.
- 2) **Certification:** Occupational certification can be broadly grouped into two areas: (1) certifications granted by organizations or professional associations, and (2) vendor or product-related certifications. Each certifying organization sets its own standards for certification. Certification requirements generally include one or more of the following: education, training, work experience, and examination. Certification is not usually required by law to practice an occupation except in cases where a licensing body or board for a particular occupation in a state includes certification as part of the licensing requirements.

Having complete civilian employer information has been important to DOD's reserve components because the data support outreach to employers and enhance the department's ability to make informed decisions concerning which reservists should be called for active duty to minimize the impact that mobilizations might have on areas with small populations or occupations such as law enforcement, and to

determine how businesses may be affected by reserve activation. In 2001, DOD established a database to collect reported employer information from reservists on a voluntary basis. More recently, the Under Secretary of Defense for Personnel and Readiness made the submission of employer information mandatory. We have issued several reports on DOD's programs to capture reservists' civilian employment information.⁵

DOD Has Not Been Collecting Data on the Impact Active Duty Service May Have on the Ability of Guard and Reservists to Maintain Their Civilian Professional Licenses or Certificates

Neither DOD nor the services have been collecting the necessary data to track and monitor what impact active duty service may have on reservists' ability to maintain civilian professional licenses and certifications. In March 2003, the Under Secretary of Defense for Personnel and Readiness issued a directive-type memorandum directing each military department to implement a civilian employment information program for the collection of employer information from members of the Ready Reserve and cited the need to use the information in accomplishing employer outreach.⁶ In August 2004, the Office of the Under Secretary issued an instruction establishing employment-related information reporting requirements for each person assigned to the reserves.⁷ In October 2005, we reported that the services had not enforced the requirement for reservists to enter required employer information. In that report, we recommended that the Secretary of Defense direct the service secretaries to take steps to enforce the requirement for reservists to report their civilian employment information and develop a plan to maintain current civilian employment information. In February 2007, we reported DOD had made progress capturing employment information on its reservists, but several challenges to collect complete information remained. Subsequent to a recommendation in that report, the office of the Under Secretary reissued the instruction in March 2008,⁸ requiring each member to review and update his or her civilian employment information annually. This information is general, however, and does not include information on the impact of active duty service on maintaining licenses and certification.

⁵ GAO, *Reserve Forces: DOD Actions Needed to Better Manage Relations between Reservists and Their Employers*, GAO-02-608 (Washington, D.C.: June 13, 2002). GAO, *Military Personnel: Federal Management of Servicemember Employment Rights Can Be Further Improved*, GAO-06-60 (Washington, D.C.: Oct. 19, 2005). GAO, *Military Personnel: Federal Agencies Have Taken Actions to Address Servicemembers' Employment Rights, but a Single Entity Needs to Maintain Visibility to Improve Focus on Overall Program Results*, GAO-08-254T (Washington, D.C.: Nov. 8, 2007). GAO, *Military Personnel: Additional Actions Needed to Improve Oversight of Reserve Employment Issues*, GAO-07-259 (Washington, D.C.: Feb. 8, 2007).

⁶ Under Secretary of Defense for Personnel and Readiness Memorandum on Civilian Employment Information Program (Mar. 21, 2003).

⁷ Department of Defense Instruction 7730.54, Reserve Components Common Personnel Data System (RCCPDS), enclosure 10 (Aug. 6, 2004).

⁸ Department of Defense Instruction 7730.54, Reserve Components Common Personnel Data System (RCCPDS), enclosure 10 (Mar. 31, 2008).

Presently, the DOD instruction requires reservists to provide only the following employment-related information:

- status as full-time, part-time, voluntary, student, or not currently employed;
- current position title;
- current position begin date;
- current position end date;
- the corresponding Department of Labor classification;
- status if self-employed;
- employer's name and address;
- status if considered a "first responder;" and
- date the information was reviewed or updated.

Civilian employment information is generally entered by reservists through an online Web application established and administered by DMDC. However, because the DOD instruction requires reservists to provide only the information listed above, the application does not include a field allowing reservists to provide information on their civilian professional licenses and certifications.

DOD and service officials told us that neither reservists nor existing studies examining the reserve components or military compensation have identified a lapse of civilian professional licenses and certifications as an area of concern. A director with the Employer Support for the Guard and Reserve said that this organization also has not received any requests or questions from reservists seeking assistance in addressing the challenges associated with the lapse of civilian professional licenses. Separately, an official at the Reserve Forces Policy Board, the principal policy adviser to the Secretary of Defense on matters relating to the reserve components, stated the matter of reserve component licensure and certification has never been an issue for the board to monitor and shared feedback from the Army Reserve and National Guard explaining that those components had not identified the matter as a significant issue either. DMDC officials responsible for developing and administering the Status of Forces Survey for the reserve components confirmed that the matter of reservists experiencing challenges maintaining civilian professional licenses and certifications due to active duty service obligations has never been included as part of the survey's inquiries.

To address the matters raised by our audit work, however, DMDC officials stated their plans to address the matter and provided us with their revisions to DMDC's upcoming June 2008 Status of Forces Survey. The survey will provide respondents an opportunity to identify whether their occupation required a license or certification, the occupational field that required the license or certification, and whether the status of their license or certification was affected by active duty service. By collecting such responses, DOD will be able to determine the extent to which active duty service has an impact on the ability of reservists to maintain professional licenses and certifications in their civilian careers. This will provide DOD and Congress the basis for determining whether active duty service has had an impact on the ability of reservists to maintain professional licenses or certifications in their civilian careers or the degree to which it has affected retention decisions. DOD needs this information before it can explore if potential modifications to existing relief mechanisms, or new ones, are needed.

Relief Opportunities Exist Both Outside and Within DOD

Relief mechanisms currently exist both outside and within DOD that may have applicability, or provide a model, if DOD determines that a need exists to provide assistance to reservists in maintaining their civilian credentials. Some of these programs are found within legislation issued by the states, which play the primary role in issuing occupational licenses. Other initiatives, which are primarily designed to help servicemembers obtain civilian professional credentials, are being administered by various entities within DOD.

According to a survey by the National Governors Association, a number of states have enacted provisions to provide relief for reservists experiencing challenges maintaining civilian professional licenses and certifications in certain circumstances. With the support of the Office of Deputy Under Secretary for Military Community and Family Policy, the National Governors Association publishes a report which compiles state and territorial responses to a survey addressing ways in which they provide support for members of the National Guard, the Reserves and their families, including descriptions of relief provisions.⁹ These provisions provide relief ranging from waiving deadlines and fees for professional license renewals, to ensuring licenses or certifications remain valid while deployed, to providing grace periods of varying lengths for returning servicemembers whose professional licenses expire while serving on active duty, and deferring continuing education requirements until members return from active duty. The state of Virginia, for example, allows for a waiver of educational requirements for reactivation of a real estate license for any salesperson or broker, which has been inactive for more than 3 years when the holder of the inactive license is a member or the spouse of a member of the armed forces of the United States who was permanently assigned outside Virginia for a portion of the time the license was inactive. However, the holder must show, to the satisfaction of the board, currency in the field of real estate.¹⁰ Under Ohio law, any holder of an expired license or certificate granted by the state or its subdivisions that was not renewed because of service in the armed forces, is granted a renewal at the usual cost without penalty or reexamination within 6 months of an honorable discharge or separation under honorable conditions.¹¹ Attorneys who are members of the North Carolina bar are exempt from their continuing education requirements for any calendar year in which they served full-time active duty in the armed forces.¹² Lastly, for those operating under a license or certification in the state of New York prior to being called to active duty, New York automatically extends their credentials during their period of active duty and for 12 months after release from active duty with certain exceptions related to limited permits and previous revocations or suspensions.¹³

Presently, the Army and Navy operate Web sites that provide information on credentialing opportunities and explain how servicemembers can obtain civilian

⁹ National Governors Association, *State and Territorial Support for Members of the National Guard, the Reserves, and their Families* (July 30, 2007).

¹⁰ Va. Code Ann. § 54.1-2105.04.

¹¹ Ohio Rev. Code Ann. § 5903.10 (2008).

¹² N.C. Gen. Stat. Ann. State Bar Rules, Ch. 1, Subch. D, .1517 (2008).

¹³ N.Y. Mil. Law § 308-b (2008).

certification and license requirements related to their military occupational specialties. The Army and Navy established these Web sites in April 2002 and June 2006, respectively. The Web sites identify the civilian credentials that relate to military occupational specialties, explain the steps to obtain the credentials, and identify available programs that will help pay credentialing fees.¹⁴ In a related action, the National Defense Authorization Act for Fiscal Year 2006 gave the Secretary of Defense authority to pay for expenses for members of the armed forces to obtain professional credentials and necessary examinations as long as the credentials were not a prerequisite for appointment in the armed forces,¹⁵ and the Office of the Undersecretary of Defense for Personnel and Readiness issued a memorandum¹⁶ on February 12, 2007, establishing DOD policy and guidance for setting up discretionary programs for the payment of professional credentialing expenses to military members. According to the memorandum, military departments may pay credentialing expenses if the preponderance of a servicemember's assigned military duties are covered by the credential and the credential has been approved for those assigned duties. Furthermore, once the servicemember has obtained the required certification or license, the military department may pay the fees required for renewal of the certification or license. Paying for credentialing solely as a component of retention, recruiting, or transition programs, or to acquire an educational degree, however, is not allowed under this act. The policy also requires the military departments that desire to use this authority to provide their credentialing programs to the Under Secretary of Defense for Personnel and Readiness for review, but allows them to begin implementation upon receipt of the policy. In addition, departments using the authority are required to provide an assessment report to the Under Secretary of Defense for Personnel and Readiness no later than November 30, 2008. This assessment is to address areas set out in an attachment to the policy including things such as the methodologies used to determine eligibility and program effectiveness, a review of funds expended, and a corresponding assessment for the reserve component if assessment results differ significantly between the active and reserve components.

More recently, on April 14, 2008, the U.S. Army Reserve officially announced its Employer Partnership initiative with private industry organizations to align military and civilian credentialing and licensing. A principal objective of the initiative is to provide licensing reciprocity between private industry and DOD. For example, a reservist who has completed certain civilian occupation-specific training and experience could forgo initial military training in the same skill area. Similarly, a reservist who has completed certain skill-specific training in the military would be eligible, under this program, to receive the equivalent civilian licenses. The initiative's intent is to minimize training expenditures and duplication for individuals who hold both civilian careers and military service obligations. In addition, the intent of the program is to facilitate the recruitment and retention of individuals in both their civilian and military careers. Currently, the Army Reserve has entered

¹⁴ The July 2007 *Task Force on Returning Global War on Terror Heroes* report cited the Army and Navy Web sites as progress in improving civilian workforce and credentialing, but stated additional analysis needs to be conducted for the Air Force and the Marines to assist all members transitioning from the military.

¹⁵ Pub. L. No. 109-163, § 538 (2006) (codified at 10 U.S.C. § 2015).

¹⁶ Under Secretary of Defense for Personnel and Readiness Memorandum on Payment of Credentialing Expenses for Military Members (Feb. 12, 2007).

cooperative agreements with a Virginia-based healthcare provider and a trucking association.

DOD has also introduced a program for military spouses to obtain or renew professional licenses. DOD implemented this program in light of the increased obligations assumed by the trailing spouse subsequent to increases in operational tempo and the extended tours of duty during the Global War on Terrorism. In June 2007, the Military Community and Family Policy office within the Office of the Under Secretary of Defense for Personnel and Readiness, in conjunction with the Department of Labor, established a program to support active duty military spouses in acquiring or renewing civilian professional licenses and certification. The goal is to help military spouses obtain and retain portable careers in “high-growth, high-demand” occupations in the fields of information technology, education, health services, financial services, and the construction trades. Under the program, military spouses receive grants to pay for expenses directly related to postsecondary education and training, including credentialing and licensing fees. The initiative targets military spouses with a general education diploma, high-school diploma, or some postsecondary education and who are married to active-duty servicemembers in junior enlisted or officer pay grades.¹⁷ Military spouses who need to renew credentials upon relocating, such as nurses, also are eligible. DOD and the Department of Labor are jointly investing \$35 million in eight states demonstrating this initiative (California, Colorado, Florida, Georgia, Hawaii, Maine, North Carolina, and Washington) targeting 18 military installations. In January 2008, the first account was granted; as of April 2008, 8,000 individuals had received the briefing regarding the availability of the account and 1,000 had been approved to receive the assistance.

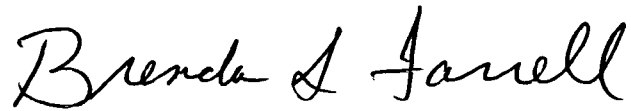
Agency Comments and Our Evaluation

DOD reviewed a draft of this report. However, DOD did not provide formal agency comments because the report discussed action the department was already taking in response to our finding that DOD has not been collecting information on what impact active duty service may have on reservists' ability to maintain professional licenses or certifications in their civilian careers. DOD did provide technical comments, and we incorporated those changes where appropriate.

We are sending copies of this report to the Secretary of Defense and the Secretaries of the Army, Navy, and Air Force. We will also make copies available to others on request. In addition, the report will be available at no charge on the GAO Web site at <http://www.gao.gov>.

¹⁷ Specifically, the initiative is directed to spouses who are married to servicemembers in pay grades E1 through E5 and O1-O3.

Should you or your staff have any questions on the matters discussed in this report, please contact me at (202) 512-3604 or farrellb@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this letter. GAO staff who made key contributions to this report are listed in enclosure I.

A handwritten signature in black ink that reads "Brenda S. Farrell". The script is cursive and fluid, with the first name "Brenda" being larger and more prominent than the last name "Farrell".

Brenda S. Farrell
Director, Defense Capabilities and Management

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Enclosure I

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Acknowledgments In addition to the individual named above, David Moser (Assistant Director), Grace Coleman, Nicole Harms, Charles Perdue, John W. Wheeler, Jr., and Ricardo Marquez made key contributions to this report.

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