

LEGISLATIVE HEARING ON: H.R. 748; 2551; 3286;
3419; 4138; DRAFT BILL, "TO MAKE CERTAIN
IMPROVEMENTS IN THE LAWS ADMINISTERED
BY THE SECRETARY OF VETERANS AFFAIRS RE-
LATING TO EDUCATIONAL ASSISTANCE, AND
FOR OTHER PURPOSES"; DRAFT BILL, THE
"VETERANS SUCCESS ON CAMPUS ACT OF
2016"; DRAFT BILL, THE "GI BILL OVERSIGHT
ACT OF 2016"; DRAFT BILL, "TO DIRECT THE
SECRETARY OF LABOR TO CARRY OUT A RE-
SEARCH PROGRAM TO EVALUATE THE EFFEC-
TIVENESS OF TRANSITION ASSISTANCE PRO-
GRAM IN ADDRESSING NEEDS OF CERTAIN MI-
NORITY VETERANS

HEARING

BEFORE THE

SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
OF THE

COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
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CONTENTS

Thursday, April 14, 2016

	Page
A Legislative Hearing On The Following Bills: H.R. 748; H.R. 2551; H.R. 3286; H.R. 3419; H.R. 4138; A Draft Bill Entitled, "To Make Certain Improvements In The Laws Administered By The Secretary Of Veterans Affairs Relating To Educational Assistance, And For Other Purposes"; A Draft Bill Entitled, The "Veterans Success On Campus Act Of 2016"; A Draft Bill Entitled, The "GI Bill Oversight Act Of 2016"; And A Draft Bill Entitled, "To Direct The Secretary Of Labor To Carry Out A Research Program To Evaluate The Effectiveness Of Transition Assistance Program In Addressing Needs Of Certain Minority Veterans	1
OPENING STATEMENTS	
Honorable Brad Wenstrup, Chairman	1
Honorable Mark Takano, Ranking Member	2
Honorable Jeff Miller, Full Committee Chairman	3
Honorable Dina Titus, Member	5
WITNESSES	
Honorable David McKinley, (WV-01)	6
Honorable Paul Cook, (CA-08)	7
Mr. Curtis L. Coy, Deputy Under Secretary for Economic Opportunity, Veterans Benefits Administration, U.S. Department of Veterans Affairs	8
Prepared Statement	28
Accompanied by:	
Ms. Carin Otero, Associate Deputy Assistant Secretary for HR Policy and Planning, Office of Human Resources and Administration, U.S. Department of Veterans Affairs	
Honorable Martha McSally, (AZ-02)	10
Mr. Sam Shellenberger, Deputy Assistant Secretary for Operations, Veterans' Employment and Training Service, U.S. Department of Labor	12
Prepared Statement	35
Mr. Davy Leghorn, Assistant Director, Veterans Employment and Education Division, The American Legion	18
Prepared Statement	38
Dr. Joseph W. Wescott, Legislative Director, National Association of State Approving Agencies	19
Prepared Statement	41
Mr. Walter Ochinko, Policy Director, Veterans Education Success	21
Prepared Statement	43
Mr. Jared Lyon, President & CEO, Student Veterans of America	23
Prepared Statement	50
Mr. Aleks Morosky, Deputy Director, National Legislative Service, Veterans of Foreign Wars of the United States	25
Prepared Statement	55
STATEMENT FOR THE RECORD	
Office of Inspector General, U.S. Department of Veterans Affairs	58

A LEGISLATIVE HEARING ON THE FOLLOWING BILLS: H.R. 748; H.R. 2551; H.R. 3286; H.R. 3419; H.R. 4138; A DRAFT BILL ENTITLED, “TO MAKE CERTAIN IMPROVEMENTS IN THE LAWS ADMINISTERED BY THE SECRETARY OF VETERANS AFFAIRS RELATING TO EDUCATIONAL ASSISTANCE, AND FOR OTHER PURPOSES”; A DRAFT BILL ENTITLED, THE “VETERANS SUCCESS ON CAMPUS ACT OF 2016”; A DRAFT BILL ENTITLED, THE “GI BILL OVERSIGHT ACT OF 2016”; AND A DRAFT BILL ENTITLED, “TO DIRECT THE SECRETARY OF LABOR TO CARRY OUT A RESEARCH PROGRAM TO EVALUATE THE EFFECTIVENESS OF TRANSITION ASSISTANCE PROGRAM IN ADDRESSING NEEDS OF CERTAIN MINORITY VETERANS

Thursday, April 14, 2016

COMMITTEE ON VETERANS’ AFFAIRS,
U. S. HOUSE OF REPRESENTATIVES,
Washington, D.C.

The Subcommittee met, pursuant to notice, at 2:02 p.m., in Room 334, Cannon House Office Building, Hon. Brad Wenstrup [Chairman of the Subcommittee] presiding.

Present: Representatives Zeldin, Costello, Radewagen, Bost, Miller, Takano, Titus, and Rice.

OPENING STATEMENT OF BRAD WENSTRUP, CHAIRMAN

Mr. WENSTRUP. Good afternoon, everyone. The Subcommittee will come to order.

Before we begin, I would like to ask unanimous consent that our colleague, Chairman Miller, be allowed to sit at the dais, to make an opening statement, and ask questions.

Hearing no objection, so ordered.

I want to thank—you don’t or you do object?

Mr. TAKANO. I don’t object.

Mr. WENSTRUP. Okay. Good. Good.

I want to thank you all for joining us here today to discuss legislation pending before the Subcommittee concerning education benefits, employment recognition programs for our returning servicemembers and veterans, as well as accountability at the Department of Veterans Affairs.

This afternoon, we have nine important pieces of legislation before us, and I want to thank our colleagues for bringing these bills forward. While, well intentioned, some of the bills before us have, of course, what we would normally see, discretionary and mandatory costs engaged with them. So, before they move, I do look forward to working with the Ranking Member to identify needed offsets to pay for some of these bills.

I also want to remind everyone that this hearing is only a legislative hearing and we are here to have an open dialogue so we can make necessary changes or omissions before we consider marking up any of these bills.

In the interest of time, I am not going to summarize the legislation before us, but before I yield to Ranking Member Takano, I do want to make some comments on the draft bill entitled, the GI Bill Oversight Act. While I share everyone's concerns about the need to aggressively pursue, and if necessary, withdraw GI Bill approval for schools that use deceptive or fraudulent marketing practices, I am concerned with the unintended consequences of this bill as it is currently drafted, and we can talk about that.

I believe that VA and the State-approval agencies already have the legislative authority to examine these schools, but to require the Department and the IG to take such a strong step forward based on a class action lawsuit or an investigation, by a state or Federal entity, without any due process that allows the school to present their side of the story, may be unwise.

I would also be concerned about what constitutes an investigation and possible liability the VA or the IG may face, based on taking drastic action on unsubstantiated allegations.

I appreciate, as always, Mr. Takano and his staff, having indicated a willingness to see if we can come to resolution on these concerns with the legislation as we move forward.

With that being said, I am eager to discuss each of the nine pieces of legislation before us today, and I am grateful to my colleagues who have introduced these bills and to our witnesses for being here to discuss them with us.

I look forward to a productive and meaningful discussion. I will now yield to my colleague, Ranking Member Takano, for any opening statement that he may have.

OPENING STATEMENT OF MARK TAKANO, RANKING MEMBER

Mr. TAKANO. Thank you, Mr. Chairman for calling this hearing on nine bills to improve employment and educational opportunities for veterans. I want to offer my sincere gratitude to you for including two of my draft bills which involve issues of particular interest to me.

You and your staff have really gone out of your way to include my bills, and I want to publicly say how much I appreciate what you have done. My first bill, the GI Bill Oversight Act, triggers VA

and IG action to identify and weed out the bad actors in higher education, who use highly deceptive practices to recruit GI beneficiaries into their programs.

My second bill improves the Transition Assistance Program for women veterans, veterans with disabilities, Native American veterans, insulative veterans, and others. I have offered both bills in draft form because I want to start a discussion around these issues, with the goal of eventually crafting meaningful legislation that will enhance veterans' experience using the GI Bill and TAP.

I also want to extend my gratitude to Representative Radewagen for becoming the original cosponsor of my bill, to study TAP improvements for certain groups of veterans. I hope that both bills—that both bills will eventually enjoy bipartisan support.

We have several important bills on the docket, and I wanted to keep my remarks brief so we can listen to the witnesses' testimony. I do want to commend Representative Titus for her excellent work on the support for Student Veterans with Families Act. Veterans with families should not have to choose between using their GI Bill benefits to pursue a degree and finding safe and affordable child care to care for their children.

Wonderful. I applaud this bill for removing a significant barrier to education for student veterans.

Finally, I want to thank Chairman Wenstrup for following through on the discussions we have had about the need to codify the VetSuccess on Campus Program. Student veterans have benefited greatly from the VSOC program, and I am pleased with the efforts of this Subcommittee to make this program permanent.

I thank the witnesses for being here this afternoon and look forward to having the benefit of their views and the opportunity to ask questions.

Thank you, and I yield back, Mr. Chairman.

Mr. WENSTRUP. Thank you, Mr. Takano.

I will now yield to Chairman Miller, Chairman of the Full Committee, to discuss his bill, H.R. 4138.

Chairman Miller, you are now recognized.

OPENING STATEMENT OF JEFF MILLER, FULL COMMITTEE CHAIRMAN

Mr. MILLER. Thank you very much, Mr. Chairman. I appreciate you and Mr. Takano for not only holding this hearing, but allowing me to testify today, and thank you, Mr. Takano for not objecting to my sitting at the dais with you.

H.R. 4138 would provide the secretary of veterans affairs with, yet, what I think is another tool that he or she could use to hold the department's employees accountable when it is warranted, while also being fair to the taxpayers of this Nation.

This bill would allow the secretary to recoup any relocation expense paid to a VA employee when the secretary deems it necessary.

The bill would also provide notice to the employee, prior to the recoupment and the opportunity for that employee to appeal the recoupment to a third-party Federal entity.

This bill closely mirrors another bill which I introduced, H.R. 280, which gave the secretary the authority to recoup any bonuses

when deemed necessary, and which passed out of the House by a voice vote in March of 2015.

I realize many people, once again, believe that this is another partisan attack on the Department of Veterans Affairs, and that it could hurt retention and recoupment, and I think that is one of the reasons that the VA is opposed to this one piece of legislation.

It is unfortunate, however, that while they continue to tout how they are supportive of true cultural change and accountability within the department, when Congress acts to give them those tools and the ability to change the culture, they rebuff it or they say they already have the authority, and it is not necessary, yet we see time and time again that these tools that they have are really replaced with words, and there are really no concrete efforts or actions on their part.

The reason I introduced this bill was, in fact, to help the secretary and to give him the statutory authority to recoup these relocation expenses, when warranted. Because as many of you remember, with Diana Rubens and Kim Graves, it was evident that the department was unclear as to what authority they had to recoup the money.

This bill would clear up any uncertainty the department or the lawyers may have as to what they are or are not able to do. I am not here to re-hash the ultimate outcome of the Rubens and the Graves cases. I do know, however, that many of us were disappointed in the department's inability or, in fact, their unwillingness to recoup the hundreds of thousands of dollars that the American taxpayers funded to make Ms. Rubens' and Ms. Graves' self-designed moves occur.

Despite comments expressed by me, Members of Congress, VSOs, the media, and the general public, in these two cases, the secretary was always unclear as to whether or not they even had an option for the department to recoup those expenses under current law. VA has said as in the past and, again, in their testimony today, that they already had that ability to, "Collect debts owed by employees when employees have been paid incorrectly."

VA has not, however, been able to articulate whether Ms. Graves' or Ms. Rubens' transfers and the over \$400,000 that their moves caused the American taxpayers would be categorized as improper payments. To erase this ambiguity, I introduced this bill that is before you today, H.R. 4138 to give the secretary again, yet another tool to instill real and measured accountability that would spread across the entire department.

And furthermore, if the bill were law during the cases mentioned above, then it would have allowed the secretary to do what was right for veterans and taxpayers alike, so that when a VA employee inappropriately receives almost half a million dollars as a result of their behavior, behavior that some felt fell short of the department's values and their missions, the secretary would be able to act in a meaningful way.

I think this is a common sense piece of legislation, and that it is our duty to provide the secretary with every means possible as we continue to work together to try and transform the Department of Veterans Affairs into an organization that the veterans of this country deserve.

Mr. Chairman, Mr. Takano, thank you very much for your time; it is an honor, and I yield back.

Mr. WENSTRUP. Thank you, Chairman Miller.

Next, we recognize Ms. Titus for any remarks she may have on her bill.

OPENING STATEMENT OF DINA TITUS

Ms. TITUS. Well, thank you very much Mr. Chairman. I want to thank you and Ranking Member Takano, for including two pieces of legislation that I have introduced, and I thank Mr. Takano for his kind words when he mentioned one of them earlier.

The first is H.R. 748, which is the GI Bill STEM Extension Act, which I introduced along with my friend, Mr. McKinley, from West Virginia, in that that would provide an additional nine months of educational benefits to help veterans who pursue degrees in the STEM fields. STEM fields often have many lab courses associated with them, and this can take longer than the standard four-year curriculum, and so that is why they need an additional amount of time.

The ability to analyze, communicate, and motivate, which is honed in the military makes veterans ideal candidates for STEM fields. Now, with the growth and demand for STEM experts expected to outpace other professions in the next two decades, this legislation will help meet the need for a highly qualified workforce, enable us to better compete in the global economy, and create new employment opportunities for our Nation's heroes.

I appreciate the support that I have gotten from some of today's witnesses, and I would like to work with Mr. McKinley to incorporate these changes that have been suggested.

The second bill is H.R. 3419 that Mr. Takano mentioned, the Student Veterans with Families Act, and it would provide critical support service for student veterans with children. We know that student veterans can be different from the traditional college student; many of them are far likelier to have families of their own, and this means they have to juggle a possible academic career with currently meeting that family's needs.

There are currently about 70,000 veterans who are single parents. Many of them are eligible to use the GI Bill benefits, and some of these are currently enrolled in educational programs.

The GI Bill provides stipends for books, housing, living expenses, but not for any kind of child care. So students with any children aren't provided any additional support to help balance their studies and their responsibilities. And if student veterans aren't able to complete their degrees and take advantage of the GI Bill, then that is a shortcoming, and we are failing our Nation's heroes.

This legislation would provide grants to schools to fund spots on existing child care facilities, build new facilities, or facilitate care closer to campus.

Again, I appreciate the comments and suggestions that you have all submitted in your written statements, and I look forward to incorporating them in the legislation as it moves forward, especially the suggestion to add priority of service caveats.

So those are the two bills that are included that I introduced, and I very much thank you, Mr. Chairman.

Mr. WENSTRUP. Thank you, Ms. Titus.

It is an honor to be joined by our colleagues, Mr. McKinley of West Virginia and Mr. Cook of California. I thank all three of you—both of you for being here—there should be a third one.

Mr. McKinley, you are now recognized.

OPENING STATEMENT OF DAVID MCKINLEY

Mr. MCKINLEY. Thank you, Chairman Wenstrup and thank you, also, Ranking Member Takano.

Members of the Committee and my cosponsor, thank you. Thank you for inviting me here today to discuss H.R. 748, the GI Bill STEM Extension Act. The rationale for this legislation is simple; it is twofold. We know there is a shortage of STEM graduates in our country, and we have also heard from our veterans how difficult it is for them to make that transition back from a military environment into an academic setting, especially for them to do it within the prescribed period of time.

For example, engineering, I am just one of two licensed engineers in Congress and it takes now, at Purdue, it is a five-year program. And similar to that, in many programs across America, engineering and STEM education, is longer than four years. As a result, we put this bill together to address both issues.

As a background further, only four percent is—from our research, only four percent of our American undergraduates are in STEM education. In China, however, it is 22 percent.

So, in America, nearly 40 percent of our undergraduates in engineering are here on a student visa and then they take that degree, that education process and go back to their country to compete with us in America from their foreign—from their country.

So, we wanted—we thought that we, as a country, can do better. We have already—as Congressman Titus has said they are ready and deserving qualified students, veterans that need our help to work with them. The genesis of this bill came from discussions with the students from the roundtables that I would have around the district talking to the students at the campuses, and they would tell me how long—like four years, four and a half years, five years, five and a half years, so you get their engineering or their science degree. They needed help.

So we knew there was this—the one thing they kept emphasizing is this trip. They had been overseas for two or three years. They come back and go in an academic setting, that caused them time to get back into that grooves, so to speak, as to be able to do that.

So, we are trying to help them. These veterans need that flexibility and financial resources to complete their degree. Due to the extended nature of most STEM course programs, student veterans take on additional debt to complete their degree or sometimes they will choose to postpone their degree or some never complete their education because of the additional costs that are incurred with that.

Our bill will reduce—will also help reduce that possibility of student debt. If costs are a concern—and they should be at some factor—well, many—one way that we considered doing in this piece of legislation is controlling the costs by limiting the number of slots that could be made available to our veterans, just like we do in the

medical profession. There, perhaps if we were to limit it to 5,000 students a year to be eligible for this help, that would make it a very manageable cost to be able to do that, to be able to help out in our STEM education.

So, working with the Committee and the stakeholders, we believe this legislation creates a pathway to graduate an additional 5,000 professionals into the STEM program to help grow America.

We look forward to working with this Committee and outside stakeholders to improve the bill and move it forward. And, remember, this transition from a military environment to an academic campus is not always an easy one if you are, been away from that for years. We owe it to the men and women who deserve—everything that they have done for us—to help them return to civilian life and help them pursue their dreams and help our country.

So, Chairman Wenstrup, Ranking Member Takano, Congresswoman Titus, thank you all very much, all of you, and the Committee Members for being here today, and I hope that you will give serious consideration as to how we can help our veterans. Thank you.

Mr. WENSTRUP. Thank you, Mr. McKinley.

Mr. Cook, you are now recognized.

OPENING STATEMENT OF PAUL COOK

Mr. COOK. Thank you, Chairman Wenstrup, for the opportunity to speak today on a bill that is especially important to me. As a combat veteran, I am deeply concerned that the men and women of our Armed Forces continue to struggle to find jobs upon their return to civilian life. These individuals have not only displayed great courage serving their country, but have acquired distinctive skills that make them ideal candidates for employment.

Veterans who serve this country honorably should never struggle to find employment, which is why I have introduced H.R. 3286, the Honoring Investments in Recruiting and Employing American military veterans active of 2005, the HIRE Veterans Act would establish a self-funded program within the Department of Labor that encourages private sector employers to hire and retain veterans; specifically encourages effective voluntary private sector investments to recruit, employ, and retain men and women, who have served in the United States military, and with annual presidential awards to private sector employers, recognizing those efforts and for other purposes.

To ensure proper oversight, the sec stair of labor would be required to provide Congress with annual reports on the success of the programs and the hiring, and the retention of veterans. The program would be completely voluntary and it would be funded through a small fee, paid by willing employers when applying for the award.

The bill goes beyond simply recognizing that a business hires a veteran; it is critical that we establish a nationwide gold standard that creates a strong and consistent brand. This Act is an opportunity for Americans to see which companies truly live up to the employment promises they make to veterans.

It is our duty to ensure veterans receive the benefits and resources they are earned through their services to this country and

this includes encouraging meaningful job opportunities. This bill creates an innovative system to encourage and recognize employers who have made veterans a priority in their hiring practice and incentivizing the creation of thousands of jobs for veterans.

I want to thank Ranking Member Takano for cosponsoring the HIRE Veterans Act. I would just like to add that part of the reason that I think this bill is very, very important, is we have done a terrible job on this. Over the years, you know, we have had people who have come back from combat, wounded, and everything else, and for a variety of reasons, they can't get a job.

And with the help of employers, this is going to reward or incentivize and recognize those employers that have stepped up to the plate and helped make that very difficult transition for some people who have served our country.

I want to thank the Committee for having me here today, and I welcome any questions.

Mr. WENSTRUP. Thank you, Mr. Cook.

And I thank you all for bringing forth these bills and speaking on them at today's hearing.

Unless there are any questions for our colleagues, you are now excused, and at this time, I would like to recognize our second panel of witnesses today.

First, I want to welcome back Mr. Curt Coy, Deputy Under Secretary for Economic Opportunity at the U.S. Department of Veterans Affairs, who is accompanied by Ms. Carin Otero, Associate Deputy, Assistant Secretary for Policy and Planning at the U.S. Department of Veterans Affairs, and we also have Mr. Sam Shellenberger, who was the Deputy Assistant Secretary for Operations at the Veterans' Employment and Training Service at the U.S. Department of Labor.

Very brief titles. I have to say your card must be very full. But I want to thank you all for being with us today.

Mr. Coy, when you are ready, we will begin with you. You are now recognized for five minutes.

STATEMENT OF CURTIS L. COY

Mr. COY. Good morning. I am falling apart here.

Well, good afternoon, Mr. Chairman, Ranking Member Takano, and other Members of the Subcommittee. Thank you for the opportunity to be here today and for your proactive interest in improving our programs.

Accompanying me this afternoon, as you mentioned is Ms. Carin Otero, Associate Deputy Assistant Secretary for the office of the human resources.

There are a couple of bills under discussion today that would affect programs or laws administered by the Department of Labor. Respectfully, we defer to our labor department colleagues on those bills.

H.R. 748 provides up to nine additional—up to nine months of additional Post-9/11 GI Bill to an every single who has used all of their 36 months of benefits and is enrolled in a science, technology, or mathematics STEM program that requires more than the standard credit hours for completion or has earned a post-secondary de-

gree in a STEM field and is enrolled in a program of education leading to a teaching certification.

VA supports the intent of the proposed legislation, but there are a few nuances we would like to address and would be happy to work with the Committee to resolve them.

H.R. 2551 authorizes VA to treat a pre-apprenticeship program in the same manner as an apprenticeship program, and would provide a monthly housing allowance for beneficiaries who are not paid as part of the pre-apprenticeship program. VA generally supports the intent of the proposed legislation, but has some concerns with implementation of this bill, as outlined in my written testimony.

Again, we would be happy to work with the Committee, as well as our colleagues at Labor.

H.R. 3419 authorizes the secretary to make grants to educational institutions who either establish or expand child care center or pay the costs of providing child care services at a center.

Although VA supports the goal of providing affordable child care for those enrolled in higher education, VA does not support this bill, as written. We have concerns with the potential establishment of a child care center, due to life cycle costs involved to sustain it, as well as the management challenges associated with a variety of state and local laws. We would be happy to work with the Committee to outline our concerns.

With respect to the bill, with several educational systems provisions, VA, again, thanks the Committee for your proactive support.

Section 2, which would allow the proration of entitlement charges for licensing and certification examinations and national tests. This would certainly benefit veterans and their families by reducing the negative impact of the exam or test reimbursement on their remaining entitlement benefit.

We would, however, suggest the provision specify the amount of benefit payment equalling one month of entitlement. Again, we would be happy to work with the Committee to address this.

VA supports Section 3, which would authorize VA to round down the cost-of-living adjustments to the nearest whole dollar for Chapter 30 and Chapter 35. VA also supports the reauthorization of the veterans advisory committee on education, through December 31, 2021, as described in Section 4. This is a valuable Committee, providing expert advice.

Section 5 authorizes VA to provide training requirements for school certifying officials. If an educational institution does not ensure that a school-certifying official meets the training requirements, VA may disapprove any course of education offered by the educational institution. VA also supports this section.

VA does not support, however, Section 6, which authorizes VA to reduce the amount of monthly housing stipend on a pro rata basis if an individual reduces the number of course hours at the beginning of an academic period. Authorizing VA to offset an individual's monthly housing stipend in this manner could create a financial burden on veterans and their families.

VA prefers to focusing on strategies to minimize their frequency and magnitude of overpayments, rather than more aggressively re-

coupling over payments in a manner that may be detrimental to beneficiaries.

Section 7 would prohibit an educational institution for using or merging VA reporting fees with the amounts available with their general funds. VA does not support Section 7.

Educational institutions are already required to use reporting fees solely for supporting veterans and their programs.

VA also opposes 4138, which would authorize the secretary to recoup relocation allowance, paid to or on behalf of employees of VA. VA agrees Federal employees should be held accountable and supports action taking to collect debts when employees have been paid incorrectly, and has established a strong internal policy implementing the Federal Claims Collection Act.

Section 2 of the GI Bill Oversight Act requires VA's Office of the Inspector General to research and conduct investigations involving institutions of higher learning that are defendants in a class action lawsuit for deceptive or misleading practice or being investigated by a Federal or a state agency or have been found guilty by any state or state—Federal or state agency of deceptive or misleading practices. It is my understanding that the Committee has the VA OIG comments for Section 2 separately.

Section 3 of this bill requires VA to disapprove courses of education in IHL found guilty by OIG of deceptive or misleading practices. VA currently has this authority but supports the general intent behind the legislation.

VA currently has 79 full-time counselors at 94 campuses under our VetSuccess on Campus Program. We are supportive and appreciate I have to codify the existing program. One minor point, however, education and vocational services are available to servicemembers, veterans, and their dependents, but the bill refers to veterans only. As such, VA recommends that the bill be expanded to servicemembers and dependents.

Mr. Chairman, this concludes my statement. Thank you for the opportunity to appear before you today, and I would certainly be pleased to respond to any questions that you or any Members of the Subcommittee may have.

[THE PREPARED STATEMENT OF CURTIS L. COY APPEARS IN THE APPENDIX]

Mr. WENSTRUP. Well, thank you, Mr. Coy. We are going to shift gears for just a moment from this panel and I would like to recognize Ms. McSally for comments on her bill.

OPENING STATEMENT OF MARTHA MCSALLY

Ms. MCSALLY. Good afternoon. Thank you, Mr. Chairman. Thanks Chairman Wenstrup, Ranking Member Takano, for allowing me to speak on behalf of my bill today, H.R. 2551, the Veterans' Entry to Apprenticeship Act.

As a veteran myself, I know personally when somebody raises their right hand and volunteers to defend our Nation, we commit to doing all we can to assist them when they return.

Part of that process means helping our veterans transition to civilian life after their service. Unfortunately, we are not living up to that responsibility. A 2015 GAO Report revealed for veterans

age 18 to 34, the unemployment rate was 20 percent higher than unemployment rate for non-veterans. We can and must do better for our war heroes.

I am here today to talk about a common sense solution that would help our veterans get needed skills to better their career options. Under current law, GI Bill benefits cannot be used to cover the cost of Department of Labor approved pre-apprenticeship training, which is required to enter certain trade fields.

This can often be an insurmountable barrier for a veteran wanting to enter apprenticeship programs with their GI Bill to gain new skills for good jobs. Pre-apprenticeship programs are classroom-based courses that prepare individuals to enter a more advanced level of apprenticeship training. These programs lay the ground work for an enrollee to enter a skilled trade, including providing counselling to put them on a path to enter the workforce.

My bill, H.R. 2551, removes barriers to these valuable programs and provides our veterans the ability to use their educational benefits under the GI Bill to learn these critical workplace skills. In a nutshell, the bill helps veterans obtain good-paying jobs and these are the benefits they have earned.

Increasingly, we have seen an expansion of pre-apprenticeship and apprenticeship programs in high-tech fields. In my own district, a veteran-owned manufacturing company that creates products for the semiconductor, aerospace, optics, and mining industries has utilized these programs to their advantage. Pre-apprenticeship programs have made it possible for this company to recruit and train the talent needed to ensure it can flourish, while providing veterans the competitive wages that they deserve.

As another example, the Arizona Department of Transportation offers a pre-apprenticeship program in highway construction that includes hands-on instruction and trips to job and training sites. The course includes training to ensure a seamless transition to a U.S. Department of Labor registered apprenticeship program.

With these benefits, it is only common sense that we expand access to these programs for veterans looking for work. My bipartisan bill comes at a time when our skilled workforce is aging steadily, and our Nation is seeking—is seeing a significant shortage of new workers to fill these high-skilled jobs.

According to a study conducted in 2012, 53 percent of skilled U.S. workers were 45 years or older; 20 percent were over 55; likewise, there are as many as 500,000 manufacturing jobs currently going unfilled because employers say they cannot find qualified workers.

With an increasing number of Post-9/11 veterans looking to enter the workforce, and an estimated 573,000 unemployed veterans in 2014, now is the perfect time to encourage our war fighters to pursue careers in apprenticeship—apprenticeable occupations; that is a new word. This would be a win, not just for our veterans, but also for local employers, as well.

In closing, I want to thank Congresswoman Tulsi Gabbard, for her strong leadership and being my wing-woman on this important issue. Additionally, I would like to thank the other 33 cosponsors, many of whom are Members of this Committee, as well as the various groups that are supporting this bill, including the National Guard Association of the United States, the Reserve Officers Asso-

ciation, the Enlisted Association of the National Guard United States, the National Roofing Contractors Association, the National Association of Home Builders, and the Associated General Contractors of America for their support.

Lastly, I would like to thank the Committee for giving me this time to speak before you today, and I appreciate your consideration of this bill.

Mr. WENSTRUP. Thank you, Ms. McSally.

Mr. Shellenberger, you are now recognized.

STATEMENT OF SAM SHELLENBERGER

Mr. SHELLENBERGER. Thank you, Mr. Chairman.

Good afternoon Chairman Wenstrup, Ranking Member Takano, and distinguished Members of the Subcommittee. Thank you for giving me the opportunity to participate in today's hearing.

As deputy assistant secretary for operations and management of the Veterans' Employment and Training Service at the Department of Labor, I appreciate the opportunity to discuss the department's views on pending legislation and proposals that impact veterans' employment. As a Navy veteran, the son of an Army Air Corps veteran and the father of an Army officer, I take DOL's mission to help veterans, transitioning servicemembers, and military families personally.

I am pleased to report that the employment situation for veterans continues to improve. Last month marked 23 months out of the past two years where veteran unemployment was lower than non-veteran unemployment; still, DOL will not rest until all veterans find meaningful employment.

I will limit my remarks today to proposed bills that have a direct impact on the programs administered by the Department of Labor. These include the Veterans Entry to Apprenticeship Act, the HIRE Vets Act, and a draft bill to evaluate the effectiveness of the Transition Assistance Program, in addressing the needs of certain minority veterans.

The Veterans Entry to Apprenticeship Act would allow covered veterans to utilize their education benefits for pre-apprenticeship programs.

Since the administration of the provisions of this bill would fall to the VA, the department will defer to that agency for specific concerns related to the legislation overall; however, the department does reiterate its support for registered apprenticeship programs as a proven pipeline for veterans to meaningful civilian careers.

Pre-apprenticeship programs, when properly structured, represent an excellent opportunity to expand the aperture of apprenticeship pipelines for our veterans.

With regard to the HIRE Vets Act, DOL applauds the intent of this bill and all efforts to ensure that our veterans find civilian employment following separation from the military; however, we would like to note some concerns regarding our ability to successfully implement the program, as currently drafted. I have addressed these concerns in more specific detail in my written testimony. For example, the Medallion Award Fund as contemplated in the bill, is not self-executing.

DOL would not have access to the fees in the fund unless and until Congress appropriates those fees to the agency. And it is difficult to determine a reasonable fee that employers would contribute that would be sufficient to enable vets to carry out many of the requirements of the bill. DOL would likely require additional staff in order to verify the information provided in the applications; however, if the criteria, instead, were limited to measuring only entered and retained veteran employment rates, there may be opportunities to leverage existing Federal and state databases just to confirm those numbers.

Lastly, I will touch on Mr. Takano's Transition Assistance Program evaluation bill. As a partner agency in the Transition Program, and as a member of the TAP performance management working group, DOL is currently conducting evaluations to assess the long-term outcomes of TAP. The Department of Labor's chief evaluation office conducted an assessment in 2013 and based on those findings, awarded a contract to conduct a two-part evaluation of the outcomes of the DOL employment workshop.

The first part will analyze the impacts of the workshop on employment-related outcomes for separating servicemembers. Data collection is currently underway and is expected to occur through fiscal year 2017. The analyses are expected to be conducted and finalized in fiscal year 2017.

The second part of the study consists of the pilot to evaluate differential impacts of delivery approaches, such as the use of social media for the employment workshop. The intervention design and feasibility analysis is currently underway for that study.

While the department supports the intent and the spirit of the draft legislation, DOL would prefer to wait until the current evaluation work is concluded in the summer of 2017 before beginning another research program on TAP.

The department looks forward to continuing our work with the Subcommittee to ensure that our veterans have the resources they need to successfully compete in the civilian workforce. The improving employment situation for veterans is a resounding testament to the impact of Federal programs and the nationwide response from public and private stakeholders, acting nationally and within local communities.

Mr. Chairman, Ranking Member Takano, distinguished Members of the Subcommittee, this concludes my oral remarks. Thank you for the opportunity to be part of the hearing, and I will look forward to responding to your questions.

[THE PREPARED STATEMENT OF SAM SHELLENBERGER APPEARS IN THE APPENDIX]

Mr. WENSTRUP. Well, I thank you for your remarks, and at this time, I will yield myself five minutes for questions, and, first, for Mr. Coy, regarding Chairman Miller's bill, HR 4138, it is the authority to collect the debt if an employee has been improperly paid, however, I am not clear if they are able to do so, if the payment at the time was correct but it was later found that the employee received the payment through some ill-gotten means, if there was some misbehavior to get to that point, if you would have the authority to recoup it.

So, can you tell us what exact authority they currently have, the secretary currently has, and if this authority was available for the secretary at the time, say, of the relocation expenses that were paid to Ms. Rubens and Ms. Graves; could he have rescinded that if he wanted to?

Mr. COY. If I may, Ms. Chairman, I would like Mr. Otero to answer that; our H.R. expert.

Mr. WENSTRUP. Thank you.

Mr. COY. Karen?

Ms. OTERO. Good afternoon, Mr. Chairman. The department has a current authority that allows if an improper payment is made, that it allows us to recoup the payment and we have the Federal Claims Collection Act.

In the case of Ms. Rubens and Ms. Graves, in our investigation of the matter, their superiors made the decision to offer a relocation, and so once it was authorized, the relocation, in fact, became allowable, the relocation occurred—

Mr. WENSTRUP. I appreciate that, but that is not my question.

Ms. OTERO. Yes.

Mr. WENSTRUP. My question is, hypothetically, if they found that the reason that it was okayed by the supervisor was through some nefarious behavior, would the secretary have the authority to take that away if this bill is passed?

Ms. OTERO. The secretary would have the authority to manage the decision made by the higher-level official who authorized the payment.

Mr. WENSTRUP. I don't—

Ms. OTERO [continued]. And so that would be outside—

Mr. WENSTRUP [continued]. I am asking you yes or no, and I am not getting that. I want to know—I want the secretary to have the ability to recoup taxpayer dollars if the person used some nefarious behavior to get to where they got.

So whether the supervisor was duped into this situation or whatever the case may be, if that person acted in a way that was not correct or nefarious in some way, will the secretary have the authority to take that back, because—that is really what I am asking here.

I understand in that situation, the supervisor may have gone ahead and done it, but if the supervisor was misled by information, they are clean. But the point is, going back further, if it was bad behavior that led to the supervisor's decision, does the secretary have the authority under this bill, then, to retract that payment?

Ms. OTERO. I don't think with this bill makes—would make a difference. I do believe that if there was nefarious behavior, I believe it would be uncovered in an investigation, in theory, if it was, in theory, nefarious behavior.

Mr. WENSTRUP. Well, thank you. I appreciate that, and I will move on from there.

Going back to Mr. Coy, the GI Bill Oversight Act would require VA and the VA OIG to take certain steps when a school is under an investigation by state or Federal entities. And, you know, anyone can bring forward allegations and initiate an investigation, if you will, so I want to get your opinion on whether you think it is prudent to require the VA and the VA OIG to take action, based

on allegations or investigations before facts and substantiated allegations?

Mr. COY. Thank you for that question, Mr. Chairman. I think you are referring to—

Thank you, Sam. I think you are referring to Section 3, that if the OIG finds someone guilty or an institution guilty, that we should automatically withdraw the funds from that school.

My concern, and right now, we—what we say is, we support the intent, but we have some concerns or issues about it. One of the concerns I would certainly have is, OIG generally does investigations, and once that investigation is done, you know, it would be handed over to us, the education folks, or some other body, for example, FTC or Justice, you know, for any criminal intent.

So there is an issue of whether or not—what the definition of guilty is, if you will.

The other issue is, is we certainly have a concern that we would need some ability for discretion, with respect to this. The way the current bill is written, it is almost an absolute is.

So, the two concerns I would suggest is, A, OIG investigating and determining “guilt,” which I think the way the bill is written, and so we have a little bit of concern about that, and then, secondly, if there was some definition of guilt there, there is also an extent of—what is the extent of the deceptive marketing that is there?

Doing an automatic withdrawal, without having any discretion to leverage some judgment in there, is the kinds of things that we would be happy to work with the Committee to try and resolve those particular issues.

Mr. WENSTRUP. And I think that is what we need to work on and clarify is, really, what stage—really, what does that mean? You don’t want one school competing with another; therefore, launching an investigation or allegations and have this take place, where we would want to be able to clarify that.

Mr. COY. Yes, sir.

Mr. WENSTRUP. Thank you. I now recognize Mr. Takano for five minutes.

Mr. TAKANO. Thank you, Mr. Chairman.

Mr. Coy, thank you for signing the memorandum of understanding with the Federal Trade Commission in November of 2015 to involve the FTC in carrying on investigations and making the VA’s determinations of deceptive or misleading practices by IHLs in violation of Title 38, Section 3696.

My question to you is, has the VA referred any cases to the FTC since the VA/FTC MOU was signed?

Mr. COY. No, sir, we have not.

Mr. TAKANO. Well, I also want to thank you for your support of the intent behind my legislation. We had been working with the OIG to address their concerns and this process will continue.

But please describe how the VA uses its existing discretion to protect veterans from wasting their hard-earned, but limited GI Bill entitlement.

Mr. COY. Thank you, Mr. Takano. We have been—especially as of late, in the last several years—been working very hard and very diligently to try and make sure that veterans—that veterans are

informed consumers. And what we do with that is, we want to make sure that—we have done a number of things.

There is a public law that we certainly implemented, as well as the president's principles of excellence, and we have gotten 6,000 schools. We created the GI Bill comparison tool. So far in just the last few years, since its inception, we have had over 2.5 million folks use it. You know, I think most folks are familiar with the comparison tool, but we have caution flags that are available on there.

We have added a number of features like outcome measures at particular schools and those kinds of things.

We also have our GI Bill feedback tool that has been built in just the last few years. That GI Bill feedback tool so far has already received about 3800 valid complaints. We have resolved about 3500 of them. This year alone, we received 890 complaints and referred those to schools. So, we think the feedback tool is a valuable mechanism to be able to do that.

We also, as a result of some of those complaints, we have conducted 109 risk-based compliance reviews; in other words, they have gone out to schools and taken a look at them and seeing if some of the issues we have are true, and what are the resolution of those particular issues.

We have also looked at—we trademarked the GI Bill, and so far, we have already used that authority 21 times to call somebody up and say, we think you are using the term “GI Bill” improperly.

Finally, I would suggest that in the last five years, we have withdrawn authority for the GI Bill to about 33 schools working with our VSA partners in the field, to, in fact, do withdrawals of those 33 schools, based upon fraud, misleading or deceptive practices.

Mr. TAKANO. Well, with regard to that action you—the last action that you described, what would trigger it? What sort of triggers make that happen?

Mr. COY. There are a number of triggers. One, it could be through the GI Bill complaint system that we have. And the way we work with that is someone submits the complaint, the first thing we do is, we find out whether or not that complaint is a valid complaint. There are some complaints that aren't really for the principles of excellence and the kinds of things. Their complaint is about parking tickets and so on and so forth, and we sort of scrape those away.

Mr. TAKANO. But how bad does it have to get in order to rise to the level of an action that—of withholding a—

Mr. COY. In nine times out of ten, it is an individual judgment. We also have our SAAs. Joe Wescott is on the next panel, and we work very closely with the SAAs. So we may have an SAA go look at the issue. We may send out our own team to go do it.

Each one is a little bit different. If you look at the 33 schools, some are very small, and so that is a different methodology than we would do for somebody that is a little bit larger.

For example, when DoD suspended tuition assistance for the University of Phoenix, we did risk-based compliance reviews of all 83 of their campuses.

Mr. TAKANO. Okay. It seems to me that there needs to be more consistency and a firmer idea of a procedure within the Department. And, anyway, my time is up and I yield back.

Mr. WENSTRUP. Ms. Titus, you are now recognized for five minutes.

Ms. TITUS. Thank you very much. I would just like to ask you, Mr. Coy, about the childcare bill that I introduced. I introduced that because I was meeting with a group of student veterans at UNLV, and one single mother told me that she loved going back to school. She wanted to get a degree. She appreciated the GI Bill, but she was afraid she was going to have to drop out because she could not balance being a single mother with being a full-time student.

So I would just ask you if you know what the percentage is of students who use the GI Bill but do not complete their degree program, how many of those are women? And if you do any interviews with students who enroll but do not complete to ask them why they possibly had to drop out before graduating?

Mr. COY. If you are asking, and I will try and understand the question back, so you are asking how many of our GI Bill students did not complete their degree because of a childcare issue or concern?

Ms. TITUS. Now, I doubt if you have that information.

Mr. COY. No, ma'am, I do not.

Ms. TITUS. But I was going to say how many of them do not complete their degree? How many of them are women? And do you do any outreach to those who do not complete their degree to ask them why not?

Mr. COY. I think we can probably get the statistics on the number of women that are not completing their degrees. Part of the problem with that, just to caveat it is, these students have 15 years to use their GI Bill benefits, so somebody may not go back to school next semester, but they will go in two years from now. So it doesn't mean that they are not going to complete their degree. It just means that they haven't done it just yet.

Ms. TITUS. I think you will find there are statistics that show that if you don't complete your degree within a certain amount of time, you don't ever go back.

Mr. COY. I would agree with that—

Ms. TITUS. So I think that—

Mr. COY [continued]. —that is true.

Ms. TITUS [continued]. —kind of is a wash there.

Mr. COY. I—no, I would agree that that probably in many cases, that is true.

Ms. TITUS. Do you think you could find some of those statistics for me? Because I think that would help to provide some support for the need for childcare to help people to complete their degree program. It is not all women, but it will be largely women.

Mr. COY. I would be happy to try and see if we can get those statistics for you.

Ms. TITUS. Okay, thank you. Thank you, Mr. Chairman.

Mr. WENSTRUP. If there are no further questions, the panel is now excused.

And I now invite our third and final panel to the table. Joining us is Mr. Davy Leghorn, Assistant Director for the Veterans Employment and Education Division at The American Legion; Dr. Joseph Wescott, Legislative Director for the National Association of

State Approving Agencies; Mr. Walter Ochinko, Policy Director for Veterans Education Success; Mr. Jared Lyon, President and CEO of Student Veterans of America; and Mr. Aleks Morosky, Deputy Director of the National Legislative Service of the Veterans of Foreign Wars of the United States.

I thank you all for being here today, for your service to our Nation in uniform, and for your hard work and advocacy on behalf of our Nation's veterans. It is greatly appreciated.

Mr. Leghorn, we will begin with you, and you are now recognized for five minutes.

STATEMENT OF DAVY LEGHORN

Mr. LEGHORN. Chairman Wenstrup, Ranking Member Takano, and distinguished Members of the Subcommittee, on behalf of our National Commander, Dale Barnett and the more than two million members of The American Legion, thank you for the opportunity to explain our positions on legislation before the Subcommittee.

Our positions on the nine pieces of legislation addressed today are a matter of record. The American Legion would like to focus the duration of our time on two pieces of legislation.

There is a lot of talk these days about the top one percent and the middle class. But no one likes to talk about the bottom one percent that reside on the reservations and insular territories and commonwealths. The American Legion would like to thank Ranking Member Takano and Representative Radewagen for proposing legislation that would require the Department of Labor to take a closer look at the effectiveness of TAP in addressing the unique needs of veterans in marginalized populations.

The American Legion recognizes that different groups of people or communities have their own set of challenges. Paths to gainful employment differ greatly from locality to locality. In an effort to provide programs and services to the majority of our veterans, sometimes small pockets of veterans are overlooked. The American Legion sees that what works everywhere else in the country often does not work for our Native American, Alaskan Native, and Pacific Insular veterans.

To give the Committee a snapshot of what Native American or Alaskan Native veterans return to after service, they go back to a community with close to 30 percent of the population living below the poverty line and where nearly 40 percent of the population do not work or have given up on looking for work.

Private sector jobs are practically nonexistent due to a lack of development, and the closest job could be 50 to 100 miles away from tribal territory. But chances are they are not even going to get that job, because they have bad credit and do not have reliable transportation.

Health is declining because of bad diet, and the closest adequate health care provider is hundreds of miles away. In fact, the only thing there isn't a lack of nearby are predatory businesses who target the low-income population, fleecing them out of their last dollar.

This bleak snapshot is nearly the same for our Pacific island veterans who are only faring marginally better than their counterparts on reservations and tribal lands.

In the tribal lands and Pacific islands, there are very few jobs. In these places, local and Federal government are often the largest employers. These communities are dying. They need rural and economic development more than they need another veteran with a polished resume.

The way to revitalize these communities is by teaching our veterans to become local business leaders and job creators. For our veterans going back to these areas, their TAP classes need to focus more on SBA's Boots to Business Entrepreneurship course, with some emphasis on the agriculture industry and USDA programs.

It is our hope that the results from this proposed study would assist DoD in making TAP more relevant to our veterans in marginalized populations and close the loopholes that prevent our Native American, Alaskan Native, and insular veterans from accessing Federal veterans benefits.

Lastly, The American Legion would like to draw attention to the draft legislation which focuses on improving the administration of the post 9/11 GI Bill. While The American Legion supports efforts here to reduce the occurrence of overpayments, we offer one caveat regarding Section 6.

The American Legion does not believe a veteran student enrolls in a college course with the intention of dropping it later for secondary gain. Extenuating circumstances are often the reason for the courses being dropped. For the students attending college full-time, their rent and living expenses are not reduced when they drop a course. Reducing their living stipend in this instance imposes a burden that might result in some students dropping out of school and will cause more problems than this legislation intends to solve.

While all full-time students are affected, the full-time students at brick and mortar universities stand to lose the most with this change. The American Legion would like to see some protections for these full-time students who unwittingly become part-time students through no fault of their own.

Chairman Wenstrup, Ranking Member Takano, and Distinguished Members of the Subcommittee, The American Legion thanks you for the opportunity to testify this afternoon. We look forward to any questions you may have.

[THE PREPARED STATEMENT OF DAVY LEGHORN APPEARS IN THE APPENDIX]

Mr. WENSTRUP. Well, thank you, Mr. Leghorn. Dr. Westcott, you are now recognized for five minutes.

STATEMENT OF DR. JOSEPH WESTCOTT

Mr. WESTCOTT. Chairman Wenstrup, Ranking Member Takano, and Members of the Subcommittee on Economic Opportunity, I am pleased to appear before you today on behalf of The National Association of State Approving Agencies and provide comments on certain bills pending before this Committee. I am accompanied today by our Legislative Committee Vice Chair, Retired Sergeant Major Robert Haley.

H.R. 2551, The Veterans Entry to Apprenticeship Act, NASA supports this Bill, particularly as it could serve to increase enroll-

ment and improve apprenticeship programs, but would offer the following recommendations.

First, to ensure only quality programs are approved, we believe that approval authority should rest with the state approving agency.

Second, specific approval criteria should be developed in addition to those items identified in the bill, such as requiring that hours should be credited towards total required hours in the apprenticeship program.

And the state approving agency should find that there exist a reasonable certainty that the apprentice program will be available at the end of the training period.

The GI Bill Oversight Act of 2016. NASA supports this bill, but we would like to see the language of the bill expanded to include non-college degree schools approved for GI Bill benefits.

We recommend Section 2 be modified to specify the purpose and scope of the Inspector General's investigation, and to add to Subsection (b)(ii) that students provide to the Inspector General any information that might be relevant to the investigation.

We also would recommend adding the requirement that the Inspector General will notify the appropriate state approving agency upon commencing an investigation and share their findings at the conclusion thereof. Also, state approving agencies should retain both the approval and disapproval authority.

Proposed legislation, a bill to make certain improvements in the laws administered by the Secretary of Veterans Affairs relating to educational assistance and for other purposes. NASA supports this bill, but would suggest recommendations regarding Section 5.

While we agree that the training of school certifying officials should be a requirement, that training should not solely be the responsibility of the VA. In the past, state approving agencies regularly provided one-on-one targeted training to certifying officials.

Prior to fiscal year 2012, when the ASAs began assisting the VA with compliance surveys, state approving agencies conducted supervisory visits at 80 to 90 percent of our active facilities every year. On-site training of SCOs was a core component of these supervisory visits. Now, as a result of conducting compliance surveys on behalf of the VA, we only visit approximately 15 percent of our active facilities each year.

While we provide training to the extent we can in conjunction with compliance surveys, it is clear that the compliance survey assignments have greatly reduced our ability to regularly visit and train certifying officials. We would suggest that this reduction in on-site training during SA supervisory visits has played a roll in the increased percentage of GI Bill overpayments due to certifying official errors as discussed in the GAO Report from October 2015.

We would ascertain that a better balance of supervisory visits and compliance survey visits will result in better training and oversight, as well as fewer overpayments. As such, we believe that the development of the training recommended in the GAO Report should be a collaborative effort between VA and NASA, with input from school certifying officials. We would also suggest the following modifications.

First, in Subsection A, program disapproval authority would primarily reside with state approving agencies. Second, NASA recommends limiting any requirement for off-site training to those institutions with more than 20 GI Bill recipients annually. This will mitigate what could be perceived as an onerous training requirement for schools with few GI Bill recipients. However, we do believe reasonable and proper online training should be mandatory for all certifying officials.

Mr. Chairman, today, over 55 SAs composed of approximately 175 professional and support personnel are supervising over 14,000 active facilities with more than 100,000 programs. We are extremely grateful for the opportunity to once again appear before this Committee to share our views. And we remain committed to working with you, our VA partners, VSO stakeholders, and educational institutions on these and other initiatives designed to provide our veterans a path to a better future.

Mr. Chairman, I look forward to answering any of your questions that you or Committee Members may have.

[THE PREPARED STATEMENT OF DR. JOSEPH WESTCOTT APPEARS IN THE APPENDIX]

Mr. WENSTRUP. Well, thank you, Doctor. Mr. Ochinko, you are now recognized for five minutes.

STATEMENT OF WALTER OCHINKO

Mr. OCHINKO. Chairman Wenstrup, Ranking Member Takano, and Members of the Subcommittee, thank you for inviting Veterans Education Success to testify on the GI Bill Oversight Act of 2016. Veterans Education Success believes that the GI Bill Oversight Act seeks to address a critical shortcoming in the management of GI Bill educational benefits of the VA, the lack of enforcement to protect veterans from the predatory behavior of some schools.

When it comes to oversight of the GI Bill, VA's practice to date has been to focus on managing and tracking benefit payments. Protecting veterans' hard-earned educational benefits and taxpayers' investment from fraud or abuse receives far too little attention.

Last month the House approved a bipartisan bill reported out of this Subcommittee, the Career Ready Student Veterans Act. The bill would prohibit participation of the GI Bill by any school that recruits students using misleading information about its accreditation and the ability of graduates to subsequently get jobs in their field of study.

Misrepresentation by some schools, however, goes beyond accreditation issues. As demonstrated by 14 Federal and state settlements, some predatory schools also provide students with misleading information about costs, transfer of credits, job placement rates, post-graduation salaries, and other issues where reliable data are key to student veterans making an informed choice.

Only one of the 14 settlements resulted in the posting of a caution flag on the GI Bill college comparison tool. My written testimony contains an attachment summarizing the findings of these 14 Federal and state settlements. Although the settlements resulted in \$276 million in fines, which provided some relief to students, veteran students were not made whole. The GI Bill benefits they

used at these predatory schools are gone forever, underscoring the importance of ensuring that all schools provide veterans accurate information when they are shopping for a school.

Fortunately, statutory protection is already in place. Unfortunately, they are not being enforced. In 1974, Congress enacted Section 3696 of Title 38, which prohibits VA from allowing veterans to enroll in schools that engage in misleading and deceptive advertising and recruiting. Some of these same schools that provide misleading information to veterans about accreditation today were engaged in the same behavior in 1974.

In the July 2015 letter to eight U.S. senators, VA asserted that the Department lacked the authority to disapprove funds to schools. A recent report by the Yale Veterans Law Clinic concluded that Section 3696 obligates VA to exclude schools involved in misrepresentation from participation of the GI Bill, and that both VA and state approving agencies have clear authority to do so.

For more than 40 years, neither VA nor SAAs have enforced Section 3696. Looking for indications of fraudulent and aggressive recruiting was only added to the SAA compliance survey checklist in August 2014. According to a former SAA director, compliance reviews focus on whether the payments to the schools are accurate.

In December of 2015, the Virginia SAA withdrew the approval of ECPI's Medical Career Institute for violating the Section 3696. VA declined to release the SA compliance reports, leaving unchallenged ECPI's assertions that it had done nothing wrong. And this is not the first time that VA declined to support the actions of SAAs.

Section 3696 required the VA to negotiate a memorandum of understanding with the Federal Trade Commission to investigate schools suspected of misleading veterans, but that MOU was not signed until November 2015, more than 40 years after the enactment of Section 3696.

Perhaps the most obvious example of VA's inaction in the face of evidence that a school engages in misleading advertising and recruiting, is the May 2016 FTC settlement with Ashworth College. The FTC found that many programs offered by this school did not meet state requirements for those careers, including teachers and massage therapists, and that claims made about credit transfers were often not true.

In reaching the settlement, Ashworth College admitted no wrongdoing. The settlement appears to meet the criteria set forth in Section 3696 for terminating the school's participation in the GI Bill, even though the FTC investigation was not requested by VA, and the settlement was announced about five months before the completion of the VA/FTC MOU.

What action has the VA taken? Ashworth College is still approved to receive the GI Bill educational benefits. The GI Bill College Comparison Tool contains no warning to veterans about the FTC settlement and findings. Ashworth is still listed as subscribing to and following the principles of excellence on the GI Bill College Comparison Tool.

VA's failure to revoke approval of Ashworth or any of the schools already successfully sued by state attorneys general or Federal agency raises questions about the processes in place to respond to

findings of deceptive and misleading advertising, sales, or enrollment practices.

Before closing, I would like to acknowledge VA's recent action to suspend the principles of excellence designation of a school that the FTC is investigating for misleading advertising and recruiting, and initiate compliance reviews of all the school's campuses. Note that the school's eligibility to participate in the GI Bill has not been affected, because the investigation is ongoing, and that is probably appropriate. VES applauds VA's action and believes that it is an encouraging sign.

Finally, combating fraud and abuse by predatory schools needs to be a top Federal, as well as a top VA, priority. The GI Bill Oversight Act would help to elevate the priority placed on protecting veterans and increase the efforts to enforce VA's existing statutory and regulatory requirements to prohibit misrepresentation and deceptive recruiting.

By engaging the VA's Office of Inspector General, the enforcement process, the bill jumpstarts departmental enforcement by turning to an existing well-trained, resourced and audit investigation-oriented organization. Equally important, however, is changing the mindset of VA that paying benefits is only one part of VA's mission to serve veterans.

VA must do more than simply track the dollars out the door. It must take seriously its statutory obligation to protect veterans from deceptive recruiting and protect taxpayers' investments from fraud, waste, and abuse.

Chairman Wenstrup, Ranking Member Takano, and Subcommittee Members, thank you again for the opportunity to testify and for your commitment to ensuring that veterans can make an informed choice when they use their hand-earned GI Bill educational benefits.

[THE PREPARED STATEMENT OF WALTER OCHINKO APPEARS IN THE APPENDIX]

Mr. WENSTRUP. Thank you, Mr. Ochinko. Mr. Lyon, you are now recognized for five minutes.

STATEMENT OF JARED LYON

Mr. LYON. Chairman Wenstrup, Ranking Member Takano, and Members of the Subcommittee, thank you for inviting Student Veterans of America to submit our testimony on the important and timely issues covered today, including the GI Bill STEM Extension Act of 2015, the GI Bill Oversight Act of 2016, and the Support for Student Veterans with Families Act.

We cover these and additional issues in greater depth in our written testimony.

Established in 2008, Student Veterans of America is the voice for the interests of veterans in higher education. The myriad of programs supporting our success, rigorous research, seeking ways to improve the landscape and advocacy throughout the Nation, we place the student veteran at the top of our organizational pyramid.

To start, we would like to discuss the GI Bill STEM Extension Act of 2015. For most veterans hoping to enter science, technology, engineering, and mathematics fields, or STEM fields, they face the

challenge that these majors often require more courses than they can fit into a traditional college schedule. The additional time that it takes for a veteran to complete a STEM degree easily pushes graduation passed the standard four years allotted for the current post 9/11 GI Bill.

A 2015 Georgetown University study reviewed the economic value of college majors in the United States. This study showed that individuals who completed a STEM degree earned an average of \$65,000 a year when starting their careers, whereas non-STEM degree graduates earned \$15,000 less annually.

We are here today in support of H.R. 748 and propose feedback that would make this legislation even more cost-effective. We estimate that the GI Bill STEM Extension Act will support 33,000 veteran STEM majors, enabling those student veterans to successfully complete their degrees without any additional financial burden.

STEM majors contribute an average of \$260,000 more in taxes than non-STEM majors over their lifetime. This increase in tax revenue could equate to an additional \$8.6 billion in tax revenue, a return on investment for the American economy of \$8 for every \$1 spent.

This economic gain is in addition to the national security imperative to have more STEM professionals in our country, and we fully support the GI Bill STEM Extension Act of 2015. We look forward to continuing the discussion on how to improve the economic impact of STEM majors in the United States by motivating transitioning servicemembers to enter into these fields of study.

On the GI Bill Oversight Act of 2016, I am pleased to note that we continue to work hard to protect veterans pursuing their higher education. Sadly, due in part to the 9010 loophole, we continue to see predatory practices affect veterans at schools with the wrong priorities. I am simply tired of hearing student veterans tell me, "I wish I had known."

The GI Bill Oversight Act of 2016 focuses on the right issues to protect student veterans from questionable schools. With this intent in mind, we feel that the language triggering an investigation should heavily weigh on an institution's actions that are found guilty, not institutions with ongoing investigations. We strongly support the intent of this legislation and believe this to be a critical area of discussion.

Finally, we support the Student Veterans with Families Act, and we would like to highlight data from our annual member census which illustrates a significant concern among single parents who served in the military and are currently enrolled in higher education. How is it that they pay for childcare?

Our study shows that 49 percent of current student veterans have indicated that childcare had a negative or extremely negative impact on their financial situation. Additionally, 20 percent of student veterans indicated that their current childcare status had a negative impact on their personal academic goals as they pursue their degrees.

An increasing number of veterans are going to school, and the need for childcare continues to rise. That is why we applaud Congresswoman Titus on the introduction of this legislation. We strongly support the intent of this legislation and propose an ad-

ministrative change to effect the use of funds, limitations, and authorizations of appropriation sections. We hope to address this in further detail for additional consideration of this important discussion.

We thank the Chairman, Ranking Members, and Subcommittee Members for your time, attention, and devotion to the cause of veterans and higher education. As always, we welcome your feedback and questions, and we look forward to continuing to work with this Committee to ensure the success of all generations of veterans through higher education. Thank you.

[THE PREPARED STATEMENT OF JARED LYON APPEARS IN THE APPENDIX]

Mr. WENSTRUP. Thank you, Mr. Lyon. Mr. Morosky, you are now recognized for five minutes.

STATEMENT OF ALEKS MOROSKY

Mr. MOROSKY. Good afternoon, Chairman Wenstrup, Ranking Member Takano, Members of the Subcommittee. On behalf of the Veterans of Foreign Wars of the United States, I want to thank you for the opportunity to present VFW's views on today's pending bills.

Mr. Chairman, the VFW supports the GI Bill STEM Extension Act, which would grant an additional nine months to post 9/11 GI Bill benefits to student veterans pursuing degrees in specified fields of science, technology, engineering, and math that require more than the standard 128 credit hours for completion.

Those who graduate with STEM degrees position themselves for employment in increasingly high demand, good-paying jobs. Veterans who choose to enter these programs should be given the opportunity to complete them without exhausting their benefits before earning their degrees.

The VFW supports the Veterans Entry to Apprenticeship Act. By allowing veterans to use their education benefits to enroll in pre-apprenticeship programs, this bill would help them build the necessary skills they need to enter and succeed in the registered apprenticeship programs of their choice.

The HIRE Vets Act would give private sector employers recognition for their superior effort to recruit, employ, and retain veterans and provide charitable service for the veterans' community through the HIRE Vets Medallion Program. The VFW supports the HIRE Vets Act, but would like to offer two suggestions to improve the bill.

First, one of the qualifications for the Medallion is that the employers guarantee continued employment to Guard and Reservists following active duty service. Under USERRA, employers are already required by law to preserve that employment. The VFW suggests that this provision be replaced with an employer-sponsored USERRA training program. This will ensure that both the supervisors and the veteran employees understand their rights and responsibilities under USERRA.

Second, we suggest that the training program requirement for the Silver Medallion be rephrased to emphasize the program would provide specific training that is geared to bridge any gaps between

a veteran's military training and the requirements to perform the new job. The VFW wants to thank Congressman Cook for his vision, and we look forward to working with him to improve the bill.

The VFW supports the intent of the Support Student Veterans with Families Act to authorize VA to give grants to schools to provide childcare for student veterans, and we would like to offer a recommendation to strengthen it.

The bill requires at least 75 percent of new childcare services funded by the grant must go to student veterans. While we do not see a significant harm in allowing excess services to be used by non-veteran students and faculty, we would object to any student veteran being denied services or placed on a waiting list behind a non-veteran under any circumstances.

To prevent this from happening, we suggest that the bill be amended to include a priority of service clause for student veterans. With that change, the VFW would fully support the bill, and we look forward to working on it with Congresswoman Titus.

The VFW also supports H.R. 4138, believing that when a VA employee games the relocation expense program for personal gain or unintentionally receives payments that are not authorized, the Secretary must have the authority to recoup those funds.

The VFW supports the Veterans Success on Campus Act to make VSOC a permanent program in Title 38. Beginning as a pilot program on one campus in 2009, VSOC has grown to 94 campuses nationwide. By assigning VR&E counselors to these campuses, student veterans are provided with convenient access to education and career counseling, as well as information on VA health care and other benefits.

The VFW believes VSOC greatly enhances a student veteran's ability to successfully transition to civilian life, and we strongly support codifying it as a permanent VA program.

The VFW supports the GI Bill Oversight Act, which takes comprehensive steps to eliminate deceptive and misleading practices sometimes conducted by institutions of higher learning. By requiring OIG to conduct investigations on schools that are already under investigation by state or Federal agencies or are defendants in class action lawsuits or have been found guilty of deceptive or misleading practices, this bill ensures that the proper level of oversight is exercised over potentially bad actors.

Veterans attending those schools would be provided with information on how to transfer their credits. An investigation would be made public as part of the GI Bill Comparison Tool. It would also rightly grant VA the authority to disapprove these courses of education and restore lost benefits for veterans who are enrolled and receiving benefits when the disapproval occurs.

The VFW supports most provisions of the draft bill that makes several changes to the way the GI Bill is administered. These include pro-rating post 9/11 GI Bill benefits for licensing and credentialing exams, extending authorization of the Veterans Advisory Committee on Education, training for school certifying officials, and clarifying the use of reporting fees by schools.

We do, however, oppose the provision to extend the rounding down of the percentage increase VA may pay in educational assistance, as this could potentially require veterans to spend more

money out of their own pockets to pay for the education benefits they have already earned.

Finally, the VFW supports the draft bill that would require research on how the Transition Assistance Program addresses the unique needs, challenges, and post-military service aspirations of women veterans, veterans with disabilities, Native American veterans, and other groups that the Secretary considers appropriate. We believe this data could be useful in the continuing effort to ensure that the TAP curriculum is as effective as possible for all transitioning veterans.

Mr. Chairman, this concludes my statement. I am happy to answer any questions you or the other Members of the Committee may have.

[THE PREPARED STATEMENT OF ALEKS MOROSKY APPEARS IN THE APPENDIX]

Mr. WENSTRUP. Well, I want to thank all of you for your valuable testimonies here today. We have been called to vote, and we have agreed to submit our questions for the record for you. But I do appreciate the input that you have provided for us today on all these issues. It is greatly appreciated. So I do want to thank you for you taking the time to come and share your views. It is important to the legislative process that we hear from you and appreciate your feedback.

I would also like to announce that the Subcommittee will tentatively be holding a markup on some or all of these bills on April 28th. At this time, I ask unanimous consent that the written statement of the Office of the Inspector General of the U.S. Department of Veterans Affairs be included in the hearing record. Without objection, so ordered.

Finally, I ask unanimous consent that all Members have five legislative days to revise and extend their remarks and include extraneous material on any of the bills under consideration this afternoon. Without objection, so ordered.

This hearing is now adjourned. Thank you.

[Whereupon, at 3:19 p.m., the Subcommittee was adjourned.]

A P P E N D I X

Prepared Statement of Curtis L. Coy

Good afternoon, Mr. Chairman, Ranking Member Takano, and other Members of the Subcommittee. Thank you for the opportunity to be here today to discuss legislation pertaining to the Department of Veterans Affairs' (VA) programs, including the following: H.R. 748, H.R. 2551, H.R. 3419, H.R. 4138, a draft bill to make certain improvements in the laws administered by the Secretary of Veterans Affairs relating to educational assistance, a draft bill entitled "GI Bill Oversight Act of 2016", and a draft bill entitled "Veterans Success on Campus Act of 2016." There are a couple of bills under discussion today which would affect programs or laws administered by the Department of Labor (DOL). Respectfully, we defer to that Department's views on H.R. 3286 and a bill to direct the Secretary of Labor to carry out a research program to evaluate the effectiveness of the Transition Assistance Program in addressing needs of certain minority Veterans. Accompanying me this afternoon is Ms. Carin Otero, Associate Deputy Assistant Secretary, HR Policy and Planning, for the office of Human Resources and Administration.

H.R. 748

H.R. 748 would add a new section 3320 of chapter 33 of title 38, United States Code, which would authorize VA to provide up to nine months of additional Post-9/11 GI Bill benefits to an individual who has used all of his or her Post-9/11 GI Bill educational assistance. An eligible individual is an individual who:

- Is or was entitled to educational assistance under section 3311 of title 38;
- Used all of the educational assistance to which the individual is entitled; and
- (A) Is enrolled in a program of education leading to a post-secondary degree that requires more than the standard 128 semester (or 192 quarter) credit hours for completion in biological or biomedical science; physical science; science technologies or technicians; computer and information science and support services; mathematics or statistics; engineering; engineering technologies or an engineering-related field; a health profession or related program; or a medical residency program; or (B) has earned a post-secondary degree in an above-referenced field and is enrolled in a program of education leading to a teaching certification.

VA supports the intent of the proposed legislation, subject to the availability of funds. However, VA has concerns regarding the phrases "is or was entitled to educational assistance" and "is enrolled in a program of education" from the perspective of implementation and recommends that the draft bill be amended to clarify these phrases. As currently drafted, individuals who have been enrolled in a science, technology, engineering, mathematics (STEM) program of education for only one day, week, or month at the point they exhaust the normal 36 months of entitlement would be eligible for the additional nine months of educational assistance, even though that entitlement would not allow them to complete the STEM program. Additionally, it could also be interpreted to mean that individuals who enroll in a STEM program for the first time after they have exhausted all 36 months of basic entitlement in a non-STEM program would be eligible for the additional entitlement. Provision of educational assistance in these circumstances would not serve the purpose of the legislation.

To implement this legislation, VA would need to make modifications to its existing information technology (IT) systems. Specifically, it would need to make modifications to the VA Online Certification of Enrollment (VA-ONCE) and the Long Term Solution (LTS) in order to verify eligibility and allow for the award of additional months of educational assistance. VA estimates that it would require one year from the date of enactment to make the IT system changes necessary to implement the proposed legislation.

We estimate enactment of this legislation would result in benefit costs of \$94.2 million in fiscal year (FY) 2017, \$515.6 million over five years, and \$1.2 billion over 10 years. We estimate the information technology (IT) cost to be \$3 million, which includes the design, code development, testing, and deployment of the new functionality in existing IT systems. We do not estimate any administrative costs associated with this proposed legislation.

H.R. 2551

H.R. 2551 would amend chapter 36 of title 38, United States Code, by adding a new subsection 3687A to authorize VA to treat a pre-apprenticeship program in the same manner as an apprenticeship program for the purpose of providing educational assistance. A pre-apprenticeship program may be covered under the proposed legislation if the program is recognized under or compliant with any standards for a postsecondary pre-apprenticeship program required by the State in which the program is located, or, in the case of a program for which a State does not require any such standards, if the curriculum of the program is approved by a sponsor and the sponsor certifies to VA that the program will prepare an individual with skills and competencies needed to enroll in a registered apprenticeship program. The program must also maintain conduct and attendance policies in accordance with a sponsor if the State does not require such standards. The term “sponsor” would be defined to mean an entity that formally supports the pre-apprenticeship program, including a Registered Apprenticeship program; a department or agency of a State or local government; an institution of higher learning; or any other public, private, or non-profit entity that VA determines to be a sponsor for purposes of this section. VA and the Department of Labor will work collaboratively to ensure consistency in the definitions.

A “covered individual” for purposes of this bill would be an individual who is entitled to educational assistance and seeking to use such assistance for a program of apprenticeship. A covered individual enrolled in a pre-apprenticeship program would receive educational assistance equal to the amount and kind received by an individual in an apprenticeship program. However, if the covered individual is not paid as part of the pre-apprenticeship program, he or she would receive a monthly housing allowance (MHA). The MHA would be equal to the monthly amount of the basic allowance for housing payable under section 403 of title 37 for a member with dependents in pay grade E-5 residing in the military housing area that encompasses all or the majority portion of the zip code area of the pre-apprenticeship program. The covered individual’s entitlement would be charged at a rate equal to the rate charged for an apprenticeship program.

The proposed legislation would apply to an individual who enrolls in a program of pre-apprenticeship beginning on or after the date of enactment of the bill.

VA generally supports the intent of the proposed legislation, but has concerns with implementation of this bill.

First, the proposed bill would place the onus of certifying programs as “pre-apprenticeship” on either the State in which the program is located or on VA. However, the bill provides no guidance regarding what standards should be used by either entity to make such determinations. Additionally, VA would be responsible for approving programs in States that do not require any standards for pre-apprenticeship programs. Similarly, the bill does not provide VA with adequate standards for approving such programs. Second, because the proposed legislation would authorize pre-apprenticeship programs for all educational assistance programs, it poses significant problems with regard to the MHA requirement in the proposed section 3687A(c). This bill would provide that if the enrollee is not paid as part of the pre-apprenticeship program, “each monthly allowance for housing payable” to the enrollee shall be an amount equal to the basic housing allowance of an E-5 with dependents in the same zip code as the pre-apprenticeship program. This requirement would cause confusion since only chapter 33 pays a “monthly allowance for housing” based on the Department of Defense’s basic allowance for housing. All other educational benefit chapters (e.g., chapter 30) provide a monthly training assistance allowance. Therefore, the intent of the proposed legislation is unclear as it targets “each monthly allowance for housing payable to the individual under such assistance.” An individual enrolled in a pre-apprenticeship program may receive markedly more in benefit payments than if he/she was enrolled in a degree or non-degree program under chapter 30, 32, or 35 of title 38, or chapter 1606 of title 10. This inequity could negatively impact other types of training. VA recommends the proposal be amended to provide payment rates for pre-apprenticeships under chapter 30, 32, 35, or 1606 that are consistent with the amounts payable for apprenticeships under those benefit programs.

We estimate enactment of this legislation would result in benefit costs of \$15.8 million in FY 2017, \$83.4 million over five years, and \$184.6 million over 10 years. Additionally, we estimate the IT cost to be \$5 million, which includes the design, code development, testing, and deployment of the new functionality in existing IT systems. We do not estimate any administrative costs associated with this proposed legislation.

H.R. 3419

H.R. 3419 would authorize the Secretary of Veterans Affairs to make grants to eligible educational institutions to provide childcare services to students on campus.

Section 2(a) would amend chapter 36 of title 38, United States Code, to add a new section 3699. The new section 3699 would have five parts:

1. Section 3699(a) would state that the purpose of the grant is to provide childcare services on the campus of the educational institution to students enrolled in courses of education offered by the educational institution.

2. Section 3699(b) would provide the criteria for determining if the educational institution would be eligible for the grant. Specifically, the school would have to (1) offer a course of education that is approved as provided in 38 U.S.C. chapters 34, 35 and 36 by the State Approving Agency where the educational institution is located, and (2) submit to VA an application that includes the information and assurances VA may require.

3. Section 3699(c) would outline how the educational institution must use the funds. Specifically under paragraph (1)(A), the institution would establish or expand a childcare center on the campus of the educational institution, or under paragraph (1)(B), the institution would pay the costs of providing childcare services to students enrolled in courses of education offered by the educational institution at a childcare center located on the campus of the educational institution. Additionally, paragraph (2) would require that at least 75 percent of the new childcare services funded by the grant be provided to students who are Veterans.

4. Section 3699(d) would limit the number of grants to 50 for FY 2016.

5. Section 3699(e) would state that there is authorized to be appropriated such sums as may be necessary to carry out this section.

VA supports the goal of providing affordable childcare to those enrolled in higher education, but cannot support this bill as written for a number of reasons.

VA has concerns with the potential establishment of a childcare center due to the lifecycle costs involved to sustain it, as well as the management challenges associated with the variety of State and local laws and licensing requirements. Additionally, because the provisions of this draft legislation are not clearly defined, VA has multiple concerns as outlined below:

- There are not basic requirements for either the childcare services that will be provided or the licensing and staffing of the center.
- Childcare services would be available to “students enrolled in courses of education offered by the educational institution”, which implies that any student, including those who are not Veterans, could receive these services. The bill only requires that “at least 75 percent” of such services be granted to students who are Veterans. Additionally, there are no other specific eligibility criteria for Veteran students who would receive these childcare services.
- The bill would prescribe no limit to childcare services based on the age of the child or economic indicators. Also, the bill would not require a link between the times the services are available to times when the student is attending class or engaged in related activities.
- VA could determine the required information and assurances needed to apply for the grant, but the bill would provide no criteria for determining the basic requirements of who would be eligible to apply for a grant, how the grants would be awarded, or limits on the amount of each grant.
- Given the administrative duties that would be required to establish the framework necessary to develop and implement such a grant program and the fact that almost six months of FY 2016 have already passed, it would not be possible for VA to provide 50 grants during FY 2016. Establishing grant criteria and the process of administering a grant generally requires VA to engage in rule-making.

VA is unable to determine the costs of enactment of this proposal. There are numerous factors that can affect the cost of childcare, such as the size of the childcare facility, the number of children, the age of the children, the duration and array of childcare services offered at the facility, the location of the facility, etc.

Draft Bill - “To make certain improvements in the laws administered by the Secretary of Veterans Affairs relating to educational assistance”

Section 2 of the proposed legislation would amend 38 U.S.C. §§ 3315(c) and 3315A to allow for the proration of entitlement charges for licensing and certification examinations and national tests under the Post-9/11 GI Bill. Specifically, the charge against an individual’s entitlement for payment for licensing and certification examinations and national tests would be prorated based on the actual amount of the fee charged for the test. Section 2 would also add that an individual entitled to educational assistance under chapter 33 would be entitled to educational assistance for “[a] national test that evaluates prior learning and knowledge and provides an opportunity for course credit at an institution of higher learning as so described.”

The amendments made by this section would apply to a test taken more than 90 days after the date of the enactment of this legislation.

VA supports section 2. This would benefit Post-9/11 GI Bill beneficiaries by reducing the negative impact of exam/test reimbursement on remaining benefit entitlement and increasing the months of training available for the beneficiaries, thus expanding educational opportunities.

Currently, under sections 3315 and 3315A, an individual is charged entitlement for the reimbursement of fees associated with a licensing or certification exam, or a national test, in whole months. More specifically, VA charges an individual one month of entitlement for each \$1,759.08 reimbursed for the academic year beginning on August 1, 2015, rounded to the nearest whole month. Regardless of the cost of the test, be it \$50 or \$1,600, the Veteran is charged one full month of entitlement.

As noted in its FY 2016 legislative proposal, VA believes the law should be amended to charge entitlement for reimbursement of VA approved exams at a prorated number of days of entitlement based on the ratio of the cost of the test to the statutory amount. However, it should be noted that, as this legislation is currently written, the provisions would no longer specify the amount of benefit payment equaling one month of entitlement. VA suggests that the draft language be further amended in order to retain that amount. We would be happy to provide technical assistance to accomplish this.

The Department believes that mandatory costs associated with this section of the legislation would be insignificant. Also, there would be no administrative costs associated with this section of the legislation. However, we do estimate the IT cost to be \$500,000 in order to make the system adjustments necessary to prorate the entitlement charge calculations in the LTS.

Section 3 would amend 38 U.S.C. §§ 3015(h)(2) and 3564(b) to provide that an increase in the amount of educational assistance after FY 2013 and before FY 2025 would be rounded down to the next lower whole dollar amount and that any increase after FY 2024 would be rounded to the nearest whole dollar amount.

VA supports section 3. Public Law 108–183 (Veterans Benefits Act of 2003) extended a previous authority in title 38, United States Code, to authorize VA to round down the yearly cost-of-living adjustments for basic educational assistance to the next lower whole dollar amount through FY 2013. Following the expiration of that authority on September 30, 2013, the yearly increases in educational assistance under the Montgomery GI Bill-Active Duty (MGIB-AD), the Reserve Educational Assistance Program, and the Dependents Educational Assistance Program are rounded to the nearest whole dollar amount.

This proposed legislation would reinstitute through FY 2024 the authority to round down to the next lower whole dollar amount to generate cost savings. For example, the current monthly rate under the MGIB-AD is \$1,789. If the monthly rate for educational assistance increased based on the Consumer Price Index and National Center for Education Statistics by 5.4 percent (\$96.61) under current law, the MGIB-AD monthly rate would be rounded to the nearest whole dollar—\$1,886, rather than \$1,885 under the proposed legislation.

We estimate enactment of section 3 would result in benefit savings of \$872,000 in FY 2017, \$7.4 million over five years, and \$25 million over 10 years. This cost estimate reflects the most current estimates for the cost of living adjustments (COLA) in out-years. A slight change in the COLA in a given year can dramatically affect these estimated savings.

Section 4 would amend 38 U.S.C. § 3692(c) to re-authorize the Veterans’ Advisory Committee on Education (VACOE) through December 31, 2021. VACOE provides advice to the Secretary on the administration of education and training programs for Veterans and Servicemembers, members of the National Guard and Reserve Components, and dependents of Veterans under chapters 30, 32, 33, and 35 of title 38, United States Code, and chapter 1606 of title 10, United States Code. Section

201 of Public Law 114–58 (the Department of Veterans Affairs Expiring Authorities Act of 2015) extended VACOE statutory authority through December 31, 2016.

VA supports section 4. If reauthorized, the Secretary would be able to continue to receive recommendations and seek advice from VACOE in order to enhance VA's educational assistance programs.

The administrative costs associated with enactment of section 4 would be insignificant.

Section 5 would authorize VA to provide training requirements for school certifying officials employed by educational institutions that offer courses of education approved under chapter 36 of title 38, United States Code. If an educational institution does not ensure that a school certifying official meets the training requirements, VA may disapprove any course of education offered by the educational institution. A "school certifying official" is defined as an employee of an educational institution with primary responsibility for certifying Veteran enrollment at the educational institution.

VA supports legislation that would require school certifying officials to meet certain training requirements as determined by VA. VA currently provides guidance and training opportunities for school certifying officials via webinars, the School Certifying Official Handbook, and on the GI Bill website. Currently, VA does not have the authority to require school certifying officials to complete this training or to disapprove educational programs if the training is not completed. The proposed legislation would provide VA with this authority. However, VA suggests that the proposed requirements be formally codified in chapter 36 of title 38, United States Code, and would be happy to provide technical assistance to accomplish this.

There would be no benefit or administrative costs or savings associated with enactment of section 5.

Section 6 would amend subsection (i) of section 3313 of title 38, United States Code, to authorize VA to reduce the amount of the monthly housing stipend on a pro rata basis if an individual reduces the number of course hours after the beginning of an academic period. Specifically, if VA determines that an individual received a monthly housing stipend at the beginning of a month and then reduced the number of course hours and was not entitled to the full amount of the payment received for that month, VA may reduce the amount payable for the subsequent month by an amount equal to the amount of the overpayment.

The amendments made by this section would apply to a month that begins on or after August 1, 2017.

VA does not support section 6.

In many cases, the monthly housing stipend is the sole source of funds that students use to pay for housing, food, utilities, and other basic necessities while attending school. Authorizing VA to offset an individual's monthly housing allowance the month after the individual is overpaid due to a reduction in his or her course hours could create a significant financial burden on students and their families. For example, an individual that relies on the monthly housing stipend to pay rent each month would be faced with a shortage of funding in order to maintain his or her housing while still being enrolled in school.

VA prefers to focus on strategies to minimize the frequency and magnitude of overpayments, rather than more aggressively recouping overpayments in a manner that may be detrimental to Veterans and eligible dependents. VA is already taking steps to reduce overpayments resulting from enrollment changes. Specifically, a plan has been developed to require beneficiaries to verify their enrollment status each month before VA releases the monthly housing payment, which is consistent with other education benefit programs. VA plans to add this functionality in its IT systems, subject to the availability of IT development funds.

There would be no benefit or administrative costs or savings associated with this section. We estimate the IT cost associated with enactment of this section to be \$2 million, which includes the design, code development, testing, and deployment of the new functionality in existing IT systems.

Section 7 would amend section 3684(c) of title 38, United States Code, to place a limitation on the use of reporting fees payable to educational institutions and joint apprenticeship training committees. Currently, section 3684(c) of title 38, United States Code, states that VA shall pay an annual reporting fee to any educational institution that furnishes education or training and submits reports or certifications to VA. The reporting fee is computed for each calendar year by multiplying \$12 by the number of eligible individuals enrolled in VA's education and vocational rehabilitation and employment programs. In addition, VA also provides \$15 for an eligible individual whose educational assistance payment is sent to the school for temporary custody and delivery at the time of registration. Section 7 would prohibit an educational institution or joint apprenticeship training committee from using or

merging reporting fees from VA with the amounts available for the general fund of the educational institution or joint apprenticeship training committee.

VA does not support this proposed change that would prohibit schools from using or merging reporting fees with their general funds. Educational institutions are already required to use reporting fees solely for making certifications or otherwise supporting programs for Veterans, and it is possible for VA to verify compliance with this requirement without the establishment of a separate account for reporting fees. Consequently, VA views the proposed change as unduly cumbersome for educational institutions and joint apprenticeship training committees.

In addition, VA notes that under Public Law 113–175, § 406 the reporting fees were decreased to \$9 and \$13 for the one-year period beginning September 26, 2014. Subsequently, Public Law 114–58, § 410 extended those amounts for one additional year, until September 26, 2016. Based on VA’s interpretation, those rates would automatically increase to \$12 and \$15 if the proposed change was to be enacted prior to September 26, 2016. VA is unsure whether or not this was intended.

There would be no benefit or administrative costs or savings associated with enactment of this section.

H.R. 4138

H.R. 4138 would authorize the Secretary of Veterans Affairs to recoup relocation expenses paid to or on behalf of employees of VA. Under this bill, the Secretary may direct an employee to repay the amount, or a portion of the amount, paid to or on behalf of the employee under title 5 for relocation expenses, if the Secretary determines such repayment appropriate under regulations to be prescribed by the Secretary and the employee is provided prior notice and an opportunity for a hearing. The VA has several concerns about H.R. 4138 and opposes this bill for the reasons expressed below.

The authority that would be provided to the Secretary under H.R. 4138 already exists under current law. Under the Federal Claims Collection Act, the Secretary may collect a debt owed by an employee if an employee has been paid incorrectly. H.R. 4138 and current law would not, however, allow the Secretary to collect relocation expenses, where such expenses are appropriately paid by VA to or on behalf of an employee and there is no evidence of fraud or wrongdoing on the part of the employee in applying for or accepting the relocation expenses.

VA is already challenged to recruit and retain highly-qualified staff and subject matter experts necessary to transform the Agency. Enactment of this legislation would allow the Agency to recoup relocation expenses paid directly to employees, as well as payments made to vendors such as relocation companies. Consequently, employees could be responsible for paying back expenses, which could pose a significant financial burden on affected employees. While this bill would only address the repayment of relocation expenses, it is another in a number of separate personnel policy bills aimed solely at the VA, creating a disparity in the treatment of one group of career civil servants. Prior legislation established an abbreviated review process before an administrative judge for certain VA employees who are subject to adverse action. The implementation of provisions that reduce or remove important rights, protections, and incentives for VA employees, which are available to the majority of Federal employees in other agencies, compounds the challenges facing the Agency by making employment with VA significantly less attractive.

Subsection 1(c) of H.R. 4138 states that the authority provided under H.R. 4138 would apply “to or on behalf of” a VA employee “for relocation expenses before, on, or after the date of the enactment of this Act.” VA has a number of legal concerns with this subsection. First, the legislation would authorize the Secretary recoup relocation expenses if “the Secretary determines such repayment appropriate pursuant to regulations” prescribed under an open-ended provision that provides no guidance as to the types of relocation expenses that can be recouped and the reasons for recoupment. Even under the lenient “intelligible principle” standard for delegations of legislative authority, see *Whitman v. Am. Trucking Ass’ns*, 531 U.S. 457, 472 (2001), this authorization raises non-delegation doctrine concerns.

Second, authorizing the Secretary to recoup relocation expenses paid to or on behalf of any VA employee even before the promulgation of the Secretary’s regulations may have an impermissible retroactive effect. A bill has a “retroactive effect” if it increases an employee’s liability for conduct that preceded the enactment of the bill. See *Landgraf v. USI Film Products.*, 511 U.S. 244, 280 (1994) (a bill has a “retroactive effect” if it “increases a party’s liability for past conduct”). Under the bill, the Secretary could promulgate regulations that would require an employee to repay relocation expenses based on conduct that preceded the enactment of the bill. Because the employee was not aware that he or she would have to repay the relocation ex-

penses at the time of the conduct, the bill may have a “retroactive effect” and may implicate the employees’ due process rights to fair notice. See *BMW of North America, Inc. v. Gore*, 517 U.S. 559, 574 (1996). Recouping the relocation expenses based on new regulations may also be considered a taking, entitling the employee to “just compensation” for the amount of repayment.

VA believes strongly that Federal employees must be held accountable and supports taking action to collect debts owed by employees when employees have been paid incorrectly and has established strong internal policy implementing the Federal Claims Collection Act in VA Financial Policy, Volume XII -Chapter 4, Employee Debts, dated May 2010. However, because current law allows the Secretary to collect such debts, new legislation is not required to accomplish this goal. Establishing a new bill aimed solely at VA employees would be counterproductive and could have unintended consequences. The vague language in the bill that allows for an employee to be directed to repay relocation expenses when it is determined that such repayments are “appropriate,” could make employment in VA significantly less attractive than in other Federal agencies or in the private sector. This may discourage outstanding VA employees from applying for promotion or reassignment opportunities with the Agency and impair VA’s ability to recruit top talent, including Veterans.

Draft Bill - GI Bill Oversight Act of 2016

Section 2 requires VA’s Office of Inspector General (OIG) to conduct investigations into institutions of higher learning (IHLs) that are defendants in class action lawsuits for deceptive or misleading practices, are being investigated by any Federal or State agency for deceptive or misleading practices, or have been found guilty by any Federal or State agency of deceptive or misleading practices. VBA defers to VA OIG regarding the requirements and position of Section 2 of this bill.

Section 3 of this bill requires VBA Education Service to disapprove courses of education at an IHL found guilty by OIG of deceptive or misleading practices. In general, the Department supports the intent behind the legislation.

Draft Bill - Veterans Success on Campus Act of 2016

Section 2(a) of this bill proposes to amend chapter 36 of title 38, United States Code, to add a new section 3697B. The title of this new section would be “On-campus educational and vocational counseling.” The new 38 U.S.C. § 3697B would have three sections:

1. Section 3697B(a) states the Secretary shall provide educational and vocational counseling services for Veterans at locations on the campuses of IHLs, as selected by VA. These services shall be provided by VA employees who provide such services under 38 U.S.C. § 3697A.

2. Section 3697B(b) provides the criteria for the selection of IHLs to participate in these services, specifically (a) the IHL must provide appropriate space on campus where counseling services can be provided, and (b) VA will seek to select locations where the maximum number of Veterans would have access to these services.

3. Section 3697B(c) provides guidance on reporting requirements. This section states that no later than 180 days after enactment, and each year thereafter, VA will submit a report to Congress. This report must contain the following: the average ratio of counselors providing these services to Veterans who receive these services at each location; a description of the services provided; recommendations for improving the provision of these services; and any other matters VA determines appropriate.

While VA already provides the VetSuccess on Campus (VSOC) program under the Secretary’s current authority at 38 U.S.C. §§ 3115 and 3116, we are supportive of legislation to codify the existing program. VSOC aims to help Veterans, Servicemembers, and their qualified dependents succeed and thrive through a coordinated delivery of on-campus benefits assistance and counseling, leading to completion of their education and preparing them to enter the labor market in viable careers.

VA has one concern with the language in the draft legislation, as it refers to the population served. Educational and vocational counseling services, as outlined in 38 U.S.C. §§ 3697 and 3697A, are available to Servicemembers, Veterans, and, in some instances, their eligible dependents. VA recommends that Servicemembers and dependents be added to Section 2(a) of the draft legislation.

There would be no benefit or administrative costs associated with enactment of this legislation.

Mr. Chairman, this concludes my statement. Thank you for the opportunity to appear before you today. I would be pleased to respond to questions you or the other Members of the Subcommittee may have.

Prepared Statement of Sam Shellenberger

Introduction

Good afternoon, Chairman Wenstrup, Ranking Member Takano, and distinguished Members of the Subcommittee. Thank you for the opportunity to participate in today's hearing. As Deputy Assistant Secretary for Operations and Management of the Veterans' Employment and Training Service (VETS) at the Department of Labor (DOL or Department), I appreciate the opportunity to discuss the Department's views on pending legislation and proposals impacting veterans' employment. As a former surface warfare officer in the United States Navy, I take DOL's mission to help veterans, transitioning service members, and military families personally, and I thank the Committee for all of your work on behalf of my fellow veterans. While the employment situation for veterans continues to improve—last month marked 23 of 24 months with veterans' unemployment being lower than nonveteran unemployment—DOL will not rest as long as any veteran needs assistance finding meaningful civilian employment.

Although this hearing is focused on several bills under consideration by the Subcommittee, I will limit my remarks to the proposed legislation that has a direct impact on the programs administered by DOL, specifically H.R. 2551, "Veterans' Entry to Apprenticeship Act," H.R. 3286, "Honoring Investments in Recruiting and Employing American Military Veterans Act of 2015" or the "HIRE Vets Act," and a draft bill to "direct the Secretary of Labor to carry out a research program to evaluate the effectiveness of Transition Assistance Program in addressing needs of certain minority veterans."

H.R. 2551 - "Veterans' Entry to Apprenticeship Act"

H.R. 2551, the "Veterans' Entry to Apprenticeship Act," would allow covered veterans to utilize their education benefits for pre-apprenticeship programs. These education benefits are the same as if covered veterans were enrolled in a registered apprenticeship program. The administration of the provisions of this bill would fall under the VA, and therefore, the Department will defer to that agency for specific concerns related to the legislation overall.

However, the Department reiterates its support for registered apprenticeship programs as a proven pipeline for veterans to meaningful civilian careers. The Department of Defense's SkillBridge program has yielded valuable results by allowing transitioning service members to enter that pipeline earlier by bringing civilian apprenticeship programs onto military installations. Pre-apprenticeship programs—when properly structured—represent an excellent opportunity to expand the aperture of apprenticeship pipelines for our veterans.

Pre-apprenticeship services and programs are designed to prepare individuals to enter and succeed in Registered Apprenticeship programs. Pre-apprenticeship programs with a documented partnership with at least one Registered Apprenticeship program sponsor helps expand the participant's career pathway opportunities with industry-based training coupled with classroom instruction. Quality pre-apprenticeship programs contribute to the development of a diverse and skilled workforce by preparing participants to meet the basic qualifications for entry into one or more Registered Apprenticeship programs. Through a variety of unique designs and approaches, pre-apprenticeship programs can be adapted to meet the needs of differing populations being trained, the various employers and sponsors they serve, and specific opportunities within the local labor market.

H.R. 3286 - "Honoring Investments in Recruiting and Employing American Military Veterans Act of 2015" or the "HIRE Vets Act"

H. R. 3286, the "Honoring Investments in Recruiting and Employing American Military Veterans Act of 2015" or the "HIRE Vets Act," would attempt "to encourage effective, voluntary private sector investments to recruit, employ, and retain men and women who have served in the United States military, with annual presidential awards" recognizing such investments. DOL applauds the intent of this bill and all efforts to ensure that all of our veterans find civilian employment following separa-

tion from the military. However, we would like to note some concerns regarding our ability to successfully implement the program as currently drafted. Specifically:

1.The HIRE Vets Medallion Award Fund contemplated in the bill is not self-executing, so DOL will not have access to the fees in the fund unless and until Congress appropriates those fees to the agency. If those fees are not appropriated, it is unclear whether any existing VETS appropriation could be used to fund the HIRE Vets Medallion Program. Additionally, section 5 of the bill appears to set up a system where the entire funding for the program (after the first year) is paid for out of the fees collected under section 5(a). Thus, if VETS is able to identify another appropriation which is available for the program costs, DOL may not be able to use those funds to supplement the amount in the HIRE Vets Medallion Award Fund without additional action by Congress. Finally, it is difficult to determine a “reasonable fee” that employers would contribute under section 5(a) that would yield enough resources to allow VETS to fulfill the many requirements of the bill.

2.Expanding DOL’s capability to meet the existing criteria would require additional staff in order to “verify all information provided in the applications, to the extent that such information is relevant in determining” whether applicants should receive a HIRE Vets Medallion and/or what medallion they should receive. Some examples of information that DOL would need additional staff to verify are: the entered and retained employment rates of veteran employees at the Silver, Gold, and Platinum levels; the success in coaching, mentoring, and leadership programs at the Gold and Platinum levels; and the Guard and Reserve employee compensation and tuition assistance programs at the Platinum level. Either these criteria would need to be modified or eliminated or DOL would need to significantly increase the number of fulltime employees at VETS in order to carry out the program.

If the criteria instead were limited to measuring only entered and retained employment rates, there may be ways to leverage existing federal and state databases to confirm entered and retained veteran employment without adding a prohibitive number of new fulltime employees at VETS, provided that VETS is given authority to access those databases for this purpose. Many private sector organizations and publications, such as the U.S. Chamber of Commerce Foundation’s Hiring Our Heroes program Annual Hiring Our Heroes awards, recognize employers and individuals that have demonstrated leadership in addressing the challenges faced by veterans, transitioning service members, and military spouses in their search for meaningful employment.

Limiting the initial scope of the program to focus on Platinum level employers in the first year might allow DOL to gauge interest in the program, and reduce the amount of funding needed to initially stand up the program. A smaller initial HIRE Vets Medallion program would presumably be closer in scope to the recognition program of DOD’s Employer Support of the Guard and Reserve (ESGR) office.

3.The Department of Justice has raised constitutional concerns under the First Amendment with section 4(b), which prohibits displaying the medallion when the “employer did not receive such medallion through the HIRE Vets Medallion Program,” or “after the end of the calendar year following the calendar year in which such medallion was issued to such employer through the HIRE Vets Medallion Program.” DOJ suggests that the prohibitions in section 4(b) should be revised to require a connection to commercial activity and a false or misleading effect and can provide technical assistance to this effect.

4.Finally, VETS also has concerns with the regulatory timeline provided for in the legislation.

With these concerns in mind, we recommend the Subcommittee consider refining the specifics of the HIRE Vets Medallion program to match the capabilities of DOL or enhancing the capabilities of DOL to match the specifics of the proposed program. In order to pare down the HIRE Vets Medallion program to DOL’s existing capabilities, the bill could (1) allow shifting the review of applications from the national DOL office to a third party verifier while providing additional funding for this new function, (2) reduce the number of medallions to be issued by eliminating the bronze level award which requires only hiring one veteran, complying with existing USERRA regulations, and providing charitable resources in support of veteran support organizations, and/or (3) eliminate some of the criteria for the Silver, Gold, and Platinum levels, and/or (4) require self-attestation instead of government verification of the information used to make HIRE Vets Medallion award decisions. Some of these changes were included in the Senate companion, and we would encourage the Subcommittee to similarly consider their inclusion.

Draft bill - “To direct the Secretary of Labor to carry out a research program to evaluate the effectiveness of Transition Assistance Program in addressing needs of certain minority veterans.”

This draft bill would direct the Secretary of Labor, in collaboration with the Secretary of Veterans Affairs and the Secretary of Defense, to carry out a research program to evaluate the effectiveness of the Transition Assistance Program in addressing the differentiated needs, challenges and post-military service aspirations of women veterans, veterans with disabilities, Native American veterans and other groups of minority veterans identified by the Secretaries.

The Transition Assistance Program (TAP) was signed into law as part of the National Defense Authorization Act of 1991. For approximately twenty years the program was evaluated largely through output measures of attendance in the different sections of TAP, including military services pre-separation counselling, the VA benefits briefings, and the DOL Employment Workshop (DOLEW). This performance evaluation approach to TAP changed with the passage of the VOW to Hire Heroes Act of 2011 and the convening of the White House Veterans Employment Initiative (VEI) Task Force in late 2011. The VEI Task Force not only redesigned the overall TAP program, but also created the TAP Performance Management Working Group to develop and coordinate a comprehensive evaluation strategy.

In conjunction with the VEI Task Force, VETS redesigned the DOLEW and implemented the new curriculum in FY 2013. Since that redesign, VETS has delivered the DOLEW to over 600,000 transitioning service members and spouses. The DOLEW consistently rates very high in customer satisfaction. In the latest participant survey, 92 percent of respondents said the DOLEW enhanced their confidence in transition planning, and 94 percent said they will use what they learned in the DOLEW in their transition planning. On April 1, 2016, VETS fielded a revised DOLEW curriculum with changes based on customer satisfaction input and comprehensive feedback from various stakeholder groups, including Veteran Service Organizations, private sector employers, career transition professionals, and transitioning service members. VETS is confident the DOLEW will continue to receive high marks in customer satisfaction.

As a partner agency in TAP and as a member of the TAP Performance Management Working Group, DOL is conducting evaluations to assess the long-term outcomes of TAP. The first of these efforts is capturing the common outcome measures for TAP participants who receive employment services through the American Job Center (AJC) system. The TAP participant characteristic was added as a new reporting element for AJCs beginning July 1, 2013, and indicates that a participant attended the DOLEW within the past three years. This will be reported with outcome measures such as the Entered Employment Rate, the Employment Retention Rate, and the six months average earnings. Outcomes for each of the three measures will be available by the end of FY 2016.

The DOL Chief Evaluation Office conducted an evaluability assessment in 2013 and based on those findings, awarded a contract to conduct a two part formal evaluation of the outcomes of DOLEW. The first part is a quasi-experimental design (QED) impact analysis to analyze the impacts of the DOLEW program on employment-related outcomes for separating military service members. Data collection is currently underway, and is expected to occur from FY16–17. The analyses are expected to be conducted and finalized in FY17. The second part consists of a small pilot to evaluate differential impacts of new delivery approaches for the DOLEW (e.g., the use of social media or other modes to enhance delivery or to serve as refreshers of TAP lessons, or variations in the visual design of TAP or outreach documents). The intervention design and feasibility evaluation analysis is currently underway. While DOL appreciates the desire for more specific information on the smaller demographic groups, we believe the ability to get statistically valid samples on these is extraordinarily limited. The current evaluations in the field, however, will provide useful information that could be used to design more specific evaluations of particular subgroups in the future.

While the Department supports the intent and spirit of the draft legislation, DOL would prefer to wait until the aforementioned study is concluded in the summer of 2017 before beginning another research program on TAP. In an effort to ensure that VETS and VA's Vocational Rehabilitation and Employment officials continue a collaborative relationship, both agencies have renewed their commitments through national and local memoranda of agreement to advance, improve, and expand the employment outcomes for Veterans with service-connected disabilities and employment barriers.

Further, should Congress conclude that another research program is warranted to evaluate the effectiveness of TAP in addressing the differentiated needs, chal-

allenges and post-military service aspirations of women veterans, veterans with disabilities, Native American veterans and other groups of minority veterans identified by the Secretary, then DOL hopes the Subcommittee would consider funding such a study through the Department's Chief Evaluation Office to allow the experts in that office to craft the parameters of that evaluation optimally to answer Congress' questions.

Conclusion

The Department looks forward to continuing our work with this Subcommittee to ensure that our veterans have the resources they need to successfully compete in the civilian workforce through expanded opportunities in apprenticeship programs and that our transition programs are evaluated to ensure they are meeting the needs of our transitioning service members and veterans. The improving employment situation for veterans is a resounding testament to the impact of our federal programs and the nationwide response from public and private stakeholders acting nationally and within local communities. Mr. Chairman, Ranking Member Takano, distinguished Members of the Subcommittee, this concludes my written statement. Thank you for the opportunity to be a part of this hearing. I welcome your questions.

Prepared Statement of Davy Leghorn

Chairman Wenstrup, Ranking Member Takano, and distinguished members of the subcommittee, on behalf of our National Commander, Dale Barnett, and the more than 2 million members of The American Legion, America's largest wartime veteran's service organization, thank you for this opportunity to testify regarding our position on pending and draft legislation before this subcommittee.

H.R. 748: G.I. Bill STEM Extension Act of 2015

To amend title 38, United States Code, to authorize the Secretary of Veterans Affairs to provide additional educational assistance under the Post-9/11 Educational Assistance Program of the Department of Veterans Affairs to certain eligible individuals.

The American Legion wants our veterans to succeed and would like to see more veterans enter Science, Technology, Engineering and Math (STEM) fields. Recent studies from the Department of Education has shown that for delayed-start or non-traditional students, such as veterans, it takes close to 6 years to graduate. Considering the shortage of skilled workers with degrees in STEM subjects, this bill would incentivize more veterans to enter a field where there is a critical shortage and high yearly job growth. The American Legion supports this bill that would allow extension of Title 38 education benefits up to nine months.

Resolution No. 312¹: Ensuring the Quality of Servicemember and Veteran Student's Education at Institutions of Higher Learning

The American Legion supports this legislation.

H.R. 2551: Veterans Entry to Apprenticeship Act

To amend title 38, United States Code, to ensure that veterans may attend pre-apprenticeship programs using certain educational assistance provided by the Secretary of Veterans Affairs, and for other purposes.

The American Legion has identified that the GI Bill can be a useful tool to help employers defray the costs of training of veterans by developing an on-the-job training or apprenticeship programs thereby benefiting both the veteran and employer. Which is why The American Legion passed a resolution directly supporting the development of joint projects to enhance apprenticeship opportunities for eligible transitioning Servicemembers through their educational benefits.

Resolution No. 297:² Support The Development Of Veterans On-The-Job Training Opportunities

¹Resolution No. 312: "Ensuring the Quality of Servicemembers and Veteran Student's Education at Institutions of Higher Learning" (August 2014)

²Resolution No. 297: "Support The Development of Veterans On-The-Job Training Opportunities" (August 2014)

The American Legion supports this legislation.

H.R. 3286: Honoring Investments in Recruiting and Employment American Military Veterans Act of 2015

To encourage effective, voluntary private sector investments to recruit, employ, and retain men and women who have served in the United States military with annual presidential awards to private sector employers recognizing such efforts, and for other purposes.

Outside of contracting preferences and tax credits, Presidential recognition might go a long way to incentivize non-government contractor businesses to hire veterans. H.R. 3286 is a step in the right direction by rewarding exemplary companies who employ our veterans with a Presidential medallion. This is a low-cost measure that would hopefully spur private industry to hire more veterans and allow the Department of Labor (DOL) to implement a real-time data collection to properly measure veteran's hiring at the local level.

Resolution No. 331³: Support Improvements in the Reporting Programs Available to and Administered by Veterans' Employment and Training Service

The American Legion supports this legislation.

H.R. 3419: Support for Student Veterans with Families Act

To authorize the Secretary of Veterans Affairs to make grants to eligible educational institutions to provide child care services on campus.

The American Legion wants our and all veterans to succeed and would always support measures that assist veterans in obtaining their degree if it is necessary. As a veteran service organization with a broader focus on the wellbeing of veterans, their families and their community, this is a subject of interest to The American Legion and we have started looking into how much childcare poses as a barrier to veterans obtaining their degree. The American Legion will share our findings with Congress once we have conducted further analysis of this matter.

The American Legion is looking into this issue.

H.R. 4138

To authorize the Secretary of Veterans Affairs to recoup relocation expenses paid to or on behalf of employees of the Department of Veterans Affairs.

The recent scandal involving senior executives at the Department of Veterans Affairs abusing the travel and relocation system provoked outrage in the veterans' community, including the veterans who make up The American Legion. National Commander Dale Barnett fumed that even their "punishments" (later voided by the Merit Systems Protection Board) did not account for hundreds of thousands of dollars did not amount to harsh consequences for their actions and stated:

*"It boggles the mind to see the level of protection VA employees have from their own wrongdoing when the very veterans they are supposed to be serving slip through the cracks, some of whom will sleep on the streets with empty bellies this Thanksgiving."*⁴

The American Legion firmly stands behind the intent of full accountability within the VA for those employees, at any level, who transgress against the veterans they serve. In testimony between a joint session of the House and Senate Committees on Veterans Affairs this past February, Commander Barnett posed the question "In service to our country [America's veterans] held up their end of the accountability bargain. How do you think they assess their nation's ability to do the same for their fellow veterans?"

This legislation is aimed at enabling the Secretary of Veterans Affairs to recoup relocation expenses from VA employees under circumstances to be determined by the Secretary. While The American Legion is a staunch supporter of accountability, generally matters of personnel management are left to VA to determine. Because this legislation reaches into the normal pay and benefits system for employees, and relocation expenses are used properly by thousands of well-meaning VA employees

³Resolution No. 331: "Support Improvements in the Reporting Programs Available to and Administered by Veterans' Employment and Training Service"

⁴"Legion to VA: 'Demoted officials being rewarded'" - PR Newswire, November 25, 2015

for the right reasons, it is important to fully research the matter and develop a resolution with the full backing of the over two million members of The American Legion.

We are interested in continuing to work closely with this Committee, the Senate and VA to fully understand the implications of this legislation and develop a solution that best serves veterans as we work internally with our Legionnaires to develop resolution guidelines that would provide clear direction on this question in the future.

The American Legion is looking into this issue.

Draft Bill

To direct the Secretary of Labor to carry out a research program to evaluate the effectiveness of Transition Assistance Program in addressing needs of certain minority veterans.

The American Legion recognizes that different groups of people or communities have their own set of challenges. Paths to gainful employment differ greatly from locality to locality. In an effort to provide programs and services to the majority of our veterans, sometimes small pockets of our veteran populations are overlooked. The American Legion has seen and acknowledges what works everywhere else in the country often does not work for our Native American and Insular Veterans.

In the Native American territories, Pacific territories and commonwealths there are very limited jobs. In some places, local and federal government are often the largest employers. These communities need more rural and economic development than they need another veteran with a polished resume. These communities need our veterans to become local business leaders and to create jobs within their respective communities. The emphasis for veterans going back to these areas should be on entrepreneurship and the agro-eco industry. Our resolution urges Congress to require the Department of Labor to review and update the Transition Assistance Program (TAP) to ensure effectiveness in helping Servicemembers transition into gainful employment. The results from this study would assist DOL in making TAP more relevant and effective for our veterans in marginalized populations.

Resolution No. 94⁵: Improve Transition Assistance Program

The American Legion supports this legislation.

Draft Bill

To amend title 38, United States Code, to direct the Secretary of Veterans Affairs to disapprove, for purposes of the educational assistance programs of the Department of Veterans Affairs, courses of education offered by institutions of higher learning determined by the Inspector General to be guilty of deceptive or misleading practices, and for other purposes.

The American Legion believes that veterans are one of our nations true assets, and they should be treated with respect. Ensuring our men and women who proudly served receive their education benefit is crucial to The American Legion. Recently, The American Legion has seen a trend of the Department of Defense (DOD) and Veteran Affairs (VA) enforcing punitive measures on institutions of higher learning that have employed deceptive or misleading marketing practices to swindle veterans out of their earned educational benefits and award them with worthless degrees.

The American Legion applauds the VA, DOD and this Committee on moving forward in making a veterans search for post-secondary education less of a minefield. This bill will enable the VA to be proactive and weed out the bad-actors who pose as barriers to our veterans in obtaining their degrees. Further, this bill will improve the quality of education available to veterans, ensure the maximum usage of the Post-9/11 GI Bill and increase the success rate the veteran student.

Resolution No. 312⁶: Ensuring the Quality of Servicemember and Veteran Student's Education at Institutions of Higher Learning

The American Legion supports this draft legislation.

⁵ Resolution No. 94: "Improve Transition Assistance Program" (August 2015)

⁶ Resolution No. 312: "Ensuring the Quality of Servicemembers and Veteran Student's Education at Institutions of Higher Learning" (August 2014)

Draft Bill

To make certain improvements in the laws administered by the Secretary of Veterans Affairs relating to educational assistance, and for other purposes.

While The American Legion supports this effort to improve the administration of the Post-9/11 GI Bill and reduce the occurrence of overpayments, we would like to offer one caveat regarding Section 6.

The American Legion does not believe a student enrolls in a college course with the intention of dropping it later for secondary gain. Extenuating circumstances are often the reasons for courses being dropped. For the students attending college full-time, their rent and living expenses are not reduced when they drop a course. Reducing their benefits in this instance might result in these students having to drop out of school and will cause more problems than this proposed legislation intends to solve. While all full-time students will be affected, the full-time students at brick and mortar schools stand to lose the most with this change. The American Legion would like to see some protections for these full-time students who become part-time students in response to extenuating circumstances.

Resolution No. 312⁷: Ensuring the Quality of Servicemember and Veteran Student's Education at Institutions of Higher Learning

The American Legion supports this draft legislation, with some reservations to Section 6.

Draft Bill

To amend title 38, United States Code, to direct the Secretary of Veterans Affairs to provide educational and vocational counseling for veterans on campuses of institutions of higher learning, and for other purposes.

This bill would allow the Vet-Success program under VA's Office of Economic Opportunity to become permanent and require an annual report to be shared with Congress regarding programmatic progress. The data collected will allow VA to direct and improve the services currently administered on college campuses and hopefully result in higher graduation rates for our veterans.

Resolution No. 312⁸: Ensuring the Quality of Servicemember and Veteran Student's Education at Institutions of Higher Learning

The American Legion supports this draft legislation.

Conclusion

Chairman Wenstrup, Ranking Member Takano, and distinguished members of the subcommittee, The American Legion thanks you and this subcommittee for the opportunity to explain the position of the more than 2 million veteran members of America's largest wartime veteran's service organization.

For additional information regarding this testimony, please contact Mr. Matthew Shuman at The American Legion's Legislative Division at (202) 861-2700 or Mshuman@legion.org

Prepared Statement of Dr. Joseph W. Wescott

Introduction

Chairman Wenstrup, Ranking Member Takano and members of the Subcommittee on Economic Opportunity, I am pleased to appear before you today on behalf of the over fifty-five member state agencies of the National Association of State Approving Agencies (NASAA) and appreciate the opportunity to provide comments on bills pending before this committee. I am accompanied today by our Legislative Committee Vice-Chair and Judge Advocate, Retired Sergeant Major Robert Haley. Given the large number of bills being considered, we will keep our comments brief and focus our testimony on those areas in which we feel we can be of most assistance to this committee.

⁷Resolution No. 312: "Ensuring the Quality of Servicemember and Veteran Student's Education at Institutions of Higher Learning" (August 2014)

⁸Resolution No. 312: "Ensuring the Quality of Servicemember and Veteran Student's Education at Institutions of Higher Learning" (August 2014)

H.R. 748 GI Bill STEM Extension Act of 2015

The past several years has seen considerable concern regarding a shortage of science, technology, engineering, and mathematics (STEM) workers to meet the demands of our labor market. As such, NASAA strongly supports the intent of this bill, but recommends that the legislation be amended to clarify those who would qualify for this benefit.

H.R. 2551 Veterans' Entry to Apprenticeship Act.

NASAA supports this bill, particularly as it could serve to increase enrollment in approved apprenticeship programs. However we offer the following recommendations. First, to ensure only quality programs are offered, we believe that approval authority should rest with the State approving agency. This is not specified in the current proposal. Second, specific approval criteria should be developed in addition to those items identified in H.R. 2551 to include: 1) the training establishment offering training must submit to the appropriate State approving agency a written application for approval; 2) there should be a maximum program length of 12 weeks, not to exceed 600 hours; 3) hours should be credited towards total required hours in the apprentice program; and 4) the State approving agency must find that there exists a reasonable certainty that the apprentice program for which the eligible veteran or person is to be trained will be available at the end of the training period. It is important to remember that pre-apprenticeship programs vary greatly from state to state. It is the State approving agencies, providing that local, "boots on the ground" oversight and supervision that are best positioned to ensure that the intent of Congress is indeed delivered.

H.R. 3286 Hire Vets Act of 2015

NASAA supports this bill and sees in it yet another opportunity to encourage employers to hire veterans. We would also see in this bill an opportunity to highlight or bring attention to the Apprenticeship and On-The-Job training programs which can be approved under the GI Bill. As we testified before this Committee last November, we believe "OJT and Apprenticeship programs under the various chapters of the GI Bill provide a tremendous opportunity to put our Nations veterans back to work immediately in meaningful and rewarding careers that are needed in our economy."

H.R. 3419 Support for Student Veterans with Families Act of 2015

This proposed legislation would authorize the Department of Veterans Affairs to make up to 50 grants in FY2016 to eligible educational institutions to provide child care services on campus for student veterans. NASAA strongly supports the intent of this bill and we believe it would encourage institutions to provide affordable childcare to veterans enrolled in higher education and support success in their educational program. We would like to see clarifying language added to clarify eligibility and implementation.

H.R. 4138 To authorize the Secretary of Veterans Affairs to recoup relocation expenses paid to or on behalf of employees of the Department of Veterans Affairs

NASAA neither supports nor opposes this legislation at this time.

[Discussion Draft] Veterans Success on Campus Act of 2016

NASAA supports this bill. We would like the implementation language modified to specify that resources be shared with or otherwise available to neighboring campuses.

[Discussion Draft] To direct the Secretary of Labor to carry out a research program to evaluate the effectiveness of Transition Assistance Program in addressing needs of certain minority veterans.

NASAA strongly believes that we should attempt to eradicate any barriers to employment or aspirations for any groups of veterans and when possible, that the Transition Assistance Program should be designed to appropriately address the needs of veterans which are substantially different. NASAA supports this bill.

[Discussion Draft] GI Bill Oversight Act of 2016.

NASAA supports this bill but we would like to see the language of the bill expanded to include all schools approved for GI Bill r benefits by replacing the phrase "institutions of higher learning" with the term "institutions." This will allow for the inclusion of non-college degree schools. We recommend Section 2 be modified to

specify the purpose and scope of the Inspector General Investigation, to add to subsection (b)(2) that students provide to the Inspector General any information that may be relevant to the investigation and to add the requirement that the Inspector General will also notify the appropriate State Approving agency upon commencing an investigation and share their findings. Also, it is critical that State approving agencies retain both approval and disapproval authority. Therefore, we recommend in Section 3 replacing "The Secretary" with "The State approving agency or the Secretary when acting in the absence of the State approving agency." This change clarifies and codifies that State approving agencies have the primary statutory authority to protect our Veterans and their families from those who would engage in unscrupulous conduct. Further, in Sections 2 and 3, we respectfully suggest that the word "guilty" not be used to describe administrative findings.

[Discussion Draft] A Bill to make certain improvements in the laws administered by the Secretary of Veterans Affairs relating to educational assistance, and for other purposes,

NASAA supports Sections 2 through 4, as well as Sections 6 (with reservation) and 7 in their current form. NASAA supports the intent of Section 5, but while we agree that training of school certifying officials should be a requirement, we do not agree that training should solely be the responsibility of the VA. In the past, State approving agencies regularly provided one-on-one, targeted training to certifying officials. Prior to fiscal year 2012, when SAAs began assisting the VA with compliance surveys, State approving agencies conducted supervisory visits at 80%-90% of our active facilities every year. On-site training of SCOs was a core component of these supervisory visits. Now, as a result of conducting compliance surveys on behalf of the VA, we only visit approximately 15% of our active facilities each year. While we provide training to the extent we can in conjunction with compliance surveys, it is clear that the compliance survey assignments have greatly reduced our ability to regularly visit and train certifying officials. We do not think it is unreasonable to conclude that the reduction in on-site training during SAA supervisory visits has played a role in the percentage of GI Billr overpayments due to certifying official errors, as discussed in the GAO report from October 2015 on Additional Actions Needed to Help Reduce Overpayments and Increase Collections. We believe that working towards a better balance of supervisory visits and compliance survey visits will result in better training and oversight as well as fewer overpayments due to school errors. With that in mind, regarding section 5 of the proposed legislation, we believe that the development of the training recommended in the GAO report should be a collaborative effort between VA and NASAA, with input from school certifying officials. We believe this would help ensure the efficacy of the program. Should the committee choose to move forward with section 5 of the proposed legislation at this time, we would suggest the following modifications. First, in subsection (a), program disapproval authority should primarily reside with the State Approving Agency, as stated above. Second, NASAA recommends limiting any requirement for off-site training to those institutions with more than 20 GI Billr recipients annually. This will mitigate what could be perceived as an onerous training requirement for many of the schools with a very small GI Billr student cohort, which in turn could result in many high-quality programs being withdrawn at the schools' request. However, reasonable and proper online training should be mandatory for all certifying officials.

Conclusion

Mr. Chairman, today, over fifty-five SAAs, composed of approximately 175 professional and support personnel are supervising over 14,000 active facilities with more than 100,000 programs. We are extremely grateful for the opportunity to once again appear before this committee to share our positions on these important pieces of proposed legislation. We remain committed to working closely with our VA partners, VSO stakeholders and educational institutions on these and other initiatives designed to protect the quality and the integrity of the various GI Bill r programs and the Veterans and family members who have sacrificed so much for this great Nation. I thank you again for this opportunity and I look forward to answering any questions that you or committee members may have.

Prepared Statement of Walter Ochinko

Chairman Wenstrup, Ranking Member Takano, and Members of the Subcommittee:

Veterans Education Success (VES) appreciates the opportunity to share its perspective on Representative Takano's GI Bill Oversight Act of 2016. VES is a non-profit organization focused on protecting the integrity and promise of the G.I. Bill and other federal educational programs for veterans and servicemembers.

VES believes that the G.I. Bill Oversight Act seeks to address a critical shortcoming in the management of G.I. Bill educational benefits by the Department of Veterans Affairs (VA)-the lack of enforcement to protect veterans from the predatory behavior of some schools. When it comes to oversight of the G.I. Bill, VA's practice to date has been to focus on managing and tracking benefit payments. Any other oversight issues, such as protecting veterans' hard-earned educational benefits and taxpayers' investment from fraud or abuse, receives far too little attention.

Some Schools Engage in Misleading and Deceptive Advertising and Recruiting

Last year, VES research demonstrated that 20 percent of the 300 G.I. Bill-approved degree programs it examined did not lead to jobs because they lacked the appropriate accreditation or failed to meet state-specific criteria required for licensure or certification. These schools recruit students by misleading them about the schools' accreditation and the ability of graduates to subsequently get a job in their field of study. To help address this problem, the House approved the Career Ready Student Veterans Act last month, a bill that received bipartisan support from this Committee.

Because our research only examined a small number of degree programs, we reported that our findings were just the "tip of the iceberg." Indeed, over a dozen settlements by five different federal agencies and nine state Attorneys General since 2012 provide credible evidence that VES's findings were not an anomaly. Please refer to the summary of federal and state settlements attached to this statement. The basis for all but one of these settlements were findings of misleading and deceptive advertising and recruiting, including misrepresenting costs, quality, accreditation and the transferability of credits, job placement rates, and post-graduation salaries.¹

VA's reaction to these settlements has been extremely limited-posting a caution flag for only one of the five federal settlements and for none of the state Attorneys General settlements.² And, all of the schools continue to participate in the G.I. Bill, despite a Vietnam era statute that obligates VA to deny revenue from veterans educational benefits to schools that engage in deceptive and misleading advertising and recruiting.

Ban on Deceptive and Misleading Advertising and Recruiting Enacted in 1974

Sec. 3696 of Title 38 was enacted in 1974 as part of the Vietnam Era Veterans' Readjustment Act. It requires the VA Secretary to:

"not approve the enrollment of an eligible veteran or eligible person in any course offered by an institution which utilized advertizing, sales, or enrollment practices of any type which are erroneous, deceptive, or misleading either by actual statement, omission, or intimation."

Why did Congress determine that G.I. Bill protections against misleading and deceptive advertising and recruiting were necessary 40 years ago?

The Senate Veterans Committee Report acknowledged that any increase in the amount of federal funds a veteran has available to purchase educational services served as a strong economic incentive for certain schools to seek out and enroll those veterans.³ But these same schools were offering low quality education and using erroneous or misleading advertising, sales, or enrollment practices. The result was degrees or certificates that did not qualify veterans for jobs in the fields that they studied. Such problems date back to the 1940s with the enactment of the original G.I. Bill.

The Senate Committee Report cited specific and credible evidence that such problems existed:

- FTC investigative file provided to the committee,
- Brookings Institution Study for the Office of Education,

¹ One of the settlements involved violations of ED's incentive compensation regulations.

² For six of the nine schools with state AG settlements, VA has posted an unrelated caution flag indicating that the institution is subject to Department of Education Heightened Cash Monitoring.

³ Report of the Committee on Veterans' Affairs, U.S. Senate, to accompany S. 2784, Report No. 93-907, June 10, 1974.

- Proceedings of the National Invitational Conference on Consumer Protection in Post-Secondary Education, and
- Boston Globe investigative series.

It's instructive that one of the examples detailed in the Boston Globe series is a predatory school that misled the Massachusetts State Approving Agency about its accreditation and succeeded in enrolling veterans who, when they graduated, learned that they could not obtain the state license necessary for employment. This same school operated 6 of the degree programs that our 2015 research found did not lead to the necessary state licensure or certification. Not only did history repeat itself, but the same "bad actors" continue to repeat their activity.

VA Has Not Enforced Sec. 3696 for 40 Years

To enforce Sec. 3696, schools must maintain a complete record of all advertising, sales, or enrollment materials utilized by or on the behalf of the institution during the past year, which are to be made available to state approving agency (SAA) or VA inspectors. In August 2014, the VA finally added a requirement to the compliance survey form asking inspectors to determine "Does the school use fraudulent and unduly aggressive recruiting?" According to a former SAA director, SAAs rarely, if ever, review advertising materials during compliance reviews.⁴ Rather, they focus on whether the payments to the schools were accurate.

Furthermore, Sec. 3696 requires the Secretary to "enter into an agreement with the FTC to utilize the commission's services in carrying out investigations and making the Secretary's determinations" of deceptive or misleading advertising, sales, or enrollment practices. The implementing Memorandum of Understanding (MOU) between VA and the FTC was not signed until November 2015, more than 40 years after the enactment of Sec. 3696, and only after significant pressure from veterans organizations and the White House. VA has clearly been dragging its feet. Even now, it is not clear that VA has referred any cases to the FTC for investigation, as required by the MOU.

VA Has a Statutory Obligation to Protect Veterans

In February 2016, the Veterans Legal Clinic at the Yale School of Law briefed Congressional staff on a Memorandum titled "VA's Failure to Protect Veterans from Deceptive Recruiting Practices."⁵ Their work was spurred by a July 2015 letter from the VA Under Secretary of Benefits, Allison Hickey, to eight U.S. Senators, which stated that the Department had limited authority to take action against educational institutions that use deceptive marketing practices. The Under Secretary wrote:

The authority for the approval of educational programs is specifically granted to the State Approving Agencies (SAAs) under Title 38 of the United States Code. Any course approved for benefits that fails to meet any of the approval requirements should be immediately disapproved by the appropriate SAA. VA is prohibited, by law, from exercising any supervision or control over the activities of the SAAs, except during the annual performance evaluations.

VA has also told veterans groups that they cannot take intermediate steps, such as a suspension of funds to a school.

After researching statutes, their structure, regulations, and legislative history, Yale Law School determined there was a very clear answer: VA was wrong. Although SAAs do maintain authority to approve and disapprove courses, so does VA and both can take intermediate steps, such as suspending courses. Yale Law School concluded there was no ambiguity in the statutes and no basis whatsoever for VA's position that it lacked authority to act to stop deceptive recruiting. Indeed, Sec. 3696 obligates VA to not approve veterans enrollment in courses offered by institutions that use erroneous, deceptive, or misleading advertising, sales, or enrollment practices.

VA Has Taken No Action in Response to the FTC Settlement with Ashworth College

As just one example of VA's failure to adhere to 38 USC 3696, VA has failed to do anything about a recent federal sanction against a school for misleading and deceptive recruiting. On May 26, 2015, the Federal Trade Commission announced a

⁴In December 2015, the Virginia SAA withdrew the approval of ECPI's Medical Career Institute for violating Sec. 3696. This is the only known SAA action taken under this statutory requirement. VA requested an SAA inspection based on veteran complaints.

⁵<http://static1.squarespace.com/static/556718b2e4b02e470eb1b186/t/57028cde9f72667cfc9d1a8f/1459784926780/Yale-VES+Memo+.pdf>

settlement with Ashworth College based on findings that the school had misled students about the training they received and their ability to transfer credits to another school.⁶ The FTC found that (1) many programs offered by this school did not meet state requirements for those careers, including teachers and massage therapists, and (2) claims made about credit transfers were often not true. In reaching the settlement, Ashworth College admitted no wrongdoing. The FTC settlement was announced about 5 months before the completion of the MOU with VA and the FTC investigation was not requested by VA. The settlement, however, appears to meet the criteria set out in Sec. 3696 for terminating the school's participation in the G.I. Bill.

As of April 11, 2016, however, Ashworth College is still approved to receive G.I. Bill educational benefits. Furthermore, the G.I. Bill College Comparison Tool contains no warning to veterans about the FTC settlement and findings. And, ironically, Ashworth is still listed as subscribing to and following the Principles of Excellence on the G.I. Bill College Comparison Tool.

VA's failure to revoke approval of Ashworth or any of the other schools already successfully sued by state Attorneys General or federal agencies raises several questions about the processes in place to detect and respond to findings of deceptive and misleading advertising, sales, or enrollment practices.

- What standard of proof should the VA utilize to enforce findings of false advertising, sales, or enrollment practices by participating schools?
- What facts or findings by another government agency are sufficient to trigger a VA response of suspension or withdraw of approval from participation in GI Bill benefits?
- Does VA consider a settlement that is based on findings of fact by a government agency, but that does not include admission of wrongdoing by the school, to be insufficient evidence to withdraw a school's approval?
- What is the basis for a determination that a school has violated Sec. 3696?
- Has the VA referred any cases to the FTC since the VA/FTC MOU was signed in November 2015?

VA's Recent Action Against DeVry: Harbinger of Stronger Enforcement?

On March 6, 2016, the Veterans Advisory Committee on Education outlined the issues discussed at their fall meeting and offered Secretary MacDonald recommendations.⁷ The Committee noted that compliance and enforcement of the Principles of Excellence Executive Order was a priority concern because of the absence of any standard operating enforcement plan, aside from the discovery of a violation during a compliance survey.⁸

To help manage expectations of participating schools and systematize oversight, the Committee called for establishment of a compliance framework that includes a checklist for VA employees to measure compliance and standards for school probation and/or removal.⁹ In conjunction with the framework, the Committee also recommended additional caution flags on the G.I. Bill College Comparison Tool so that veterans are informed about other government actions related to G.I. Bill participating schools.

About a week later, VA announced suspension of DeVry University's participation in the POE program. To be designated a POE school, an institution must agree to avoid aggressive recruiting and abide by federal laws and regulations, including those prohibiting misrepresentation and incentive compensation of recruiters. VA's actions were based on a review of the FTC lawsuit against DeVry, which allege that the school had deceptively advertised job placement rates and salary levels; VA also cited the Department of Education's notice of intent to place limitations on DeVry based on related conclusions and the significant number of complaints VA had received from veterans about misrepresentations by DeVry. Finally, VA posted caution flags on the G.I. Bill College Comparison Tool calling attention to the FTC and ED actions.

It is worth emphasizing that the FTC lawsuit is ongoing, and, as with many legal actions against predatory schools, the lawsuit could end up in a settlement. DeVry

⁶ <https://www.ftc.gov/news-events/press-releases/2015/05/ashworth-college-settles-ftc-charges-it-misled-students-about>

⁷ <http://static.politico.com/6f/db/0eff47e14e7ea18730dd924a0aa6/va-panel-recommendations.pdf>

⁸ The POE establishes behavioral expectations for schools that enroll veterans using their GI Bill educational benefits.

⁹ In contrast, DOD already has an assessment process in place to help ensure compliance with the MOUs schools must sign in order to participate in Tuition Assistance. The assessment process includes a range of penalties and a commitment to share findings with appropriate federal agencies.

continues to participate in the GI Bill and can continue to enroll veterans. Acting on the basis of a lawsuit is a departure for VA, which has only posted caution flags on the G.I. Bill College Comparison Tool about one of five federal settlements. VES applauds VA's action and believes that it is an encouraging sign.

Conclusion

The G.I. Bill Oversight Act would help to elevate the priority placed on protecting veterans and increase the efforts to enforce VA's existing statutory and regulatory requirements to prohibit misrepresentation and deceptive recruiting. By engaging the VA Office of Inspector General in the enforcement process, the bill jump-starts Departmental enforcement by turning to an existing, well trained, resourced, and audit/investigation oriented organization. Equally important, however, is changing the mindset at VA that paying benefits is only one part of VA's mission to serve veterans; VA must do more than simply track the dollars out the door. It must take seriously its statutory obligation to protect veterans from deceptive recruiting and protect taxpayers' investment from waste, fraud, and abuse.

While a more proactive VA is an important step in helping to protect veterans from predatory schools, more effective coordination, cooperation, and data sharing among all federal agencies-ED, DOD, CFPB, FTC, Justice, and the SEC-are also critical.

Combating fraud and abuse by predatory schools needs to be a top federal as well as a top VA priority.

Thank you for opportunity to testify. I would be happy to answer any questions.

Walter Ochinko

Policy Director

Veterans Education Success

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Attachment

State Attorneys General and Federal Agency Settlements with Schools

School	Agency	Settlement date	Settlement amount	Findings	VA action
Alta (Westwood College)	CO-AG	March 2012	\$4.5 million	Provided misleading information to students on job placement rates, tuition, and transferability of credits. Veterans were falsely told that their GI Bill benefits would cover the cost of tuition.(a).	Heightened Cash Monitoring Caution Flag.
Alta (Westwood College)	IL-AG	Nov. 2015	\$15 million	Misrepresented costs and employment opportunities in its criminal justice program.(b).	Heightened Cash Monitoring Caution Flag.

Attachment—Continued

State Attorneys General and Federal Agency Settlements with Schools

School	Agency	Settlement date	Settlement amount	Findings	VA action
Ashworth	FTC	May 2015	\$11 million(c)	Many programs did not meet state licensure requirements for those professions, including teachers and massage therapists, and the claims made about credit transfers were often not true.(d).	None.
ATI	Justice	Aug. 2013	\$3.7 million	Misleading recruiting practices at campuses in Texas and several other states.(e).	ATI filed for bankruptcy in Jan. 2014.
Bridgepoint (Ashford College)	IA-AG	May 2014	\$7.5	Misleading recruiting practices.(f).	None.
Career Education Corporation (Sanford Brown, Briarcliff, American Continental University, Colorado Technical University)	NY-AG	Aug. 2013	\$10.25 million	Significantly inflated job placement rates and provided misleading information about credit transfers.(g).	Heightened Cash Monitoring Caution Flag.
EDMC (Argosy)	CO-AG	Dec. 2013	\$3.3 million	Falsely claimed that PhD graduates could become licensed clinical psychologists even though its program was not accredited by the American Psychological Association.(h).	Heightened Cash Monitoring Caution Flag.

Attachment—Continued

State Attorneys General and Federal Agency Settlements with Schools

School	Agency	Settlement date	Settlement amount	Findings	VA action
EDMC (Art Institute)	SF City Attorney ...	June 2014	\$4.4 million	Used illegal marketing practices, including providing misleading data on placement rates, actual or average salaries, and graduation/completion rates.(i).	Heightened Cash Monitoring Caution Flag.
EDMC	Justice	Nov. 2015	\$95.5 million	Violated the Dept. of Education incentive compensation regulations.(j).	Settlement with U.S. Government Caution Flag.
EDMC	40 state AGs	Nov. 2015	\$103 million	Used misleading and deceptive recruiting practices.(k).	
Education Affiliates(Fortis Institute and numerous other brands)	Justice	June 2015	\$13 million	Misrepresented job placement rates.(l).	Heightened Cash Monitoring Caution Flag.
Kaplan	FL-AG	June 2014	Misleading recruiting practices.(m).	None.
	Justice	July 2015	\$1.3 million	Used unqualified instructors who did not meet minimum Texas standards in its medical assisting program.(n).	None.
Premier Education Group (Salter College)	MA-AG	Dec. 2014	\$3.75 million	Misrepresented job placement rates and used deceptive enrollment tactics.(o).	None.

- (a) <http://www.denverpost.com/smart/ci—20172161/colorado-attorney-general-reaches-settlement-westwood-2->
(b) <https://www.cfpbmonitor.com/wp-content/uploads/sites/5/2014/11/L-AG-second-amended-complaint.pdf>
(c) The \$11 million fine was waived because of the school's inability to pay.
(d) <https://www.ftc.gov/news-events/press-releases/2015/05/ashworth-college-settles-ftc-charges-it-misled-students-about>
(e) <http://www.justice.gov/opa/pr/2013/August/13-civ-953.html#sthash.fla0snpj.dpuf>
(f) <http://www.ashfordsettlement.com/faqs.html>
(g) <http://www.ag.ny.gov/press-release/ag-schneiderman-announces-groundbreaking-1025-million-dollar-settlement-profit>
(h) <https://www.coloradoattorneygeneral.gov/press/news/2013/12/05/attorney—general—suthers—announces—consumer—protection—settlement—argosy—univ> and <http://www.bizjournals.com/denver/news/2013/12/05/argosy-university-pays-colorado-33m.html>
(i) <http://www.sfgate.com/bayarea/article/SF-wins-4-4M-settlement-with-for-profit-art-5559635.php>

- (j) <http://www.justice.gov/opa/pr/profit-college-company-pay-955-million-settle-claims-illegal-recruiting-consumer-fraud-and>
- (k) <http://kentucky.gov/Pages/Activity-Stream.aspx?viewMode=ViewDetailInNewPage&eventID=%7B15E27858-880A-4479-A5F6-B1966D22274F%7D&activityType=PressRelease>
- (l) <http://www.justice.gov/opa/pr/profit-education-company-pay-13-million-resolve-several-cases-alleging-submission-false>
- (m) The Florida AG entered into a voluntary assurance of compliance with Kaplan. [http://myfloridalegal.com/webfiles.nsf/WF/JME-9L6QDA/\\$file/KaplanAVC.pdf#sthash.YD18hEsG.dpuf](http://myfloridalegal.com/webfiles.nsf/WF/JME-9L6QDA/$file/KaplanAVC.pdf#sthash.YD18hEsG.dpuf)
- (n) <http://www.justice.gov/usao-wdtx/pr/profit-college-kaplan-refund-federal-financial-aid-under-settlement-united-states>
- (o) <http://www.mass.gov/ago/news-and-updates/press-releases/2014/2014-12-12-salter-college.html#sthash.fla0snpj.dpuf>

Prepared Statement of Jared Lyon

Chairman Wenstrup, Ranking Member Takano, and Members of the Subcommittee:

Established in 2008, Student Veterans of America has grown to become a force and voice for the interests of veterans in higher education. With nearly 1,400 chapters across the country, we are pleased to share the perspective of those most directly impacted by this subject with this committee. With a myriad of programs supporting their success, rigorous research development seeking ways to improve the landscape, and advocacy throughout the nation, we place the student veteran at the top of our organizational pyramid. As the future leaders of this country, nothing is more paramount than their success in school to prepare them for productive and impactful lives.

GI Bill STEM Extension Act of 2015

For most veterans hoping to enter the science, technology, engineering, and mathematics fields, also known as the STEM fields, they are faced with the harsh reality that entrance into these majors requires starting their college career at the pre-college math level, such as pre-calculus and pre-algebra. This holds true for many of the sciences such as chemistry, physics, and biology. The additional time that it takes for a veteran to complete a STEM degree easily pushes graduation passed the standard 36 months allotted by the Post-9/11 GI Bill. We at SVA see that the extra year need for graduation completion discourages many veterans from pursuing STEM degrees. A plan to provide one extra year of GI Bill benefits to STEM degree-seeking veterans would alleviate this concern, giving veterans the extra time needed to complete their degree.

A study done by Georgetown University in 2015 reviewed the Economic Value of College Majors in the United States. That study uncovered that the highest annual wages earned after graduation came from the career STEM field. Individuals who complete a STEM degree earn an average of \$65,000 a year when starting their career whereas non-STEM degree graduates earned \$50,000 annually. Additionally, this study revealed that the least popular undergraduate majors for student to pursue were all in the STEM fields. It is our hope that the GI Bill STEM Extension Act of 2015 will influence transitioning service member to pursue STEM degrees without the discouragement of incurring additional debt. Additionally, it is our hope that this bill will encourage current STEM majors to complete their degree as opposed to changing to a degree that requires less time in school.

We propose some changes to the language in H.R. 748. The new language the GI Bill Extension Act will authorize 33,000 veteran STEM majors in need of an additional year of GI Bill benefits to ability the complete their degree. To achieve this we recommend the following changes:

- 1.A one-time stipend of \$30,000 to cover ALL expenses. It will be the veteran's responsibility to spend the money on tuition and rent.
- 2.This benefited will only be available to veterans.
- 3.Restrict usage to only the classes required to achieve the degree.
- 4.First priority given to students that require the most number of credit hours to achieve their degree.
5. Limit the use of degrees listed in lines 5-13 on page 3 of the legislation. Delete lines 14-21.
- 6.If the veteran does not complete the program, excluding death in the family, personal illness (including PTS), unexpected relocation, unexpected family illness (including caretaking of family members), the amount paid will be reimbursed over a period of 6 years of \$5,000 a year.
- 7.Veterans who receive less than 100% of the GI Bill will receive the percentage they are qualified for of the one-time payment of \$30,000. Veterans who qualify for 100% GI Bill tuition will be awarded before individuals who are not qualified for 100% GI Bill payments.

With STEM majors paying an average of \$260,000 more in taxes than non-STEM majors over their lifetime, we see a return on investment, if this Bill were to move forward, of \$8.6 Billion. \$7.6 Billion more than the cost to the government to fund this initiative. That is a return of around \$8 for every \$1 spent.

Because of this, SVA fully supports the GI Bill Extension Act of 2015 and hopes to remain part of the discussion on how to improve the economic impact of STEM majors in the United States by motivating transitioning service members to enter into these fields of study.

The GI Bill Oversight Act of 2016

Over the past eight years, Student Veterans of America has worked hard to protect veterans pursuing their higher education degrees. Unfortunately, primarily due to 90/10, we have seen predatory practices on veterans by less than reputable educational institutions. Year after year, we hear of stories where veterans were cheated by “bad actors” in the educational realm with no recourse to recoup their hard-earned GI Bill benefits.

The GI Bill Oversight Act of 2016 is a step in the right direction in protecting student Veterans from less than honorable institutions. Requiring the Inspector General to investigate institutions of higher learning that have been found guilty by any Federal or State agency for deceptive or misleading practices, will help protect Veterans from these predatory institutions.

However, we do propose some changes to the language. We would recommend removing lines 15 to 22 on page 2 of the Draft Bill. We find that by instigating an investigation by the Inspector General when an institution is currently being investigated at the State or Federal level or in any class action lawsuit for deceptive or misleading practices is too broad in nature. We feel that an investigation after an institution is found guilty is more appropriate. Sections (1) “is the defendant in a class action lawsuit for deceptive or misleading practices” and (2) “is under investigation by any Federal or State Agency for deceptive or misleading practices” is triggering an investigation before the outcome of the case is determined. We feel that allocating Federal resources to every school under investigation or in a lawsuit might overwhelm the Inspector General and target schools under investigation but are considered by the general education community as “good actors”. Section (3) “has been found guilty by any Federal or State agency of deceptive or misleading practices” is much more focused and we feel this language will help capture the “bad actors” of the educational industry.

Our suggestion would be to reword line 18 to 22 (sections 3699, (a), (1) and (2)) to be more specific or remove section (1) and reword the term “investigation” in section (2) to something less direct. Additionally, we support the concept of notifying students when an investigation has started (3699, (b), (A), (B) - Line 1 to 7 on page 3). This will allow a more informed consumer, which is a subject we always support.

Although we support the GI Bill Oversight Act of 2016, we feel that there is some room to improve the language of the Bill to fully capture the “Bad Actors” that abuse the GI Bill and veterans while still protecting reputable institutions. We would absolutely welcome the chance to be a party in the furthered discussion of this Bill.

The Support for Student Veterans with Families Act

A Census Survey done by Student Veterans of America (appendix A:), shows that there is a significant concern among single parents who served in the military and are currently enrolled in higher education in regards to accessing and paying for child care. With over 70,000 single veteran parents attending institutions of higher learning, this is a topic that we cannot ignore. Our study shows that 49% of current student veterans have indicated that childcare had a negative or extremely negative impact on their budget. Additionally, 20% of student veterans indicated that their current childcare status had a negative impact on their academic goals.

As more service members enter into the student arena, we see the issue of childcare increasing with no Federal initiative to help these families. That is why we are pleased that H.R. 3419 - Support for Student Veterans with Families Act was proposed. The discussion on how to help veterans attending higher education, although not new, has been overlooked for some time. We applauded the committee for taking action on this particular issue.

Student Veterans of America supports the general concept of H.R. 3419, and we value the diligence that has gone into this Bill, however, we do have some concern over the effects of specific language in the Bill. Precisely the Use of Funds, Limitations, and Authorization of Appropriations sections. Under the section “Use of Funds” we would recommend removing section (A) “establish or expand a child care center on the campus of educational institutions” which would then negate the need

for section (2) where “at least 75 percent of the new child care services funded by the grant to students [...] are veterans”.

We feel this particular language is would be difficult for an institution of higher education to achieve without excessive programmatic issues associated with the implementation of the program. We do, however, support the language in section (B) in “Use of Funds” where the VA would “pay the cost of providing child care services to students enrolled in courses of education offered by the educational institution at a child care center located on the campus of the educational institutions”, but would recommend including language such as, “if the educational institution did not have child care then a payment would be made to the veteran to supplement the cost of child care off campus”.

Finally, SVA would caution against the language used in section (e) “Authorization of Appropriations”. Student Veterans of America would like to see a specific amount of funds as opposed to an arbitrary amount.

Bill 2551: Veterans’ Entry to Apprenticeship Act

Student Veterans of America supports the Veterans’ Entry to Apprenticeship Act. Skills such as blue print reading, tool use, and map reading are important trade skills generally not taught during an apprenticeship. These are skill needed before one starts an accredited apprenticeship and allowing the GI Bill to be used to gain this valuable information can help veteran enter into high need skill based programs.

Although there are many schools that offer pre-apprenticeship programs and certification options, not all schools are accredited. In many instances, accreditation of the degree or program you complete may be required in order to become certified to work in the field. Because of this, we highly suggest the langue in this Bill applies to only programs that are accredited. The language in section 3687A; (3), (4), and (5) seem to suppress any concerns of abuses.

Bill 3286: HIRE Vets Act

Although Student Veterans of America primarily deals with educational issues, it is important where our students end up after completion of their degree. The HIRE Vets Act is a great way for transitioning service members and student veterans to seek out organizations that have a history of hiring and retaining veteran employees.

Student Veterans of America has always remained steadfast that an informed consumer can make the best decisions for himself or herself. The HIRE Vets Act will help veterans make these informed decisions. Because of this, we support the HIRE Vets Act and look forward to promoting these prestigious organizations with exemplary veteran employment practices.

Bill 4138: To authorize the Secretary of Veterans Affairs to recoup relocation expenses paid to or on behalf of employees of the Department of Veterans Affairs.

Student Veterans of America supports any Bill that allows the Secretary of Veterans Affairs to cut down on waste and abuse. Any abuse of funds in the VA not only hurts the VA as a whole but additionally all programs administered by the VA. The latest scandal where \$275,000 of VA funds were used for questionable moving expenses could have helped veterans get a degree or fund other much-needed VA programs.

We applaud Chairman Miller for his dedication to stop waste in abuse in the VA. We hope that this Bill moves forward and we at Student Veterans of America support this legislation.

Draft Bill: Sec. 4 Training for School Certifying Officials.

This Bill, requiring the Secretary of Veteran Affairs to train school certifying officials, is a much-needed change in how institution decide who should be a School Certifying Official. Although there is currently an educational program to train VA Certifying Officials, this training is not mandatory. The online training schedule can be found at: <http://www.benefits.va.gov/gibill/school—training—resources.asp>

It is estimated to take anywhere from a week to 3 weeks to complete. We feel that schools who do not have trained certifying officials should not be eligible to offer courses or educational assistance to veterans given that the training is minimal. We would recommend, however, to allow 90 days for the School Certifying Official to complete the online training. This would insure that if a trained certifying official left the institution, the university would have appropriate time to find a replacement and train them as a certifying official.

Student Veterans of America supports this Bill. It would add oversight to institutions and require their certifying official to learn about the GI Bill, which could lead to more informed student veterans.

Draft Bill: Sec. 6 Reduction of Amount of Housing Stipend Payments for Reduction of Course Hours.

Student Veterans of America understand that sometimes it is necessary for an individual to change their full time student status to part time. We also agree that when an individual changes their status, their BAH should be reduced and over payments should be reimbursed. We have reservations with removing future BAH payments to recoup overpayments in the past.

If a student were to disenroll from a class and become part-time because of family issues in the last month of a semester, not only would their BAH be reduced but all overpayments for the past few month would be removed from that current months BAH. We feel that this might lead to having a veteran, who already having personal issues, finding themselves in a financial struggle.

We support section (2) (line 2 to 7 on page 5) in its entirety, however, we would recommend striking line 8 - 17 respectfully. By deduction overpayments of future BAH payments, you can put veterans in an undue financial burden. Student Veterans of America agrees will all supplementary sections represented in this draft Bill.

Draft Bill: Research Program to Evaluate Effectiveness of Transition Assistance Program in Addressing Needs of Certain Minority Veterans.

Student Veterans of America prides itself on the amount of data collection and analysis we preform each year. From the Million Records Project to the NVEST project, we increasingly learn more about student veterans. We see the value in data and how it can help decision makers chose the right response for a particular problem.

Requiring the Secretary of Labor, Secretary of Veterans Affairs, and Secretary of the Department of Defense, to evaluate the Transition Assistance Program will help capture much needed data. Being that the target audience is women veterans, veterans with disabilities, Native American Veterans, and other groups of minority veterans' status we feel that any information on these minority groups can help determine policy decisions in the future.

Any data on veterans is valuable in understanding the issues veterans face. We support this Bill and look would be pleased to add to this subject.

Draft Bill: Veterans Success on Campus Act of 2016.

Informed consumers is a subject that Student Veterans of America feels strongly about. We maintain that the sooner a transitioning service member is able to understand their GI Bill Benefits, which school is most appropriate for them, and how to achieve their overall goal, the more likely that individual will transition into the work force as an employable, highly trained, military veteran.

Authorizing on-campus educational and vocational counseling is progress and we hope to see this Bill move forward. We would also like to see this same education and vocation counseling before a veteran enters into the education realm. We feel the best time to instruct a transitioning service member about their future in education and the work force is before they transition out of the military. We would strongly recommend applying this same language to the Transition Assistants Program.

Final Thoughts

SVA's motto is "Yesterday's Warriors, Today's Scholars, Tomorrow's Leaders". It is our goal to help Veterans transition from Military Warriors into Civilian Leaders. The GI Bill is paramount in this transition and currently helps over one million veterans to attend higher education. We thank the Chairman, Ranking Member, and the Subcommittee Members for your time, attention, and devotion to the cause of veterans in higher education. As always, we welcome your feedback and questions, and we look forward to continuing to work with this subcommittee, the House Committee on Veterans' Affairs, and the entire Congress to ensure the success of all generations of veterans through education.

Information Required by Rule XI2(g)(4) of the House of Representatives

Pursuant to Rule XI2(g)(4) of the House of Representatives, SVA has not received any federal grants in Fiscal Year 2015, nor has it received any federal grants in the two previous Fiscal Years.

Appendix

SVA 2015 Census Survey - Student Veterans and Childcare

TABLE: 2015 Census Survey Student Veteran Breakdown by Relationship Status

What is your current relationship status?	Frequency	Percentage
Single, Never married	406	30.19%.
Married	607	45.13%.
Engaged, In a committed relationship	127	9.44%.
Separated	20	1.49%.
Divorced	163	12.12%.
Widowed	5	0.37%.
Decline to state	17	1.26%.
Total	1,345	100.00%.

TABLE: 2015 Census Survey Student Veteran Breakdown by Parental Status

Do you have any children (natural children, adopted children, or stepchildren)?	Frequency	Percentage
Yes	621	46.14%.
No	711	52.82%.
Decline to State	14	1.04%.
Total	1,346	100.00%.

TABLE: 2015 Census Survey Student Veteran Breakdown by Single Parent Status

Do you consider yourself a single parent?	Frequency	Percentage
Yes	91	14.70%.
No	523	84.49%.
Decline to state	5	0.81%.
Total	619	100.00%.

TABLE: 2015 Census Survey Student Veteran Breakdown by Childcare Status Impact on Academic Goals

What type of impact does your current childcare status have on your progress towards academic goal?	Frequency	Percentage
Extremely negative	7	2.17%.
Negative	56	17.39%.
Neither positive or negative	119	36.96%.
Positive	86	26.71%.
Extremely positive	54	16.77%.
Total	322	100.00%.

TABLE: 2015 Census Survey Student Veteran Breakdown by Childcare Status on Overall Life

What type of impact does your current childcare status have on your overall life?	Frequency	Percentage
Extremely negative	5	1.56%.
Negative	26	8.13%.
Neither positive or negative	128	40.00%.
Positive	93	29.06%.
Extremely positive	68	21.25%.
Total	320	100.00%.

TABLE: 2015 Census Survey Student Veteran Breakdown by Childcare Status Impact on Budget

What type of impact does your current childcare status have on your budget	Frequency	Percentage
Extremely negative	56	17.39%.
Negative	106	32.92%.
Neither positive or negative	93	28.88%.
Positive	36	11.18%.
Extremely positive	31	9.63%.
Total	322	100.00%.

TABLE: 2015 Census Survey Student Veteran Breakdown by Stress Due to Scheduling Childcare

How much stress does scheduling childcare add to your life?	Frequency	Percentage
None	89	27.55%.
Minor	93	28.79%.
Moderate	77	23.84%.
Serious	38	11.76%.
Not Applicable	26	8.05%.
Total	323	100.00%.

TABLE: 2015 Census Survey Student Veteran Breakdown by Stress due to Paying for Childcare

How much stress does paying for childcare add to your life?	Frequency	Percentage
None	87	27.02%.
Minor	43	13.35%.
Moderate	76	23.60%.
Serious	86	26.71%.
Not Applicable	30	9.32%.
Total	322	100.00%.

TABLE: 2015 Census Survey Student Veteran Breakdowns by Stress due to Travel to and from Childcare

How much stress does travel to and from childcare add to your life?	Frequency	Percentage
None	109	33.96%.
Minor	81	25.23%.
Moderate	78	24.30%.
Serious	25	7.79%.
Not Applicable	28	8.72%.
Total	321	100.00%.

TABLE: 2015 Census Survey Student Veteran Breakdown by Current Enrollment Status

What is your current enrollment status?	Frequency	Percentage
Full-time Student	1,138	84.17%.
Part-Time Student	211	15.61%.
Not currently enrolled/LOA	0	0.00%.
Graduated/Alum	0	0.00%.
Enrolled, Full-Time/Part-Time Unknown	3	0.22%.
Total	1,352	100.00%.

Prepared Statement of Aleks Morosky

Chairman Wenstrup, Ranking Member Takano and members of the Subcommittee, on behalf of the men and women of the Veterans of Foreign Wars of the

United States (VFW) and our Auxiliaries, I want to thank you for the opportunity to present the VFW's views on today's pending legislation.

H.R. 748, GI Bill STEM Extension Act of 2015

The VFW supports this legislation, which would grant an additional nine months, or one academic year, of Post-9/11 GI Bill benefits to student veterans pursuing degrees in specified fields of science, technology, engineering, and mathematics (STEM) that require more than the standard 128 credit hours for completion. Veterans would also be eligible for the additional benefits if they have already earned a degree in a STEM field and are pursuing a teaching certificate.

Those who graduate with STEM degrees position themselves for employment in increasingly high demand, good paying jobs. Simply put, the VFW believes that offering an additional nine months of education assistance is a good investment in veterans' futures and, therefore, our national economy. Veterans who choose to enter these programs should be given the opportunity to complete them without exhausting their benefits before earning their degrees.

H.R. 2551, Veterans' Entry to Apprenticeship Act

The VFW supports this legislation, which would require VA to treat certain pre-apprenticeship programs as apprenticeship programs for the purposes of providing educational assistance. Only those pre-apprenticeship programs that are compliant with state standards or approved by a sponsor in states that have no such standards would be covered.

The VFW strongly supports allowing veterans to use their GI Bill benefits for apprenticeship programs, preparing them for good paying jobs in the high demand skilled labor field. Still, some veterans who wish to enter a trade lack the basic qualifications needed for entry into a registered apprenticeship program. By allowing them to use their education benefits to enroll in pre-apprenticeship programs, this bill would help them build the necessary skills and competencies they need to enter and succeed in the apprenticeship programs of their choice.

H.R. 3286, Honoring Investments in Recruiting and Employing American Military Veterans Act of 2015 or "HIRE Vets Act"

In much the same way the Employer Support of the Guard and Reserve (ESGR) program gives awards to employers in recognition of the support they provide their employees who serve in the National Guard and Reserve and their families, the HIRE Vets Act provides a private sector employer recognition through the HIRE Vets Medallion program. The program has four levels of awards, bronze through platinum, with each level requiring the employer to hire and retain more veterans and provide more services to their veteran employees.

The VFW supports H.R. 3286, but would like to offer two suggestions to improve the bill. In Section 3(b)(1)(B)(ii) the bill states "such employer provides support to each of its employees who are performing active duty service in the United States National Guard or Reserve, including by providing to each such employee a guarantee of employment following such employee's active duty service." Under the Uniformed Services Employment and Reemployment Rights Act (USERRA) employers are required by law to preserve employment for service members serving on active duty. The VFW suggests that this provision be replaced with an employer-sponsored USERRA training program. This will ensure that both the supervisors and veteran employees understand their rights and responsibilities under USERRA.

The VFW also suggests that Section 3(b)(1)(C)(iv) of the bill be rephrased to emphasize the training program would provide specific training that is geared to bridge any gaps between a veterans military training and experience and the requirement to fulfill the duties of the job they have been hired to perform. The VFW wants to thank Congressman Cook for his vision and we look forward to working with him to improve this legislation.

H.R. 3419, Support for Student Veterans with Families Act

The VFW supports the intent of this legislation, which would authorize VA to make up to 50 grants to educational institutions for the purpose of providing child care services to student veterans. The funding could be used to establish or expand campus child care centers, or to pay the cost of child care services. We believe that this is warranted, as a lack of quality child care could significantly impact a veteran's ability to successfully complete their education goals.

The bill requires that at least 75 percent of new child care services funded by the grant must go to student veterans. While we do not see significant harm in allowing excess services to be used by non-veteran students and faculty, we would object to any student veteran being denied services or placed on a waiting list behind a non-

veteran under any circumstances. To prevent this from happening, we suggest that the bill be amended to include a priority of services clause for student veterans. With that change, the VFW would fully support the legislation.

H.R. 4138, A bill to authorize the Secretary of Veterans Affairs to recoup relocation expenses paid to or on behalf of employees of the Department of Veterans Affairs.

When government employees are asked to relocate in the interest of the government, the department or agency requiring the relocation has the authority to pay for the employee's travel and relocation expenses. However, if an employee abuses the relocation expense program, it is unclear if the Secretary has the authority to recoup any of the relocation payment. H.R. 4138 provides the Secretary the clear authority to require an employee to repay all or some portion of the amount provided through the relocation expense program. The bill also affords employees an opportunity for a hearing by another department or agency before any repayment can be enforced.

The VFW supports H.R. 4138, believing that when an employee games the relocation expense program for personal gain or unintentionally receives payments that are not authorized, the Secretary must have the authority to recoup those funds.

Draft Legislation, Veterans Success on Campus Act of 2016

The VFW supports this legislation, which would establish the Veterans Success on Campus (VSOC) program as a permanent program in title 38. Beginning as a VA pilot project at the University of South Florida in 2009, the VSOC program has now grown to 94 campuses nationwide. By assigning Vocational Rehabilitation and Employment counselors to these campuses, student veterans are provided with convenient access to education and career counseling, as well as information on VA health care and other benefits. The VFW strongly supports VSOC, believing it greatly enhances student veterans' opportunities for a successful transition to civilian life. Accordingly, we codify it as a permanent VA program.

Draft Legislation, GI Bill Oversight Act of 2016

This bill takes comprehensive steps to eliminate deceptive and misleading practices conducted by institutions of higher learning.

Section 2 requires the Office of the Inspector General (IG) to conduct investigations on institutions of higher learning that are under investigation by a state or federal agency, are the defendant in a class action suit, or have been found guilty of deceptive or misleading practices.

This Section also calls on the IG to inform beneficiaries who are enrolled in an institution of higher education that the school is under investigation and the reason for the investigation. Along with this notification the IG will provide information that will assist students in transferring credits to another institution of higher learning, and as part of the GI Bill Comparison Tool, the Secretary will make this information available to veterans who are researching their educational options.

Section 3 provides VA with the authority to disapprove these courses of education from receiving GI Bill funding and restore lost benefits for beneficiaries who are enrolled and receiving benefits when disapproval occurs.

The VFW supports this legislation. Veterans can only make quality decisions regarding their education options if the information they use to make those decisions is complete. This bill ensures that veterans will have improved information as they search for a school and a program that best meets their educational goals and needs, and if a veteran is deceived into attending a program that is disapproved during an academic period, the veteran should be made whole by reimbursing that semester of education benefits back to the veteran. The VFW looks forward to working with the Committee to pass this important piece of legislation.

Draft Legislation, To make certain improvements in the laws administered by the Secretary of Veterans Affairs relating to educational assistance, and for other purposes.

This legislation makes several administrative changes to the Post-9/11 GI Bill, most of which the VFW supports.

Section 2 allows veterans to use their Post-9/11 GI Bill entitlement for licensure and credentialing tests, based on the prorated cost of the amount of the fee charged for the test. Often, veterans need to take licensure and certification tests in order to become credentialed in their chosen professions in their home states. Currently, veterans may use the Post-9/11 GI Bill to pay for these tests; however, they are charged a full month of benefits for each test. This is not the case under the Montgomery GI Bill, which subtracts only the exam fee from the overall entitlement to

education assistance. This is a more favorable system for the veteran, since license and exam fees typically cost far less than a month of full time tuition and fees at an institution of higher learning. The VFW supports this section, which would allow veterans seeking licenses and credentials to retain the maximum amount of educational assistance with which to achieve other academic and professional goals.

Section 3 extends the rounding down of the percentage increase in educational assistance VA may pay to certain institutions of higher learning for ten years. The VFW opposes round downs, as they require veterans to pay for their earned benefits.

Section 4 extends the authorization of the Veterans' Advisory Committee on Education through 2021. The Advisory Committee is currently set to expire at the end of 2016. The VFW supports the extension, believing that the committee is critical to identifying the challenges facing student veterans and presenting responsible solutions to the Secretary directly from industry stakeholders.

Section 5 would mandate VA provide requirements for the training of school certifying officials at schools approved for education assistance. It would also authorize VA to disapprove those schools whose certifying officials do not meet the requirements. An October 2015 report by the Government Accountability Office (GAO) found that nearly one in four student veterans and 6,000 schools received overpayments in 2014. These overpayments result in debts that must be repaid. One of GAO's recommendations for reducing overpayments was better training for school certifying officials. The VFW supports that recommendation and this section of the bill.

The VFW supports section 6, which codifies VA's ability to adjust a veteran's housing allowance payments on a prorated basis, in the case where a veteran reduces his or her number of credits to below the full time enrollment rate.

Section 7 clarifies that reporting fees paid to educational institutions by VA must be used solely for making certifications required by law or otherwise supporting veterans programs, and may not be used for or merged with the school's general fund. The VFW supports this section.

Draft Legislation, To direct the Secretary of Labor to carry out a research program to evaluate the effectiveness of the Transition Assistance Program in addressing the needs of certain minority veterans.

The VFW supports this legislation, which would require research into how the Transition Assistance Program (TAP) addresses the unique needs, challenges, and post-military service aspirations of women veterans, veterans with disabilities, Native American veterans, and other groups as the Secretary considers appropriate. It would also require recommendations on any changes that could be made to TAP to address any differences that are identified. We believe this data could be useful in the Department of Defense's continuing efforts to ensure that the TAP curriculum is as effective as possible for all transitioning veterans.

Mr. Chairman, this concludes my testimony. I will be happy to answer any questions you or the Committee members may have.

Information Required by Rule XI2(g)(4) of the House of Representatives

Pursuant to Rule XI2(g)(4) of the House of Representatives, the VFW has not received any federal grants in Fiscal Year 2016, nor has it received any federal grants in the two previous Fiscal Years.

The VFW has not received payments or contracts from any foreign governments in the current year or preceding two calendar years.

Statements For The Record

Office of Inspector General, U.S. Department of Veterans Affairs

(1 footnote)

Mr. Chairman and Members of the Subcommittee, thank you for the opportunity to provide information on the Office of Inspector General's (OIG) views regarding the draft bill titled GI Bill Oversight Act of 2016. The OIG has issued several audits and reviews in the past on issues associated with the Post 9/11 GI Bill.¹ Currently, we are finalizing a national audit on tuition and fee payments under the program.

¹ Audit of Post 9/11 GI Bill Housing Allowances and Book Stipends, July 11, 2014; Audit of Initial Post 9/11 GI Bill Education Payments, November 2, 2010; Audit of VA's Implementation

We are concerned about several provisions in the draft bill and appreciate the efforts of the Minority Subcommittee staff to address them. We believe some provisions of the draft bill would pose a serious threat to how the OIG conducts its work, including the impact the requirements might have on an investigation. The OIG's responsibility is to conduct an investigation to gather facts, not determine guilt. We work with authorities such as U.S. Attorneys and state attorneys who have responsibility for making a prosecutorial decision and prosecuting a case. It is a judge or jury who makes a decision on guilt or innocence.

Section 2 of the draft creates a new subchapter of chapter 36 of Title 38 of the United States Code which identifies three situations that would require the OIG to conduct an investigation. We understand from Minority Subcommittee staff that section (a)(1) regarding class action lawsuits will be deleted. We support that deletion.

In the current draft, the second provision would require the OIG to investigate if the institution of higher learning is under investigation by any Federal or state agency for deceptive or misleading practices. If the investigation is Federal and relates to VA benefits, the OIG would already likely be involved. However, when this is not the case, conducting parallel investigations is duplicative and may create confusion among possible witnesses. Not only is there a risk of the inquiries interfering with each other, there is also a risk that they may produce inconsistent findings. We could support a provision that required coordination of efforts to produce a single report and, if feasible, a single prosecution in situations where the issues under investigation impact more than one Federal agency or a Federal agency and a state entity.

The third provision would require the OIG to investigate when the institution has been found guilty of deceptive or misleading practices. If an institution of higher learning has already been found guilty of deceptive or misleading practices, and VA is impacted, conducting a second investigation may be duplicative. We would support a provision requiring that VA take action when an institution of higher learning has been found guilty of deceptive or misleading practices to determine whether the conduct impacted VA's program and, if so, take corrective action.

The new subchapter also includes a section regarding notice to students. We understand that staff is considering changing the notification requirement from the OIG to VA. We have concerns regarding any required notifications by any official during an ongoing investigation. Should the institution under investigation become aware of the notice to students, such forewarning could prompt the destruction of evidence, and it would give officials the opportunity to compare statements and coordinate witness testimony. Moreover, requiring any entity to identify and provide notice to every student of an institution under investigation would create an enormous burden on finances and staff workload.

Further with respect to the bill's counseling provision, requiring the OIG to counsel students to take actions prejudicial to the organization under investigation, prior to any findings being made, runs contrary to the OIG's mandate to remain objective and neutral during the course of an investigation. The OIG is an investigative body and is not in a position to offer educational advice.

Lastly, if the investigation does not result in a finding of wrongdoing and the institution loses business because of these activities, VA could be subject to litigation if either the OIG or VA suggests individuals transfer to another institution without actual cause, prematurely.

Section 3 of the current draft again references a finding of guilt by the Inspector General. If this section remains, it should be amended to indicate that it is a court of law that determines whether an institution of higher learning is guilty of deceptive or misleading practices.

