LEGISLATIVE HEARING ON H.R. 1206; H.R. 3023; H.R. 3940; H.R. 4451; H.R. 4830; H.R. 4835; H.R. 5044; AND A DRAFT BILL ENTITLED, “VA HOME LOAN IMPROVEMENT ACT OF 2018”

HEARING
BEFORE THE
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
OF THE
COMMITTEE ON VETERANS’ AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
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LEGISLATIVE HEARING ON H.R. 1206; H.R. 3023; H.R. 3940; H.R. 4451; H.R. 4830; H.R. 4835; H.R. 5044; AND A DRAFT BILL ENTITLED, “VA HOME LOAN IMPROVEMENT ACT OF 2018”

Tuesday, March 20, 2018

U.S. House of Representatives,
Committee on Veterans’ Affairs,
Subcommittee on Economic Opportunity
Washington, D.C.

The Subcommittee met, pursuant to notice, at 2:00 p.m., in Room 334, Cannon House Office Building, Hon. Jodey Arrington [Chairman of the Subcommittee] presiding.

Present: Representatives Bilirakis, Wenstrup, Rutherford, Banks, O’Rourke, Correa.

OPENING STATEMENT OF JODEY ARRINGTON, CHAIRMAN

Mr. ARRINGTON. Let me go ahead and gavel in.

Good afternoon, everybody. The Subcommittee will now come to order. I want to thank you all for joining us here today to discuss 8 pieces of legislation pending before the Subcommittee with the intentions of benefitting the lives of our servicemembers, veterans, and their families.

The bills brought forth by our colleagues today would make additional improvements and changes to the GI Bill and VA’s Home Loan Program, as well as provide additional resources for servicemembers after they transition to civilian life; make minor and technical changing to ensure surviving spouses retain ownership of a servicemember’s small business after they have passed away; and improve the Homeless Veterans’ Reintegration Program, administered by the Department of Labor.

I will let our colleagues who introduced these pieces of legislation discuss their bills in greater detail, but I do want to briefly discuss the one draft bill on the agenda today that has not yet been introduced. This proposal encompasses the language of two bills that we have already examined in this Subcommittee and have gone through regular order that would make changes to the Home Loan Program administered by the VA. Part of the bill would eliminate the current conforming loan limit for VA-backed mortgages so that veterans are able to afford homes in higher-cost areas.

This would not change the underwriting standards currently in place for veterans to become eligible for the loan, but would ensure
veterans are not barred from buying a home in more expensive areas of the country, due to some arbitrary caps set by the Government.

This draft also includes language from the bill that Ranking Member O'Rourke and I introduced earlier this Congress, to improve the appraisal process for VA home loans by allowing VA-approved appraisers to use the information provided to them by a third-party appraiser for their desktop. This is from their—on their desktop, rather—this proposal would improve the processing time for appraisals so that veterans are able to close on their homes in a quicker and more seamless manner.

Lastly, this draft would require veterans who are less than 100 percent service-connected disabled to pay the fund—the funding fee on their VA home loan if they purchase a home that costs more than the current conforming loan; i.e., a more expensive home in a high-cost area. This funding fee would be rolled into the life of the loan and would still be—then be allowed—a veteran to use their VA home loan with a zero down payment.

I am eager to discuss each of the 7 pieces of legislation before us today. I am also grateful to my colleagues who have introduced these bills and to our witnesses who are here to discuss them.

Before I yield to my friend and Ranking Member, Mr. O'Rourke, do I want to briefly touch on the frustration that we feel on the Committee—and maybe I should just speak for myself—with the Department of Labor, for once again declining to testify at our Subcommittee hearing, simply because they would be on a panel with non-Government witnesses.

I don't understand that, Mr. Ranking Member, and I am going to send a letter and follow up. Today's hearing would have benefited from DOL's participation, as there is several bills on the agenda that affect their Department and the customers they serve, and our customers are veterans. Notwithstanding this policy by Labor, I do want to thank General Worley and our partners at the VA for participating in today's hearing.

And, now, finally, I will yield to the Ranking Member from the Great State of Texas for any opening statements he might have.

OPENING STATEMENT OF BETO O'ROURKE, RANKING MEMBER

Mr. O'Rourke. Mr. Chairman, thank you. And in the interests of hearing from our colleagues, I will waive any opening remarks. I look forward to learning more about these bills and working together with you and other Members of the Committee to see how we can improve the care and services that we provide to those who have served this country.

With that, I will yield back.

Mr. Arrington. Mr. Messer, since you were here first, I am going to go ahead and start with you and save the Texan for the best for the last, you know?

STATEMENT OF HONORABLE LUKE MESSER

Mr. Messer. I have to admit, I am a little surprised. I assumed here, Texas would just come first, just looking at the leadership of the panel—
Mr. ARRINGTON. As I said, the best for the last.
Mr. MESSER [continued]. —but I appreciate the politeness.
Mr. ARRINGTON. You have got 5 minutes. I yield to your time, sir.
Mr. MESSER. Thank you. Thank you, Chairman Arrington, and other Members of the Committee, the Members of the Economic Opportunity Subcommittee, including my good friend and a great and distinguished Hoosier, Congressman Jim Banks, for his leadership on this Committee and who is also a co-sponsor of the legislation that I am going to talk to you about today.

This bill is just a common sense, bipartisan bill that provides greater flexibility in the way our veterans can use GI Bill benefits. As we all know, the GI Bill has provided millions of our Nation’s veterans who have served our country, the opportunity to pursue a college degree. As we near the 75th anniversary of the program’s inception, it remains one of the most successful Federal programs in our Nation’s history, as it has empowered veterans and their families to pursue their dreams.

However, the GI Bill does not cover the cost of one of the first steps towards earning a degree: the cost of applying to go to college. The typical fee for a single college application can now rise to as much as $90 and with school admittance experts recommending prospective students apply to 6 or 8 schools, total application costs can create an unexpected financial burden and a barrier to opportunity with costs of hundreds of dollars per student.

The Reducing Barriers for Veterans Education Act would remove this financial barrier by allowing veterans to voluntary choose to use part of their Post-9/11 GI Bill to cover the cost of application fees. This bipartisan bill would not expand the entitlement, because the cost of application fees, up to $750, would be deducted from our, the veteran’s overall benefit.

Our men and women in uniform deserve a modern sized GI Bill—I appreciate this Committee’s work in that regard—a modernized bill that removes obstacles that our veterans face when they are pursuing a degree. This legislation is a simple, common sense change that makes it easier for our veterans to take the first step towards a new career.

This legislation has received outside support from Student Veterans of America, Veterans Education Success, The American Legion, and The Retired Enlisted Association.

Thank you, Mr. Chairman and the entire Veterans Affairs Committee and your team for your work on this important bill. I yield back.

Mr. ARRINGTON. Thank you, Mr. Messer. And unless there are any questions, I am going to excuse you unless you want to stay and listen to the eloquence of Judge Poe.

Mr. MESSER. Any time I can listen to Ted Poe, I am not going to miss that opportunity.

Mr. ARRINGTON. That is what I would—

Mr. MESSER. So, I may listen to him and then slide out.

Mr. ARRINGTON. Most people would pay to hear what we are about to hear from Judge Poe.

Judge, we yield 5 minutes to our friend and fellow Texan.
STATEMENT OF HONORABLE TED POE

Mr. Poe. I thank the Chairman, Mr. Arrington, and the Ranking Member, Mr. O'Rourke, and the rest of the Veterans Committee, and I want to discuss legislation H.R. 3940, which the Ranking Member is a co-sponsor of, the Veterans Education Disaster Assistance Act.

I am the son of a World War II veteran. My dad is 93, still very active and opinionated, served World War II in Germany and came back to Fort Bliss, Fort Polk, and Fort Hood, as well. He benefited from the GI Bill. He was not only the first person to go to college, he was probably the first person in our family who could spell college.

And after going to college, he became an engineer and did quite well for our family and it is because of the GI Bill. It is one of the things that Congress has actually done and done right is the GI Bill and it has served our country quite well, like my dad.

I am also a veteran and I am thankful for what the Committee does for our veterans to receive the best possible care, benefits, and support after they come back from the battlefield throughout the world.

Six months ago, Hurricane Harvey ravaged a part of Texas, including most of my congressional district; 130,000 structures were flooded in my congressional district because of Hurricane Harvey. Fifty-five inches of rain in just a few days, and we have had floods since then because of Hurricane Harvey and the repairs that have not been done, which is another story.

But anyway, shortly after Hurricane Harvey, Daniel Sublett (ph), a constituent and a veteran of the United States Air Force, he was attending a local community college in our district, the Lone Star College of Kingwood. He sought help from our office. Lone Star College was hit hard by Hurricane Harvey and students could not go there for weeks; seven of the nine campuses throughout the Houston area flooded, causing $15 million in damages. Some of those campuses have still not reopened because of the damage.

As a response to Harvey, the school instructed its students to take online courses until the school could repair and reopen the physical campuses. Most of the campus was able to come back and students on September 25th, a month after Harvey was hit, but unfortunately, under the VA's basic allowance for housing, veterans who take online courses are only eligible to receive at most, one-half of their BAH, when they are taking online courses, as they would if they took the courses in person.

So, because of this, Daniel Sublett, who is also a local Student Veterans of America chapter president, and many other veterans attending Lone Star College in Kingwood were told by the VA that they would only receive one-half of their normal BAH for September and only the month of September. So, in many cases, the amount they were told they would receive would not even cover the cost of their bills.

Although Daniel and a handful of other veterans were able to get a waiver and receive their full BAH for that month, this is not the case for most veterans affected by natural disasters. The VA currently has a waiver that allows veterans to receive their full BAH, if forced to take online courses for up to four weeks only.
This legislation extends that waiver to cover an entire semester. The reality is that it is not always possible for schools to reopen their doors in just four weeks because of a natural disaster. Most must—much of Lone Star College Kingwood remained closed until at least May of this year. It may not reopen at that point.

So, because of that, veterans have left the Lone Star College system. They are seeking admittance somewhere else and this legislation allows the VA to extend the waiver for a full semester and not just one month of that semester.

And I will yield back to the Committee, and thank you for your support.

Mr. ARRINGTON. Thank you, Judge. A great story, and God bless your dad, and thank you for your service.

And thank you, the distinguished gentleman from the Great State of Indiana for your testimony today and your great ideas and for bringing them to the Committee.

So, you guys—we don't have any questions, and we will have our next panelist come up and we will discuss it later behind your backs. Mr. Russell, our friend from Oklahoma, we yield 5 minutes for you to talk about your legislative proposal.

STATEMENT OF HONORABLE STEVE RUSSELL

Mr. RUSSELL. Thank you, Mr. Chairman, and thanks to the Committee.

Each year, with the GI Bill, as soldiers and warriors have left the service, they try to go get an education. And it should be a straightforward system, but as we know, it is full of complication. A recent GAO report certainly showed that to be the case.

Ideally, a soldier would enroll. The institution says, Okay, Russell is enrolling. Money comes to the institution. They go to class. They get their college education. The money is paid. Everybody is happy.

It doesn't always work that way; in fact, if the soldier were to not enter a term for whatever reason—maybe he wants to do some work or she wants to do something—then the school is still paid the money and then you have uncollected funds that have been paid out to the institutions or to the veteran himself. Then, if the soldier were to drop a class, say, that they are going, and now you have got another construct where monies have been paid for a full tuition load and instead, it is a partial tuition load, and all of that really resolves around how do you recoup it and why should you?

Now, replete in government, there is nothing in government that is so hard we can’t make harder, and we certainly do that with fees. I am kind of a fee-hunter, and this is a fee where we somehow got the notion that a “$16 I am going to charge you your money back fee” that institutions are able to do—$16 fee.

So, VA calls and says, hey, you paid too much out on Russell. He only went to three classes instead of four. And then they say, Okay. I will give you your money back, but it is going to cost you $16. And we do this to the tune of nearly $13 million in the last statistical year. It is higher now and we don’t know what that figure is.

Now, the institutions are pretty faithful about returning it back, but you would find it surprising, or maybe not, half of all this un-
recouped money revolves around 5 percent of institutions. So, it is an institutional problem.

Why should we pay and why should the Government be charged to collect something that was already theirs? And we have heard things like, well, you know, it is a carrot to try to get them to do this and pay back—it only becomes a carrot because it is allowed. The issue with this is that if you took the $13 to $15 million it takes to recoup $15 million, we could, instead, apply that to the average tuition cost of $15 to $16,000 per warrior, and the net effect of that is, you would have 832 more veterans that are able to go to school.

So, how much does that $16 make sense then? And I know I won’t get a chance for cross-examination or questions here, but I would have loved to have had that opportunity, but I certainly am respectful of things here.

This is the first part of a three-part fix where we are no longer allowing institutions to charge the Government to give back what is the Government’s money, that was collected from taxpayers for the purpose of educating veterans, not for U.S. Trustee the purpose of lining administration.

The first of the fix is eliminate the handling fees, such as this $16 fee. The second would be to require schools to have VA-certified officials. Now, this amendment does not address that; it only addresses the first part because this is the low-hanging fruit. Right now, the certifying officials are not certified because they can’t be compelled, because there is no law that compels them. In many other aspects of whether or not they receive are money from other programs for educational purposes, they can be compelled and they are told to have certain training, so that is part of the fix.

And the third fix would be require schools to apply for tuition payment mid-term, and this, Mr. Chairman, would eliminate 90 percent of overpay issues. Why? Because, instead, they pay the institutions on the promise that they think the veteran is going to go to school. Things may change upon enrollment—enrolling day, things my change on the class schedule in the first few weeks.

So, we could have an actual construct in the three-part fix, and more to follow, where at the end of that, then we say, Okay. At mid-semester, we are going to charge the Government on Russell actually spent and then we don’t play this drill of spending $15 million to collect $15 million or $13 million to collect $13 million.

We can’t fix everything, Mr. Chairman, but we can fix $16 fees that add up to millions of dollars that could educate more veterans.

And with that, I yield back.

Mr. ARRINGTON. Thank you, Mr. Russell, for your testimony and, again, thank you for bringing that great idea for us to consider as a Committee and thank you for your commitment and your service to the very best among us, our veterans. God bless you. Thanks for your time.

And now, I will yield to Chairman Wenstrup for 5 minutes to talk about his legislative proposal that we will consider today.

STATEMENT OF HONORABLE BRAD WENSTRUP

Mr. WENSTRUP. Well, thank you, Mr. Chairman, for yielding. And I want to thank Chairman Arrington and Ranking Member
O'Rourke for addressing this important bill at today’s hearing. I appreciate it. I would also like to thank, in advance, all the witnesses for their testimony and sharing their thoughts on this legislation.

In November of last year, I joined my colleague and the Ranking Member of the health Subcommittee, Representative Brownley, in reintroducing H.R. 4451, the Homeless Veterans’ Reintegration Program’s Reauthorization Act of 2017. This bill would provide much-needed services to our veterans transitioning to civilian life and ensure that no veteran falls through the unintended legislative gaps in programs.

We do this by ensuring that those eligible for the Department of Housing and Urban Development’s Veterans Affairs Supportive Housing Program and other housing assistance programs are also eligible for the Homeless Veterans’ Reintegration Program. The gap arises because the Department of Labor considers veterans participating in these housing assistance programs to no longer be homeless, and, therefore, ineligible. So, as such, they can’t participate in the Homeless Veterans’ Reintegration Program.

So, I think you can see the obvious gap that exists here. So, far too often, servicemembers face a number of challenges assimilating back to civilian life as it is. By prioritizing the reintegration of homeless and recently homeless veterans, we will empower our veterans to re-enter the workforce and help them regain self-sufficiency.

Our veterans, obviously, sacrificed so much for our country, and I think it is up to us to make sure they have the tools to succeed in civilian life. I am proud of this Committee’s commitment to reducing veteran homelessness and I am eager to hear the witnesses’ thoughts on this piece of legislation.

And with that, Mr. Chairman, I yield back.

Mr. ARRINGTON. I thank the gentleman from Ohio, and now I yield 5 minutes to Mr. Bilirakis.

STATEMENT OF HONORABLE GUS BILIRAKIS

Mr. BILIRAKIS. Thank you, Mr. Chairman, I appreciate it so very much.

I thank, again, to the Chairman and the Ranking Member, Mr. O'Rourke, and all the distinguished Members of the Economic Opportunity Subcommittee, and all the Members for allowing me to present this afternoon before the Committee.

I am proud of the work that this Committee has done to ensure that we, as a Nation, take care of our true American heroes, our veterans, when they return home; specifically, I am proud of the work our Committee conducted last year to pass the Harry W. Colmery Veterans Education Assistance Act, or the Forever GI Bill. This historic legislation expanded access to education and improves and modernizes the GI Bill for our veterans.

But there is always more work to be done for these honorable Americans. I also thank the VSOs for their input. In order to give the best opportunities to our Nation’s heroes, we must be prepared to address new needs as they are identified.

In December, our Subcommittee had a chance to examine the implementation of the Forever GI Bill. We heard from stakeholders,
such as the Tragedy Assistance Program for Survivors, who expressed concern about the delay of payments and processing time for GI Bill benefits by both, the school and the VA. I also had a roundtable in my district and veterans expressed their concerns, as well. I also want to thank the staff for bringing this to my attention here, the Committee’s staff.

As a result of some of these delays, some schools put on hold, a veteran’s account or start focusing the student to begin payment of tuition and fees on a payment plan until they receive money from VA. TAPS highlighted occurrences at, at least 15 schools and universities across the country. In response to these concerns, I worked with the Committee to introduce H.R. 4830, the Servicemembers Improved Transition through Reforms for Ensuring Progress Act, or the SIT–REP Act.

My bill would give the secretary the authority to disapprove courses of education unless the educational institution adopts a policy ensuring that it would permit student veterans to attend those courses beginning on the date in which the individual provides to the educational institution, a certificate of eligibility for entitlement to GI Bill benefits. Furthermore, my bill would require that in order for a school or a training program to be eligible for a GI Bill benefits, the institution must adopt a policy that prohibits them from imposing a late fee denying access to education or other penalties due to a late payment from VA.

This policy would only apply if the payments have not been received within 90 days of the beginning of the term. Additionally, the secretary would have the authority to waive this requirement as he sees fit.

The SIT–REP Act is a common sense, bipartisan bill that protects student veterans and their families, who through no-fault of their own, are denied access to education because the school made a mistake or the VA made a late payment. It is not the fault of the veteran. Again, I want to repeat that: It is not the fault of the veteran. They don’t need that excess stress and they should not be punished for the actions of others.

Mr. Chairman, I have three letters of support for the SIT–REP Act: One from the Tragedy Assistance Program for Survivors, one from The Retired Enlisted Association, and one from the Student Veterans of America, which I would like ask unanimous consent to include for the record. I have the three here, right here.

Mr. ARRINGTON. Without objection.

Mr. BILIRAKIS. I promise you they are here, okay. Thank you very much.

In closing, I remain dedicated to ensuring that our Nation’s veterans have access to the important educational benefits they have earned and deserve. As these brave men and women fought on our behalf, we have a responsibility to do the same by ensuring they are harmless—held harmless from bureaucratic penalties and fees.

Again, this is a common sense bill. You know, we don’t—our veterans, they don’t need this added stress. Let’s take care of this as soon as possible. I ask my colleagues to support this beneficial piece of legislation and I yield back.

Thank you, Mr. Chairman.
Mr. ARRINGTON. I thank my friend from Florida and I want to say if you got common sense solutions, the EO Subcommittee is the place to be, right, Ranking Member?

Mr. O’ROURKE. Right.

Mr. ARRINGTON. And I want to thank both, Mr. Wenstrup and you, for offering up your ideas to improve services for our veterans.

And without any further ado—and I don’t believe we have any questions for our colleagues—let’s go to our second panel of witnesses today. So, if you guys would please take your seats, we will give you just a minute, here.

Let me go ahead and make the introductions as you are getting situated. We want to welcome back General Rob Worley, Director of VA’s Education Service, who is accompanied by Mr. Jeff London, Director of VA’s Loan Guaranty Services. I also want to welcome back Mr. John Kamin, Assistant Director of Veteran Education and Employment for The American Legion; Ms. Ashlynne Haycock, Manager of Education Services for the Tragedy Assistance Program for Survivors; and Mr. Will Hubbard, Vice President of Government Affairs for Student Veterans of America.

Again, thank you guys for being with us today and each of you will be recognized for 5 minutes. So, General Worley, we will begin with you.

STATEMENT OF MG ROBERT M. WORLEY, USAF (RET.)

Mr. WORLEY. Thank you, Mr. Chairman.

Good afternoon, Chairman Arrington, Ranking Member O’Rourke, and other Members of the Subcommittee. Thank you for the opportunity to be here today to provide the views of the Department of Veterans Affairs on pending legislation. With me today, as you mentioned, are Mr. Jeffrey London, director of the Loan Guaranty Service and Mr. Tom Leney, executive director of the Small and Veterans Business Programs, Office of the Small and Disadvantaged Business Utilization.

Because of the timing of the receipt, we are not able to provide formal views on H.R. 1206 and H.R. 3023. We will follow up with the Committee soon on these two bills.

Additionally, there are two bills under discussion today which would affect programs or laws administered by the Department of Labor. We respectfully defer to that Department’s views on H.R. 4451 and H.R. 4835.

H.R. 3940, as you heard, would require the VA secretary to pay a monthly stipend to an individual pursuing a course of education using the Post-9/11 GI Bill, if that individual is forced to discontinue this pursuit because of the closure of the school due to a natural disaster and the individual opts to pursue that course or an alternative course of education solely by distance learning. The bill would also require VA to pay an additional lump sum amount for books, supplies, equipment, and other educational costs.

Significantly, no charge would be made against the GI Bill entitlement of any individual receiving payment under this legislation.

VA supports the intent of 3940, however, we have serious concerns with several aspects of the bill related to disparate treatment of beneficiaries and we believe the bill needs several clarifications.
H.R. 4830 would require a State approving agency to disapprove programs of education unless the institution has adopted a policy allowing the student to attend classes if he or she produces a certificate of eligibility showing entitlement under Chapters 30, 31, 33, or 35. The institution would also have to adopt a policy not to impose any penalty, such as late fees, denial of access to facilities, or requiring the student to borrow funds to pay tuition because of delayed payments from VA.

VA supports this bill, as well, but also has some concerns with it. VA does not make tuition and fee payments directly to institutions under Chapters 30 and 35; but rather pays the monthly benefit payments directly to the student. Consequently, as currently written, individuals entitled to assistance under Chapters 30 and 35 would always be permitted to attend for 90 days, regardless of when VA begins issuing benefit payments in order for the institution to avoid program disapproval.

H.R. 5044 would allow a surviving spouse of a veteran whose disability rating was less than 100 percent to be treated as a covered surviving spouse for purposes of VA contracting goals and preferences for a period of up to 3 years. While VA supports the intent of this bill, changes must be made before VA can support it.

The National Defense Authorization Act for fiscal year 2017, will amend the relevant provisions in 38 U.S.C. Section 8127 to mirror those set forth in the Small Business Act. Accordingly, VA recommends that the proposed amendment be incorporated into the Small Business Act. There would be minimal or no costs associated with this bill.

The draft Home Loan Bill would make various changes to VA's Home Loan Program. Section 2(a) of the bill would adjust the maximum guaranty amount under VA's Home Loan Program. However, the uncertainty in budgetary impacts, because of that, VA cannot support Section 2(a) at this time.

Section 2(b) of the bill would change the exemptions permitted with regard to VA's statutory loan fee. Due to the way this provision is drafted, it is unclear to VA which veterans Congress intends to exempt from paying the loan fee.

VA welcomes the opportunity with this and all the legislation—the educational legislation, to work with the Committee to make sure that your intended outcomes are provided in the language.

VA supports enactment of Section 3, as it would enable VA-designated appraisers to expand their coverage areas and would increase the number of appraisals they could perform in a timely manner.

This concludes my testimony. We appreciate the opportunity to present our views on these bills and we look forward to your questions.

Thank you, Mr. Chairman.

(The prepared statement of MG Robert M. Worley appears in the Appendix)

Mr. Arrington. Thank you, General Worley.

And I apologize, Mr. Kamin, for mispronouncing your last name—Kamin—Mr. Kamin, you have 5 minutes. Thank you, on behalf of The American Legion, for joining us today.
STATEMENT OF JOHN J. KAMIN

Mr. KAMIN. Thank you, Mr. Chairman, Ranking Member.

On behalf of National Commander Denise Rohan and 2 million members in The American Legion family, we provide our strongest accommodation to the Subcommittee for the extraordinary job it has undertaken, honing in on the challenges and solutions to veterans' successful transitions.

In just the last 4 months, you have convened roundtables and hearings on improving TAP, VA home loans, and tackling veterans' homelessness. And there has never been an echo chamber; you have held us all to task, from veterans' organizations to our government and community partners.

We will begin with GI Bill and H.R. 4830, the SIT–REP Act. This bill would require schools to adopt policies that disallow them from imposing late fees or other penalties to beneficiaries due to late payments from VA.

The American Legion applauds Congressman Bilirakis for addressing this important issue. On a personal note, I remember a late VA payment when I was in school, being the questions about whether I could still attend my classes. My student veterans' organization at the time, AU Vets, was able to successfully lobby our institution to update their internal policies to allow myself and other veterans to continue our studies.

But TAPS deserves credit for championing this bill by recognizing that this should not fault the student veterans, though allowed before; it should be mandated by principle. The American Legion enthusiastically supports passage of H.R. 4830.

Turning our attention to small business, we have H.R. 5044, the Service-Disabled Veterans Small Business Continuation Act. Amongst the range of benefits our country has developed to provide transition assistance to disabled veterans, has been set aside contract benefits for companies considered service-disabled veteran-owned small businesses.

The 2017 NDAA specifies a surviving spouse may continue to operate a company as an SDVOSB when a veteran dies under certain conditions, such as they had a disability rated at 100 percent disabled. H.R. 5044 would expand this criteria to give surviving spouses with less than total-disability ratings, the option of maintaining SDVOSB status for three years. The American Legion supports this, as a measure to improve and increase benefits bequeathed to veterans' spouses upon a veteran business-owner's death.

And turning to the Transition Assistance Program, we have H.R. 4835, the Job TOOLS for Veterans Act. This bill would provide a new 5-year pilot program and establish 50 centers across the country to expand access to job resources and ensure the Department of Labor provides classes with job-training information.

The American Legion supports this bill, but would be remiss not to share concerns on VA's top applications. In last week's budget testimony, the acting deputy Under Secretary for benefits shared that the 2019 budget request to cut $59.3 million from the VR&E program due to favorable pricing of Transition Assistance Program contract.
Notwithstanding the question of how precipitous of a drop this actually is, we were under the presumption that TAP had been moved to the Benefits Administration Service, not VR&E, and would appreciate clarification from the VA. It is in this context of questions that I would like to provide our feedback on these programs, along with today’s release of the American Enterprise Institute’s report on economic opportunity, transition assistance, and the 21st century veteran.

With the incredible energy that this Subcommittee has invested into defining veteran success, I owe you The American Legion’s unvarnished conclusion on the totality of these discussions. Programs designed to empower veterans’ abilities will not reach their full potential under the aegis of an administration dedicated to documenting veterans’ disabilities.

What we risk with the status quo is an Economic Opportunity Office encumbered by the premise that it is just another benefits delivery system held to comparable standards, as disability compensation. And if we have learned one thing from all of our discussions over the past term, is that these programs have the potential to be so much more than benefits. With proper oversight, they can be true investments in the future of our country.

In its limited time, the Office for Economic Opportunity has piloted and demonstrated success for many programs, from public-private partnerships for apprenticeships and employment, to the creation of VA for Vets and the Veterans Employment Services Office.

VA’s Center for Verification and Examination [sic] has grown exponentially and creates an extensive database of verified veteran-owned small businesses. But, so long as they remain—so long as they remain to claims backlog, they always complete for relevance and funding.

The landscape of education benefits has evolved rapidly with the implementation of the Harry W. Colmery Veterans Educational Assistance Act. These improvements have been accelerated immensely by the research that Student Veterans of America has conducted on veterans’ education—most recently with its national Veterans Education Success tracker.

While their success is rightfully applauded, it should not be on the young VSO’s back to prove the success of a VA program as monumental as the GI Bill. As the demands for the veterans’ populations change, so must the agency that helps ensure their success. As our legislative director, Matt Shuman, shared last week, The American Legion believes it is the right—the time is right to consolidate VA’s economic opportunity programs under an Under Secretary for Veterans Economic Opportunity and Transition.

Chairman Arrington, Ranking Member O’Rourke, distinguished Members of this Committee, The American Legion appreciates the opportunity to comment on these subjects and I would be happy to answer any questions you have. Thank you.

[THE PREPARED STATEMENT OF JOHN M. KAMIN APPEARS IN THE APPENDIX]

Mr. ARRINGTON. Thank you, Mr. Kamin for your testimony.
Now, Ms. Haycock, we yield 5 minutes to you. Thank you for being here.

STATEMENT OF ASHLYNNE HAYCOCK

Ms. HAYCOCK. Chairman, Ranking Member, and distinguished Members of the Economic Opportunity Subcommittee, thank you for the opportunity to speak on behalf of surviving families of our Nation's fallen heroes.

I am the surviving daughter of Army Sergeant First Class Jeffrey Haycock, who died in the line of duty in 2002 and Air Force veteran, Nicole Haycock, who died by suicide in 2011. In 2010, I was one of the very first recipients of the Marine Gunnery Sergeant John Frye Scholarship, and for that opportunity, I am incredibly grateful to this Committee.

TAPS would like to thank the Committee for all of the provisions in the Harry W. Colmery Veterans Educational Assistance Act that assisted our surviving families, such as Yellow Ribbon for Fry Scholarship recipients, the removal of the delimiting date for Fry-eligible spouses, and an increase in Chapter 35 educational benefits.

We look forward to seeing these implemented in the coming months; however, with these improvements coming from the Forever GI Bill, we are concerned about potential delays in payments. That is part of the reason H.R. 4830, the Servicemembers Improved Transition through Reforms for Ensuring Progress Act, or SIT–REP, is so important to TAPS. And we are incredibly grateful to Representative Bilirakis for introducing it.

We have already had situations where veterans and survivors were forced by many schools to take out student loans, sign up for payment plans they could not afford, or require to pay out-of-pocket for tuition before the start of the term. These students did everything by the book. They applied for and received a certificate of eligibility. They provided that certificate of eligibility to the school-certifying official with proof of enrollment on time, yet, they were still penalized because of unfair institutional policies.

One of these students, Weston, is enrolled at Montana State University. Because the VA paid—tuition payment had not arrived before the start of the semester, the school advised him to take out a student loan and repay it when the VA money arrived. They did not inform him that there would be thousands of dollars in initiation fees he had to pay back on top of the original loan amount. The VA money arrived when it was supposed to; four weeks after being certified by the school, but nevertheless, Weston was punished.

Another student, Timothy, started his first semester at Blinn College in College Station, Texas, in January 2018. Timothy was raised by his grandparent after the loss of his father in the Army in 2004. He transferred to Blinn after his grandfather had some medical issues so he could be closer to home.

Timothy provided Blinn with his COE the day he enrolled in classes, yet his grandparents were still forced to pay out-of-pocket that day, while awaiting VA payment. This payment put such a strain on the family's finances that they were late on other bills that month.
Then we have Eucenia (ph), a surviving spouse who is enrolled at a small, private university, Aurora College, in Illinois. Eucenia did not pay out-of-pocket or take out loans up front for her tuition, but because of when the VA payment arrived, she was forced to pay late fees on top of her constitution. When she confronted the school about it, they told her it was not their problem.

These are just some of the examples we have heard. None of these examples came from delayed payments, just unfair institutional policies. Imagine how many more there could be if payments end up being delayed with the implementation of the changes from Forever GI Bill.

SIT–REP does nothing more than make a certificate of eligibility a promise of payment. It prevents schools from punishing students using the Post-9/11 GI Bill, Fry Scholarship, and VocRehab for the complications of bureaucracy. It prevents military-connected students from taking out unnecessary student loans, incurring late fees, and being financially burdened by forcing them to pay out-of-pocket.

These policies are already in place for students using Title IV funds, such as Pell Grants and Federal student loans. We view this as a straightforward common sense bill, just like the guaranteed in-state tuition laws passed in 2016 by this Committee.

While TAPS’ priority here today is H.R. 4830, we would also like to express our support for H.R. 1206 to assist with application fees; H.R. 3940, to assist veterans and survivors impacted by natural disasters, and the draft text to create a fourth administration for economic opportunity.

We are, however, concerned with H.R. 3023, which eliminates reporting fees, as this does away with some of the important gains from Forever GI Bill.

Veterans and survivors have already sacrificed so much for this country. Simplifying access to higher education for them is something we can easily document.

Thank you for the opportunity to speak on this important issue, and I look forward to answering any questions that you may have.

[THE PREPARED STATEMENT OF ASHLYNNE HAYCOCK APPEARS IN THE APPENDIX]

Mr. ARRINGTON. Thank you, Ms. Haycock.
Now, Mr. Hubbard, I will yield 5 minutes for your remarks.

STATEMENT OF WILLIAM HUBBARD

Mr. HUBBARD. Chairman Arrington, Ranking Member O'Rourke, and Members of the Committee, thank you for inviting Student Veterans of America to submit our testimony on the pending legislation before this body today. With over 1500 chapters representing more than 700,000 veterans and schools across the country, we are pleased to share the perspective of those directly impacted by the subjects before this Committee.

Many of the topics under consideration focus on the issues of transition, education, and employment. Before delving into these topics, we would like to address the ongoing situation with Ashford University. At this time, it is unclear what the Department of Vet-
erans Affairs, in conjunction with the state-approving agencies, intend to conclude regarding the case.

At present, Ashford effectively has no current approval for GI Bill funds while the school continues to seek approval in several states, including Arizona and California. As the situation remains unclear, we support the intent of VA, at minimum, to stop new enrollments of GI Bill students until the situation is resolved.

Historically, we have provided direct support to student veterans and their families who have been displaced from tenuous education situations. Resolving this situation as soon as possible is in the interest of students and all those involved.

As Forever GI Bill implementation is ongoing, we recognize the constraints on the VA, the education service staff specifically, and we applaud Director Rob Worley and his team for the incredible commitment to the implementation of this historic legislation, as well as the other economic opportunity programs. Our full review of the legislation appears in our written testimony.

VA has stated, “Economic competitiveness is not just about employment; it encompasses overall employment, wealth, independent living, housing, career mobility, and educational attainment.” Economic opportunity, being a stated priority, we propose the establishment of a veterans economic opportunity administration at VA, including the creation of a new political appointment for an Under Secretary of veterans economic opportunity. Responsibilities would be include the administration of the home loan, Vocational Rehabilitation and Employment, or VR&E, education assistance programs, and transition issues.

This proposal would have a laundry list of much-needed outcomes. First, it increases accountability. As of this hearing, it has been 886 days since VA last had a permanent Under Secretary of benefits. As of today, VA has no permanent leadership overseeing these important issues.

Second, it elevates economic opportunity for veterans. It is directly relevant to President Trump’s Executive Order 13822, supporting our veterans during their transition from uniformed services to civilian life. This proposal supports the importance of transition, education, employment, and well-being.

Third, it reduces bureaucracy, which has historically led to serious national challenges. Keeping economic opportunity issues buried at the bottom of the Veterans Benefits Administration is not the answer. As of last week’s budget hearing, the lack of a clear response on several basic questions regarding multiple economic opportunity programs at VA was a direct result of a structure not functioning to benefit the end-user.

Take a look at the current structure. It is no wonder that economic opportunity programs are taking a backseat at VA, and that is just one lane within VA. At the bottom you will see GI Bill listed. It is pretty clear that this is not a structure that is set up to support the veteran.

Fourth, it establishes a counterpart for the Departments of Defense and Labor. Presently, these Departments lack a direct Under Secretary counterpart within VA and any significant initiative must achieve multiple layers of approval before moving ahead.
Fifth, it supports whole health. A tragically elastic narrative exists around veterans as either broken or damaged. In reality, the vast majority of veterans are much like many Americans: hardworking, community-oriented neighbors who want what is best for their families.

Unfortunately, programs that support the whole health of veterans are not reaching their full potential under this current structure at VA. Disappointingly, it appears that the maintenance of the bureaucracy is the chief concern for those who are opposing this proposal; placing an emphasis on preserving the way things are for the sake of doing so versus the prioritization of the customer, veterans.

A long list of traditional and Post-9/11 military and veteran service organizations have supported this concept in the past and continue to do so today. Future generations of veterans are counting on the success of this proposal and we’re eager to work with this Congress, the president, and all others in making this a reality.

I will leave you with this quote, “The Nation that makes a great distinction between its scholars and its warriors will have its thinking done by cowards and its fighting done by fools.”

Thank you, Mr. Chairman, Ranking Member, and Members of the Committee, for making the success of student veterans and their families a top priority in this Congress.

(The prepared statement of William Hubbard appears in the Appendix)

Mr. Arrington. Thank you, Mr. Hubbard for your passion for our veterans, especially our student veterans, and it is always good to see you.

Now, I am going to begin our Committee remarks and questions with my Ranking Member, Mr. O’Rourke. I yield 5 minutes.

Mr. O’Rourke. Thank you, Mr. Chairman.

Mr. Kamin, you had a specific question. You had some uncertainty, I believe on the TAPS program. You wanted a clarification—do you want to re-ask the question and allow Mr. Worley to answer.

Mr. Kamin. Yes, thank you, sir. The question related to in the hearing and also in the budget request for fiscal year 2019, it was mentioned that VR&E, in terms of where the budget was dropped, the rationale for that was that a new TAP contract could deliver better outcomes at a cheaper price. The question we have is, what—how—why would a TAP contract have anything to do with VR&E, because TAP is under the BAS office, so we want to know how that math was crunched to do that.

Mr. O’Rourke. Okay. General Worley, any light on that?

Mr. Worley. I can’t shed any light on that, Ranking Member O’Rourke. That is—we can certainly take that back and try to answer that question.

It is true the TAP program is managed under the Benefits Assistance Service—

Mr. O’Rourke. Yeah.

Mr. Worley [continued]. —and so, that is all I can share at this point.
Mr. O’ROURKE. And just since we have everyone at the same table, the question brought up about Ashford College, by Mr. Hubbard, anything you can say about that?

Mr. WORLEY. I can share a couple of things about the status of Ashford University. As you may know, there is a—Ashford filed suit against the VA and so, there is ongoing litigation in Federal court, so there is probably not a huge amount I can say. But it is true that they, through the legal interactions, Ashford did apply for approval in the correct state of jurisdiction, which is California. They do have, they would argue, an approval status in Arizona and in Iowa, for that matter.

It is a good time to point out that state approving agencies approve programs of education for GI Bill benefits, not the VA, and so California has essentially decided not to act on that approval, which is tantamount to denying the approval and the VA is currently reviewing—we—and reviewing all the approval documentation to determine the appropriateness of California’s action under our contract with them and whether Ashford acted in good faith in pursuing that approval.

Mr. O’ROURKE. Let me ask you one more question. Mr. Poe’s legislation to assist those veterans who are living in places like Houston who are still trying to obtain their earned education benefit, despite living through a natural disaster, perhaps their schools closed down, you had two concerns. One was disparate treatment and you said I—we will need some clarifications. Anything that we can resolve today, as long as we have all parties at the table?

Mr. WORLEY. Well, we noted that the bill only applies to Post-9/11 GI Bill, so there are 5 other benefit programs that we administer.

Mr. O’ROURKE. Could we open it to all 5, and your concern would be eliminated?

Mr. WORLEY. I think they would be subject to the same weather and potential closure issues, so if you open it up—

Mr. O’ROURKE. Yeah.

Mr. WORLEY [continued]. —that would be helpful.

It was unclear, with respect to in between terms, whether this would apply in between terms of education. And there was also a concern related to the books and supplies, because the way we pay it now is a flat rate, $1,000 a year maximum. The way this language reads is there is really no maximum, no cap. It is pay for whatever is required.

So, we would suggest that there be a cap or something similar to what is in place with the normal program.

Mr. O’ROURKE. Yeah, and I don’t know if Mr. Poe’s team is still here or if they are watching, but I would love to work with his office and you and see if we can’t resolve those concerns and get the support of the administration, because I think all of us want to do this. The intent is the right one and the concerns that you have seem legitimate.

We want to make sure there is not disparate treatment and every earned beneficiary is able to get this help.

Mr. WORLEY. Right. Absolutely.

Mr. O’ROURKE. So, it seems very reasonable.

Okay. So, I will ask my team to work with Judge Poe’s team—
Mr. WORLEY. I would be happy to work with the Committee on that.

Mr. O’ROURKE [continued]. —and the VA, and I will yield back to the chair.

Mr. ARRINGTON. I thank the Ranking Member. I second his comments on Mr. Poe’s legislative proposal and hope we can find the technical remedies for—that would address those concerns so we can move it forward.

And Mr. Rutherford, from the Great State of Florida, I yield 5 minutes for your questions. And by the way, they called the votes, so we got the 15-minute mark. I am going to stay behind and wrap up, but you guys can question.

Mr. RUTHERFORD. Thank you, Mr. Chairman. I appreciate that, and I will be very quick. I just had a couple quick questions.

The American Legion supports the 1206, Reducing Barriers for Veterans Education Act of 2017. This authorizes the GI Bill funding to be used to pay for college application fees. But does anyone know—General, maybe you do—how many veterans actually expend all of their GI Bill dollars? Do we know what percentage?

Mr. WORLEY. It is a very small percentage. I don’t know the level of fidelity of our data, but it is in the low single digits, as we understand it today.

Mr. RUTHERFORD. Okay. So, this would be, probably, a full increase in expenditure, because you are actually adding dollars—

Mr. WORLEY. Correct. There would—and I apologize, we don’t have the approved views and costs for that, but we will have that shortly to be able to provide to the Committee.

Mr. RUTHERFORD. Okay. Very good.

And then, finally, on 3023, do we know of any other organization that pays for processing to a college? I mean, it seems to me that that is in there—that that would be in the college admissions, covered by their fees and other charges within their credit hours.

Mr. WORLEY. I appreciate the opportunity to address that, Congressman. And while we don’t have the official views on that particular—you are talking about the reporting fee?

Mr. RUTHERFORD. Correct.

Mr. WORLEY. I just want to clarify what those fees are for. Those are authorized and those are based on the number of active beneficiaries at a particular school. And the purpose of those fees are to support the school’s certifying officials or other costs, whether it be reporting to the VA or other—and that is why they are called “reporting fees”—and what they do is help defray some of the costs that the school incurs by being a GI Bill-approved school.

In many cases, those funds support the school’s certifying officials attending training conferences, which is a hugely valuable way to use that money. So, really, those fees are used for those kinds of things in support of the veterans program at the school and in training with the VA—

Mr. RUTHERFORD. Okay.

Mr. WORLEY [continued]. —and the state approving agencies, as well.

Mr. RUTHERFORD. Anyone on the panel aware of any other organization that gets reporting, but doesn’t pay for it?
Mr. KAMIN. Sir, I am not aware, but I think there is a unique history when it comes down to reporting fees. Prior to 1976, the people who certified veterans were actually employed by the VA; somebody who ensured they were on campus and they were going to class—

Mr. RUTHERFORD. Right.

Mr. KAMIN [continued]. —and we still see the vestiges of that exist today through the VocRehab program; that is a VA staffer who is certifying—they check in on you—all right, great, here's your payment.

After 1976 with the proliferation of the Vietnam-era GI Bill and some other people on campuses, reporting fees were instituted to defray costs, so it was a way to cut down on the burgeoning staff with the VA by saying, all right, schools, if you can take care of this, we will reimburse you for $7 of the time. Since that time, it has gone up to $16 and the schools—and with the Forever GI Bill, we have actually earmarked those to say these—the money that you are getting needs to go directly back into the certifying official budget for training purposes and things of that nature. So, it is definitely a little bit odd, but—

Mr. RUTHERFORD. Yeah, okay. Thank you.

I yield back.

Mr. ARRINGTON. Thank you, Mr. Rutherford.

Let me follow up on—or follow on some of your questions. And, again, guys, feel free to go; they have called the votes.

But, as a former administrator in a higher-education institution, I am always curious about these fees. The universities benefit greatly from the GI Bill benefits, the full tuition and fees. They build into that, their operating costs, their overhead.

And I am just having a hard time figuring out why they would need an additional $16 fee. Let me ask you, do you know that the Federal student assistance programs in Department of Education, Title IV programs, do they also come with an additional reporting fee?

Does—do you—General Worley, maybe you are the best to answer?

Mr. WORLEY. I'm sorry, I don't know, Mr. Chairman. I don't know if they—

Mr. ARRINGTON. I don't recall that they have an additional offsetting assistance to the university, and in this case—in that case, I'm not sure that they are getting the full freight. I think the GI Bill is much more valuable to the university.

So, it may be an oddity in my view, but, again, I haven't done a lot of due diligence. And it seems to me, again, the incentive for the institution is to recruit and support veterans because they are all about, you know, the students but also the revenue that follows. And I just don't know why you would need the $16 reporting—I am calling it “fee,” but support from the Federal Government, from the VA, from the taxpayer.

Any comments, Will, on that? Or anybody on the panel want to comment?

Mr. HUBBARD. Yes, thank you, Mr. Chairman.

So, our strong position is that we believe that the schools should continue to get the fee. I think, however, schools are making the
wrong argument. They are not demonstrating the return on investment with this fee.

And with the Forever GI Bill, we had to specify what these fees needed to be used for, which, in and of itself, I think, demonstrates a cultural challenge. Schools, typically, were taking this funding and rolling it to a general operating fund, which is not what it was intended for.

And I think if they could demonstrate the value of what these fees are providing, for example, allowing them to more effectively and efficiently recruit student veterans to their universities, I think that would be a strong case and would allow us to understand it better.

Mr. ARRINGTON. See, I think performance-based funding is actually where I would like to go, just to be very transparent. And it gets at a lot of my colleagues who aren’t here that expressed—especially Mr. Takano, his concerns, and I think legitimate concerns, about predatory practices and some institutions that might be taking advantage of our veterans.

Again, I think, not only should we—once you get the full tuition and fee, which is a heck of a deal for a university, I think the university should compete and compete by building into their service, support services for our veterans and anything else that will allow the veterans to benefit from—let that market—unleash that and I think you will have folks bending over backwards to get our veterans and to support them as non-traditional students. So, I would actually go the opposite direction on this.

But the Messer H.R. 1206, his proposal, I would like your thought on that as well, Mr. Hubbard, but anybody can comment. It seems to me like if somebody want to use their 36 month of tuition and fees and draw that down and use those resources for application fees and maybe accelerate that you are track to graduating, that is an option and I am all for options and choices for our veterans.

They are responsible. I don’t know another community more responsible to make that decision. Why shouldn’t we give them the freedom and the choice to do that?

Mr. HUBBARD. It is an excellent point, Mr. Chairman. I mean, I strongly believe, and as an organization, we have seen instances where there are barriers for student veterans to apply to schools. Any time we can reduce those barriers, as the name indicates, all the better.

If it is a small, $90 to $100 fee that is preventing somebody from going to school, because the reality is when you are an E2 or E3, I mean, that is significant money if you have a family to feed and you are trying to cover the cost of bills. I mean, that is not insignificant to those individuals.

So, I think taking the opportunity and allowing those individuals the opportunity to go to school, all the better. We fully support this.

Mr. ARRINGTON. My last question and then we will close—and by the way, Ms. Haycock, thank you for your family’s sacrifice for our country; we are so grateful.

And to the line of questions and comments that you had on Mr. Bilirakis’ legislative proposal H.R. 4830, Mr. Worley, I recall that your processing times were pretty good; like 6 days on average,
maybe for supplemental—20-plus days—I think 22, 24 days, maybe, on original; is that correct? Do I recall accurately?

Mr. WORLEY. You have got a good memory, but that was before the peak season we just went through.

The fiscal year-to-date numbers right now are about 22 days for originals and 12 days for supplementals.

Mr. ARRINGTON. Okay.

Mr. WORLEY. That goes up a little bit during peak season and now it is coming back down.

Mr. ARRINGTON. Okay. The forever GI Bill, you all have to make a lot of accommodations and adjustments in your systems and your overall operation to implement it and to execute on it and make sure that there aren't the delays. Obviously, with your average time, it would be an outlier to make the 90-day window that is the solution that Bilirakis is introducing.

Do you—how do you feel about where you are in terms of the ability to efficiently and effectively execute and implement the GI Bill, the Forever GI Bill?

Mr. WORLEY. Mr. Chairman, we are working very, very hard to make sure that there aren't the delays that have been expressed here, especially in terms of, 1 August 2018, when there are 17 more provisions that go into effect.

The—so, I am—overall, I am feeling pretty good. We have got the IT work going on that will handle the most critical things, as we have testified before with respect to housing. We are well under way with the planning for the vet tech and the things that happen a little bit later.

But it is true, where we don't have the IT ready on 1 August of 2018, we are going to have either workarounds or procedural advisories or those kinds of things. Those are being designed now. We will be doing the training and we will put those into effect.

And we have more people coming in, as well, so we will have about 200 additional folks to help make sure we try to maintain the timeliness we enjoy today.

Mr. ARRINGTON. I think the Ranking Member's ride is here, so I am going to wrap up.

So, do you think it is a good stop-gap measure to have that 90-day Bilirakis solution?

Mr. O’ROURKE. Yes or no question.

Mr. WORLEY. Yes.

Mr. ARRINGTON. Good. I ask unanimous consent—that was a subtle hint—that written statements from Rep Chabot of Ohio, the Department of Labor, the National Association of State Approving Agencies, and the National Association of Veterans Programs' Administrators be included in the hearing record; without objection, so ordered.

Finally, I ask unanimous consent that all Members have 5 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. The hearing is now adjourned.

[Whereupon, at 3:32 p.m., the Subcommittee was adjourned.]
APPENDIX

Prepared Statement of Robert Worley

Good morning, Mr. Chairman, Ranking Member O'Rourke, and other Members of the Subcommittee. I am pleased to be here today to provide the views of the Department of Veterans Affairs (VA) on pending legislation, including H.R. 3940, H.R. 4451, H.R. 4830, H.R. 4835, H.R. 5044, and a draft Home Loan bill. Because of the timing of receipt of two of the bills, we are not able to provide formal views in this statement on H.R. 1206, Reducing Barriers for Veterans Education Act of 2017 and H.R. 3023, to eliminate the authority of the Secretary of Veterans Affairs to pay reporting fees to educational institutions, but will follow up with the Committee soon on these two bills. With me today are Mr. Jeffrey London, Director, Loan Guaranty Service, and Mr. Tom Leney, Executive Director, Small and Veteran Business Programs, Office of Small and Disadvantaged Business Utilization.

H.R. 3940

H.R. 3940, the “Veterans Education Disaster Assistance Act,” would amend section 3313 of title 38, United States Code (U.S.C.), to add a new subsection (k) requiring the VA Secretary to pay a monthly stipend to an individual pursuing a course of education at an institution of higher learning (IHL) using educational assistance under 38 U.S.C. chapter 33, if that individual is forced to discontinue pursuing such course because of the closure of an IHL by reason of a natural disaster and the individual opts to pursue that course or an alternative course of education solely by distance learning. The monthly stipend that the VA Secretary would pay would be the amount to which the individual would be entitled if the individual were pursuing the course of education at the IHL. New subsection (k) would also require the Secretary to pay an additional lump sum amount for any books, supplies, equipment, and other educational costs necessary by reason of pursuing the course or an alternative course of education solely by distance learning. The Secretary would pay the monthly stipend only for the period of time necessary to complete the quarter, semester, term or academic period during which the school closure occurs or 4 months, whichever is shorter. Moreover, the Secretary would only pay the monthly stipend to an individual when an IHL closes by reason of a natural disaster for a period of time that the institution confirms will last for 4 weeks or longer or that the institution describes as indefinite and that endures for a period of 4 weeks or longer. No additional charge would be made to entitlement by reason of a payment under subsection (k).

VA supports the intent of this bill to provide additional support to Post-9/11 GI Bill beneficiaries during school closures caused by natural disasters; however, VA has serious concerns with certain aspects of the bill.

By amending chapter 33, the bill would apply only to Post-9/11 GI Bill beneficiaries during school closures caused by natural disasters; however, VA has serious concerns with certain aspects of the bill.

By amending chapter 33, the bill would apply only to Post-9/11 GI Bill beneficiaries, creating disparity between these beneficiaries and beneficiaries using other benefits, such as the Survivors' and Dependents' Educational Assistance program benefits under chapter 35.

Section 3680(a) of title 38, U.S.C., authorizes VA to continue paying allowances for a student’s “enrollment in, and pursuit of” a program of education during a temporary school closure caused by an emergency situation. The bill is not clear as to whether VA would be required to pay students who are between terms at the time of the closure. Also, specific language should be included to indicate whether VA would be required to pay the monthly stipend to the same students it pays under section 3680(a).

Under 38 U.S.C. § 3313(c)(1)(B)(iv), VA pays a “lump sum amount for books, supplies, equipment, and other educational costs” subject to a $1,000 cap. VA does not currently take into account the actual costs of books, supplies, and equipment, but determines the appropriate amount by pro-rating the maximum annual amount of $1,000 per academic year based on the student’s rate of pursuit per semester or term (VA pays the student $41.67 per credit hour, which is $1,000 divided by 24
credit hours, which is the annual credit load for a full-time, semester-based student). In contrast, proposed section 3313(k)(1)(B) would require VA to pay for “necessary” books, supplies, equipment and other educational costs and does not include a cap. VA interprets the bill to require a direct-cost reimbursement for actual expenses without any capped maximum amount, which would be challenging for several reasons. VA does not currently pay GI Bill beneficiaries directly for the reimbursement of the actual cost of books, supplies, and equipment. Changes would be required to the Long Term Solution system to process payment of this benefit. In addition, because the bill would not impose a maximum benefit amount or otherwise limit what equipment and educational costs can be included, VA cannot estimate the potential cost. Therefore, we recommend including a maximum annual amount pro-rated based on a student’s academic rate of pursuit or an authority to exceed the current cap amount by some statutory formula rather than a direct-cost reimbursement.

School closure is described in proposed section 3213(k)(4) as one that is either confirmed by the institution to last 4 weeks or longer or is described by the institution as indefinite and actually does last for 4 weeks or longer. However, the bill provides no guidance as to what happens if a closure that is described as indefinite does not last for 4 weeks and the school reopens prior to the 4 weeks. We also note that a school closure could detrimentally affect eligible individuals through non-natural causes as well, and a major disaster can also be declared as a result of a fire, flood, or explosion regardless of cause. (See Stafford Act § 102(2) (41 U.S.C. 5122(2))). We would be happy to work with the Committee on drafting language to address these issues, including whether they’d like to expand assistance for non-natural disasters.

H.R. 4451

H.R. 4451, the “Homeless Veterans’ Reintegration Programs Reauthorization Act of 2017,” would extend the authorization of appropriations for the Department of Labor’s Homeless Veteran Reintegration Programs (HVRP) and the Homeless Women Veterans and Homeless Veterans with Children Reintegration Grant Program from 2017 to 2022. The bill would further expand the population eligible to receive services under HVRP to include not only homeless Veterans, but also Veterans who are participating in the Department of Housing and Urban Development-VA Supportive Housing program, receiving assistance under the Native American Housing Assistance and Self-Determination Act of 1996, transitioning from incarceration, or participating in the VA rapid rehousing and prevention program authorized in 38 U.S.C. § 2044.

VA defers to the Department of Labor for views and costs on H.R. 4451; however, we offer that this bill would provide additional services for homeless and at-risk Veterans in the critical area of employment, which is a key factor in achieving and maintaining stability in permanent housing. Veterans transitioning from incarceration often face multiple barriers to successful reentry, and expanding HVRP eligibility to this population would help address the employment-related needs of a population of Veterans who are often at high risk of becoming homeless. It would also be especially helpful for Veterans transitioning from incarceration who may not be eligible for VA services. We also note, as a technical matter, that 38 U.S.C. §§ 2021(e)(1)(F) and 2021A(f)(1), were already extended through 2018 by sections 301 and 302 of Public Law 115–62, the Department of Veterans Affairs Expiring Authorities Act of 2017.

H.R. 4830

H.R. 4830, the “Servicemembers Improved Transition through Reforms for Ensuring Progress Act” or the “SIT–REP Act,” would amend 38 U.S.C. § 3679 by adding a new subsection (e) that would require a State Approving Agency (SAA), or the Secretary when acting as an SAA, to disapprove certain courses of education unless an educational institution has adopted certain policies. Beginning on August 1, 2018, in order to avoid disapproval of a course of education, an educational institution would have to have a policy in place that allows a covered individual to attend or participate in a course of education if the individual provides a certificate of eligibility for entitlement to educational assistance under chapter 30, 31, 33 or 35. The policy would have to permit any covered individual to attend or participate in the course of education beginning on the date the individual provides the certificate of eligibility until the earlier of the date VA provides payment to the educational institution or 90 days after the date the individual provides the certificate of eligibility.

In addition, the educational institution would also have to adopt a policy not to impose any penalty, including the assessment of late fees, deny access to classes, libraries, or other institutional facilities, or require a covered individual to borrow additional funds, if the individual cannot meet his or her financial obligations to the
institution because of delayed payments for educational assistance from VA. In addition, the bill would allow the Secretary to waive any of these requirements. A covered individual is defined as any individual who is entitled to educational assistance under chapter 30, 31, 33, or 35 of title 38, U.S.C.

VA supports the bill, but has concerns. The proposed legislation would allow a covered individual to attend school beginning on the date the individual provides a certificate of eligibility until the earlier of the date VA provides payment for the course of education to the educational institution or 90 days after the individual provides a certificate of eligibility. Under chapters 31 and 33, VA issues payments for tuition and fees directly to the school on behalf of the student. However, VA issues a monthly benefit payment directly to the student for individuals eligible for educational assistance under chapters 30 and 35. As such, VA is not responsible for the tuition and fees paid to the educational institution for the individual’s attendance in any specific course under these programs. Consequently, as currently written, individuals entitled to assistance under chapters 30 and 35 would always be permitted to attend for 90 days, regardless of when VA begins issuing benefit payments, in order for the institution to avoid program disapproval.

Benefit costs or savings that would be associated with this bill have not yet been determined.

H.R. 4835
H.R. 4835, the “Job Training through Off-Base Opportunities and Local Support for Veterans Act” or the “Job TOOLS for Veterans Act,” would extend the pilot program for off-base transition training for Veterans and spouses, as established under the Dignified Burial and Other Veterans’ Benefits Improvement Act of 2012, Pub. L. No. 112–260, § 301 (10 U.S.C. § 1144 note). VA defers to the Department of Labor on this bill.

H.R. 5044
H.R. 5044, the “Service-Disabled Veterans Small Business Continuation Act,” would add a new sentence to 38 U.S.C. § 8127(k)(3) stating that a surviving spouse of a Veteran whose disability rating was less than 100 percent shall be treated as a covered surviving spouse for purposes of VA contracting goals and preferences for a period of up to 3 years. While VA supports the intent of this bill, changes must be made before VA can support the bill. The National Defense Authorization Act for Fiscal Year (FY) 2017 (the “2017 NDAA”), once effective, will amend the relevant provisions in 38 U.S.C. § 8127 to mirror those set forth in section 3(q) of the Small Business Act (15 U.S.C. § 632(q)). Accordingly, VA recommends that the proposed amendment be incorporated into section 3(q) of the Small Business Act (15 U.S.C. § 632(q)). Given the language of the 2017 NDAA, any change to the Small Business Act would automatically apply to 38 U.S.C. § 8127 and maintain a uniform definition of the relevant terms.

VA is strongly in favor of creating unified ownership and control provisions for Veteran-owned businesses; and the movement of these criteria from 38 U.S.C. § 8127 to the Small Business Act helps to bring that to fruition. Making changes only to 38 U.S.C. § 8127 would create disparate criteria for the VA and Small Business Administration (SBA) set-aside programs. To preclude such disparate criteria and ensure a single, Government-wide rule, the 2017 NDAA will additionally prohibit VA from promulgating its own new regulations related to the status of a concern as a small business concern by requiring VA to follow SBA regulations. Accordingly, though the bill would amend 38 U.S.C. § 8127, other provisions of that statute, as amended by the 2017 NDAA, would preclude VA from issuing regulations to implement this statutory change.

There would be minimal or no costs associated with this bill.

Draft Home Loan Bill
This draft bill, the “VA Home Loan Improvement Act of 2018,” would make various changes to VA’s Home Loan program. Section 2(a) of the bill would amend 38 U.S.C. § 3703(a)(1) to adjust the maximum guaranty amount under VA’s Home Loan program. Under current law, the maximum guaranty amount is calculated as a percentage of the Freddie Mac conforming loan limit. Since lenders require VA’s guaranty to cover at least 25 percent of the loan amount before they will make a loan, VA-guaranteed loans are effectively capped at the Freddie Mac conforming loan limit, which varies by location. This legislation would eliminate the effective cap and make the maximum guaranty amount 25 percent of the loan amount, subject to previously used entitlement.

The current effective loan limit prevents otherwise qualified Veterans from taking full advantage of VA-guaranteed home loans on high-cost properties and requires
complicated calculations to determine the maximum guaranty amount. This draft bill would make the full VA home loan benefit available to more Veterans and simplify the maximum guaranty calculation for both Veterans and lenders. The no-down payment requirement has been a cornerstone of VA's Home Loan program and provides an incentive for Veterans to choose VA's home loan product. However, under current law, a Veteran who elects to purchase a home for an amount that exceeds the Freddie Mac conforming loan limit is required to make a down payment for the loan amount borrowed in excess of such limit. This is because lenders generally expect VA's guaranty to be an amount that is at least 25 percent of the loan. If it is not, lenders require Veterans to make a down payment to cover the difference. By removing the effective cap, the law would allow more Veterans to utilize the home loan benefit they have earned without a down payment, while still requiring that they have satisfactory credit and income to qualify for the loan.

However, due to the limitations of VA's loan data and the various interactions with other Federal programs, VA estimates the costs of section 2(a) could be tens of millions of dollars (or more) and vary by orders of magnitude due to factors such as take-up rates and funding fee collections. Given the uncertainty of the budgetary impacts, VA cannot support section 2(a) at this time.

Section 2(b) of the bill would amend 38 U.S.C. § 3729(c) to change the exemptions permitted with regard to VA's statutory loan fee. VA is required generally, pursuant to section 3729, to charge borrowers a statutory loan fee for obtaining a VA-guaranteed loan. Under section 3729(c), certain borrowers with service-connected disabilities, and certain surviving spouses of such borrowers, are exempt from having to pay the fee. The bill would amend section 3729(c) to state that the loan-fee exemption currently available under section 3729(c)(1) “shall not apply to any Veteran with a service-connected disability rated as total, or any surviving spouse of such a Veteran, who, after October 1, 2018, receives a loan that is guaranteed under section 3710 of this title in an amount that is more than 25 percent of the Freddie Mac conforming loan limit limitation.” Due to the way this provision is drafted, it is unclear to VA which Veterans Congress intends to exempt from paying the loan fee. VA welcomes the opportunity to work with the Committee to ensure that section 2(b) of the bill would achieve the Committee’s intended outcome.

VA notes that lenders will need a transitional period to incorporate any changes into their systems, processes and procedures. VA may also need to establish policy guidance and conduct rulemaking, to ensure proper loan processing and calculation of available entitlement, in line with the bill’s proposed amendments. VA cannot estimate the benefit costs or savings that would be associated with enactment of section 2(b) of this bill.

Section 3 of the bill would amend section 38 U.S.C. § 3731(b) by adding a new paragraph (3) to authorize VA-designated appraisers to rely solely on information provided by third parties when valuing properties for VA’s Home Loan program. VA supports enactment of section 3, as it would enable VA-designated appraisers to expand their coverage areas and would increase the number of appraisals they could perform in a timely manner.

The bill would not change the qualifications for VA-designated appraisers, nor would it make any substantial change to VA oversight requirements. It would, however, better align VA appraisal policy and procedures with industry standards, address recent industry concerns regarding timely delivery of the VA appraisal product, and likely encourage more use of the VA Home Loan program by making VA financing a more attractive option within the mortgage industry.

VA estimates that there would be no benefit costs or savings associated with enactment of section 3 of this bill.

This concludes my testimony. We appreciate the opportunity to present our views on these bills and look forward to answering any questions the Committee may have.

Prepared Statement of John Kamin

Chairman Arrington, Ranking Member O'Rourke, and distinguished members of the Subcommittee; On behalf of our National Commander, Denise H. Rohan, and the over 2 million members of The American Legion, we thank you for the opportunity to testify regarding The American Legion’s positions on pending legislation before this Committee. Established in 1919, and being the largest veteran service organization in the United States with a myriad of programs supporting veterans, we appreciate the Subcommittee focusing on these critical issues that will affect veterans and their families.

H.R.1206 - Reducing Barriers for Veterans Education Act of 2017
The American Legion Resolution No. 318 (2016): Ensuring the Quality of Servicemember and Veteran Student's Education at Institutions of Higher Education

To amend title 38, United States Code, to include the cost of applying to an institution of higher learning as part of the benefits provided under the Post-9/11 Educational Assistance Program.

While the Post-9/11 GI Bill provides important educational benefits, the cost of applications to colleges, graduate schools, and technical and vocational schools are not covered. H.R. 1206, the Reducing Barriers for Veterans Education Act of 2017, would allow the Post-9/11 GI Bill to cover up to $750 for applications to colleges, universities, graduate schools, as well as technical and vocational schools.

This is a valuable addition, especially for graduating student veterans who seek to continue their studies at the next degree level. Improving the GI Bill to cover application costs will provide veterans greater opportunity to help them transition from serving our country to earning a degree.

The American Legion is concerned that the use of this provision for veterans already enrolled in institutions would be an imprudent use of an entire month of GI Bill eligibility. If a veteran enrolled at a community college sends applications to institutions on four separate months over a semester, an additional four months of entitlement would be deducted on top of the months charged for enrollment. Under this example, the veteran would stand to lose over 10% of their total GI Bill eligibility months over application fees that would likely cost no more than $500.

Fortunately, the improvements made to entitlement charges for licensure and certification in Section 107 of the Harry W. Colmery Veterans Educational Assistance Act offer a blueprint on how to incorporate these fees. By inserting language that would pro-rate the actual amount of application fees relative to the rate of one month payable, this proposal can optimize GI Bill usage to provide greater flexibility to students who wish to continue their studies.

Resolution No. 318: Ensuring the Quality of Servicemember and Veteran Student's Education at Institutions of Higher Education supports any legislative proposal that improves education benefits so servicemembers, veterans, and their families can maximize its usage.

The American Legion supports HR. 1206, but requests that an additional amendment be made to pro-rate charges to entitlement based on the actual amount of fees charged.

H.R. 3023

To amend title 38, United States Code, to eliminate the authority of the Secretary of Veterans Affairs to pay reporting fees to educational institutions.

H.R. 3023 would eliminate the authority of the Secretary of Veterans Affairs to pay reporting fees to educational institutions, under the premise of cutting cost and government waste. This proposal presents an unfortunate lack of understanding of both GI Bill oversight and taxpayer stewardship.

Annual reporting fees originated as a Department of Veterans Affairs (VA) cost saving initiative, and continue to operate as such. Prior to 1976, the VA employed staff at institutions of higher learning (IHLs) to report enrollments of veterans and their dependents accessing education benefits. After 1976, IHLs began receiving compensation for performing this function at a fee of $7 per student, eliminating burgeoning VA overhead that accompanied implementation of the Vietnam Era Veterans' Readjustment Assistance Act of 1974. In addition to having the net-effect of cutting the VA's budget, reporting fees ensure correct processing of GI Bill benefits by developing informed administrative staff at IHLs.

As the administrative requirements have grown with increasingly sophisticated GI Bill improvements, the need for greater institutional oversight has grown. A 2015 GAO report identified $416 million in Post-9/11 GI Bill overpayments in fiscal year 2014. These overpayments can result in a substantial loss of taxpayer dollars if not recovered, and create financial hardships for veterans.

It is this history of veterans education processing - from the Vietnam-era GI Bill to the GAO report - that underlines the necessity for effective reporting fees. This history informed Sections 113 and 114 of the Harry W. Colmery Veterans Educational Assistance Act, which increased reporting fees to $16 and mandated training for school certifying officials. Torpedoing these improvements is misguided and fiscally irresponsible, resulting in veterans, the Department of Veterans Affairs and American taxpayers bearing the damage.

1 The American Legion Resolution No. 318 (2016): Ensuring the Quality of Servicemember and Veteran Student’s Education at Institutions of Higher Education
Resolution No. 333: Support Increase in Reporting Fees for Educational Institutions supports the continuation of reporting fees at the rate of $16 per student veteran enrolled. 3
The American Legion opposes H.R. 3023.

H.R. 3940
To amend title 38, United States Code, to provide for housing stipends and supply fee payments under the Post-9/11 Educational Assistance Program for individuals affected by extended school closures due to natural disasters.

According to the GI Bill Comparison tool, over 5,000 veterans attending schools at 13 institutions in Houston, Texas may have been affected by temporary school closures due to Hurricane Harvey in 2017. To continue their studies, many had to take online classes, leaving them with reduced housing allowances and scrambling to pay their rent and bills. The Department of Veterans Affairs currently has a 4-week waiver that would allow veterans to receive their full Basic Housing Allowance despite taking online courses after natural disasters.

H.R. 3940 extends this waiver to cover the entire semester. As the devastation in Houston and surrounding areas showed, this provision would be a critical improvement to the Post-9/11 GI Bill that will allow student veterans impacted by national disasters to continue their education.

Resolution No. 21: Education Benefit Forgiveness and Relief for Displaced Student-Veterans supports legislation that restores lost benefits to student-veterans attending schools that abruptly shut down. 4
The American Legion supports H.R. 3940.

H.R. 4451 - Homeless Veterans' Reintegration Programs Reauthorization Act of 2017
To amend title 38, United States Code, to provide for a five-year extension to the homeless veterans reintegration programs and to provide clarification regarding eligibility for services under such programs.

A critical federal program in the fight to eliminate veteran homelessness is the Homeless Veterans Reintegration Program (HVRP) within the Department of Labor's Veterans' Employment and Training Services (DOL–VETS). HVRP is the most effective program available to address homeless veterans' financial issues by helping them obtain gainful employment. HVRP grantees use a case management approach to assist homeless veterans, and provide critical linkages for a variety of support services available in their local communities. The program is employment focused; veterans receive the employment and training services they need in order to reenter the labor force. Direct services include placement in employment, skills training, job development, career counseling, and resume writing. Support services such as clothing, provision of or referral to temporary, transitional, and permanent housing, referral to medical substance abuse treatment, and transportation assistance are also available.

Administered by DOL–VETS for over two decades, HVRP served approximately 17,000 veterans in 2016, with a national placement rate into employment of 68.4 percent. These men and women find employment at an average cost to the program of $2,007 per placement. Both the placement rate and the cost per placement represent improvements over the last several years. Please note - HVRP is the only nationwide program focused on assisting homeless veterans to reintegrate into the workforce.

This program is a highly successful grant program that needs to be fully funded at $50 million. Currently, HVRP is funded at $45 million. Through 153 relatively small investments in community-based partners, HVRP capitalizes on the benefits provided by existing service delivery systems nationwide.

Lastly, reauthorizing this program for another five years will ensure that many homeless veterans will receive the necessary attention and assistance needed to obtain meaningful employment, which immensely affects their ability to find financial sustainability, while becoming self-sufficient. In addition, this bill allows a window of eligibility for those veterans who are rapidly re-housed through SSVF or receive a HUD–VASH voucher to use HVRP. This minor change would be extremely helpful because if you are housed - a veteran is not technically homeless anymore - consequently, the veteran is not eligible for HVRP.

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3The American Legion Resolution No. 333 (2016): Support Increase in Reporting Fees for Educational Institutions
4The American Legion Resolution No. 21 (2016): Education Benefit Forgiveness and Relief for Displaced Student-Veterans
The American Legion supports H.R. 4451 through Resolution No. 324: Support Funding for Homeless Veterans, which calls on The American Legion to seek and support any legislative or administrative proposal that will provide medical, rehabilitative, and employment assistance to homeless veterans and their families.5

The American Legion supports H.R. 4451.

H.R. 4830 - “Servicemembers Improved Transition through Reforms for Ensuring Progress Act” or the “SIT–REP Act

To amend title 38, United States Code, to provide for the disapproval of any course of education for purposes of the educational assistance programs of the Department of Veterans Affairs unless the educational institution providing the course permits individuals to attend or participate in courses pending payment by Department, and for other purposes.

Since the enactment of the Post-9/11 GI Bill, veteran and dependent beneficiaries have been subject on occasion to payment delays. As a result of either slow VA processing, mistakes, or tardiness by school certifying officials, some schools have put beneficiary accounts on hold or forced them to initiate payment of tuition and fees through student loans until payment from VA is received.

H.R. 4830 would establish that a school or training program be required - in order to be eligible for GI Bill benefits - to adopt a policy that disallows them from imposing a late fee, denial of access to facilities, or other penalty on beneficiaries due to a late payment from VA. This mandate would mirror the protections that students receiving Title IV funding such as Pell Grants and Federal Student Aid receive.

The American Legion supports H.R. 4830 through Resolution No. 318: Ensuring the Quality of Servicemember and Veteran Student’s Education at Institutions of Higher Education that supports any legislative proposal that improves education benefits so servicemembers, veterans, and their families can maximize its usage.6

The American Legion supports H.R. 4830.

H.R. 4835 - “Job Training through Off-Base Opportunities and Local Support for Veterans Act” or the “Job TOOLS for Veterans Act”

To extend the pilot program on off-base transition training for veterans and spouses.

The goal of the Department of Labor’s (DOL) Transition Assistance Program (TAP) is to ease the adjustment of separating servicemembers during the difficult transition from active-duty into civilian life by offering job search assistance, medical/health services, the advising of available benefits, and other related counseling. The American Legion believes strongly that TAP represents an important step toward providing transitioning servicemembers with the information they need to become successful and productive members of society once they complete their military service.

In 2012, The American Legion helped push for expansion of TAP to those who had already separated from service. In response, Congress passed the Dignified Burial and Other Veterans’ Benefits Improvement Act of 2012 (P.L. 112–260, Section 301). Provisions in this act authorized an Off-Base Transition Training (OBTT) pilot program that would extend the TAP programs to veterans and their spouses in a community-based setting. The law required the pilot program to be established by the DOL in a minimum of three states, with selection favoring states with “high rates of unemployment among veterans.” DOL ultimately conducted 21, three-day workshops in Georgia, Washington, and West Virginia. Overall course ratings by participants were high. The OBTT pilot program expired in January of 2015.7

H.R. 4835 would provide for a new five-year pilot program and establish 50 centers across the country to expand access to job resources and ensure DOL provides classes with job-training information. The expansion of this program will give our veterans and their spouses the support they deserve.

The American Legion supports H.R. 4835 through Resolution No. 70: Improve Transition Assistance Program.8

The American Legion supports passage of H.R. 4835.

H.R. 5044 - Service-Disabled Veterans Small Business Continuation Act

5The American Legion Resolution No. 324 (2016): Support Funding for Homeless Veterans
6The American Legion Resolution No. 318 (2016): Ensuring the Quality of Servicemember and Veteran Student’s Education at Institutions of Higher Education
7https://fas.org/sgp/crs/natsec/IF10347.pdf
8The American Legion Resolution No. 70 (2016): Improve Transition Assistance Program
To amend title 38, United States Code, to clarify the treatment of certain surviving spouses under the contracting goals and preferences of the Department of Veterans Affairs.

For a servicemember who suffers a disability while in military service, the U.S. Government has deemed it its moral obligation to provide the disabled veteran a range of benefits designed to ease the economic and other losses and disadvantages incurred as a consequence of the disability. These benefits include government assistance for entering the federal procurement marketplace. One form this takes are sets aside contract benefits for companies considered 'Service-Disabled Veteran-Owned Small Business (SDVOSB.)'

The 2017 National Defense Authorization Act (NDAA) makes some important adjustments to the criteria for ownership and control of a service-disabled veteran-owned small business. Among other things, the 2017 NDAA specifies that a veteran with a permanent and severe disability need not personally manage the company on a day-to-day basis and, under limited circumstances, permits a surviving spouse to continue to operate the company as an SDVOSB.9

With regard to the later, the 2017 NDAA states that a surviving spouse may continue to operate a company as an SDVOSB when a veteran dies, provided that: (1) the surviving spouse acquires the veteran's ownership interest; (2) the veteran had a service connected disability "rated as 100 percent disabling" by the VA, or "died as a result of a service-connected disability" and (3) immediately prior to the veteran's death, the company was verified in the VA's VetBiz database. When the three conditions apply, the surviving spouse may continue to operate the company as an SDVOSB for up to ten years, although SDVOSB status will be lost earlier if the surviving spouse remarries or relinquishes ownership in the company.10

H.R. 5044 would give the surviving spouse of a service-connected veteran with less than total disability rating at the time of death, the option of maintaining SDVOSB status for three years. The Spouse must also retain ownership of at least 51 percent of the company for the duration of the time he/she claims SDVOSB status.

The American Legion supports H.R. 5044 through Resolution No. 151: Status of Service-Disabled Veteran-Owned Business after the Death of the Veteran Owner that supports legislative action that will improve and increase the benefits bequeathed to veteran's spouses or dependents upon a veteran business owner's death. The American Legion supports HR 5044.

DRAFT BILL: VA Home Loan Improvement Act of 2018

To amend title 38, United States Code, to make certain improvements in the laws administered by the Secretary of Veterans Affairs relating to the home loan program of the Department of Veterans Affairs, and for other purposes.

VA's Home Loan Guaranty Program has been in effect since 1944 and has afforded over 22 million veterans the opportunity to purchase a home. The 740,000 VA loans in 2017 were the most in a single year, and up more than 300,000 from three years ago. VA loans have been steadily increasing for 7 years straight. The Washington, DC area has had a 78 percent increase in VA loans in the past four years, according to Veterans United Home Loans, the largest VA purchase lender in the country. The home loan programs offer veterans a centralized, affordable and accessible method of purchasing homes in return for their service to this nation.

Past and present statistics released by the Mortgage Bankers Association's National Delinquency Survey show that veterans using VA loans have the lowest foreclosure rate in the United States.11

VA does not set a cap on how much someone can borrow to finance his or her home. However, there are limits on the amount of liability VA can assume. The loan limits are the amount a qualified veteran may be able to borrow without making a down payment. These loan limits vary by county, since the value of a house depends in part on its location. Limits currently range from $453,100 to $679,650. Loans above these limits are referred to as Jumbo Loans.

Currently, a veteran does not have to pay a down payment on the initial VA loan below the loan limit for an area. However, under current law, veterans must pay a 25% down payment on any amount that exceeds the local limit. For instance, if an eligible veteran wants to purchase a home that costs $650,000 in an area of the country with a loan limit of $453,100, they would have to make a down payment of $49,225, 25% of $196,900 difference between the loan limit and the price

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11 https://www.military.com/money/va-loans/home-purchase/va-loans-have-lowest-foreclosure-rate.html
of the home. This can be a significant barrier to veterans purchasing a home through the VA home loan program.

The VA Home Loan Improvement Act of 2018 would eliminate the 25% down payment for Jumbo Loans. Veterans would now only have to pay a VA funding fee on the loan, but at a cost much lower than the present down payment. Veterans with a service-connected disability rated as total, or any surviving spouse of such a veteran, would be exempt from these under this bill, however.

It is the sincere desire of The American Legion to see all veterans realize the American dream of owning their own home, but real estate prices have rebounded since the subprime mortgage crisis, occurring between 2007–2010, and now can far exceed the maximum VA loan amount.

The American Legion supports this draft bill, as currently written, titled the VA Home Loan Improvement Act of 2018.

Conclusion

The American Legion thanks this Committee for the opportunity to explain the position of the over 2 million veteran members of this organization. For additional information regarding this testimony, please contact Mr. Jeff Steele, Assistant Director of the Legislative Division at The American Legion, at (202) 263–2987 or jsteele@legion.org.

Prepared Statement of Ashlynne Haycock

Tragedy Assistance Program for Survivors

The Tragedy Assistance Program for Survivors (TAPS) is the national nonprofit organization providing compassionate care for the families of America’s fallen military heroes. TAPS provides peer-based emotional support, grief and trauma resources, grief seminars and retreats for adults, Good Grief Camps for children, case-work assistance, connections to community-based care, online and in-person support groups and a 24/7 resource and information helpline for all who have been affected by a death in the Armed Forces. Services are provided free of charge.

TAPS was founded in 1994 by Bonnie Carroll following the death of her husband in a military plane crash in Alaska in 1992. Since then, TAPS has offered comfort and care to more than 75,000 bereaved surviving family members. For more information, please visit www.TAPS.org.

TAPS receives no government grants or funding.

Ashlynne Haycock

Ashlynne Haycock is currently the Manager, Education Services for the Tragedy Assistance Program for Survivors (TAPS). Ashlynne was recently appointed to the Department of Veterans Affairs Advisory Committee on Education (VACOE). She is the surviving daughter of US Army SFC Jeffrey Haycock, who died in the line of duty in 2002, and US Air Force Veteran Nichole Haycock, who died by suicide in 2011. She graduated from American University with a Bachelor’s degree in Political Science in 2013. While at American University she was one of the first recipients of the Marine Gunnery Sergeant John Fry Scholarship.

Ashlynne has been involved with TAPS as a survivor for over 15 years. She has been on staff with TAPS for four years and was instrumental in creating the TAPS Education Support Services program and online education portal. She is an experienced professional in all areas of education benefits for surviving children and spouses at the federal, state and private levels. Ashlynne is regularly invited to participate in forums focusing on veteran and survivor education benefits. She has assisted over 1,500 survivors in accessing education benefits worth over $170 million in assistance since 2013. Ashlynne was highly involved in growing the TAPS partnership with the Department of Veterans Affairs since 2014 to establish a Memorandum of Agreement, which was expanded in 2017.

Chairman Arrington, Ranking Member O’Rourke and distinguished members of the Economic Opportunity Subcommittee of the House Veterans’ Affairs Committee, the Tragedy Assistance Program for Survivors (TAPS) thanks you for the opportunity to make you aware of issues and concerns of importance to the families we serve, the families of the fallen.

While the mission of TAPS is to offer comfort and support for surviving families, we are also committed to improving support provided by the Federal government through the Department of Defense (DoD) and the Department of Veterans Affairs (VA), Department of Education (DoED), state governments and local communities for the families of the fallen - those who fall in combat, those who fall from invisible wounds and those who die from illness or disease.
TAPS appreciates the attention the Committee has paid to making sure that veterans and surviving family members have access to quality education. Surviving family members using their education benefits often face many of the same challenges facing all students. TAPS is proud to work with other organizations, including the American Legion, Veterans of Foreign Wars, Veterans Education Success and Student Veterans of America, to ensure safeguards are in place to protect all recipients of education benefits from the VA and DoED.

TAPS would like to thank the Committee for all the provisions in the Harry W. Colmery Veterans Educational Assistance Act of 2017 that assisted our surviving families, such as Yellow Ribbon for Fry Scholarships recipients, the removal of the delimiting date for Fry-eligible spouses and an increase in Chapter 35 educational benefits. We look forward to seeing them implemented in the coming months.

We are most appreciative of the opportunity to comment on and offer our support of H.R. 4830, the “Servicemembers Improved Transition through Reforms for Ensuring Progress Act” or the “SIT–REP Act.”

Indicative of the specialized support that TAPS provides is the education portal and individualized guidance on education benefits available for the children and spouses of America’s fallen heroes. TAPS staff members work with each individual to maximize the financial support they can receive to complete their education from both government and private agencies.

TAPS would like to recognize the outstanding support we receive from the VA on behalf of the survivors we serve. For several years we have been honored to have a Memorandum of Agreement (MoA) with the education specialists in the office of Economic Opportunity in the Veterans Benefits Administration enabling TAPS and the VA to work most efficiently in solving problems that surviving spouses and children encountered while accessing their VA education benefits. This relationship also allowed the VA to discover areas where policy or processes could be improved so they could serve survivors more effectively.

The VA Office of Survivor Assistance, including director Moira Flanders and her staff, works closely with TAPS to answer questions and concerns that are raised by surviving family members. We also appreciate the opportunities provided by the DoD/VA Survivors Forum, held quarterly, which works as a clearinghouse for information on government and private sector programs and policies affecting surviving families. This is ably facilitated by Craig Zaroff of the VA Benefits Assistance Service.

TAPS was recently honored to enter into a new and expanded Memorandum of Agreement with the VA. This agreement formalizes what has been a long-standing, informal working relationship between TAPS and the VA. The services provided by TAPS and the VA are complementary, and in this public-private partnership each will continue to provide extraordinary services through closer collaboration.

Under this agreement, TAPS continues to work with surviving families to identify resources available to them both within the VA and through private sources. TAPS will also collaborate with the VA in the areas of education, burial, benefits and entitlements, grief counseling and other areas of interest.

Implementation Challenges

We have heard from many TAPS surviving spouses concerning the implementation of the Harry W. Colmery Veterans Educational Assistance Act of 2017. While they are most appreciative of the enhanced benefit, many have encountered stumbling blocks.

TAPS’ biggest concern with all the changes being implemented on August 1, 2018, is that there will be delayed payments and processing time for payments for veterans and survivors enrolled for the fall 2018 semester.

Even with the few changes that went into effect in the fall of 2017, TAPS had issues with many institutions of higher learning (IHLs) demanding payment from the student because of delayed VA payments. Students receiving VA payments were not allowed to attend classes, register for Spring 2018 or use campus facilities (library, health center) because the VA payment was delayed. In some cases, students were put on payment plans they could not afford or forced to take out student loans with egregious origination fees in order to continue their education program.

TAPS would recommend that students receiving VA payments have the same protections as those who receive Title IV funding such as Pell Grants and Federal student loans. These Title IV students are allowed to attend classes, participate in extracurricular activities and use campus facilities, as long as the IHL knows that payment will arrive.

TAPS strongly believes that the best way to do this is through a legislative change. We have been in discussion with the House Veterans Affairs Committee (HVAC) majority staff to assist these students.
After we spoke of our concerns at the House Veterans Affairs Committee hearing on the implementation of the Harry W. Colmery Veterans Educational Assistance Act of 2017 (the Forever GI Bill), we were pleased when Representative Gus Bili-rakis approached us to express his interest in sponsoring this important legislation. We worked closely with his staff and the HVAC staff to come up with language that would correct this injustice for veterans and survivors using their VA education benefits.

H.R. 4830 would give the Secretary of Veterans Affairs the ability to disapprove any course of education unless the educational institutions providing the course permit individuals to attend or participate in courses pending payment by the VA and accept a Certificate of Eligibility (COE) as a promise of payment.

Survivors Share Their Stories

Yesenia Bernal, surviving spouse of Army SPC Rudolfo Bernal and student at Aurora College

I was put on a payment plan, made to pay upfront the payments missed and late fees. I was refunded the payments but not the late fees at the end of the semester. This impacted our budget at home, of course, but we adjusted to make it work. I had to pull from other accounts to do so, which generated yet another fee. I am blessed to have graduated tuition free, ever grateful for the Fry scholarship. I feel like sharing that story sounds ungrateful, because it was the only financial hardship I had throughout my school career compared to what other students have to pay. However, if I hadn’t had the additional funds to make it work I would have had to take the semester off.

Weston Haycock, surviving child, student at Montana State University

Weston is enrolled at Montana State University and because the VA tuition payment had not arrived before the start of the semester the school advised him to take out a loan and repay it when the VA money arrived. They did not inform him that there would be initiation fees he had to pay back on top of the original loan amount. The VA money arrived when it was supposed to-4 weeks after being certified by the school, but nevertheless Weston was penalized.

Timmy Swenson, surviving child, student at Blinn College, Texas

Timmy’s grandmother shares their story: Timmy and I did a visit in April of his senior year to Clarendon College. The visit included the finance office. Timmy drove up (10 hour drive) on Friday, August 25, the day Houston was beginning evacuations for hurricane Harvey. He was to move into dorm on Saturday, the 26th. Move in went well. He was very concerned about what was going on at home. Then, when he went to main admin on Monday to check in to begin classes on Tuesday, he was informed that he could not attend any classes until monies had been paid. Apparently Clarendon College is too small to have a full time VA advisor. Poor Timmy was panicked, but didn’t want to worry us as Harvey was impending! He didn’t know what to do, but decided to deplete his saved living expense money to pay his tuition. He contacted Ashlynne at TAPS, and eventually was reimbursed. Then, mostly due to my husband’s health issues, and being 10 hours away, he transferred to a closer college for this semester. Blinn College in College Station, Texas, finally allowed him to enroll. He had to make a payment plan again for tuition, which I was luckily able to cover the first payment for him. He received reimbursement just before second payment was due. Extremely stressful times. If something could be done to alleviate these issues for these Gold Star kids, it would sure help!

Malena Smith, surviving child, Indiana University of Pennsylvania

This year they decided to change how they would remove the late fees and have them not affect you. In previous years I have had to fight them to get the late fees and the installment plan taken off of my account by having the military and veteran resource center’s director for Indiana University of Pennsylvania get involved and settle it with the military person in the bursar’s office who is not that helpful and did not want to remove them last spring but did and he said it was a one-time only thing to get them removed. The late fee and installment plan is $70. The fall is not too much of a problem because of when the bill is due and when they receive the money from the government. That being said this past spring was different. They began asking for money at the normal time but not enforcing it until February. Our documents for how many credit hours we are taking don’t get sent in until the end of add/drop period which in the spring is a week after class begins. My information was not sent in until the week of the 29th of January if not later. It all depends on how long it takes them to get through the others that have to be
submitted. I got the confirmation email that said my information was submitted to the VA on the 5th of February. Then on the 5th of February I also got an email from the bursar’s office regarding my billing statement saying that the money is due by the 20th of February. Then the school got paid by the VA on the 9th of February. I also received an email on the 9th of February that I have been enrolled in a payment plan and that it’s a one-time installment for the rest of the balance due and it has to be paid by the 20th of March. Then on the 10th of February I got another email saying that I had been assessed a two payment plan in the amount of $40.00. And the two payments are due on the 25th of February and rest of balance on the 20th of March. It says in the email that if you are contracted to receive a scholarship, VA Benefits or third party payment, the plan and charge will be removed when payment is received. It also has a new due date of the 25th of February. When I paid the remaining balance on the 12th the payment plan and charge was removed without any issue. However I know that this will happen again because the office of Military and Veteran Resource Center submits our paperwork to the VA. Do I blame them for any of this? No. However I wish that the bursar would be able to flag my account or make a note that my money is coming from the VA so that this doesn’t happen. Thank you for fighting for us in Congress and wanting to pass this law.

Other Legislation

We would like to offer short comments on some of the other legislation being discussed at today’s hearing.

H.R. 1206

TAPS supports the “Reducing Barriers for Veterans Education Act of 2017.” This bill makes an individual who is eligible for educational assistance under the Post-9/11 Educational Assistance program eligible for assistance with the fees for applying to IHLs. Surviving spouses and children using the Fry scholarship will also be eligible for help with these fees.

H.R. 3940

TAPS supports the “Veterans Education Disaster Assistance Act.” The horrific disasters that impacted so many students this past fall impacted the education benefits of many veterans and survivors. We should do what we can to make them whole again concerning their housing stipends and supply stipends.

H.R. 3023

TAPS is concerned that eliminating the authority of the Department of Veterans Affairs to pay reporting fees to educational institutions will undo the advances achieved by the Forever GI Bill. We have heard from our partner organization, the National Association of State Approving Agencies (NASAA), and share their concerns that this will reduce the abilities of some institutions of higher learning to provide veterans and survivors resources on campuses.

The Way Ahead

TAPS would like to reinforce the fact that the more survivors know about their benefits, the better they are equipped to make informed decisions. We would like to see what the VA’s communication plan is to publicize and inform veterans and survivors about changes to their benefits as a result of the Forever GI Bill.

Those serving our veterans and survivors need to get the word as well. While mandatory training for school certifying officials is included in the Forever GI Bill, we are concerned about the IHLs being aware of the changes coming in August 2018. We know that the Office of Economic Opportunity is pushing out information to IHLs. We hope there will be coordination within the IHLs so that the person actually talking to the student is aware of the changes.

Continued cooperation between the VA, the Committee and interested VSOs, MSOs and survivor advocates is essential to make the implementation of the Forever GI Bill a success. TAPS will continue to provide feedback to both the VA and the Committee on the experience of survivors.

Prepared Statement of William Hubbard

Chairman Arrington, Ranking Member O'Rourke and Members of the Committee:

Thank you for inviting Student Veterans of America (SVA) to submit our testimony on the modernization of the GI Bill and other pending legislation. With over
1,500 chapters representing the more than 700,000 student veterans in schools across the country, we are pleased to share the perspective of those directly impacted by the subjects before this Committee.

Established in 2008, SVA has grown to become a force and voice for the interests of veterans in higher education. With a myriad of programs supporting their success, rigorous research on 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 and some of the most successful students in higher education, fostering the success of veterans in school is paramount to their preparation for productive and impactful lives.\(^1\)

Edward Everett, our nation’s 20th Secretary of State, and the former President of Harvard University was famously quoted as stating, “Education is a better safeguard of liberty than a standing army.” While we have the finest military that the world has ever known, the sentiment remains; the importance of education to our nation’s national security continues to be critical. Today, we will discuss several topics up for consideration in front of this body.

Many of the topics under consideration focus on the issues of transition, education, and employment. In addition to these topics, we’d like to address the ongoing situation with Ashford University.\(^2\) At this time, it is unclear what the Department of Veterans Affairs (VA) in conjunction with the state approving agencies (SAA) intend to conclude regarding the case. At present, Ashford effectively has no current approval for GI Bill funds, while the school continues to seek approval in several states, including Arizona and California.\(^3\)

As the situation remains unclear, we support the intent of VA at minimum stop new enrollments of GI Bill students until the situation is resolved.\(^5\) Historically, we have provided direct support to student veterans and their families that have been displaced from tenuous education situations. It is clear that resolving this situation as soon as possible is in the best interest of students and all others involved. As Forever GI Bill implementation is ongoing, we recognize the constraints on the VA education service staff.

We also strongly applaud Director Rob Worley and his team for their incredible commitment to the implementation of the historic Forever GI Bill legislation and other economic opportunity programs.

**H.R. 1206, Reducing Barriers for Veterans Education Act of 2017**

This bill proposes allowing eligible Post-9/11 GI Bill recipients to charge a pro-rated cost of application fees when applying to schools up to $750 to GI Bill entitlement. In some cases, students are dissuaded from attending school due to the cost of various application fees. We strongly believe there should be as few barriers as possible preventing a student from attending any school of their choosing, and this is a common-sense solution that empowers students with the discretion to cover these up-front costs. More importantly, the bill proposes pro-rating these charges against GI Bill entitlement, thereby allowing the costs to be equally reflected in the charge instead of previous methods of charges which cost the student an entire month of entitlement.

The movement towards micro-assessing entitlement for administrative barriers to educational success is a positive trend for student veterans and their families, allowing a scalpel approach in covering costs associated with attending school or completing training. For example, the Forever GI Bill signed into law last year included provision 108, which afforded students the opportunity to charge a pro-rated amount of entitlement to cover the costs of completing certification or licensure tests.\(^6\) We appreciate Rep. Luke Messer’s thoughtful approach to this challenge, and the interest in increasing access to the GI Bill for those who earned it. Student Veterans of America supports this bill.

**H.R. 3023, To amend title 38, United States Code, to eliminate.**

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5 Id.

This bill proposes termination of the reporting fee associated with the Post-9/11 GI Bill intended to defray the costs of processing payments for student tuition. The Forever GI Bill raised the reporting fee to $1 per student to more accurately reflect the resources needed for school certifying officials (SCO) on campuses to certify the enrollments of GI Bill users. Congress has functionally used this fee as a checking account since the passage of the Post-9/11 GI Bill in 2008, with the fee rising or falling in accordance with the prioritization of other costs associated with the GI Bill. While we see this fee as a critical component of the administration of the GI Bill, we also appreciate the fact that constrained fiscal circumstances require a hard look at all costs across the federal budget. Understanding the return on investment of finite and valuable taxpayer dollars is of critical importance.

To quote House Veterans Affairs Committee Subcommittee Chairman Jodey Arrington, “It’s not just about inputs and outputs, but most importantly-outcomes.”

As such, the outcomes for schools in the case of student veterans is a clear issue. Students typically pay some level of a “discount rate” when they cover the cost of tuition. In fact, GI Bill users are largely the only student population still paying the full cost of attendance. Universities that understand this business opportunity tend to recruit student veterans in droves; while some of these schools take this recruitment to an extreme level employing predatory practices, good schools ought to recognize the business value of recruiting GI Bill users whether there is a reporting fee, or not. We strongly oppose the removal of this fee, which mitigates the cost of processing GI Bill payments. However, we also recognize the inherent value of student veterans to any campus community.

H.R. 3940, Veterans Education Disaster Assistance Act

This bill seeks to address an unfortunate but painful reality that natural disasters will interrupt the education of some student veterans as they seek degrees and credentials. Most recently, wildfires in California and Hurricane Harvey in Texas that greatly affected schools and student veterans experienced this serious challenge first-hand. This bill would provide housing stipends and supply fee payments for Post-9/11 GI Bill users affected by extended school closures caused by natural disaster, specifically those students forced to discontinue studies due to a school closure if students choose to pursue course of education solely by distance learning or an alternative course of education by distance learning. GI Bill users would be afforded a monthly stipend for an amount they would be entitled to if pursuing education at the school and an additional lump sum for books, supplies, equipment, and other necessary education costs to avoid a break in their education.

The duration of this solution would cover costs of up to a period of four months, and no additional charge would be made to the student’s entitlement. When natural disaster strikes, the last thing student veterans should worry about is their opportunity to properly complete their education, and the resources afforded to make that possible. We applaud Rep. Ted Poe for hearing the voices of student veterans in Texas, as our chapters brought these concerns to the forefront of policy in 2017. Student Veterans of America strongly supports this bill, and we appreciate the dedication to addressing the challenges related to education in light of an otherwise tragic crisis.

H.R. 4451, Homeless Veterans’ Reintegration Programs Reauthorization Act of 2017

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This bill proposes a five-year extension of the homeless veterans’ reintegration program, and also provides clarification regarding eligibility for program services. The program is currently authorized by law, with the executing agent as the Department of Labor Veterans Employment and Transition Service (DoL VETS) program. Homeless Veterans’ Reintegration Program (HVRP) grantees provide a core set of services determined by the needs of veterans, the employers in the area, and the local labor market. Services are focused on providing veterans experiencing homelessness with relevant skills, connecting these veterans to employers, and improving employment outcomes and earnings for veterans while they are enrolled.

The program has a broader focus beyond just online job applications, with an emphasis on quality placements and sustained retention. HVRP achieves this through four core activities including outreach, assessment and intake, job-driven training and employment, and follow-up services. Grants under this program are awarded on a competitive basis to eligible applicants such as state and local Workforce Investment Boards (WIB), non-profit organizations, commercial entities, and others. Program outcomes as cited in the program evaluation demonstrate that nearly two-thirds of all program participants are placed into employment, enabling them to break the cycle of homelessness.

The unfortunate truth is that some student veterans face hurdles in affording housing, or have inconsistent housing options. Over the past several years, a number of student veterans have reached out to our organization for support with their housing situation, in some instances after the individual was already in need of emergency support. While homelessness is not a core competency of Student Veterans of America, we always seek to support student veterans in any way possible, to include connecting homeless veterans with our partners with expertise in supporting these issues.

In these instances, we have referred cases to our friends at the Veterans of Foreign Wars (VFW) and the American Legion. Both organizations have emergency funds to address such situations; I’d like to highlight the VFW’s “Unmet Needs” program, which has been particularly impactful. We have also worked closely with the National Coalition for Homeless Veterans (NCHV) and their incredible team with a nation-wide network of homeless resources. Homelessness among student veterans is often overlooked due to the assumption that all student veterans have the GI Bill to cover the cost of their housing.

There are numerous reasons that a student veteran does not have GI Bill benefits eligibility despite the false myth that “all veterans go to school for free” including: those who have expended their GI Bill, student veterans with families and other financial obligations, students without full or any GI Bill eligibility due to Guard or Reserve status, or those without GI Bill eligibility due to discharge or otherwise legal status. Student Veterans of America believes no veteran should ever be homeless, and recognizes homelessness broadly as a national tragedy. We thank Rep. Brad Wenstrup for identifying the need for extending this program, and strongly support this bill.

H.R. 4830, SIT–REP Act

This bill proposes requiring schools that accept VA education dollars to adopt veteran-friendly policies that prevent discriminating student veterans and their families due to payment issues from VA. The bill would disapprove any school that fails to adopt policies that: (1) permit covered individuals to attend institution after providing a certificate of eligibility for entitlement to education benefits under Chapters 30, 31, 33, or 35 until institution receives payment for course or 90 days after certificate of eligibility provided; and (2) prohibit institutions from imposing any penalty, including late fees, denial of access to classes, facilities, etc., or requirement that the individual borrow additional funds due to delayed benefit disbursement. Schools may view payments from GI Bill students as delayed, and thereby require students to take out unnecessary loans or assess unfair late fees, while the timing

18Id.
19Veterans of Foreign Wars. FINANCIAL GRANTS. https://www.vfw.org/assistance/financial-grants
20National Coalition for Homeless Veterans (NCHV). http://www.nchv.org
of the payments is under no control of the student. In the case of Post-9/11 GI Bill, for example, the VA requires the SCO to certify the student enrollment before VA authorizes payment for each of those students. This requirement prevents overpayments and otherwise potentially harmful “clawbacks” from students. Understanding that timely payment to schools is important, schools must recognize that penalizing students for using their earned GI Bill benefits due to the perceived delays of administrative burden is wholly inappropriate.

In some cases, families of the fallen have been unfairly targeted with late fees due to the VA’s delayed or late payments at no fault of the student. While some schools have received billions of dollars of Post-9/11 GI Bill dollars, we call on higher education as an industry to be flexible with service-affiliated students using VA education benefits, as it is greatly in their interest to find ways to support this important population of non-traditional students. Schools that already provide this level of flexibility to these students should have no additional burden in compliance with these rules, and Student Veterans of America supports the passage of this bill.

**SVA PROPOSAL, Under Secretary of Economic Opportunity**

In a recent House Committee on Veterans’ Affairs Disability Assistance and Memorial Affairs and Economic Opportunity Subcommittees hearing on the topic of “Department of Veterans Affairs Fiscal Year 2019 Budget: Veterans Benefits Administration (VBA) and the Board of Veterans’ Appeals,” Student Veterans of America’s Director of Policy, Lauren Augustine, testified on the lack of Augustinization of an otherwise historically neglected set of veteran-empowering programs. On Economic opportunity programs at VA. VA has previously expressed publicly that, “Economic competitiveness isn’t just about employment; it encompasses overall employment, wealth, independent living, housing, career mobility and educational attainment. VA is proud to work alongside employment experts at the Department of Labor and policy leaders in DoD to ensure we are in alignment with relevant trends and services they offer to transitioning service members and veterans.”

With economic opportunity as a stated priority of VA, we propose the establishment of a Veterans Economic Opportunity Administration at VA, including the creation and administration of a new political appointment for an Under Secretary for Veterans Economic Opportunity who would report directly to the Secretary (see Appendix A). Responsibilities of this new division at VA would include the administration of housing loan guarantee and related programs, vocational rehabilitation and employment (VR&E), education assistance programs, and transition programs (see Appendix B for detailed division of applicable programs).

Our proposal limits the number of additional full-time employees to the current footprint of these programs, thereby limits any expansion of government and bureaucratic authority. On the contrary, the proposal flattens government, and increases the efficiency of an otherwise historically neglected set of veteran-empowering programs. Functionally, we propose converting the currently vacant role of the Deputy Under Secretary of Economic Opportunity into a political appointment as an Under Secretary. This has a laundry list of much-needed outcomes:

- **Increases Accountability.** As of this hearing, it has been 886 days since VA last had a permanent Under Secretary of Benefits. As noted, there is currently no Deputy Under Secretary of Economic Opportunity. When congress, other federal agencies, and other external partners seek accountability, there is effectively nobody to “answer the mail.” This proposal would provide for greater accountability and access to issues that empower veterans. If this proposal is not advanced, these issues from being reduced in priority; at present, VA has given no indica-

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tion that there is any intention of filling the Deputy Under Secretary of Economic Opportunity role, effectively going the opposite direction of this proposal.

- **Elevates Economic Opportunity Issues.** Directly relevant to President Trump’s Executive Order 13822, “Supporting Our Veterans during Their Transition from Uniformed Services to Civilian Life.” This proposal supports the importance of transition, education, employment, and well-being. Further, sends a strong signal that economic opportunity issues truly matter, and are important enough to have the leadership of an Under Secretary. Giving a national voice to issues like home ownership, education, training, and employment is a critically important measure.

- **Reduces Bureaucracy.** Bureaucracy at VA has historically led to serious national challenges, and keeping economic opportunity issues buried at the bottom of the VBA is not the answer. The lack of a clear response on several basic questions regarding several economic opportunity programs at VA underscored the importance of leadership in this area, and was a direct result of a structure not functioning to benefit the end user. This proposal flattens the bureaucracy of VA in favor of the veteran, versus creating additional layers in the current “chain of command.” One need only to review the recent budget submission to see that the bureaucracy of VA is not resulting in resources being devoted to these issues consistent with the needs of veterans.

- **Establishes Direct Counterpart.** DoL and the Department of Defense (DoD) presently lack a direct counterpart within VA, and any significant initiative must achieve multiple layers of approval before moving ahead. This proposal provides DoD and DoL with a political appointee who can move important programs into the modern age, while supporting their missions more broadly for better whole-of-government outcomes. Issues such as transition and employment presently suffer from a lack of long-term attention, leading to unimpressive outcomes. Testifying on transition and employment issues in a Senate Veterans Affairs Committee hearing, John Campbell, the Deputy Assistant Secretary of Defense for Transition Policy stated that, “A key component of transition is introducing information to service members early in their careers, not just at the time of separation.” Campbell specifically noted that, “waiting until the end of military service to educate the war fighter is too late.” This testimony was delivered to the Committee seven years ago, yet transition challenges continue to plague this important population of Americans.

- **Supports “Whole Health.”** A tragically elastic narrative exists around veterans as either “broken or damaged.” In reality, the vast majority of veterans are like many other Americans-hard-working, community-oriented neighbors who want what’s best for their children. Creation of an Under Secretary of Economic Opportunity will empower veterans to be successful as they transition, through improved education programs, better employment opportunities. One of the major challenges facing veterans today is “transition stress,” an issue that an Under Secretary of Economic Opportunity would be keen to address. With better service and stronger outcomes, more veterans will be apt to “Choose VA.”

Disappointingly, some within the VA structure that have voiced opposition to the importance of elevating these issues with the creation of Under Secretary of Economic Opportunity. Their concerns have been over “increased resource costs and creation of redundant roles.” Interestingly, the proposal would achieve the exact opposite effect. With a capped footprint, no significant increase in costs should occur as our proposal intends, unless the implementation at VA diverges from the purpose behind the concept. Furthermore, we anticipate long-term costs actually decreasing...
due to additional program scrutiny resulting in more cost-effective program management.

Citing consolidation being a driving factor in increased communication-communication which should occur regardless is a poor justification for preventing this greatly needed proposal. While current acting leadership may be exceptional at their ability to implement these programs, program implementation has been historically inconsistent, and may wane in the future to the detriment of veterans. It appears maintenance of bureaucracy is the chief concern for those opposing this proposal, placing an emphasis on preserving “the way things are” for the sake of doing so versus the prioritization of the customer: veterans. We believe this to be a shortsighted view, and favor looking towards the future instead.

When previously introduced in the 114th Congress, veterans organizations came out in force to support the concept including The Disabled American Veterans (DAV), The Veterans of Foreign Wars (VFW), The American Legion, Vietnam Veterans of America (VVA), and Iraq and Afghanistan Veterans of America (IAVA).31 Today, our proposal further simplifies the concept and suggest no intention of impacting the DoD VETS program; additional veterans organizations have stepped up to share their support for the current concept including: The Travis Manion Foundation, The Mission Continues, High Ground Veterans Advocacy, and others. While some prefer the status quo, we recognize that bold initiatives are required to ensure our country delivers the best outcomes possible for veterans.

VA proudly cites that the Department, “has a mission to help veterans maximize their economic competitiveness and thus, increase the number of economic opportunities for Veterans and their families.”32 This proposal will maximize the notion that the Department publicly espouses in empowering veterans for successful lives. The 1996 Congressional Commission on Servicemembers and Veterans Transition Assistance once stated, “If employment is the door to a successful transition to civilian life, education will be the key to employment in the information age.”33 Future generations of veterans are counting on the success of this proposal, and we’re eager to work with this Congress and President Trump in making it a reality. Student Veterans of America is eager to work with this.

In addition to the testimony on the previously mentioned legislation, we generally support the following bills, though we have no formal position on these proposals at this time: H.R. 4835, the Job Training through Off-Base Opportunities and Local Support for Veterans Act; H.R. 5044, the Service-Disabled Veterans Small Business Continuation Act; DRAFT, the VA Home Loan Improvement Act of 2018.

The success of veterans in higher education is no mistake or coincidence. Research consistently demonstrates that this unique population of non-traditional students is far outpacing their peers in many measures of academic performance.34 At our 10th annual national conference, the President and CEO of SVA, Jared Lyon, shared the story of the quote on our anniversary challenge coin noting, “Some attribute the following text to Thucydides and others note that it’s a paraphrase of a book written by Sir William Francis Butler from the late 1800’s. The reality, either way, rings as true today as it ever has, and the phrase goes like this, The nation that makes a great distinction between its scholars and its warriors will have its thinking done by cowards and its fighting done by fools.”35

We thank the Chairman, Ranking Member, and the Committee 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 Committee, the House Veterans’ Affairs Committee, and the entire Congress to ensure the success of all generations of veterans through education.

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33 https://ntrl.nitis.gov/NTRL/dashboard/searchResults/titleDetail/PB2006113212.xhtml
Prepared Statement of Bonnie Carroll

March 19, 2018
The Honorable Gus Bilirakis
United States House of Representatives
Washington, DC 20515

Dear Representative Bilirakis:

As the national organization that has provided comfort and care to the families of America’s fallen military heroes since 1994, the Tragedy Assistance Program for Survivors (TAPS) would like to thank you for sponsoring H.R. 4830, the “Servicemembers Improved Transition through Reforms for Ensuring Progress Act (SITREP).”

H.R. 4830 would give the Secretary of Veterans Affairs (VA) the ability to disapprove any course of education unless the educational institutions providing the course permit individuals to attend or participate in courses pending payment by the VA and accept a Certificate of Eligibility (COE) as a promise of payment.

For a variety of reasons, VA payments are sometimes delayed. But as a result, many institutions of higher learning sometimes demand payment from the student because of the delayed VA payments. Students receiving these payments are not allowed to attend classes, register for next semester classes or use campus facilities (library, health center) because of payment delay. In some cases, students are put on payment plans they cannot afford or are forced to take out student loans with egregious origination fees in order to continue their education program.

H.R. 4830 would correct this unfair policy, allowing students receiving VA payments to have the same protections as those who receive Title IV funding such as Pell Grants and Federal student loans. Student survivors and veterans should not be financially handicapped because of VA and higher education bureaucracy.

We are most grateful for this important legislation and encourage your colleagues in the House to sign on to cosponsor this bill.

Respectfully,

Bonnie Carroll
Founder and President

Statements For The Record

MATT MILLER

Introduction

Chairman Arrington, Ranking Member O'Rourke, and distinguished members of the Subcommittee, it is an honor for me to have a second opportunity to testify before you on matters of great importance to the veterans we serve. Thank you for the opportunity to provide a statement for today's hearing on legislation that you are considering. I thank you all for your tireless efforts to ensure that America fulfills its obligations to our service members, veterans, and their families. I am the Deputy Assistant Secretary for Policy at the Department of Labor's (DOL or Department) Veterans' Employment and Training Service (VETS). Our mission is to work with various stakeholders in a manner that allows veterans, reservists, and guardsmen to obtain and maintain meaningful careers.

The Department is the Federal government's focal point for training, employment services, and information related to the economic health of all workers. It has the expertise and a nationwide network to provide skills training and employment opportunities for anyone who needs them, and veterans receive priority of service. This integrated network and DOL programs are best suited to continue generating positive employment outcomes for the men and women who have served our country. I'm pleased to report the employment situation for veterans continues to improve. The unemployment rate for veterans was down to 3.5 percent for the month of February, and I continue to hear from employers who are hiring veterans because they provide the technical and leadership skills their businesses need.

Last year, the Department’s programs provided services to over 662,000 veterans, transitioning service members, and members of our National Guard and Reserves. Approximately 400,000 veterans received services through the American Job Center (AJC) network; 16,096 homeless veterans were served through the Homeless Veterans' Reintegration Program (HVRP); 172,847 transitioning service members and
military spouses were served through the Transition Assistance Program’s (TAP) employment-related services; 34,981 veterans were served through compliance based efforts; and, 38,262 veterans received services through active apprenticeships. We continue to work to strengthen our coordination and collaboration with the Department of Veterans Affairs (VA), the Department of Defense, (DoD), and other federal agencies to ensure smooth transitions to civilian employment for those serving in our military, and continuing employment assistance for veterans, military spouses, and caregivers.

While this hearing is focused on several bills under consideration by the Subcommittee, I will focus my remarks to the two pieces of proposed legislation that have a direct impact on the programs administered by DOL, specifically on H.R. 4451, the “Homeless Veterans’ Reintegration Programs Reauthorization Act of 2017” and H.R. 4835, the “Job Training through Off-Base Opportunities and Local Support for Veterans Act,” or the “Job TOOLS for Veterans Act.” While we do not take a formal position on the draft bill which would establish the Veterans Economic Opportunity and Transition Administration within VA, I will speak to DOL’s work in the areas of economic opportunity and transition.

H.R. 4451—“Homeless Veterans’ Reintegration Programs Reauthorization Act of 2017”

H.R. 4451, the “Homeless Veterans’ Reintegration Program Reauthorization Act of 2017” provides a four-year extension of the authorization of appropriations for the VETS’ Homeless Veterans’ Reintegration Program and Homeless Female Veterans and Veterans with Families grants. Additionally, the bill would expand the population eligible for program services to include veterans participating in the Housing and Urban Development (HUD)-VA Supportive Housing (HUD–VASH) program for which rental assistance is provided; Native American Veterans who receive assistance under the Native American Housing Assistance and Self Determination Act of 1996; veterans who are transitioning from being incarcerated; and, veterans participating in the VA rapid rehousing and prevention program.

The Department strongly supports the intent of H.R. 4451, and we believe enactment of the bill would enable DOL to provide more comprehensive workforce reintegration services to veterans who experience homelessness. HVRP is the only federal program focusing exclusively on helping homeless veterans to reintegrate into the workforce. The Department continues to support the funding of these employment services for veterans experiencing homelessness, as well as those at-risk of homelessness.

H.R. 4451 would extend HVRP’s authorization to 2022; the current authorization is set to expire at the end of Fiscal Year (FY) 2018. Grantees under this program are competitively selected through a rigorous application process and are measured based on their effectiveness in placing these veterans in employment. In Program Year 2016, the HVRP served over 16,000 veterans experiencing homelessness, and 67 percent of these individuals were placed in jobs.

In our appearance at the Subcommittee’s recent hearing on homeless veterans, DOL asked the Subcommittee to consider revising the definition of homelessness to include expanding the eligible populations to include homeless veterans who have recently been housed through rapid rehousing and prevention programs, which, in our view, will greatly improve homeless veterans’ chances of success. We appreciate the Subcommittee’s response to our request. Studies have shown that barriers to employment still exist after immediate housing needs are met, and individuals still run a risk of becoming homeless again. This eligibility expansion is especially critical now; as communities have become more successful at helping veterans to exit homelessness more quickly, the current statutory definition of “homeless veteran” creates an unintended barrier for those veterans to be able to access the employment services and opportunities that will help ensure that they never experience homelessness again.

However, in addition to VA programs, there are many local programs that also provide housing services to the homeless veteran population, including many programs funded through HUD’s Continuum of Care Program and Emergency Solutions Grant Program and other federal funding sources. The proposed legislative change would not allow veterans participating in these faith- or community-based housing programs to be eligible for HVRP services. Accordingly, DOL recommends that section 2(c) of the bill be revised to further amend 38 U.S.C.§2021(a) to also

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1 38 U.S.C. §§ 2021(e)(1)(F) and 2021(f)(1) were extended through FY 2018 by the Department of Veterans Affairs Expiring Authorities Act of 2017, Public Law 115-62.

include persons who are considered “recently housed,” defined as an individual who now has stable living conditions, but was considered to meet the definition of “homeless veteran” within the 60 days prior to requesting services. This would allow the greatest number of recently housed veterans to benefit from HVRP services.

The Department supports the intent of H.R. 4451 recognizing that it will mean a substantial increase in the population eligible to receive HVRP services. To accommodate these changes with existing funding, VETS might need to establish service priorities, in order to reach those with the greatest needs and to avoid duplication of services. The Department would welcome the opportunity to work with the Subcommittee to discuss further amendments to H.R. 4451 that would help to ensure the goals of the bill are met.

H.R. 4835—“Job TOOLS for Veterans Act”

H.R. 4835, the “Job TOOLS for Veterans Act,” tasks the Secretary of Labor to conduct off-base transition training (OBTT) for veterans and their spouses in no less than 50 locations in States, with at least 20 States being areas with high unemployment among veterans, for a five-year period. At these locations, the Secretary is to provide training that generally follows the content of the Transition Assistance Program (TAP), under section 1144 of title 10 of the U.S. Code.

The Department supports the concept of providing flexible service delivery but disagrees with this approach to serving veterans in communities. The TAP model is designed for transitioning active service members and spouses who often do not have access to community resources. Veterans and their spouses in communities are better served through the vast array of services available through the DOL funded workforce system.

The Department attempted such a pilot a few years ago with mixed results. The Dignified Burial and Other Veterans’ Benefits Improvement Act of 2012 (P.L. 112–260), included a similar provision directing the Secretary of Labor to conduct a two-year pilot program to provide the TAP Employment Workshop to veterans and their spouses at locations other than military installations. In January 2015, VETS completed the pilot program. In total, VETS conducted 21 pilot workshops in three states: Georgia, Washington, and West Virginia.

Out of 250 total participants, 63 percent were within the 25–44 age group. The average attendance was 12 participants per workshop (ranging from 2 to 37 participants per workshop) and one workshop had to be cancelled due to a lack of participation. While participants in the pilot program found it helpful, the components of the program that were rated most beneficial are the same components found in the workforce system. Fifty-six percent of respondents indicated the resume writing instruction was the most beneficial, while 32 percent indicated interview skills as the most helpful. In VETS’ recent report to the Subcommittee on TAP, VETS concluded, “the employment needs of veterans and spouses are best met through the services offered by their local AJC. These services may be supplemented where appropriate through reference to the online DOL Employment Workshop curriculum. DOL updates this curriculum on an ongoing basis. We believe that the programs currently in place are sufficient to meet the employment needs of veterans and spouses and see no need to provide a DOL Employment Workshop to veterans and spouses beyond what is already available online.”

From this pilot, VETS gained a better understanding of the broad spectrum of individual employment needs among the veteran population, and indicated limitations of a single program of instruction. Additionally, it was a challenge for many of the participants to remain in the workshop for the entire three days due to personal and professional commitments. DOL believes this was a contributing factor to the low participation rates.

Veterans and their spouses may not require the full spectrum of skills covered in the Department’s Employment Workshop. Depending on when the veteran left the military, their work and life experiences could be much broader than that of transitioning service members entering the civilian workforce for the first time. Veterans may only need assistance with resume writing, military skills translation, interviewing techniques, or the federal hiring process; or, they may require assistance for local or personal issues not covered in the Employment Workshop.

DOL maintains that employment assistance for veterans in communities is most effective when provided as part of a comprehensive delivery model focused through the State Workforce system, where veterans get priority of service and are often eligible for individualized career services. The Department believes it would be more effective for veterans and their spouses to leverage the existing employment resources from our AJCs and implement a one-day model to best meet the individual employment needs of veterans and their spouses. If the idea of specific veteran
workshops is of continuing interest to the Subcommittee, we would be pleased to work with you to consider mechanisms to make these available.

For example, with lessons learned from the previous pilot project, VETS and the Veterans of Foreign Wars (VFW) partnered with the Johnson County AJC in Overland Park, Kansas, to pilot a different model to provide personalized employment resources to veterans and their spouses by leveraging existing local Workforce System resources. The intention of this model was to educate the participants on the vast array of services and have them register for follow-on services that best meet their personal needs. The feedback provided by VETS, VFW, and the local AJC was very positive. The Department was able to implement this model under current authority at no additional cost. DOL sees value in considering alternatives to hold events like these on the weekend in order to attract participants including guardsmen and reservists who may not be available on weekdays.

Finally, we note that H.R. 4835 provides no additional funding for this pilot. DOL’s Fiscal Year (FY) 2019 request for TAP could not support the regular program and a pilot of this magnitude.

Conclusion

We at the Department are committed to working with our federal, state, and local partners to help our veterans to obtain and maintain suitable employment, and we look forward to working with the Subcommittee to ensure the continued success of our efforts. Chairman Arrington, Ranking Member O’Rourke, and distinguished Members of the Subcommittee, this concludes my statement. Thank you again for the opportunity to testify today. I am happy to answer any questions that you may have at this time.

March 20, 2018

Chairman Jodey Arrington
Ranking Member Beto O’Rourke
Members of the Subcommittee on Economic Opportunity
House Committee on Veterans Affairs
335 Cannon House Office Building
Washington, DC 20515

Dear Chairman Arrington, Ranking Member O’Rourke, and Members of the Economic Opportunity Subcommittee:

On behalf of Student Veterans of America (SVA), a coalition of student veteran organizations on more than 1,500 college and university campuses across the country and representing more than 700,000 student veterans in higher education, I am writing to express our support of HR 4830, the “Servicemembers Improved Transition through Reforms for Ensuring Progress Act” or the “SIT–REP Act.” This legislation is important for student veterans. This bill proposes requiring schools that accept VA education dollars to adopt veteran-friendly policies that prevent discriminating student veterans and their families due to payment issues from VA. The bill would disapprove any school that fails to adopt policies that (1) permit covered individuals to attend institution after providing a certificate of eligibility for entitlement to education benefits under Chapters 30, 31, 33, or 35 until institution receives payment for course or 90 days after certificate of eligibility provided; and (2) prohibit institutions from imposing any penalty, including late fees, denial of access to classes, facilities, etc., or requirement that the individual borrow additional funds due to delayed benefit disbursement.

Schools may view payments from GI Bill students as delayed, and thereby require students to take out unnecessary loans or assess unfair late fees, while the timing of the payments is under no control of the student. In the case of Post-9/11 GI Bill, for example, the VA requires the SCO to certify the student enrollment before VA authorizes payment for each of those students. This requirement prevents overpayments and otherwise potentially harmful “clawbacks” from students. Understanding that timely payments to schools is important, schools must recognize that penalizing students for using their earned GI Bill benefits due to the perceived delays of administrative burden is wholly inappropriate.

In some cases, families of the fallen have been unfairly targeted with late fees due to the VA’s delayed or late payments at no fault of the student. While some schools have received billions of dollars of Post-9/11 GI Bill dollars, we call on higher education as an industry to be flexible with service-affiliated students using VA
education benefits, as it is greatly in their interest to find ways to support this important population of nontraditional students. Schools that already provide this level of flexibility to these students should have no additional burden in compliance with these rules, and Student Veterans of America supports the passage of this bill. Please contact me at jared.lyon@studentveterans.org or 202–223–4710 with any questions about this issue, or the great work of our student veterans across the country.

Sincerely,

Jared Lyon

DR. JOSEPH WESCOTT

CHAIRMAN ARRINGTON, RANKING MEMBER O’ROURKE, and Members of the Committee, the National Association of State Approving Agencies (NASAA) is pleased to provide its views on certain education benefits legislation under consideration by the Committee today, March 20, 2018.

NASAA does not receive any grants or contracts directly from the federal government, though its member organizations are state agencies operating in whole or in part under federal contracts funded by Congress and administered by the Department of Veterans Affairs (VA).

On behalf of fifty-one State approving agencies (SAAs), including the territory of Puerto Rico and the District of Columbia, NASAA thanks the Subcommittee on Economic Opportunity for its strong commitment to a better future for all service members, veterans and their families through its continued support of the GI Bill® educational program.

H. R. 1206, a bill to amend title 38, United States Code, to include the cost of applying to an institution of higher learning as part of the benefits provided under the Post-9/11 Educational Assistance Program.

State approving agencies recognize that the costs of higher education continue to rise, and those costs include the fee required to apply to an institution of higher learning. Certainly, we believe that barriers to veterans’ application and entrance into college should be removed or mitigated whenever possible. As such, we agree that the cost of application to an institution, capped at $750 so as to protect veterans and taxpayers from providers who might take advantage of this provision, should be payable under the GI Bill.

NASAA supports this bill.

H. R. 3023, a bill to amend title 38, United States Code, to eliminate the authority of the Secretary of Veterans Affairs to pay reporting fees to educational institutions.

State approving agencies take seriously our role as “the gatekeepers of quality” and the “boots on the ground” defending the integrity of the GI Bill. We are committed to making sure that only quality programs are approved and we do so by carefully evaluating facilities and curriculum while simultaneously applying federal and state law and regulation. An additional and equally important role is the continued oversight of these programs after their initial approval. We do so in conjunction with other stakeholders in veteran organizations and higher education, including state licensing agencies, state higher education departments, the Department of Veterans Affairs, the Department of Education and national and regional accrediting agencies.

We also seek to encourage our approved institutions to provide resources and policies, which will help guarantee the success of our veteran students once they enroll in a SAA approved program. Congress, in establishing laws and regulations governing the manner and method by which education could be approved for veterans, has wisely provided that the States, through their State approving agencies, are best situated and staffed to evaluate and oversee educational programming being considered for approval and being continued for GI Bill payment. State approving agencies and the VA have long recognized the costs affiliated with administering the GI Bill at institutions. While institutions, as well as veterans, have benefited from increases in the amounts paid, there have also been marked increases in the amount of work and difficulty of tasks required of school certifying officials (SCO).

To illustrate the amount of work involved, the current SCO Handbook, published by the VA to provide detailed instructions to school certifying officials, is 138 pages in length. This publication is revised as needed, often twice a year and SCOs are expected to be proficient in all areas and requirements. It is not inappropriate, given the increasing complexity and number of certifications and reports, which VA re-
quires of schools to administer the GI Bill at their institutions, for the VA to reimburse a small portion of these expenses through reporting fees. Schools receive $16 for each student certified at their institution and recent legislation (PL 111–3779, section 304) mandates that this money be in a separate account and only be used for the benefit of student veterans. State approving agencies, as a part of their oversight duties and responsibilities, ensure that these monies are being used appropriately. Reporting fees are often used at schools for the training of SCOs and to offset the added administrative cost of certification. Frequently, this money is also used to purchase needed equipment for veterans' resource centers, veteran's graduation cords, and other resources to recognize and support the success of our veterans and their families.

NASAA opposes this bill.

H. R. 3940, a bill to amend title 38, United States Code, to provide for housing stipends and supply fee payments under the Post-9/11 Educational Assistance Program for individuals affected by extended school closures due to disasters.

The upheaval to a student veteran and their family during a disaster can be horrendous and life altering. Recent examples of hurricane ravaged regions such as Puerto Rico and certain areas of Texas illustrate the need to allow a student veteran the opportunity to access a limited amount of educational assistance during such a traumatic time. Assistance at such times of transition can be key to the student being able to continue their studies or at least be prepared to do so when institutions return to some degree of normalcy.

NASAA supports this bill.

H. R. 4830, a bill to amend title 38, United States Code, to provide for the disapproval of any course of education for purposes of the educational assistance programs of the Department of Veterans Affairs unless the educational institution providing the course permits individuals to attend or participate in courses pending payment by Department, and for other purposes.

As mentioned earlier, State approving agencies seek to encourage our approved institutions to provide resources and policies, which will help guarantee the success of our veteran students once they enroll in an SAA approved program. As such, we do not consider it inappropriate for Congress to consider establishing, as a part of requirements for approval, that educational institutions grant veterans a set period of time during which they are protected from being unenrolled or charged additional fees or required to take out loans while they are awaiting payment from the VA of their benefits. Given the many improvements found in PL 115–48, which the VA is required to implement in the coming days, it would be understandable if there were further delays in the payment of educational benefits. We do agree that this protection need only extend to veteran students, primarily chapter 33, whose tuition and fees are paid by the VA directly to the schools.

Given the fact that many leading institutions of education, particularly accredited public institutions of higher learning (IHLs), are already offering this protection to student veterans, we do not think it unreasonable to require that all approved educational institutions provide it to the students on their campus as well. In addition, though some might argue that in their state this has not been a problem, there are states wherein veteran students have faced penalty for late payment of benefits. Regardless, when we are discussing one of our nation’s greatest treasures and trusts, the families of the fallen, even one incident is one too many.

NASAA supports this bill.

Today, SAAs throughout our nation, composed of approximately 218 professional and support personnel, are supervising over 10,000 active facilities with over 100,000 programs. We pledge to you that we will not fail in our critical mission and in our commitment to safeguard the public trust, to protect the GI Bill and to defend the future of those who have so nobly defended us. Mr. Chairman, NASAA thanks the Committee for the opportunity to share our concerns and suggestions and we commit to working together with you and your staff to enhance the pending legislation.

LARRY MADISON

February 15, 2018

The Honorable Gus Bilirakis
United States House of Representatives
Washington, DC 20515

Dear Representative Bilirakis:

On behalf of the members of The Retired Enlisted Association, a Congressionally-chartered veterans’ service organization and the largest association in the nation exclusively for enlisted personnel and veterans from all branches of the Armed Forces, I am writing in support of your legislation, H.R. 4830, the “Servicemembers Improved Transition through Reforms for Ensuring Progress Act” or the “SIT–REP Act.” Your legislation would provide for the disapproval of any course of education for purposes of the educational assistance programs of the Department of Veterans Affairs unless the educational institution providing the course permits individuals to attend or participate in courses pending payment by the Department.

Currently veterans are often penalized in ways that other students who are recipients of a federal educational financial assistance are not if the Department of Veterans Affairs payment is not provided when the institution requires.

Your legislation will remedy that situation and make sure that veterans are not unfairly penalized. Thank you for your leadership on this issue.

Respectfully,

Larry Madison
Legislative Director