

**A REVIEW OF VA'S SPECIALLY ADAPTIVE  
HOUSING GRANT PROGRAMS (SAH)**

---

---

**HEARING**

BEFORE THE

**SUBCOMMITTEE ON ECONOMIC  
OPPORTUNITY**

OF THE

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

ONE HUNDRED FIFTEENTH CONGRESS

SECOND SESSION

THURSDAY, SEPTEMBER 6, 2018

**Serial No. 115-76**

Printed for the use of the Committee on Veterans' Affairs



Available via the World Wide Web: <http://www.govinfo.gov>

U.S. GOVERNMENT PUBLISHING OFFICE

WASHINGTON : 2019

35-830

## COMMITTEE ON VETERANS' AFFAIRS

DAVID P. ROE, Tennessee, *Chairman*

GUS M. BILIRAKIS, Florida, <i>Vice-Chairman</i>	TIM WALZ, Minnesota, <i>Ranking Member</i>
MIKE COFFMAN, Colorado	MARK TAKANO, California
BILL FLORES, Texas	JULIA BROWNLEY, California
AMATA COLEMAN RADEWAGEN, American Samoa	ANN M. KUSTER, New Hampshire
MIKE BOST, Illinois	BETO O'ROURKE, Texas
BRUCE POLIQUIN, Maine	KATHLEEN RICE, New York
NEAL DUNN, Florida	J. LUIS CORREA, California
JODEY ARRINGTON, Texas	CONOR LAMB, Pennsylvania
CLAY HIGGINS, Louisiana	ELIZABETH ESTY, Connecticut
JACK BERGMAN, Michigan	SCOTT PETERS, California
JIM BANKS, Indiana	
JENNIFFER GONZALEZ-COLON, Puerto Rico	
BRIAN MAST, Florida	

JON TOWERS, *Staff Director*

RAY KELLEY, *Democratic Staff Director*

## SUBCOMMITTEE ON ECONOMIC OPPORTUNITY

JODEY ARRINGTON, Texas, *Chairman*

GUS BILIRAKIS, Florida	BETO O'ROURKE, Texas, <i>Ranking Member</i>
BILL FLORES, Texas	MARK TAKANO, California
JIM BANKS, Indiana	LUIS CORREA, California
BRIAN MAST, Florida	KATHLEEN RICE, New York

Pursuant to clause 2(e)(4) of rule XI of the Rules of the House, public hearing records of the Committee on Veterans' Affairs are also published in electronic form. **The printed hearing record remains the official version.** Because electronic submissions are used to prepare both printed and electronic versions of the hearing record, the process of converting between various electronic formats may introduce unintentional errors or omissions. Such occurrences are inherent in the current publication process and should diminish as the process is further refined.

# CONTENTS

Thursday, September 6, 2018

	Page
A Review Of VA's Specially Adaptive Housing Grant Programs (SAH) .....	1
OPENING STATEMENTS	
Honorable Jodey Arrington, Chairman .....	1
Honorable Beto O'Rourke, Ranking Member .....	2
WITNESSES	
Mr. Jeffrey London, Director, Loan Guaranty Service, Veterans Benefits Administration, U.S. Department of Veterans Affairs .....	2
Prepared Statement .....	25
Brigadier General Tom Landwermeyer, USA (Ret.), President and Chief Executive Officer, Homes For Our Troops, Inc. ....	4
Prepared Statement .....	30
Mr. Steven Henry, Associate Legislative Director, Paralyzed Veterans of America .....	5
Prepared Statement .....	33
Mr. Ryan Kules, Director of Combat Stress and Recovery, Wounded Warrior Project .....	7
Prepared Statement .....	35



## **A REVIEW OF VA'S SPECIALLY ADAPTIVE HOUSING GRANT PROGRAMS (SAH)**

---

**Thursday, September 6, 2018**

U.S. HOUSE OF REPRESENTATIVES,  
COMMITTEE ON VETERANS' AFFAIRS,  
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY  
*Washington, D.C.*

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

Present: Representatives Arrington, Bilirakis, Flores, Banks, O'Rourke, Takano, and Correa.

### **OPENING STATEMENT OF JODEY ARRINGTON, CHAIRMAN**

Mr. ARRINGTON. Good afternoon, everyone. Welcome to the Subcommittee on Economic Opportunity. Subject of today's hearing is the administration of the VA Specially Adaptive Housing Program that provides grant funding for our severely service-connected disabled veterans to adapt their homes to make them more accessible to their needs. This small but vital program provides these true heroes with the ability to not only stay alive in their home, live independently, but live the greatest quality of life and dignity.

And so I am very appreciative of the work you guys do, and I am a strong supporter of this program, but we want the program to work most effectively, and so we will cover a lot of ground today. But while the VA has a hand in developing the plans and policies for this program, the benefit is truly the veterans to administer as they are responsible for choosing a contractor and supervising the construction.

Some of today's witnesses have raised concerns about the amount of paperwork and processing delays associated with this benefit, and we will dig into that some. While I understand there is a need to examine each veteran's circumstances to appropriately fund the adaptation that fits their needs, we must strive to improve the timeliness of service for all veterans. That is the goal.

I also know that in some areas of the country the amount of the SAH grant may not go as far as it does in other parts. So I am interested in hearing from our witness about ways to improve the timeliness of decisions and appropriately increase grant amounts as disabilities worsen.

I am also very interested, and I am sure my colleagues are as well, to hear about the VA's effort to implement the Ranking Member's and my bill that became Public Law 115-177, which puts SAH agents, and not vocational rehab counselors, in charge of adapting

homes for veterans receiving independent living. Now there is about as common sense a reform as it gets, making sure that we have SAH agents and not counselors actually working on these.

We hope, and I think the goal of the legislation was to expedite these improvements and modifications, and I also was told that we might have been able to save some taxpayer dollars in the process. So a win-win, but ultimately, we just want to get that service provided to those veterans in the most-timely way. Finally, I would like to recommend—not recommend, but commend Mr. London and his staff at the VA’s home loan guaranty service for their dedication and willingness to work with the Committee.

With that, it is my pleasure to recognize my friend and Ranking Member, Mr. O’Rourke for any opening comments he might have.

**OPENING STATEMENT OF BETO O’ROURKE, RANKING MEMBER**

Mr. O’ROURKE. Thank you, Mr. Chairman, and I, too, am looking forward to this panel’s testimony and to the questions that our colleagues from both sides of the aisle ask to ensure that we are conducting the appropriate oversight of an incredibly important program, one who has a very noble mission but one which does need to have the accountability to ensure that it is delivering the service to every eligible veteran. So looking forward to hearing what you all have to say and working with our colleagues to improve this program going forward.

With that, Mr. Chairman, I yield back.

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

On our first and only panel, we welcome back Mr. London, director of VA’s Home Loan Guaranty Service; Brigadier General Tom Landwermeyer, president and CEO of Homes For Our Troops; Mr. Steven Henry, associate legislative director of Paralyzed Veterans of America; and Mr. Ryan Kules, director of combat stress and recovery of the Wounded Warrior Project. So, thank you, guys, for all being here today, and let’s get this started with Mr. London.

I yield 5 minutes to you, sir.

**STATEMENT OF JEFFREY LONDON**

Mr. LONDON. Good afternoon, Chairman Arrington, Ranking Member O’Rourke, and other Members of the Subcommittee. Thank you for the opportunity to appear before you today to discuss the Department of Veterans Affairs Specially Adapted Housing Grant Program.

June of this year marked the 70th anniversary of the SAH program. Since 1948, the program has provided over 37,000 grants totaling almost \$1.3 billion to veterans with severe disabilities. VA recognizes that the process of delivering SAH benefits to veterans in a timely manner requires innovation, expertise, and the ability to continuously improve. I am honored to come to work every day to advocate for and deliver services to our veterans who have earned them at great sacrifice.

The original SAH program has been expanded and modified into the program we administer today, a life-changing benefit which allows veterans the freedom to select their own contractor. It can be used multiple times over a lifetime, and the grant amounts adjust

annually to the cost of construction. The benefit can even be used to modify the home of a family member when veterans need family support or while they readjust after their service to the country.

As I am sure you know, the statutory requirement for determining the feasibility and suitability of the veteran's living situation is a key driver in how the program has been designed over the years. This means that VA does not just cut a check to the contractor or to the veteran and walk away. Instead, we have a duty to ensure that veterans are able to thrive in a living situation the grants help to create and the adaptations meet each veteran's unique disability housing needs now and in the future as his or her condition changes over time.

Living independently means something different for each and every veteran we serve, and each home adaptation project is uniquely different. SAH agents provide individual, in-person service to veterans in their homes, often at a time in their lives where they are vulnerable and in need of very personal assistance. SAH grants are designed to improve a veteran's quality of life and can also be life-altering for their caregivers.

Take, for instance, a veteran who was confined to an upstairs bedroom in a small apartment while only being able to move every 6 months with the help of an ambulance crew who transported him for medical treatment. I take pride in knowing that because of this grant, the veteran not only has a larger bedroom, it is on the first floor with fully adaptable access to the driveway. The veteran's spouse can now stay in the same room with him and assure that he is cared for properly.

In addition to this type of scenario, many veterans residing overseas are unaware of the life-changing benefits available to them. And face-to-face engagement with these veterans allows VA to assess their living conditions and adaptation needs. We are constantly looking at ways to improve areas of the program that are directly under our control. And we have recently made several operational changes to expedite the SAH claims process, de-layer our grant administration, and empower our local staff to make decisions aimed at improving customer service to veterans and decreasing overall grant timeframes.

We are nearing a completion of a business process re-engineering study where we gathered input from veterans, private-sector builders and contractors, and a variety of subject-matter experts to develop a roadmap for a streamlined and technologically advanced SAH Program.

Additionally, we are conducting an analysis of SAH staffing and caseload distribution to determine how to best ensure that we have the right number of well-trained SAH agents in the right locations.

We are also providing enhancements to the veterans housing adaptation benefits by transitioning housing modifications that are currently part of an independent living plan from the Vocational Rehabilitation Employment Program to the SAH program. Although both programs have worked collaboratively within VA for many years, Public Law 115-177 makes it more efficient for VA to deliver housing modifications to these veterans. Starting next month, SAH staff will formally begin handling housing adaptations under an independent living plan.

Finally, I would like to touch on the work we are doing to enhance our outreach to our stakeholder community and in collaborative opportunities that exist to serve severely disabled veterans. We are analyzing our existing outreach and stakeholder communication strategies to identify opportunities for additional collaboration.

I know that VA, VSOs, like the ones here today, and other stakeholders seek to foster positive relationships and maintain open lines of communication so that veterans we serve can obtain the housing outcomes they deserve. We can always benefit from working with other programs and organizations to identify creative ways to enhance our program and better assist veterans.

Mr. Chairman, this concludes my statement. I appreciate the opportunity you have extended to me today, and I look forward to answering any questions that you or other Members of the Subcommittee may have. Thank you.

[THE PREPARED STATEMENT OF JEFFREY LONDON APPEARS IN THE APPENDIX]

Mr. ARRINGTON. Thank you, Mr. London.

General Landwermeier, I now yield 5 minutes to you, sir.

**STATEMENT OF BRIGADIER GENERAL TOM LANDWERMEYER,  
USA (RET.)**

Mr. LANDWERMEYER. Chairman Arrington, Ranking Member O'Rourke, and distinguished Members of the Veterans' Affairs Subcommittee on Economic Opportunity, sincere thanks for granting Homes For Our Troops the opportunity to testify before the Subcommittee to review the VA's Specially Adapted Housing Grant Program. We are familiar with the SAH grant eligibility requirements as we use the grant as a screening criterion for our program of building specially adapted custom homes for the most severely injured post-9/11 veterans.

We build homes exclusively for SAH-qualified veterans, with the exception of our blind veterans. Since our inception in 2004, Homes For Our Troops has worked closely with the Department of Veterans Affairs to assist our severely injured veterans, and we enjoy a close, productive, working relationship.

In March of this year, our staff met with the VA SAH representatives to discuss the challenges and recommendations that we highlight in our testimony. We share the concerns of our fellow VSOs and stand together before you to ensure that our Nation's most severely injured veterans continue to have the opportunity to live in a barrier-free environment.

We see some challenges with the SAH program as it is today. Although the grant program provides important assistance to many injured veterans, the program as it stands leaves many veterans behind, as it does not include blind veterans with no other injuries, nor veterans with the loss of both hands as outlined in the SAH grant eligibility criteria on page 4 of our written testimony.

As you can imagine, total blindness requires numerous technological and voice-activated adaptations to a home to enable the veteran to regain some of the freedom and independence that he or she has lost due to injury.

Concerning the loss of both hands, whether a veteran loses his or her arms above or below the elbow, they still have lost the most important, functional part: their hands. Again, this requires significant adaptations to the home. Current guidelines are confusing as to what delineates the difference between loss of arms, or loss of hands. We respectfully ask your assistance in changing the SAH eligibility criteria to include non-correctible blindness in both eyes and the loss of or loss of use of both hands.

Beginning 1 October 2012, 30 veterans a year who have suffered the loss of or loss of use of one lower extremity have qualified for the SAH grant under the temporary expansion of the grant, Public Law 112-154, Honor America's Veterans Act. The VA does a great job of informing eligible veterans of the SAH benefits. The area we see for improvement concerns this temporary expansion of the SAH grant criterion, which has caused some confusion in the veteran community.

We see two actions that would help mitigate this confusion. One, the VA can take steps to ensure all staff are knowledgeable concerning the expansion of the grant criteria. We have encountered some situations where VA agents were unaware that a veteran should be qualified under the expansion criteria. Second, the VA could notify all veterans who were previously denied SAH eligibility prior to the expansion that took effect on 1 October 2012, that they may now meet the expanded criteria.

Another area we discussed with the VA is changing how they transfer funds in conjunction with the SAH program, shifting to electronic funds transfer to both streamline the process and eliminate lost checks.

Mr. Chairman, thank you for your attention, and Members of the Committee, I appreciate the opportunity to speak to you today, and I look forward to your questions.

[THE PREPARED STATEMENT OF TOM LANDWERMEYER APPEARS IN THE APPENDIX]

Mr. ARRINGTON. Thank you, General. We will now yield 5 minutes to you, Mr. Henry.

#### **STATEMENT OF STEVEN HENRY**

Mr. HENRY. Thank you. Chairman Arrington, Ranking Member O'Rourke, and Members of the Subcommittee, Paralyzed Veterans of America would like to thank you for the opportunity to offer our views on the Department of Veterans Affairs Specially Adaptive Housing Grant Programs. The Specially Adaptive Housing Grant Programs help veterans with certain service-connected disabilities to live independently in a barrier-free environment by providing critical housing adaptations.

Many PVA members have benefited greatly from the Specially Adapted Housing Grant Program. The accessibility provided through this program greatly increases the quality of life for these veterans. PVA employs a highly trained force of over 70 national service officers across the Nation who develop benefits claims for both member and nonmember clients. After recently surveying our NSOs, we heard time and time again that SAH is a great program

and the SAH agents are dedicated employees who work tirelessly in assisting veterans with completing the grant process.

Even with the dedication of the SAH agents, however, veterans are still encountering difficulties. In our survey, we found three consistent concerns with the SAH program: finding a contractor, timeliness of the modifications, and inconsistency among the differing SAH offices.

PVA's first concern with the SAH program is a veteran's inability to locate a responsible and experienced contractor to complete SAH modifications. One of the complicating factors with the SAH program is that a veteran must submit three bids to VA as part of the process. Normally this would not be terribly difficult for a homeowner who is completing a typical project. However, there are very few contractors who actually have experience with making home modifications for disability access. If a veteran resides in a rural area, it is even more difficult to find an appropriate contractor.

With government bureaucracy comes a lot of red tape, which, in the case of SAH, is a lot of paperwork and procedures. VA will repeatedly ask for the same paperwork, making the process very redundant. Consequently, many contractors are not willing to work with VA.

Furthermore, VA is known to take a long time to pay contractors, so they must complete the work before being compensated. This results in contractors having to carry construction costs on their own.

PVA's second concern is the timeliness of modifications. After serving our NSOs, we have found that many veterans are waiting an average of 6 to 8 months and up to 2 years to have modifications completed. The ability to safely live independently is priceless, and any processes that foster delays must be addressed.

For example, the average person diagnosed with ALS loses an average of 2 to 5 years after diagnosis. Many veterans represented by PVA rarely live past 1 year after diagnosis. Therefore, timely completion of SAH modifications is imperative. There have been instances where veterans have passed away before the modifications have even been completed.

Recently, PVA met with VA executive leadership to discuss the SAH program and to voice our concerns. We raised our concern with timeliness and how long veterans have to wait to receive SAH modifications.

Lastly, PVA is concerned about consistency in the administration of the SAH program across the Nation. PVA found the general consensus from our NSOs about concerns with the program. However, some NSOs also write concerns about the quality and speed of the work, which seem to depend entirely on the geographic location of the veteran. Veterans should not be punished for where they choose to reside. Instead, they should be able to receive quality service regardless of the location of their residence.

In some locations, SAH agents are tasked with additional duties, including having the complete home appraisals for VA home loans and for veterans who are going through the process of refinancing their VA mortgage. Those same agents are also required to answer phone calls from VA's general hotline number that have nothing to do with the SAH program. PVA understands all positions carry the

need to perform additional duties. However, to require SAH agents to complete tasks unrelated to SAH is unacceptable.

We have also discovered that at least one office communicated to its agents that cases of terminal veterans were not to be expedited, that all veterans were to be treated the same.

In light of our various concerns, we will begin meeting with the SAH program leaders on a monthly basis to increase feedback on the program. We are very pleased to have this type of open communication with the VA. We hope that through heightened communication with program leaders and the oversight of this Subcommittee that the program's administration will improve and result in better experience with this program for PVA members.

We support Congress increasing the grant from the current amount of \$81,080. In its recommendations to the 115th Congress, the coauthors of "The Independent Budget" Disabled American Veterans, PVA and Veterans of Foreign Wars recommended that Congress establish a supplementary housing grant that would cover the cost of new-home adaptations for eligible veterans who have already used their initial grants. Without the ability to access such a grant, veterans may be forced to choose between surrendering their independence by moving into an inaccessible home or staying in their current home simply because they are unable to afford the cost of modifying a new home.

PVA would like to thank you for the opportunity to offer our views on the SAH program, and we look forward to any questions you may have.

[THE PREPARED STATEMENT OF STEVEN HENRY APPEARS IN THE APPENDIX]

Mr. ARRINGTON. Thank you, Mr. Henry.

Mr. Kules, we yield to you 5 minutes as well.

#### **STATEMENT OF RYAN KULES**

Mr. KULES. Chairman Arrington, Ranking Member O'Rourke, and distinguished Members of the Subcommittee, thank you for inviting Wounded Warrior Project the opportunity to testify on the Department of Veterans Affairs Specially Adaptive Housing Grant Program. My name is Ryan Kules. I serve as the director of Wounded Warrior Project's Combat Stress and Recovery Program, one of more than a dozen free programs and services our organization provides to wounded, ill, and injured servicemembers and veterans who served on or after 9/11.

Through the hard work of over 600 employees spread across the country and overseas, Wounded Warrior Project is connecting warriors and their families to their communities and each other, serving and saving lives through free direct programs, and empowering them to succeed and live life on their own terms. Wounded Warrior Project's advocacy related to specially-adaptive housing is framed by two programs in particular. Our benefit service team connects warriors—or assists warriors of all disability levels with their benefits claims.

And our Independence Program is helping meet the needs of some of the most severely injured warriors by ensuring they receive the care, services, and resources they need to thrive in the most

independent and meaningful way possible. Today I also speak to you as someone who has utilized the SAH grant, and I hope my story can help frame the issues before the Subcommittee.

So I was injured in 2005 in combat in Iraq. I lost my right arm and left leg, and at the time, I was 24 years old, newly married, didn't have any children. I was very fortunate to make it back to Walter Reed and spend about 18 months there recovering. I medically retired from the Army in May of 2007.

And in 2009, my wife and I decided that we wanted to stay in the area and found a house that we felt comfortable in staying in the long term and decided to use our SAH grant to modify that home. In 2009, the grant cap was about \$64,000, but, unfortunately, it didn't cover the over \$100,000 that it cost to modify our home to meet my individual needs and make sure that I was successful and independent in the house.

Fortunately, we have three beautiful little kids, and over time, our family grew, and we realized that we needed to change homes in order to better meet our family's—our growing family's needs. And in 2015, we sold the home that we had purchased in 2009, and fortunately, we didn't take a loss with the sale of the home, but we weren't fully able to recoup the amount of the SAH grant.

In our current home that we purchased in 2015, we have modified that home to, again, meet my individual and personal needs. I am free to move about the home and shower and do all the things I need to do in the activities of daily living. Those modifications cost over \$90,000 to complete to date.

So, in this whole process, one of the things that I have learned is my needs are going to increase as I age. I will need additional adaptations, and the way the program sits right now, those changes are going to be my responsibility.

So, with that, I would like to share with you two of the most significant areas that we have identified to help improve the SAH grant program, for both myself and for other veterans and servicemembers with catastrophic injuries. First, we urge the Subcommittee to eliminate the three-time-use cap that restricts the full and intended benefit of this program.

Under current rules, veterans and servicemembers may only draw from their \$81,080 SAH grant a total of three times. As disabilities worsen and families move, it is possible, and even likely, that a veteran will need to utilize portions of their \$81,000 grant on more than three occasions.

As a point of reference, according to a 2016 census study, homeowners will move, on average, five times in their life. And renters will move even more frequently. In order to make the Specially Adapted Housing Grant Program more closely aligned with the way veterans and servicemembers can reasonably be expected to live their lives, we recommend removing the condition that a grant may be only drawn from three times. Grants would continue to have the monetary limits, but there is no compelling reason to restrict this benefit with an arbitrary and unnecessary use cap.

Our second recommendation is to allow previous beneficiaries the opportunity to refresh their Specially Adaptive Housing Grant history once every 10 years. We understand Congress needs to cap benefit amounts for budgetary reasons. However, it is not uncom-

mon for veterans such as myself to utilize a full SAH grant and years later find themselves spending their own funds for modifications.

In order to help VA meet these veterans' needs, we suggest the full benefit be reinstated for those in the program every 10 years to accommodate for moving and the progression of disability needs, which in many cases can and should be expected. This benefit is reserved for the most catastrophically injured. And Specially Adaptive Housing Grants should be a life-long program to support life-long injuries.

I, on the behalf of the Wounded Warrior Project, thank the Subcommittee and distinguished Members for the invitation to testify and stand ready to answer any questions that you may have.

[THE PREPARED STATEMENT OF RYAN KULES APPEARS IN THE APPENDIX]

Mr. ARRINGTON. Thank you, Mr. Kules. I think I can confidently speak for the Committee: We appreciate your tremendous sacrifice, and we want this program to work for guys like you. You just make me so proud. And all of you, thank you for your service, and let's have a good discussion and see if we can't find ways to make improvements to this much needed and important program.

Let me start with you, Mr. London, on the bill that we passed, the one I passed with my colleague, Mr. O'Rourke, what is the timeline again for—as you said next month, what are the logistics in that? Is it pretty simple to transition to the SAH agents from the voc rehab counselors? Do you think it is going to have the positive impact that we all intended when we passed that law?

Mr. LONDON. Yes, first, let me thank you and your colleagues for passing that legislation. I do believe that it will help us to be more efficient to serve veterans who need housing modifications. And the specific answer to your question, I am extremely confident that, starting on October 1st, we will administer the housing modifications under the Specially Adapted Housing Program processes.

The reason why I am very confident of that is, as I mentioned in my oral statement, that for over a decade, we have been working very closely with VR&E on these cases and our agents have familiarity with them. And a lot of the times, the cases are much simpler than the normal SAH cases that we administer. So I am extremely confident that we will be ready October 1st.

We will make some additional enhancements to make things run smoothly and to have documented policies and procedures for staff by January. But staffs are already aware of the transition on both sides of the House, and I am extremely confident.

Mr. ARRINGTON. Mr. London, thank you. Describe the organization for me. Because I am often perplexed by how things are actually run and operated and who is on the ground making these things happen. Sometimes you got policy over here and the operations over there, and maybe they don't even talk. Break this down for me. The SAH agents work for whom? For you?

Mr. LONDON. No, they do not.

Mr. ARRINGTON. Okay. Who do they report to?

Mr. LONDON. They report to the regional office director in their location.

Mr. ARRINGTON. So in their respective regions?

Mr. LONDON. That is correct.

Mr. ARRINGTON. Is there standard practices and procedures for the SAH, or is this another one of those, we decentralize it so everybody does it a little differently?

Mr. LONDON. No, sir. That is where I come in, I do own the standardization. I own the policies and procedures that the regional offices across the country administer to my standard.

Mr. ARRINGTON. If I asked you who the best region was right now, could you tell me?

Mr. LONDON. I would argue that they are all serving our veterans.

Mr. ARRINGTON. Come on now. I love all my children too, but one is faster than the other. You know, one is better at riding. So I am just saying, if I—I'm not going to ask you to call them out. I am just saying, do you know who the best region is, in terms of implementation of your policies in this program?

Mr. LONDON. Just like any program or even any business concern, you always have entities out there who are leaders and who have best practices, and, yes, I can identify those places that have best practices. And I leverage those best practices when I learn of them.

Mr. ARRINGTON. Mr. London, I want to remind you, this is not a Supreme Court Justice hearing. We are just trying to get to the—now, listen, one thing I think, because I think there is a lot to discuss here, and I think some reasonable consideration to, what if someone loses a hand, but they don't lose their arm, or they lose the functionality of the arm, have they effectively lost—I mean, that, I am curious to know how we set the standard, why we set the standard. I mean, there is obviously cost involved.

Also on the three-time use of the cap that you mentioned, Mr. Kules, I mean, it seems to me there is a reasonable argument of being able to draw that down again. There is a money issue, and there is offsets, but just on—I think one thing we can all agree on that doesn't cost us anything, probably would save money, is, finding operational efficiencies.

And Mr. Henry brought up quality contractors, the difficulty of that, the paperwork involved. He used the word "duplicative." Six to 8 months to get these projects completed at maybe—maybe in the worst-case scenario, 2 years. So how are we going to streamline? You said you had a process redesign. Break that down. I have got 30 seconds, but if you will just answer that and then answer, why in the world wouldn't we prioritize terminally ill veterans, to make—if we are going to extradite anybody's project so they have the best quality of life in their last days of their life, why in the world wouldn't we do that? Maybe you are, but I heard that that wasn't the case. So try to answer as much as you can, and after that, I am going to delegate or defer to my Ranking Member for his 5 minutes.

Mr. LONDON. If you don't mind, I am going to start with the last point first. I want to be very clear that the statement about prioritization has some truth to it. We do not prioritize one veteran over another. However, with a veteran with a terminal disease, in this program, we have communicated to our specially adapted

housing agents, they are to expedite that case. And let me explain what that means. By expediting the case, if you have a terminally ill veteran and there are specific modifications that they need right now, instead of looking at the full assessment of what they would need over a long-term period, streamline the process and give those immediate modifications, like modifying the bathroom, giving access ramps, things like that. So we do expedite the adaptations that veterans need. So I think there is a distinction between prioritization and expediting. So I wanted to make that clear.

As far as operational efficiencies, I agree with you wholeheartedly. That is why we are doing the study that we are doing, and we have already realized some efficiencies from things that we learned. One thing that we have done, just last year, with the authority that I have, I made the decision that, even though there were some potential legal impediments in VA providing a list of contractors, I leaned forward because it was the best thing to do for veterans. And I now make a list of contractors who have done previous projects available to veterans with all the necessary disclaimers, so that all parties know that the government is not endorsing or recommending contractors. But we have already seen that having a list, and as we get that more streamlined across the regions, we are going to see that have a big lift.

So there are things like that that we are doing, commonsense things, when we are working with contractors, making sure they understand the process upfront because, as Mr. Henry said, there is sometimes back and forth. And what the back-and-forth is, if we say that a ramp has to be in a home, it has to meet certain specifications for that veteran. And sometimes what we see in the plans, it is not documented. As you know, what is written is what gets done, and that is what we hold people accountable for. So, if the plans and specifications don't meet the veteran's needs, that is setting up the veteran for failure.

So what can we do to streamline the process? Make the process better known upfront. So those are some of the things that we are doing.

Mr. ARRINGTON. And I am going to yield 5 minutes to the Ranking Member, but if you—if I might just indulge for just a minute. At some point, I want to know what the timeframes are to date, on average, to put in a ramp, apples to apples, and what we are trying to reduce the timeframe, for example. So some hard targets—

Mr. LONDON. Sure.

Mr. ARRINGTON [continued].—sort of empirical movement. You don't have to talk about that now, unless they want to dig into it, but I would like to know what those goals are because what gets measured gets done, and it would be nice to have some measurable goals in reducing timeframes and other sort of burdens.

Mr. O'Rourke?

Thank you.

Mr. O'ROURKE. Mr. Chairman, I am going to ask a few questions that were just generated by comment from the panelists.

But first, Mr. Kules, I want to make sure I understand the anecdotes that you shared. You said the total cost to rehabilitate the first home that you and your wife moved into was \$100,000. If you

don't mind telling me, how much of that was covered by the SAH program?

Mr. KULES. Yes, sir, it is correct. The total was \$100,000, and the grant cap at the time was just over \$64,000.

Mr. O'ROURKE. So you received \$64,000 to that 100?

Mr. KULES. Yes, sir.

Mr. O'ROURKE. And the second home was a \$90,000 cost, and how much did you receive towards that?

Mr. KULES. Zero, sir, because I had—

Mr. O'ROURKE. You had exhausted the—

Mr. KULES [continued].—I had exhausted my grant, yes, sir.

Mr. O'ROURKE. And so as—Mr. London, as that cap—as the aggregate cap moves up, and it is now at \$81,000 would someone in Mr. Kules' position be able to reapply for the additional difference, the \$20,000 between the 60 and the 80 that is the current cap?

Mr. LONDON. So, as long as the veteran has remaining grant funds available, as the grant increases each year, those funds are made available up to the statutory limit.

Mr. O'ROURKE. How about just using his anecdote? He used 60 so many years ago, and now that it is up to 80, does he have a \$20,000 balance for the next modification?

Mr. LONDON. No, sir, we don't have the statutory authority to do that.

Mr. O'ROURKE. Okay, so that is something you need from us—

Mr. LONDON. That is correct.

Mr. O'ROURKE [continued].—that change? That is helpful.

Let me ask a couple of questions that General Landwermeyer posed. On the issue of total blindness and the loss of both hands, do you need statutory clarification, or is that something you can administratively correct and provide clarification for the contractors?

Mr. LONDON. My understanding is we do not have statutory authority for those circumstances.

Mr. O'ROURKE. Okay. So that one's on us as well for—

Mr. LONDON. The statute is very specific in the criteria.

Mr. O'ROURKE. Because you mentioned, General, that the guidelines are confusing. And so my question is just, how do we clarify? It sounds like, according to Mr. London, that is going to be through law.

How about educating VA staff? The comment was made that some staff are unaware of guidelines, or aren't perhaps educated enough to be able to provide clear guidance to contractors or veterans. Any comment on that, Mr. London?

Mr. LONDON. So because the statute is clear on what the criteria are even for the temporary expansion, the staff in the Veteran Service Center on the disability compensation side of the house, they rate cases to their criteria, so the sooner the veteran meets that criteria, we get the rating decision that that veteran is eligible. So my staff in Loan Guaranty understand and are aware of the requirements because it is in the veteran's award letter.

Mr. O'ROURKE. No room for improvement there?

Mr. LONDON. No, sir.

Mr. O'ROURKE. Okay.

Mr. LONDON. I think—but if I could just clarify, I think going back to what the Brigadier General was saying is that, if the law was clear to include those criteria, then we would be able to administer the grant.

Mr. O'ROURKE. How about—this seemed like a great suggestion to me—notify all veterans who have been previously denied that they may now be eligible? Is that something, once you get the clarification from Congress that you need by statute, that you can administratively pursue, or do you need authorization and appropriation specific to that from Congress?

Mr. LONDON. We can administratively pursue that. I don't need any assistance on that. But there is a point I want to bring up. Not only is the criteria very specific, but there is a cap in statute to 30 veterans per year. So even if I were to reach out to those specific veterans, we may have already exceeded our statutory cap for that year.

Mr. O'ROURKE. What is the logic behind that cap?

Mr. LONDON. That was specifically, I think it was—to be quite candid, a costing issue, from your side of the house, sir.

Mr. O'ROURKE. Okay. The point raised about electronic funds transfer.

Mr. LONDON. I am glad that was brought up today because I am happy to report that we have a pilot program that we are working on in our St. Paul regional office that we believe we will be able to streamline the transfer of moneys and we will be able to do things via electronic file transfer. So I am extremely excited about that in the future.

Mr. O'ROURKE. Do you think that meets the spirit of Mr. Henry's concern about the paperwork is asked for repeatedly, and it is a disincentive for contractors to work with the VA on this? When you are doing electronic funds transfer, are you also digitizing other aspects of this, so you file the information once, it is within the VA, and it gets processed, and you are paid in a timely fashion? Is that essentially the idea—the idea here in terms of what you are trying to achieve?

Mr. LONDON. The electronic funds transfer is a separate issue. I think the other piece is more of a communication issue, and it is improvement on VA's part to ensure that the contractor understands upfront what the requirements are to avoid the back-and-forth.

Mr. O'ROURKE. And just the last point—my time is about up, but I also noticed that Mr. Henry mentioned inconsistency by different SAH offices. The general mentioned the need to perhaps educate VA staff who may be unaware of qualifications. I just take that as constructive criticism and see if there isn't a way to better educate all VA staff on these issues, you know. And maybe this is a perfect opportunity for an offline conversation with the general and Mr. Henry to find out what the specific concerns are and to bring that back to your team just to make sure that everyone's, you know, on the same page on these issues. So, appreciate it, Mr. London.

Mr. LONDON. Thank you.

Mr. ARRINGTON. Thank you, Mr. O'Rourke.

Mr. Bilirakis, you have 5 minutes.

Mr. BILIRAKIS. Thank you. Thank you, Mr. Chairman.

I appreciate it very much. And I thank all of you for your service. I have a couple of questions.

To follow up with the Chairman's question, your testimony, Mr. Henry, actually, your testimony mentions concerns about those with terminal illnesses, like ALS, not being prioritized for SAH benefits at the VA. Could you share more about these concerns and the steps needed to fix this problem?

Mr. HENRY. Is that a question—

Mr. BILIRAKIS. Mr. Henry, yes.

Mr. HENRY. Okay. Thank you for that question. We just—we are concerned that the men and women that are diagnosed with this disease just aren't being placed in the front of the line. And just giving an example, so I recently—I have assisted five veterans personally with their claims for ALS and service-connected disability compensation. Out of those five, none of them made it to a year. They all died probably less than 9 months after diagnosis. The most recent one was diagnosed in November, and he passed away in March.

The spouse of that veteran refused to use the VA program because when she spoke to—I guess when she spoke to the person or the agent, they said it was going to be about 9 months to a year before they actually received the modifications to the home. Now that veteran, the first time I met him in October, he could walk. He could talk. He kind of mumbled a little bit, but he was still coherent. He was drinking a cup of coffee. I saw him in December. He was in a wheelchair. He couldn't—he no longer feed himself, he could no longer talk. He had to be on a respirator. So the disease manifests to such a rapid degree that, within 5 to 6 months, their condition is just so negatively impacted that it is so important that these modifications are done as soon as possible. Six to 8 months go by, these men and women are completely different, and their needs are completely different. And so we just feel that these men and women need to be placed ahead of the line.

I actually had a conversation with Mr. Kules about this, and I said: Look, I am going to bring up in my testimony that I feel that men and women with terminal illness should be placed in line. I am not trying to say anything about your condition or your personal experience, but PVA membership really believes that our members who have a terminal illness should be placed ahead in line.

And Mr. Kules even said: I agree with you. If someone does have a terminal illness, they should be placed in front of the line.

Mr. BILIRAKIS. Mr. London, you want to respond to that?

Mr. LONDON. Yeah, absolutely. First and foremost, Mr. Henry, I agree with your sentiment about the expedition that these veterans need, and you have my commitment.

And I want to give the commitment to the Committee that we will focus on this issue. In just 2 weeks, I am going to be meeting with all of the management staffs from around the country. Every region will be with me face-to-face, and this will be a topic that I will spend considerable time with to make sure that it is crystal clear how we are to expedite these cases so that we can serve those men and women with terminal illnesses who are eligible for this program.

But I want to be very clear that I am not going to give instruction to put one veteran in front of another. I have an ethical duty to make sure that we are serving every veteran, but I think we can lean forward and get these veterans what they need faster than we are doing today, absolutely.

Mr. BILIRAKIS. Okay. Thank you.

For Mr. London, in your experience, how often do veterans have to pay out-of-pocket to have home adaptations completed?

Mr. LONDON. It is hard to put a hard number to that. I certainly can give you anecdotal experience, not only from my leadership experience, but I spent over a year on the SAH policy staff. So I have intimate knowledge of the process. And in a significant number of cases, like Mr. Kules', veterans do have to put some moneys into the project because the grant does not cover all of their needs. So that certainly doesn't happen in every case, but I would certainly quantify it as a significant number.

Mr. BILIRAKIS. Okay, let me ask you—and I also want to ask the general if he is in agreement with that, the assessment. But also some of the nonprofits that actually build homes for veterans who are disabled, how do—do they have access, or does the veteran have access to those grants? How does that work? Does anybody want to respond to that?

Mr. LANDWERMEYER. Sir, I would be glad to. We build our specially- adaptive custom homes across the country, and then we donate them to the veterans. So if they have already used part of their SAH grant, wherever they may be living before they go into our home, they still have the rest of it left over, if they want to do something additional in the home. Our homes have more than 40 special adaptations inside of them to return—let them regain that freedom and independence that they lost from their injuries.

Mr. BILIRAKIS. So, Mr. Kules, if you had a home that was—obviously you earned it, but let's say a nonprofit actually built a home for you and your family—which I commend them so very much for doing—would they, these 40 adaptations, is that suitable to you, or would you have to go out of pocket or spend the rest of your grant to make it suitable to you, adaptable, or convenient for you to live? If you could answer that, I would appreciate it.

Mr. KULES. Of course, thank you. I think with having a nonprofit step in and be able to do that, we are very fortunate to have the support of other nonprofits that are able to raise the support of communities in order to pay for these modifications. But with this SAH program, the intent of it is to be a life-long benefit for injuries that are going to extend for a lifetime. So knowing that as folks do move five times over the course of a lifetime, being able to have a home that they are able to move from one place to another, and they want to retire and be closer to their children, be able to continue that support over the course of a lifetime, I think, is vitally key.

Mr. BILIRAKIS. Very good. I appreciate that.

Mr. Chairman, my concern is—I have got a few concerns, but the out-of-pocket. I mean, how many veterans can afford—how can anyone afford these out-of-pocket necessary adaptations? But thank you so very much for your service. Looking forward to working on this issue.

Mr. ARRINGTON. Thank you, Mr. Bilirakis.

Mr. Takano, you have 5 minutes, sir.

Mr. TAKANO. Thank you, Mr. Chairman.

I am going to remember that little trick you used with your—I don't have any children; that is the problem. I can't say that, you know, "I love all of my children, but one of them runs faster than the other". But that is the advantage of being a father.

All right. Mr. London, can you tell me how much of your caseload or how much of the entire SAH caseload has terminal patients, like those with ALS, for example?

Mr. LONDON. Yeah, to kind of put it in perspective, we have about 4,000 active cases around the Nation for specially-adaptive housing right now. And approximately 300 of those are veterans with terminally ill conditions including ALS. So the workload is relatively small, comparative to the overall workload.

Mr. TAKANO. So it is less than 10 percent of the total?

Mr. LONDON. Yes.

Mr. TAKANO. Slightly less than 10 percent—

Mr. LONDON. That is correct.

Mr. TAKANO [continued].—of the total number? So 4,000 would be served by this program.

We might—I see you having to parse your words very carefully, not putting one—the use of the word "priority" versus "expedite." But, you know, I used to be an English teacher. I think it is very important to be very clear. I think the practical outcome is that we want people who have ALS, or who have a terminal illness, and we know people with ALS are going to—they are going to have changing needs, that we need to be practical, and we need to have a government program that responds to them, and it makes no sense that the spouse has to turn down this program because they can't practically use it. And that is not really serving the veterans.

So what do we need to do to change—to have the ability to be able to be more plain-speaking, to be able to be more forthright? I am not saying you are not forthright. But there is something in the regulations that doesn't allow you to be forthright.

Mr. LONDON. Here is my commitment to you, because I agree with your sentiment about using commonsense approaches, and that is exactly what I am saying about expediting the processes. I believe there are things that we can do in my program without a statutory or regulatory change to get these services to those men and women faster than we are today. So I would like the opportunity to do that first without any other statutory—

Mr. TAKANO. All right.

Mr. LONDON. Because I think I can get there.

Mr. TAKANO. Fair enough. So, my friends at the PVA are going to be able to tell me in a short while of time, in a short period of time, that this is no longer a problem for the terminally ill patients or terminally ill veterans that need this service?

Mr. LONDON. I think over a short period of time, they will be able to report to you improvements, for sure.

Mr. TAKANO. Okay. I will be interested to know that. I will be in touch.

How do you see the SAH working with the VA home loan program? Are there improvements we can make so that the two pro-

grams can support each other to make home purchases easier for disabled veterans who require home modifications?

Mr. LONDON. I would argue that the two programs work really well together today. Because the staff who do SAH also work with the other folks in our regional loan centers who do the home loan programs. They have a good working knowledge of how that process works. I would say that the SAH job is one of the most rewarding and challenging jobs in the VA. Because not only are they talking to the veterans about our program, they are educating the veteran about other programs, including the home loan program. So I would argue that we already have the expertise and knowledge where it needs to be.

Mr. TAKANO. Thank you.

Mr. KULES, or anybody else, would you have a different point of view? I mean, it is a chance for you to maybe reiterate some of the things you said at the end of your testimony.

Mr. KULES. As far as my particular situation, I actually utilized the home loan program to purchase the house that we did in 2015, and that process was very much seamless. So I have no concerns about that process, but—

Mr. TAKANO. So you think that the two programs work well together? You would echo the comments of Mr. London?

Mr. KULES. Sir, the home loan program worked independently. Because at that time, I didn't have any SAH grant funds remaining, so—

Mr. TAKANO. I see.

Mr. KULES [continued].—I was out on my own to be able to secure that mortgage and be able to purchase a home and then have the capital to make the modifications myself.

Mr. TAKANO. Any time remaining, I just want you to reiterate the ask that you made. You summarized it at the end how you would change the program for someone like you. What kind of struck me, you said that you started off as a younger man, you gained children, you want to move into a bigger house, that the program needs to account for individuals. And with only 4,000 currently in the program, I don't know what the numbers would do if we started to make changes, that would add numbers, add people like you to the program, because we were going to change it. But kind of reiterate those changes, because I want to hear those again.

Mr. KULES. Yes, sir. So, if you took the example of someone purchasing and modifying a home at the age of 30 and the average person moves five times in their lifetime, if you were able to authorize folks to be able to utilize their grant in its totality once every 10 years, that would carry a veteran that qualifies for this grant from age 30 to age 80 in an adaptive house that is able to meet their needs and allow them to live independently.

Mr. TAKANO. So you would be asking for a resetting of being able to use the grant—

Mr. KULES. Yes, sir.

Mr. TAKANO [continued].—anticipating that every 10 years—I mean, that is a sensible ask and I think a reasonable one. Anything else?

Mr. KULES. Sir, I think the cap on utilizing drawing from the grant three times needs to be done away with. With folks moving,

as I said, every—five times over the course of a lifetime, that is an opportunity to be able to do away with that and allow folks to utilize their \$81,080 grant cap on whatever modifications they need and not have to worry about it over the course of their time.

Mr. TAKANO. All right, thank you. Thank you. I yield back.

Mr. ARRINGTON. Thank you, Mr. Takano.

Mr. Correa, you have 5 minutes.

Mr. CORREA. Thank you, Mr. Chairman, and, gentlemen veterans, thank you very much for your service to our great Country. You are appreciated. You are our heroes.

Mr. Kules, thank you very much for some of those comments and recommendations you just made to Mr. Takano.

Mr. London, I wanted to follow up, you said something that touched me, which is you don't want to choose one vet over another. So my question would be, why have a waiting time at all? Why do you have to wait? Are we short on personnel to process these applications? Are we going through a process to try to minimize fraud, waste, and abuse? Are we trying to figure out whether there are some of these veterans are actually qualified to get these grants? We know what their needs are, and so why is it that we have to wait so long? Lack of personnel? Lack of folks to actually go through and process the applications, or is it lack of qualified contractors in our communities that are needed to move ahead with these construction projects? Why is it that we have a waiting line at all?

Mr. LONDON. I would argue that we do have the right staff. Let me point out some parts of the process to you. First, as soon as we get a rating decision from the disability compensation staff, within 1 or 2 days, we are in contact with that veteran and his or her family. Within 30 days, over 98 percent of the time, we are in that veteran's home, talking to him or her and their family members. So from a timeliness standpoint, our staff are on top of things right away.

Where the timeline comes in is, once we are notified that a Veteran is eligible and let me point out another piece.

While we are there doing the initial interview, in most cases, the veteran wants to modify that existing home. So, while the SAH agent is there, they are actually looking at the home, assessing the veteran's needs and taking documented notes on what is needed for that veteran. So, within 30 days, to your point, we have a really good idea of what the needs are.

The next part of the process, we now empower the veteran to choose the contractor. And that is where I mentioned that one of the administrative decisions that I made was to provide a list of contractors in that veteran's area who have done previous projects.

Mr. CORREA. So essentially a list of qualified contractors?

Mr. LONDON. Contractors who have some experience with SAH projects.

Mr. CORREA.—you are, pick one, and go.

Mr. LONDON. Yes. Now, in some locales there, there is a need to identify more contractors, and that is something that my staff is taking on, is how can we work with the private sector to make sure that people understand this benefit so that they can sign up and

be a part of the roster, if you will, for veterans to make that decision.

So there are some things that we can do from an administrative perspective, but we empower the veteran, and we assist the veteran in making a decision, but it is his or her decision on who they contract with.

And I do want to clarify one point. I believe in Mr. Henry's testimony, he mentioned that it is a requirement for three bids. That is a standard. But obviously we work with the veteran, and the veteran can waive that requirement so that we can move things faster. So there are things that we are doing from a commonsense approach—

Mr. CORREA. You know, in my area—excuse me for interrupting you.

Mr. LONDON. Yes.

Mr. CORREA. In my area in southern California, we have a lot of veteran-owned construction companies that are always fighting for business. Is there any way we can make it a win/win to get those veteran-owned construction companies to actually service some of these veterans?

Mr. LONDON. I would love if you and your staff could give me a list of those, and anyone else, who has stakeholders like that. I would love to talk and meet with them.

Mr. CORREA. I would like to work with you on that because, again, you have a shortage, and yet, over there, we have excess capacity.

Mr. LONDON. I would love to do that. Thank you.

Mr. CORREA. Are you done, or do you have any additional comments?

Mr. LONDON. No, sir.

Mr. CORREA. Again, my thought is, how do we streamline this process? Everybody is on the same page. Let's get it done in a timely manner and stop pointing fingers, but rather, let's figure out how to do this correctly.

Mr. LONDON. Yes, sir.

Mr. CORREA. Mr. Chairman, I yield the remainder of my time.

Mr. ARRINGTON. Thank you, Mr. Correa.

I am just going to ask the Ranking Member if he has any follow-up questions or comments.

Mr. O'ROURKE. I do not.

Mr. ARRINGTON. I just have a couple, and I understand if you guys have to leave. I hope you don't, but if you have to, I understand, but I just have a couple.

Again, back to the organization and how we make the organization work to perform for the desired outcomes that we all have, seems to—that component seems to trip up a lot of good programs and ideas.

So, Mr. London, what would you do to change the overall operation to make it work more effectively and efficiently to serve the veteran customer, I mean, if you could just have total control? And then is that something we could do to help you, or is that an internal sort of organizational decision?

Mr. LONDON. I believe it is an internal organizational decision, first and foremost. But I will tell you that within my span of con-

trol, I believe I do have the authority to make the decisions that I need to make to make sure that each and every regional loan center, where these specially adapted housing agents are located to work with the veterans consistently, I believe that I do have that span of control today through policies and procedures in the oversight that I conduct.

Mr. ARRINGTON. Can you fire an SAH agent?

Mr. LONDON. I cannot, no, sir.

Mr. ARRINGTON. Can you fire a regional director?

Mr. LONDON. No, sir.

Mr. ARRINGTON. I don't think you have enough control. And I am not saying I know how to wire it so that you do, but you set the policy, and you set the guidelines, and you set maybe even the benchmarks for how long it should take to put a ramp in or a grab bar, but who is going to enforce that so that there is a sense of urgency and commitment to meeting those standards? I don't think it is you, and not trying to be disrespectful. I wish it were because I have a lot of confidence in you, quite frankly. But who is going to ensure that your policies, assuming that the benchmarks and policies that you have laid out are best practices for these sorts of things, who will ensure that that happens?

Who has the power to fire folks? And I am not suggesting we fire folks, but we try to get them to the point where they can do their job optimally. But if they can't, who are they accountable to? The regional director, I assume.

Mr. LONDON. That is correct. And then the way it works today is if I see someone who is not upholding the standards that I set, I can work with my peers who have that particular authority.

Mr. ARRINGTON. Okay. The authority to hold the regional director—

Mr. LONDON. Hold people accountable, that is correct. That is correct.

Mr. ARRINGTON. When is the last time a region was taken to task because they were not hitting the benchmarks for these things to serve these heroes of ours? When is the last time that you were upset with the way they were performing, the region, and that they were taken to task for that?

Mr. LONDON. I will be very candid with you. I had a critical conversation with a frontline supervisor just several weeks ago where I was unhappy, so I spoke to that accountable manager who reports to the regional office director. I went directly to that individual and explained my discomfort and what they needed to do, in my view, to get back on track.

Mr. ARRINGTON. The next time we have someone in the chain of command for those regional directors, you need to let them know that I am going to ask about how they manage and how they hold their regional directors accountable for these particular performance goals, because they are just—everything is important, but those who have borne the battle the most, I mean, there are a lot of great programs and—for our veterans, and we love and respect them all, and we want to serve them. But I just can't imagine that a service that we provide that is just more important that we deliver on than what you are working on this program we are talking about.

Do we need to pass a law to allow you to say you will make the terminally ill veteran a priority and not just expedited?

Mr. LONDON. In order for me to put one veteran ahead of another, I believe I do not have that statutory authority. That is my understanding.

Mr. ARRINGTON. Okay. Well, we are going to give that to you. I can't imagine anybody on this Committee that would disagree that 300 out of 4,000 cases shouldn't be prioritized because of what Mr. Henry articulated earlier. And I don't—I bet—is there anybody on the panel that disagrees with that? Would you all be in full agreement for us to pass a law so that he can prioritize those who are terminally ill?

Mr. LONDON. And, Mr. Chairman, if you don't mind, what I would like to do is to go back and confirm and report back to you whether or not we have the statutory authority or not.

Mr. ARRINGTON. Okay. Please do.

Last question, just on numbers. Did you say you do have or don't have the average payout or drawdown per veteran for these modifications? So exhausting all three, if they need—if they did exhaust all three or if they just chose to drawdown one time, what is the average?

Mr. LONDON. Well, I can give you that number. I just don't have that number off the top of my head, but we do have the capability to get that number.

Mr. ARRINGTON. Do you know approximately? Is it 60? 70? 75? Is it lower? Can you give me a ballpark?

Mr. LONDON. I would say it is north of 50 percent. That is my guesstimate.

Mr. ARRINGTON. Okay. North to 50 percent of the total?

Mr. LONDON. Of the total, that is correct.

Mr. ARRINGTON. Okay. But it is not 79, 99, 99?

Mr. LONDON. I would have to look at the numbers, but I can't make a commitment to you, but I would say it is definitely north of 50 percent.

Mr. ARRINGTON. And what ballpark range, what percentage of veterans like Ryan over there drew down 100 percent and had a net amount left I don't ever because it just cost him—whatever the cost was, was greater than the benefit? Do you know the percentage of veteran that is in a situation like that of all that your customers?

Mr. LONDON. I want to make sure I understand your question, because Mr. Kules' situation was a little different. If I understand correctly, at the time that he went through the SAH process, the grant amount was around \$64,000, and he exhausted that grant amount, but he needed more at that time.

Mr. ARRINGTON. In that case—

Mr. LONDON. Right, in that case.

Mr. ARRINGTON [continued].—what percentage of veterans don't have enough to draw down to meet their need?

Mr. LONDON. Oh. Let me—I will answer the question this way, sir: I believe in each and every case that we have, if we had more dollars available, we would be able to provide more adaptive features.

Mr. ARRINGTON. Okay. Thank you all for coming.

Yeah. Yeah, Ranking Member, I yield time to you.

Mr. O'ROURKE. Yeah. Sorry. And sorry to interrupt you, Mr. Chairman. I just—one quick thought, and hopefully you agree. Just given that we have got Mr. London here, we have someone who helps to do the contracting and construction and is very familiar with the process, someone who advocates for veterans and helps shepherd them through the process and somebody who has been through the process.

I wonder, given all the great suggestions that we got from Mr. Kules talking about three-time eligibility and the general suggestion on clarifying the limitations on blindness and dual amputation, some of the other suggestions and questions that came up, would it be possible for our two staffs and Mr. London to work together on cost estimates for Mr. Kules' suggestion, understanding what that would be, whatever statutory changes we need to make per Mr. London's advice and then share that with the Committee? And if there is common ground on some of these issues—and I think there is going to be—and it requires an act of Congress, we can begin that from this Committee—

Mr. ARRINGTON. Absolutely.

Mr. O'ROURKE [continued].—because I think we have got all the necessary stakeholders here to make that progress.

And whatever you can do administratively, Mr. London, and you can report back to us and say, “Hey, I have been able to take care of this issue,” all the better. And then we can go back to our constituents and share that as well.

Mr. ARRINGTON. Absolutely.

Mr. LONDON. Absolutely.

Mr. O'ROURKE. So that would just be the suggestion for all parties here.

Mr. ARRINGTON. Not only is that a reasonable consideration that, to me, is the essence of our job. And I am glad you mentioned that. And let's get—let's make that happen.

Mr. London, we will execute on that after we close out today, and then we will have that additional discussion with the Members of the Committee. So great suggestion.

Mr. O'ROURKE. Great. Thank you.

Mr. ARRINGTON. Again, really appreciate you guys, very informative and productive.

I am going to say it again, Mr. London, I am always impressed with you and your professionalism. That is not easy because I get very frustrated with these hearings and what is not happening that I think should happen. But you conduct yourself well, and you represent, I think, the very best of the VA. I really believe that.

So thank you for your professionalism and your forthrightness. Let's keep working together. It will only work when you identify things that, as my colleague suggested, where we can help because you can't and your organization can't. It is a matter of law and policy that Congress must take up. So keep the lines of communication open. God bless.

Mr. LONDON. Thank you.

Mr. ARRINGTON. And we will close out with these formal remarks: I ask unanimous consent that all Members have 5 legisla-

tive days in which to revise and extend their remarks and include any extraneous material in today's hearing.

Hearing no objection, so ordered.

This hearing is adjourned.

[Whereupon, at 3:08 p.m., the Subcommittee was adjourned.]



## A P P E N D I X

### Prepared Statement of Jeffrey London

Good morning Chairman Arrington, Ranking Member O'Rourke, and other Members of the Subcommittee. Thank you for the opportunity to appear before you today to discuss the Department of Veterans Affairs (VA) Specially Adapted Housing (SAH) Grant program.

#### Overview

The mission of VA's Housing Benefits program is to maximize opportunities for Servicemembers and Veterans to obtain, retain, and adapt their homes by providing viable and fiscally responsible benefits in recognition of their service to our country. VA recognizes that the process of delivering SAH benefits to Servicemembers and Veterans as a part of this program requires timeliness, innovation, expertise, and continuous improvement.

We empower Servicemembers and Veterans with information and access to innovative, high-quality products and services, and we actively engage industry and non-profit partners in delivering benefits in an efficient and effective manner. Loan Guaranty Service's SAH program and the Individualized Independent Living Plan (IILP) from the Vocational Rehabilitation and Employment (VR&E) program are available to eligible Servicemembers and Veterans. As such, please note that when I refer, throughout my testimony, to Veterans who are eligible for these programs, this also includes Servicemembers. Through our focus on Servicemembers and Veterans, the partnerships we have developed, and our continuous drive to innovate in areas of operations and performance, we have built a high-performing SAH program that has provided over 37,000 grants, totaling over \$1.29 billion since the program's inception in 1948.

The SAH Program administers several types of grants that are available to Veterans under chapter 21 of title 38, United States Code (U.S.C.) Grants authorized under 38 U.S.C. § 2101(a) are most commonly used for making homes wheelchair accessible. Grants authorized under 38 U.S.C. § 2101(b) are generally used for other mobility-related issues throughout the homes. Temporary Residence Adaptation (TRA) grants, authorized under 38 U.S.C. § 2102A, are available to Veterans who reside temporarily with family members and need to adapt a family member's home to meet the Veteran's needs. Finally, under the recently enacted Public Law 115-177, assistance for housing adaptations made necessary under an IILP from the VR&E program now falls under the SAH Program. I will address this exciting change later in this testimony.

The statutes set forth Veterans' eligibility standards, which include criteria relating to entitlement for compensation under chapter 11 of title 38, U.S.C., term of military service, nature of disability, legal right to occupy the housing unit, and ability to afford the housing unit. Congress established maximum aggregate amounts of assistance available under sections 2101(a) and (b) grants and directed VA to increase such limits to correspond with increases in the residential home cost-of-construction index. Veterans can receive up to three grants of SAH assistance, subject to the aggregate limits. For fiscal year (FY) 2018, the aggregate limit is \$81,080 for section 2101(a) grants and \$16,217 for section 2101(b) grants. Section 2102A also ties TRA grants to the same cost-of-construction index as the one used for sections 2101(a) and (b) grants. The FY 2018 limits for TRA grants range from \$6,355 to \$35,593, depending on a Veteran's eligibility.

Since 2008, VA has administered SAH grants to Veterans and Servicemembers living outside the United States (OUS). These OUS Veterans live on nearly every continent across the globe in countries such as Germany, the Philippines, Thailand, Canada, Peru, and New Zealand. Since program inception, VA has approved 54 OUS grants, and SAH agents are currently monitoring 133 active cases for Veterans who are rated eligible or who are awaiting a VA compensation service entitlement decision.

In many instances, OUS Veterans use the SAH grant similarly to those Veterans who live in the United States; for example, to widen doorways or install roll-in showers to accommodate wheelchair access. However, housing conditions in some countries are such that the SAH grant provides Veterans with basic, but life-changing adaptations such as indoor plumbing and a means to bathe independently.

VA's approach to administering OUS grants is in-person individualized service and relationship building with Veterans. Some Veterans living abroad are disconnected by location or technology from the United States Government and VA benefits. Our SAH agents make it their mission to develop productive relationships with Veterans and work closely with them at every stage of the grant process. Our agents have provided a lifeline for Veterans in need of SAH or other VA assistance, who would have not, otherwise, been served.

Since 2016, VA has made SAH Assistive Technology (SAHAT) grant funding available to individuals, researchers, and organizations to develop new technology that will expand home modification options for Veterans and Servicemembers and enhance their ability to live in specially adapted homes. Under 38 U.S.C. § 2108, VA can award an aggregate amount of \$1 million of SAHAT grants per fiscal year, with each awardee receiving not more than \$200,000 per fiscal year. In the first three grant award cycles, VA received 41 applications and selected 10 recipients whose innovative work will help expand home modification options for Veterans seeking to live more independently. Grant recipients range from academic institutions to private-sector technology companies. Over \$1.3 million in grant funds have been awarded under the SAHAT program thus far. Examples of approved projects include the building of a fully-adapted model home complete with technological advancements that consumers can tour and see in real-life what the "art of the possible" is, and use that experience to inform their individual project decisions. SAHAT grant funds have also contributed to the development of enhanced touch-voice-eye activated assistive technology. Once SAHAT grant projects are completed, SAH agents include information on these technologies and resources in their initial conversations with Veterans.

VA takes a very individualized approach to customer outreach under the SAH Program. Due to the complex and individual nature of each grant, it is imperative for VA's SAH agents to consistently, frequently, and personally communicate with Veterans throughout the entire process. Each individual Veteran's disability and housing situation is unique, and as such, requires personalized case management from SAH agents. While the standard outreach methods, such as letters, are used to notify the Veteran of his or her eligibility, the SAH staff utilizes personalized communication from that point forward. Initial program interviews with Veterans are conducted in-person within 30 business days of eligibility determination, and personal agent-to-Veteran contact occurs at least every 30 business days throughout the SAH process. A typical SAH case involves numerous communications and in-person meetings to best understand and communicate the Veteran's unique needs and to help the Veteran navigate the home adaptation process through to completion. VA also conducts yearly outreach on approximately 4,600 active SAH cases and for roughly 18,000 Veterans who might be eligible for, but are not actively pursuing, an SAH grant.

VA employees across the Nation provide support to the SAH program, including SAH agents, who work directly with individual Veterans and their families in their homes, and construction and valuation subject matter experts who employ their knowledge of construction and home modification projects to ensure Veterans' home adaptation projects meet their adaptive housing needs and are completed in an effective manner.

### **Recent Program Trends**

In the past 2 decades, VA has seen a sharp increase in SAH grant benefit usage. In the past 10 years, overall grant approval volume has nearly doubled (a 194-percent increase), and in each of the last 3 fiscal years, VA has posted program record grant approval volume (FY 2015: 1,709; FY 2016: 1,914; FY 2017: 1,926).

Several legislative enhancements to the SAH program have contributed to the increased volume. For example, section 2102 requires annual adjustments to monetary caps to help grant amounts keep pace with costs of construction. Section 2102 also allows for up to three separate grants of assistance, subject to the aggregate limits. Congress has also periodically expanded the eligibility criteria for certain SAH grants.

So, too, have VA's efforts contributed to increased volume in SAH grant usage. VA has emphasized outreach to the Veteran population, Veterans Service Organizations (VSO), and non-profit organizations whose missions focus on constructing or adapting homes for severely disabled Veterans. VA has also made changes to the

SAH grant approval process to empower local decision making. Other factors contributing to SAH grant volume increases are the sustained period of wartime in the United States and an increase in the number of Veterans who survive service-connected injuries with severe limb damage or traumatic brain injury, or who are diagnosed with devastating service-connected conditions. The SAH program has become a very important benefit to Veterans in helping to transition to and sustain an environment of independent, barrier-free living.

### **Special Focus Areas**

#### *Expedited Grant Processing*

In the past year, VA has implemented several procedural changes to the SAH program to de-layer the grant process and empower our local staff to make decisions aimed at improving service to Veterans and decreasing overall grant timeframes. Key among these are the policies implemented to target several major sources of grant delays: Veterans' selection of contractors, construction/modification plan approvals, and compliance with the program's minimum property requirements (MPR).

In quarter 2 of FY 2018, VA began providing SAH-eligible Veterans with a roster of local contractors who have completed a project in the SAH program since FY 2014. VA is careful to inform Veterans that this list is for informational purposes only and does not endorse or connote official VA relationships with builders/contractors on the list. The provision of this list has helped reduce Veteran frustration and time spent in identifying local contractors who are familiar with SAH program construction and administrative requirements.

Second, in 2017, VA issued the revised Handbook for Design, which is a quick-reference tool for SAH agents and contractors/builders to use in developing plans that meet SAH Veterans' unique housing needs. By clarifying specific design requirements, the Handbook reduces the amount of effort spent on developing a project plan that meets the SAH program's unique requirements.

Additionally, VA added "recommended adaptations" in lieu of the multitude of MPRs that were previously required on all projects. Instead of an opt-out process that required every grant process to address every MPR, and for VA to waive those that did not apply or were not needed, we now allow an "opt-in" approach. In this new process, the SAH agent works with the Veteran to determine the adaptations relevant to a Veteran's individual situation. Although a small list of MPRs are still necessary for every project (e.g., an accessible primary bathroom, and a safe and clear ingress and egress from the home), the opt-in approach customizes the process for each Veteran and saves time in the overall grant process.

#### *Expediting Other VA Benefits*

Further, the SAH program has worked to facilitate faster delivery of other associated VA benefits. The SAH program's system of records now supports direct access by the Veterans Mortgage Life Insurance (VMLI) program staff, so they can query and view case information necessary to establish VMLI eligibility. Previously, SAH agents served as unnecessary intermediaries between VMLI staff and program data. Since VMLI provides up to \$200,000 in mortgage life insurance to apply toward the balance of certain outstanding housing loans in the event of the Veteran's death, expediting VMLI approvals ensures that Veterans and their families receive this important and meaningful earned benefit in a more timely manner.

#### *Rapidly Progressive Conditions*

Because the SAH event cycle is largely variable and reliant on external factors, VA has taken measures to reduce the benefits delivery timeframes within its control. Improvements in benefits delivery are even more critical when they involve SAH grants for Veterans diagnosed with rapidly progressive conditions. Since 2000, VA has closed over 2,500 cases for Veterans who have these types of circumstances, and presently, we have an active SAH caseload of nearly 300 Veterans. Many of these Veterans wish to maintain their personal independence and network of caregiver and family support by remaining in their own homes while confronting their condition.

VA is proud to serve these Veterans in their time of need by enabling such a decision and has made some notable process improvements to expedite SAH grant final approvals for these Veterans. In the case of these Veterans, SAH agents are trained to evaluate what primary home adaptation is most needed in the Veteran's present stage of his or her condition, then move forward quickly with that adaptation as the focus for the final grant approval. This approach allows the Veteran's case to receive grant approval more quickly than the traditional grant process, which required that all MPRs be met prior to grant approval. As the Veteran's condition progresses and

additional adaptations are needed or desired, VA assists with supplemental SAH grants (subject to aggregate amounts of assistance allowed).

### **Upcoming Program Enhancements**

#### *SAH Business Process Reengineering:*

The SAH program is nearing completion of a business process reengineering study. Conducted by gathering input from Veterans, private-sector builders and contractors, and a variety of subject matter experts within the program, the study is developing fully documented “As-Is” work processes and a desired “To-Be” state for administering the SAH program. A business requirements document for an information technology (IT) system to support the “To-Be” environment is also being developed. In addition to work required to initiate development of the supporting IT system, the program is reviewing and validating the study outputs and determining what processes might be implementable prior to the rollout of the new technology.

#### *Transition of Home Modifications for Independent Living*

In implementing Public Law 115–177, enacted June 1, 2018, VA is also providing enhancements to Veterans’ housing adaptation benefits by transitioning the administration of housing adaptation benefits that are part of an IILP from the VR&E program to the SAH program. Although both programs have worked collaboratively within VA for many years to deliver this important benefit, implementation of the law will make it easier and more efficient for VA to deliver housing adaptation benefits to Veterans.

A team of subject matter experts have concluded evaluations of statutory and regulatory framework considerations and are now focused on addressing workforce concerns and developing formal policy and procedures, training, and IT system enhancements necessary for smooth and efficient transition. Transition efforts are taking special care to focus on the Veteran customer perspective and experience. VA expects to have these new policies and procedures in place by January 2019. We note that in the intervening period, VA is committed to ensuring no eligible Veteran will go unserved. VA has and will continue to seamlessly provide housing adaptations identified in the IILP, as part of VA’s VR&E program.

### **Program Outreach**

The SAH program focuses its current outreach to Veteran customers, VSOs, and non-profits that support Veterans, the construction and adaptation industry, and the technology sector. SAH capitalizes on events and programs sponsored by other VA programs and VSOs to directly access our Veteran customers. These outlets provide opportunities for the program staff to engage with Veterans on a group or individual basis by answering questions about the application process, and often assisting eligible Veterans to apply for the SAH grant program on the spot.

SAH staff also attends events sponsored by organizations such as the National Association of Home Builders and other housing industry trade groups to provide information and education on the different aspects of the SAH mission and process and to create opportunities for more targeted outreach with industry contractors, manufacturers, and suppliers. Further, the SAH program also builds relationships with experts in the disability housing adaptation community, an industry that is in a constant state of innovation and improvement. These relationships ensure that the SAH program remains apprised the latest technology.

While the missions of the SAH program and non-profit organizations or VSOs are not always identical, they are often symbiotic, and most importantly, both VA and non-profit stakeholders seek to serve our Veterans. For these reasons, SAH makes every effort to work closely with VSOs and non-profit organizations to ensure that Veterans are provided with the highest level of support possible in identifying, funding, and implementing home adaptations that support their ability to live independently. Some Veterans who do not meet statutory or regulatory requirements for SAH grant eligibility, or those whose adaptive housing needs exceed SAH grant maximums can be assisted by non-profit organizations. Likewise, fostering relationships that have open communication and close coordination with non-profit organizations and VSOs ensures that Veterans, who may not otherwise know about the SAH program, are connected with benefit and program information.

VA also conducts outreach to Veterans impacted by natural disasters. Public Law 112–154 provided a one-time re-use of the SAH benefit to help eligible Veterans whose homes have been damaged or destroyed as a result of a natural disaster disaster. After a disaster occurs, SAH staff at the Regional Loan Centers seeks out SAH grant recipients to determine their status and to ascertain whether their adapted homes have sustained damage. The general purpose of this effort is to de-

termine which Veterans (if any) may require assistance in getting their homes repaired or replaced using any SAH grant funds that may be available to them. While not all grant recipients whose homes sustained damage require VA assistance (damage is often minor in nature and covered by insurance), it is very important to ensure these disabled Veterans are aware of any grant funds VA may be able to provide to help with housing that meets their needs. Recently, after Hurricane Harvey, VA SAH staff conducted multiple outreach attempts to the 240 SAH grant recipients living in the impacted area.

VA's SAH program seeks to continuously improve, however, and is presently analyzing its existing outreach and stakeholder communications strategies to identify opportunities for additional collaboration with existing stakeholders, gaps in communication and outreach to different program stakeholders, and for new tools or avenues to reach Veterans and non-profit stakeholders. VA will use the outputs of this analysis to develop its communication and outreach plans for SAH activities occurring in FY 2019.

#### **Legislative Matters**

VA looks forward to continued discussions with the Subcommittee on how service to our Veterans can be enhanced. Notably, two key SAH-related provisions are set to expire in 2018. Public Law 115-62 temporarily expanded VA's authority to provide SAH grants to Veterans with injuries to one lower extremity and to administer the SAHAT grant program. VA supports the extension of this authority, subject to availability of funding.

#### **Conclusion**

Mr. Chairman, we will continue to provide our Nation's Veterans with efficient, effective, and meaningful programs centered on meeting their adaptive housing needs. Thank you for your continued support of our programs and for this opportunity to speak today. This concludes my testimony, and I welcome any questions that you or other Members of the Subcommittee may have.

#### **Letter To Chairman Arrington and Ranking Member Beto O'Rourke**

The Honorable Jodey Arrington  
Chairman  
Subcommittee on Economic Opportunity  
Committee on Veterans' Affairs  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

Please accept this letter as a clarification for the record of my testimony during the hearing entitled "A Review of VA's Specially Adaptive Housing Grant Programs (SAH)" held on Thursday, September 6, 2018. Specifically, I would like to clarify my statement that VA does not have the statutory authority under the SAH program to assist Mr. Kules, or other Servicemembers or Veterans with similar SAH usage, with future adaptations to his home.

During the hearing, Mr. Kules testified that he used the full aggregate amount of his SAH grant entitlement of approximately \$64,000 in his first home adaptation. He also stated that when he later purchased his second home he was ineligible for any SAH assistance, even though he had not exhausted his three lifetime SAH usages and the aggregate amount of SAH entitlement had increased since his first usage. I confirmed that because Mr. Kules did not have any remaining entitlement following his first grant usage, VA was unable to provide any assistance for his second home adaptation - e.g., any amount previously remaining, plus any increase in the aggregate amount of assistance authorized by law since the previous usage.

Upon further review of the statute and SAH policies, I realized I misspoke on this issue. In this regard, the authorizing statute (38 U.S.C. § 2102) prohibits subsequent usage only if either of the following conditions is true:

- 1) The Veteran has utilized the SAH grant program three times.
- 2) The amount of SAH grant funds previously used by the Veteran is equal to the current aggregate amount of SAH assistance allowable by law.

VA notes that prior to October 1, 2009, the aggregate amount of assistance available under the SAH program was fixed in statute and required congressional action to effectuate an increase. As such, Veterans who utilized their full grant amount were generally unable to qualify for a subsequent grant as Congress issued only one increase between June 15, 2006, (the date Congress authorized three, rather than

one, lifetime SAH usages) and October 1, 2009 (the date VA began annual adjustments to the SAH aggregate entitlement amount in line with the Turner Building Cost Index, as authorized by section 2605 of Public Law 110–280 122 Stat. 254).

VA's current policy reflects the statute, and VA will qualify a Veteran who previously utilized the aggregate amount of assistance, but has not reached the three-time usage limit, for a subsequent grant in an amount equal to the difference between the previous aggregate amount of assistance and the current (new) aggregate amount of assistance. Further, VA's Loan Guaranty Service sends out annual contact letters to all Veterans who are entitled to SAH and have a current case status of "inactive," but have not exhausted their lifetime usage limit. The purpose of the annual contact letter is to notify Veterans of possible additional entitlement to grant funds based on past usage and/or annual increases in the aggregate amount of assistance allowable by law.

VA acknowledges that Mr. Kules' entitlement may be affected because of the policy articulated in this letter. Loan Guaranty Service reached out to Mr. Kules and the Wounded Warrior Project to clarify the policy articulated above. Mr. Kules was notified of his entitlement and his SAH Agent is scheduled to meet with him to discuss his remaining entitlement.

I sincerely apologize for the error and hope the Subcommittee finds this clarification helpful. A similar letter has been sent to Ranking Member O'Rourke. If you have any further questions, please contact Elena Joa, Congressional Relations Officer, via phone at (202) 461–6457, or via email at elena.joa@va.gov. Thank you for your continued support of our mission.

Jeffrey F. London  
Director  
Loan Guaranty Service

cc: The Honorable Gus Bilirakis  
The Honorable Bill Flores  
The Honorable Jim Banks  
The Honorable Brian Mast  
The Honorable Mark Takano  
The Honorable J. Luis Correa  
The Honorable Kathleen Rice

---

#### **Prepared Statement of Brigadier General Tom Landwermyer, USA (Ret)**

Chairman Arrington, Ranking Member O'Rourke and distinguished members of the Veterans' Affairs Subcommittee on Economic Opportunity. I am grateful that you have granted Homes For Our Troops the opportunity to testify before this Subcommittee to review the VA's Specially Adapted Housing (SAH) Grant Program.

Homes For Our Troops (HFOT) is a national nonprofit based in Taunton, Massachusetts that builds and donates specially adapted custom homes nationwide for severely injured post-9/11 Veterans. Since 2004, we have completed 261 homes in 42 states, and we currently have 94 projects under construction or in the land search process. The homes we build are completely accessible to someone in a wheelchair, and as a result our Veterans are able to live in an environment that is safe and reduces further injury. Our Veterans have all been injured in the Afghanistan and Iraq theaters. As a result of living in a specially adapted, mortgage free home, our home recipients and their families are afforded the opportunity to live safely in a barrier free environment, allowing the Veteran, their spouse, and families to pursue personal and professional goals that might not be possible otherwise.

We are familiar with the SAH Grant eligibility requirements, as we use the grant as a screening criterion for our program. With the exception of blind Veterans, we build homes exclusively for SAH qualified Veterans. Since our beginning in 2004, Homes For Our Troops has worked closely with the Department of Veterans Affairs to assist our severely injured Veterans, and we enjoy a close, productive working relationship. In March of this year, our staff met with the VA SAH representatives to discuss the challenges and recommendations we will highlight in our testimony.

The Specially Adapted Housing Grant Program enables Veterans to regain their independence, enjoy greater economic opportunity, and adapt to their new normal. However, we see several challenges with the SAH program as it is today.

First, we agree with our colleagues from the Wounded Warrior Project and Paralyzed Veterans of America that a number of Veterans who have used their SAH grant to modify their homes will eventually, as a result of the aging process or additional medical complications, require additional extensive modifications to their

home. The ability to access the full SAH grant amount a second time, after a set time period from the first grant, would enable these Veterans to continue to live a normal life.

A major challenge we see with the SAH Grant program is with the eligibility criteria. The post-9/11 generation of Veterans is returning home with injuries that are currently not covered by the SAH grant criteria despite their need for specially adapted housing features. Specifically, Veterans who have non-correctable blindness, and those or who have suffered the loss or loss of use of both hands, do not qualify for SAH benefits. These Veterans qualify for the SHA Grant, which provides significantly less monetary assistance than the SAH grant. As you can imagine, total blindness requires numerous technological and voice activated adaptations to a home to enable the Veteran to regain some of the freedom and independence he or she lost.

Additionally, whether a Veteran loses his or her arms above or below the elbow, they still have lost the most important part, their hands. Again, this requires significant adaptations to the home. Current guidelines are confusing as to what delineates the difference between loss of arms or loss of hands (Exhibits A and B on page 4 of this testimony).

In 2012, Congress expanded eligibility criteria with Public Law 112-154 Honor America's Veterans Act (Exhibit C on page 5 of this testimony). This expansion added the following criteria for SAH eligibility:

*The loss, or loss of use of one or more lower extremities due to service on or after September 11, 2001, which so affects the functions of balance or propulsion as to preclude ambulating without the aid of braces, crutches, canes, or a wheelchair*

This expansion is only available to 30 recipients per year with a yearly sunset provision. As a result, many Veterans who applied prior to this expansion in 2012 and were denied SAH benefits are unaware that they are now eligible for the SAH Grant. This has caused significant confusion in the Veteran community. We have also encountered situations where VA agents were unaware that a Veteran should be qualified under the expansion criteria.

On an administrative note, many VA offices send SAH checks to Veterans. This can cause delays in receipt of funds, or the check can become lost in the mail or lost once it arrives at the Veteran's home.

The VA does an outstanding job of administering the Specially Adapted Housing program. We have several recommendations we think will further enhance the program.

- 1) Congress alter language to reinstate the full grant if a service-connected disability becomes progressively worse as the veteran ages.**
- 2) Congress expand the SAH criteria to include total blindness.**
- 3) Congress expand the SAH criteria to include loss or loss of use of both hands.**
- 4) VA take steps to ensure all staff are knowledgeable concerning the expansion of the grant criteria. Additionally, the VA can notify all Veterans who were denied SAH eligibility prior to the expansion that took effect on October 1, 2012, that they may now meet the expanded criteria.**
- 5) VA change how they transfer funds in support of the SAH program, shifting to Electronic Funds Transfer to streamline the process and eliminate lost checks.**

As the post-9/11 Veteran population returns to the civilian world, it is important that the VA and Veterans nonprofits continue to work together to assist these brave men and women in receiving the benefits they have earned.

Homes For Our Troops is committed to working with our partners at both the VA and other Veterans nonprofits to ensure that our Nation's severely injured Veterans are able to regain the freedom and independence they have sacrificed in service to our nation. We appreciate the opportunity to present to this committee the challenges within the current SAH program. By making the changes to the SAH program we have highlighted here, we can ensure that our Veterans receive the opportunity to live in a safe environment that will allow them to continue to contribute to their families, community, and their country.

Thank you,

H. T. Landwermeyer, Jr.  
Brigadier General, USA Retired  
President and CEO  
Homes For Our Troops

**Exhibits A,B,C**

**Exhibit A**

**Specially Adapted Housing (SAH) Grant**

Eligibility	Living Situation	Ownership	Number of Grants You Can Use
<ul style="list-style-type: none"> <li>Loss of or loss of use of both legs, OR</li> </ul>			
<ul style="list-style-type: none"> <li>Loss of or loss of use of both arms, OR</li> </ul>			
<ul style="list-style-type: none"> <li>Blindness in both eyes having only light perception, plus loss of or loss of use of one leg, OR</li> </ul>			
<ul style="list-style-type: none"> <li>The loss of or loss of use of one lower leg together with residuals of organic disease or injury, OR</li> </ul>			
<ul style="list-style-type: none"> <li>The loss of or loss of use of one leg together with the loss of or loss of use of one arm, OR</li> <li>Certain severe burns</li> </ul>	Permanent	Home is owned by an eligible individual	Maximum of 3 grants, up to the maximum dollar amount allowable

**Exhibit B**

**Special Housing Adaptation (SHA) Grant**

Eligibility	Living Situation	Ownership	Number of Grants You Can Use
<ul style="list-style-type: none"> <li>Blindness in both eyes with 20/200 visual acuity or less, OR</li> </ul>			
<ul style="list-style-type: none"> <li>Loss of or loss of use of both hands, OR</li> </ul>			
<ul style="list-style-type: none"> <li>Certain severe burn injuries, OR</li> </ul>			
<ul style="list-style-type: none"> <li>Certain severe respiratory injuries</li> </ul>	Permanent	Home is owned by an eligible individual or family member	Maximum of 3 grants, up to the maximum dollar amount allowable

**Exhibit C**

**Specially Adapted Housing (SAH) Grant (Expansion under PL 112-154 Honor America's Veterans Act)**

The loss, or loss of use of one or more lower extremities due to service on or after September 11, 2001, which so affects the functions of balance or propulsion as to preclude ambulating without the aid of braces, crutches, canes, or a wheelchair \*

*\* This eligibility criteria is limited to 30 recipients per fiscal year (FY). The cap for FY 2018 was reached in November 2017. Servicemembers or Veterans that have the qualifying disabilities to be rated eligible, but did not receive one of the 30 grants due to the cap being reached, may be able to utilize this benefit in FY 2019 or future years if the authority is continued by law, and provided the new FY cap is not also surpassed.*

---

### Prepared Statement of Steven Henry

Chairman Arrington, Ranking Member O'Rourke, and members of the Subcommittee, Paralyzed Veterans of America (PVA) would like to thank you for the opportunity to offer our views on the Department of Veterans Affairs' (VA's) Specially Adaptive Housing Grant Programs.

The Specially Adaptive Housing Grant Programs help veterans with certain service-connected disabilities to live independently in a barrier-free environment by providing critical housing adaptations. Many PVA members have benefited greatly from the Specially Adapted Housing (SAH) grant program. The accessibility provided through this program greatly increases the quality of life for these veterans. PVA also represents a large number of veterans who have been diagnosed with Amyotrophic Lateral Sclerosis (ALS). For these veterans, time is of the essence in providing the dignity of accessible housing.

In any construction project, whether it's a Federal project or one carried out by a private homeowner, there are checks, balances, and procedures that must be followed due to legal constraints. Projects completed under the SAH program are no different. Under VA's manual, M26-12, the following steps occur during the grant process.

- SAH Application / Eligibility
- Pre-grant Approval: Initial Interview
- Pre-grant Approval: Feasibility and Suitability
- Getting to Conditional Approval
- Getting to Final Approval
- SAH Agent's Responsibility During Construction and Handling Disputes/ Complaints
- Compliance Inspection and Review of Compliance Inspection Reports
- Escrow
- Supplemental Grants

PVA employs a highly-trained force of over 70 National Service Officers (NSOs) across the nation who develop benefits claims for both member and non-member clients. After recently surveying our NSOs, we heard time and again that SAH is a great program and the SAH agents are dedicated employees who work tirelessly in assisting veterans with completing the grant process. Even with the dedication of the SAH agents, however, veterans are still encountering difficulties. In our survey, we found three consistent concerns with the SAH program: finding a contractor, timeliness of the modifications, and inconsistency among SAH regional offices.

PVA's first concern with the SAH program is a veteran's inability to locate a responsible and experienced contractor to complete SAH modifications. One of the complicating factors with the SAH program is that a veteran must submit three bids to VA as part of the SAH process. Normally, this would not be terribly difficult for a homeowner who is completing a typical project; however, there are very few contractors who actually have experience with making home modifications for disability access. If a veteran resides in a rural area, it's even more difficult to find an appropriate contractor.

With government bureaucracy comes a lot of red tape, which in the case of SAH is a lot of paperwork and procedures. VA will often ask repeatedly for the same paperwork making the process very redundant. Consequently, many contractors are not willing to work with VA. Furthermore, VA is known to take a long time to pay SAH contractors, so they must complete the work before being compensated. This results in contractors having to carry construction costs on their own. Normally, contractors have a payment schedule so they are not forced to do this. To improve the relationship between contractors and VA, we recommend that VA work more closely with building associations to educate their members about SAH. Such relationships would not only ensure that contractors have more knowledge about the required paperwork but they could also lead to improved processes as VA learns more from contractors about how to facilitate their participation.

PVA's second concern is the timeliness of modifications. After surveying our NSOs, we have found that many veterans are waiting an average of 6-8 months (up to two years in some cases) to have the modifications completed. The ability to safely live independently is priceless and any processes that foster delays must be addressed.

For example, the average person diagnosed with ALS lives an average of two to five years after diagnosis. Many veterans represented by PVA rarely live past one year after diagnosis; therefore, timely completion of SAH modifications is imperative. There have been instances where veterans have passed away before the modifications have been completed.

Recently, PVA met with VA executive leadership to discuss the SAH program and to voice our concerns. We raised our concern with timeliness and how long veterans have to wait to receive SAH modifications. Although VA will not prioritize the cases of veterans with terminal illnesses, their cases are expedited. An example of a case being expedited is instead of completing all the necessary work at one time, only the most important modifications will be completed. Then, as more work becomes necessary, it will be completed using supplemental grants.

Despite the ability for cases to be expedited, PVA still finds timeliness to be an issue. For veterans who have been diagnosed with ALS, after eight months, their condition can be so advanced that their abilities are severely restricted. PVA is concerned about these veterans' quality of life. It is unacceptable for them to wait months, only to die before receiving the needed modifications.

The very nature of ALS presents different circumstances than those present for many other SAH eligible veterans. For veterans who have been diagnosed with ALS, their health declines so quickly it's imperative they receive modifications as soon as possible to increase what life they have left. PVA believes that the cases of veterans with terminal illnesses, like ALS, should be prioritized. If VA is unwilling to do so, then Congress must pass legislation directing it.

Lastly, PVA is concerned about consistency in the administration of the SAH program across the nation. PVA found a general consensus from our NSOs about concerns with the SAH program; however, some NSOs also raised concerns about the quality and speed of the work which seemed to depend entirely on the geographic location of the veteran. This is troubling based on the fact that compared to other programs, SAH is very small. It should not be as difficult for VA to maintain a standard across the board. Veterans should not be punished for where they choose to reside. Instead, they should be able to receive quality service regardless of the location of their residence.

In some locations, SAH agents are tasked with additional duties, including having to complete home appraisals for VA home loans and for veterans who are going through the process to refinance their VA mortgage. Those same agents are also required to answer phone calls from VA's general hotline number that have nothing to do with the SAH program. PVA understands all positions carry the need to perform additional duties; however, to require SAH agents to complete tasks unrelated to SAH is unacceptable. We have also discovered that at least one SAH office communicated to its agents that cases of terminal veterans were not to be expedited, that "all veterans were to be treated the same."

In light of our various concerns, we will begin meeting with the national SAH program leaders on a monthly basis to increase feedback on the program. We are very pleased to have this type of open communication with VA. We hope that through heightened communication with program leaders and the oversight of this Subcommittee that the program's administration will improve and result in better experiences with this program for PVA members.

Aside from changes VA could make to improve the administration of SAH, we also believe that Congress must act to improve access to needed housing adaptations. In its recommendations to the 115th Congress, the co-authors of The Independent Budget (IB), Disabled American Veterans, PVA, and the Veterans of Foreign Wars, recommended that Congress establish a supplementary housing grant that would cover the cost of new home adaptations for eligible veterans who have already used their initial grants. Without the ability to access such a grant, veterans may be forced to choose between surrendering their independence by moving into an inaccessible home or staying in their current home simply because they are unable to afford the cost of modifying a new home.

Alternatively, we would support Congress providing increased funding for the grant to better meet the needs of veterans throughout their lives. Although PVA appreciates previous changes that resulted in the grant being increased based on the Commercial Construction Index (CCI), the current benefit of \$81,080 for SAH is not enough to cover the costs associated with making the necessary modifications to a home. Veterans with catastrophic disabilities related to their military service have

the right to live as independently as possible for as long as they are able. The SAH program must support that independence.

PVA would like to thank you for the opportunity to offer our views on VA's Specially Adaptive Housing Grant Programs. We look forward to any follow up questions you may have.

---

### Prepared Statement of Ryan Kules

Chairmen Arrington, Ranking Member O'Rourke and distinguished members of the Subcommittee on Economic Opportunity - thank you for inviting Wounded Warrior Project (WWP) to submit the following testimony on our review and recommendations for improvements regarding the Department of Veterans Affairs' Specially Adaptive Housing Grant Program (SAH).

Since our inception in 2003, we have grown from a small organization delivering comfort items in backpacks at the bedside of wounded warriors here in our nation's capital to an organization of nearly 600 employees in more than 25 locations around the world delivering over a dozen direct-service programs to warriors and families in need. Through our direct-service programs, we connect these individuals with one another and their communities; we serve them by providing mental health support and clinical treatment, physical health and wellness programs, job placement services, and benefits claims help; and we empower them to succeed and live life on their own terms. We communicate with this community on a weekly basis and are constantly striving to be as effective and efficient as possible.

Over 119,000 service members, veterans, and their family support members are currently registered with Wounded Warrior Project, and the need is great and growing. Thus far in Fiscal Year 2018, we are averaging more than 1,200 new registrations per month. As these needs grow, however, so has the foundation of support for our mission. More than 6.5 million donors and 3.5 million social media followers are invested in the work we are doing and helping us care and advocate for post-9/11 wounded warriors.

As leading advocates for service members, veterans, and their families, WWP strives to fill any gaps in care that VA offers. One program where we have seen issues arise is the VA Specially Adaptive Housing Grant Program. VA's Specially Adaptive Housing Grants provide allowances to service members and veterans with certain permanent and total service-connected disabilities. These grants help with the purchase or construction of an adaptive home or modifications of an existing home to help accommodate a disability. Eligible grantees include those who have lost the use of both arms and/or both legs, those who are blind in both eyes, and those who have certain severe respiratory injuries, or certain severe burns. The total amount of funds that an individual can use is currently \$81,080. A veteran or service member can access these funds up to three times and cannot exceed the capped amount.

Through our Independence Program (IP) and our Veterans Disability Benefits Services Team, WWP assists veterans and service members in need of home modifications for daily living if they do not qualify for VA SAH grants. This program is a long-term support program available to warriors living with moderate to severe traumatic brain injuries, spinal cord injuries, or other neurological conditions that impact independence. Assistance specific to home adaptations includes, but is not limited to, building ramps, increasing the size of hallways, and adding handlebars throughout the home. Additionally, WWP has partnerships with specialized neurological case management teams at Neuro Community Care and Neuro Rehab Management that provide individualized services. These teams focus on increasing access to community services, empowering warriors to achieve goals of living a more independent life and continuing rehabilitation through alternative therapies. In 2018, the Independence Program will deliver more than 200,000 hours of care to the nearly 700 enrolled warriors. If the VA SAH grant falls short in assisting a veteran or service member, WWP's Independence Program is there to help. The goal of any veteran service organization is to augment VA, not fill gaps where there are shortfalls.

Not only is WWP assisting veterans with special housing needs through our Independence Program but WWP has a team of VA disability benefit counselors helping warriors apply for VA SAH grants. To better understand the areas that are lacking in VA's SAH grant process, our national benefit assistance office polled WWP disability benefit counselors across the country. Using the information gathered from our poll, we were able to identify a host of issues regarding the SAH grant program. Some of these responses are listed at the end of this testimony. These issues range

from the number of grants authorized each year to the difficulty in finding builders to work with the VA and its bidding process.

**Overview of the SAH Grant Process:**

The Veterans Benefits Administration (VBA) employees around 700 employees in regional offices across the country. These employees are responsible for executing the policy guidance received by the VA Central Office (VACO). These employees fall under the Construction and Valuation (C&V)/SAH Division. Their primary function is to provide assistance and administration for the VA Home Loan Program to include real estate appraisals, providing oversight of the Appraisal Processing Program (LAPP), and administration of the SAH program. C&V staff includes VA Staff Appraisers, Valuation Officers, Loan Specialists, and SAH Agents.

SAH Agents deliver the SAH grant benefit to veterans by meeting with veterans at their desired future place of residence. They assist by providing an overview of the grant, oversight of the building process, and processing of paperwork. SAH staff members will have access to the residence during its construction/renovation and will provide hands-on guidance and suggestions for home modifications to improve mobility and promote independence. The SAH Agent will provide project management during active construction projects and serve as the liaison between the veteran and building contractor. They will complete the project by conducting one final field review to assess the home and its adaptations.

Below are the top issues that were raised by our disability benefits team, veterans, and contractors that WWP interviewed.

**Grant caps for injuries that become progressively worse:**

Currently, VA authorizes SAH grants to an eligible veteran up to three times not to exceed the capped authorized amount of \$81,080. WWP understands that Congress needs to cap benefit amounts for budgetary reasons; however, this can lead to troubling lapses in care for severely wounded warriors. There are instances where severely wounded veterans who used the SAH grant to modify a home were left without assistance after their disability became worse. Additionally, it is not uncommon for veterans to spend their own funds to modify a home due to a variety of reasons. These costs can easily amount to over \$50,000 for a severely wounded veteran. Veterans who have maxed out the grant but need additional home changes because their injury deteriorates over time are not eligible for the SAH grant if they have already reached the cap. As an example, a bilateral amputee who walks using prosthetics and used SAH grants to adapt two homes at different periods of their life now requires a wheelchair to move. Because the veteran only used the grant twice, he could use it one more time; however, because he already used the total amount of funds authorized, he would be forced to pay out of pocket for the wheelchair adaptation.

As highlighted in our oral testimony, a colleague of ours, Ryan Kules was faced with a very similar issue. He bought a home in Maryland and used the SAH grant to modify the house to meet his needs. As a double amputee who lost his right arm and left leg in Iraq he had some unique requirements to modify this home for daily living. While the initial grant did help in addressing these needs, he was required to spend his own money to cover all the costs. In 2015, he decided to move to a more family friendly neighborhood. He sold the home that was purchased in 2009 but unfortunately, he could not recuperate the money spent on the adaptive changes. Although he did earn money in the sale due to earned equity, he learned that adaptive disability changes do not typically increase the value of the home. His needs were not different when purchasing his next home and unfortunately was required to spend the equity earned from the sale of his first house on making adaptive changes to his second home. He spent in excess of \$90,000, making the necessary changes to his second home. Currently, he can walk with the use of a prosthetic leg but uses a wheelchair at home. If his disability were to become worse, he would need to pay for a ramp and other wheelchair alteration to his current home. Because of this, he is limited in where and when he can move due to his disability. If his family were to grow, he would be faced with finding a new home to accommodate the need for more bedrooms. If he wanted to retire in a different city, he would need to spend money adapting the new home. Mr. Kules will need to adapt any home that he purchases and because of the extent of his injuries, costs in purchasing a new home will be extensive.

Wounded Warrior Project recommends that Congress alter language to reinstate the grant if a service-connected disability deteriorates as the veteran ages. It is not uncommon for a young veteran to use the grant on their first home. As the wounds of service become worse, veterans and service members should not be expected to pay out of pocket for future home adaptations. We suggest the full benefit be rein-

stated to those in the program every ten years to accommodate moving and normal life changes. It is not reasonable to expect a veteran to buy a home and never leave over their entire life. This benefit is reserved for those catastrophically injured. These injuries will not go away over time. Therefore, this should be a lifetime benefit, not a one-time benefit.

**Confusing Language Regarding Eligibility on the VA Website:**

Understanding the online qualifications for VA’s SAH grants and other home adaptation programs are difficult to understand on VA’s website. Additionally, the classification of “severe burns” and other vague language as an eligibility criterion for admission into the grant program is not clearly defined. For individuals not accustomed to VA qualification language and disability definitions, eligibility into the SAH program can be daunting and difficult to navigate.

The excessive use of qualifying language such as “or,” in conjunction with vague language such as “certain severe burns” could convince eligible veterans that they are not authorized to use the SAH grant program. The website that hosts information regarding the VA Caregiver Program has a tool that allows veterans and family members to answer specific questions through an online questionnaire to determine possible eligibility<sup>1</sup>. WWP recommends that VA develop a similar tool to help determine eligibility for SAH grants.

**Specially Adapted Housing (SAH) Grant**

Eligibility	Living Situation	Ownership	Number of Grants You Can Use
<ul style="list-style-type: none"> <li>• Loss of or loss of use of both legs, <b>OR</b></li> <li>• Loss of or loss of use of both arms, <b>OR</b></li> <li>• Blindness in both eyes having only light perception, plus loss of or loss of use of one leg, <b>OR</b></li> <li>• The loss of or loss of use of one lower leg together with residuals of organic disease or injury, <b>OR</b></li> <li>• The loss of or loss of use of one leg together with the loss of or loss of use of one arm, <b>OR</b></li> <li>• Certain severe burns, <b>OR</b></li> <li>• The loss, or loss of use of one or more lower extremities due to service on or after September 11, 2001, which so affects the functions of balance or propulsion as to preclude ambulating without the aid of braces, crutches, canes, or a wheelchair *</li> </ul>	<p>Permanent</p>	<p>Home is owned by an eligible individual</p>	<p>Maximum of 3 grants, up to the maximum dollar amount allowable</p>

There is also confusion regarding eligibility requirements published in the Code of Federal Regulations, the VA’s M26-12 Specially Adapted housing Grant Processing Procedures manual<sup>2</sup>, and Public Law 112-154<sup>3</sup>. Currently, the SAH program is separated into two different groups. The permanent program has one set of disability requirements and the second “extended program” has a separate set of requirements. Additionally, the extended program must be reauthorized each year by Congress and only 30 grants are authorized in a given fiscal year. This nonconformity causes much confusion to those unfamiliar with the SAH program or VA benefits.

Wounded Warrior Project recommends that VA clearly define on its website what “certain severe burns” and other vague language or indicate where a veteran, service member, or advocate may locate these definitions. WWP also recommends VA update the online website to clearly include the expansion programs disability re-

<sup>1</sup> <https://www.va.gov/healthbenefits/resources/caregiver—eligibility—check.asp>

<sup>2</sup> <https://www.benefits.va.gov/WARMS/M26—12.asp>

<sup>3</sup> <https://www.gpo.gov/fdsys/pkg/PLAW-112publ154/html/PLAW-112publ154.htm>

quirement and clearly explain the differences between both sets of requirements. Lastly, WWP recommends the Federal Regulation, VA Procedures Manual, and Public Law be reviewed and updated.

**Limiting usage of the SAH Program to three times:**

Service members and veterans are authorized to use the grant program a total of three times. Additionally, there is a cap on this benefit of \$81,080. As disabilities worsen and families move, it is possible that a veteran will need to use this program more than a total of three times. If a veteran is injured when they are 20 years old and use the SAH grant to build their first home, it is unreasonable to assume that this veteran will not move more than three times before the end of their life. According to a 2016 census study, homeowners will move on average of five times in their life. Renters will move on average of 23 times in their life<sup>4</sup>. Additionally, many former service members end up working for the Federal government. These positions can require multiple changes of duty station over their civil service career. WWP recommends removing the condition that a service member or veteran may only use the benefit three times. Given that there is a monetary cap to the benefit, we see the additional criteria of limiting the number of times an individual can use the grant as arbitrary and unnecessary.

**Contractors dealing with VA red tape:**

After talking with multiple contractors who built homes for disabled veterans that utilized the VA SAH grant, numerous issues were highlighted that need to be addressed by VA. The most frustrating aspect of the grant process between the contractor and veteran seems to be the Pre-Grant Approval process. For a veteran to be approved for a “pre-grant,” they must have a proposed house plan to show the VA. To get a housing plan drawn up by a contractor requires the veteran to obtain monetary backing from a financial institution. To gain this financial backing, the contractor must provide the veteran with a price quote for the construction of the home. These quotes are set for a given amount of time and are tied into the construction loan through the financial institution. These price quotes do not last an indefinite amount of time due to the cost of lumber and other building supplies.

Once the veteran has obtained financing and building plans, they must go to the VA for the Pre-Grant Approval Process. During this Pre-Grant Approval Process, the lot/housing unit inspection must be completed within 30-business days of the initial interview. After which, the financial and medical feasibility determinations must be made within 20-business days from the date of the lot/housing unit inspection. Once that is complete, the results of the study must be communicated to the veteran within 10-business days of finalizing the review. This entire process can take as long as two months before the veteran learns if the grant is approved or denied.

Contractors that we spoke with explained that many times the price quote becomes void before the VA can complete this process. This requires the veteran to return to the builder, obtain a new price quote, go back to the financial institution and update the home loan, and then resend the documents to the VA. This creates much consternation between the veteran and the contractor. Wounded Warrior Project recommends that VA becomes more conversant and an expert in the building process and adapt its approval timeline to match industry standard. It is important to note that this is only for the Pre-Grant Approval process. The veteran and contractor must also submit additional paperwork to reach the “conditional approval status” which can take even longer as the VA Central Office is the only grantor of this status. This conditional approval is “property specific” so if the VA takes too long, and the lot is sold, or the contractor backs out due to excessive VA red tape, the veteran must start over again.

Another complaint address by builders is when the VA releases payment of funds to the contractor. Most contractors will draw from the financial institution’s loan fund each month to cover the future months building costs. This is done industry-wide. With the VA SAH grant, the builder is required to carry the initial construction costs until after the final home review. Only then will the VA release the SAH grant to the veteran/contractor. With the additional VA paperwork, a government non-contractor project manager as additional oversight, and the added financial burden of covering the financial costs for the veteran before being reimbursed by the VA, there are little incentives for a contractor to accept a SAH grant. In fact, of all the contractors we talked with, none stated they would accept another SAH grant applicant. This is a concern for Wounded Warrior Project. Veterans who reside in rural

<sup>4</sup><https://www.census.gov/newsroom/blogs/random-samplings/2017/01/mover-rate.html>

areas will have fewer options in obtaining a contractor bid. WWP recommends VA review its application and oversight process to incentivize builders to work with veterans and be careful not drive them away. One possible solution is for the VA to build out a “pre-selected/pre-approved” national builder list of contractors that have already been vetted by the VA. VA currently pre-vets schools for veterans using the Post-9/11 GI Bill and Vocational Rehabilitation programs.

**The limitation of 30 grants each Fiscal Year:**

Currently, VA authorizes 30 “expanded” SAH grants each year. This expansion allows SAH grants for individuals that are blind, those who have lost the use of both hands, and those with other qualifying disabilities as defined by VA<sup>5</sup>. If VA receives more than 30 grants in a given fiscal year (FY) these applicants must re-apply during the next year’s cycle. According to VA, “[t]he cap for FY 2018 was reached in November 2017. Servicemembers or Veterans that have the qualifying disabilities to be rated eligible, but did not receive one of the 30 grants due to the cap being reached, may be able to utilize this benefit in FY 2019 or future years if the authority is continued by law, and provided the new FY cap is not also surpassed<sup>6</sup>.” With a maximum of 30 grants each fiscal year, and assuming that each grant is maxed out at \$81,080, the total amount of funds that would be spent on this expanded program any given FY would be \$2,432,400 nationwide. It is obvious that the need is much larger than the program can authorize given that in FY 2018, VA reached its authorized 30 grants in November of 2017. That meant the total grants allotted were reached in the second month of the fiscal year. This is very problematic and must be addressed.

The SAH grant is not costly in comparison to other veteran benefit programs. It is also a benefit that is critical for those with the most severe injuries in that it gives some semblance of normality to these veterans. By turning away veterans who are in need of the SAH benefit only because of an arbitrary cap is dishonoring the sacrifices these veterans made in service to this country. WWP recommends removing the 30 limit and assisting all service members and veteran who need to adapt their homes due to service connect severe injuries. Additionally, this extended SAH benefit must be reauthorized each year. We recommend the extended program become permanent to ensure stability in this critical veteran benefit.

The VA Specially Adaptive Housing Grant assists the most critically ill, injured, and Wounded Warriors find solitude in their homes as they transition from service into the civilian world. Although it has great intentions, Wounded Warrior Project believes the VA is correctly implementing the intent of the SAH program. Complaints regarding excessive wait times, overburdensome red tape, and vague language continually pushing veterans and contractors away from its utilization<sup>7</sup>. There is a need for oversight as contractors have been known to take advantage of veterans. However, the current process is pushing good contractors away which can be just as harmful to the veteran. We hope that with this testimony, we can bring light to some of the issues veterans and contractors face when dealing with VA SAH grants. If we were to make one recommendation, we would ask that Congress reauthorize the benefit for veterans who have disabilities that become worse every ten years. Many of the issues in this testimony can be addressed by VA internally, however, Congressional approval is needed to expand the benefit.

Wounded Warrior Project thanks the Subcommittee on Economic Opportunity, its distinguished members, and all who have contributed to the policy discussions surrounding VA’s SAH benefit under review at today’s hearing. We share a sacred obligation to serve our nation’s veterans, and WWP appreciates the Subcommittee’s effort to identify and address the issues that challenge our ability to carry out that obligation as effectively as possible. We are thankful for the invitation to testify and stand ready to assist when needed on these issues and any others that may arise. If you have any additional questions, please feel free to reach out to our Government Relations in D.C.

**Supplementary Questions for VA:**

In addition to the issues addressed above, Wounded Warrior Project has compiled a list of questions and comments brought up by our benefits counselors and interviews with veterans and contractors. Wounded Warrior Project recommends these questions be reviewed and answered by the VA or any other appropriate party.

<sup>5</sup> <https://www.gpo.gov/fdsys/pkg/PLAW-112publ154/html/PLAW-112publ154.htm>

<sup>6</sup> <https://www.benefits.va.gov/homeloans/adaptedhousing.asp>

<sup>7</sup> <http://www.unionleader.com/veterans/Disabled-vet-has-VA-cash-but-no-contractor-for-accessibility-addition-01052017>

1. Would it be more cost-effective to have SAH Agents in all VA regional offices and not just in the Hawaii regional office and 9 VA Regional Loan Centers?
2. Why are SAH Agents responsible for the medical and financial feasibility assessments and what is the criteria for hiring SAH Agents?
3. Why are veterans and builders expected to do so much work up front to obtain conditional approval for which both parties incur expenses when the VA will not provide guaranty or warranty of any structural changes to the building and stays out of any litigation should it arise?
4. It is not fair that if the grant process is terminated after a veteran meets the criteria for conditional approval, but the amount is never paid, it will count as one of the three grants uses under 38 C.F.R. §36.4403. Why is the VA policy written as such?
5. What happens to homes built using SAH/SHA grants that are damaged by natural disasters? Apart from FEMA-based flood insurance requirements, and access to Veterans Mortgage Life Insurance, there seem to be no protections in place for adapted homes that have been affected by damage from natural disasters.
6. According to the VA FY 2019 / FY 2017 Annual Performance Plan and Report (APP&R) Loan Guaranty section for Specially Adapted Housing grantees who believe adaptation obtained under the program has helped them live more independently (VBA #653), during FY 2017, the Specially Adapted Housing Survey was not administered, nor will it be administered in FY 2018. As such, and in consideration that this metric has been removed for external reporting purposes, no baseline is available for FY 2018, nor will any survey results be reported. Therefore, how can VA accurately determine the success of the program without any measurable metrics?
7. How often do veterans have to pay out-of-pocket to have the adaptations completed?
8. Why does the VA provide no recourse or support for veterans whose homes experience construction issues after all funds have been disbursed, and why are builders who are found to have performed sub-par work after-the-fact not sanctioned by the VA?
9. What is the claim processing time frame from application submission to the construction of the home? It is impossible to determine based on review of the M26-12; however, there are at least four months of obtaining various approvals before a bid is even considered, and longer before a contract is obtained. Does this long and complicated process, for which the VA wants total involvement unless something wrong happens, contradict the intent of the legislation?
10. Do all the requirements that come as part of the grant application procedure discourage veterans in need from obtaining benefits they are entitled to by law?

