

**STATEMENT OF
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VETERANS BENEFITS ADMINISTRATION
BEFORE THE
HOUSE COMMITTEE ON VETERANS' AFFAIRS
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Good evening, Mr. Chairman and Members of the Subcommittee. I am pleased to be here today to provide the views of the Department of Veterans Affairs (VA) on H.R. 3218, the "Harry W. Colmery Veterans Educational Assistance Act of 2017." Unfortunately, due to the late notice of the hearing and the receipt of the draft bill on July 10, 2017, we are unable to provide complete cost estimates for many sections.

Accompanying me today is James Ruhlman, Assistant Director for Policy and Procedures of the VA Education Service.

TITLE I – POST-9/11 EDUCATIONAL ASSISTANCE PROGRAM

SECTION 101

Section 101 would amend 38 United States Code (U.S.C.) § 3301(1)(B) to count the time that a reservist is ordered to active duty to receive authorized medical care, be medically evaluated for disability, or complete a Department of Defense (DoD) health care study, as active duty for purposes of the Post 9/11 Veterans Educational Assistance Act of 2008. The amendment would be retroactive to immediately after enactment of the Post-9/11 Veterans Educational Assistance Act of 2008, and a

reservist could use such entitlement to pursue a course of education on or after August 1, 2018.

VA supports the intent of section 101, regarding the proposed changes to qualifying active duty service under the Post-9/11 GI Bill, subject to the availability of funds. We note, however, that this change to the eligibility criteria would require VA to make modifications to the type of data exchanged between DoD and VA through the VA/DoD Identity Repository and displayed in the Veteran Information System. In addition, new rules would need to be programmed into the Long term Solution system (LTS) in order to calculate eligibility based on service described in new section 3301(1)(B) and to allow for retroactive benefit payments, while limiting awards of educational assistance based on such service to programs pursued on or after August 1, 2018. VA estimates that it would need one year from enactment to complete these changes.

There are no additional full time equivalent employee (FTE) or general operating expense (GOE) costs associated with the proposed legislation.

SECTION 102

Section 102 would amend 38 U.S.C. § 3311(b) by consolidating the current amount of qualifying active duty service required after September 10, 2001, for payment of educational assistance at the 50-percent and 60-percent benefit levels under the Post-9/11 Educational Assistance Program. As a result, the current benefit level requiring at least six months but less than twelve months of active-duty service would be eliminated. This means that an individual with aggregate service of at least six

months but less than eighteen months of active-duty service (excluding entry and skill training) would qualify at the 60 percent benefit level. Section 102 would be effective on August 1, 2018.

VA supports section 102, subject to the availability of funds. VA estimates that it would require one year from the date of enactment to make modifications to the LTS necessary to implement section 102. We have not, however, fully determined if there would be any costs associated with information technology (IT) changes.

Finally, additional conforming amendments to title 38 U.S.C. would be required based upon the changes made by amending section 3311(b) and 3313(c).

There are no FTE and GOE costs requirements associated with this section.

SECTION 103

Section 103 would amend 38 U.S.C. § 3311(b) to expand Post-9/11 GI Bill educational assistance to individuals awarded the Purple Heart for service in the Armed Forces occurring on or after September 11, 2001, at the same rate (100%) as for individuals entitled to Post-9/11 GI Bill educational assistance who served at least 3 years on active duty or who served at least 30 days on active duty and were discharged for a service-connected disability. Section 103 would also allow such Purple Heart recipients to participate in the Yellow Ribbon G.I. Education Enhancement Program. Section 103 would be effective August 1, 2018.

VA supports section 103, subject to the availability of funds. Because VA would need to modify its existing IT system to implement section 103, there would be associated IT costs. Specifically, VA would need to modify the LTS, VA's Post-9/11 GI Bill processing system, to verify eligibility for Purple Heart recipients. VA would also

need to make changes to the VA application forms (VA Form 22-1990 and Veterans On-Line Application) to identify Purple Heart recipients. VA suggests a review of other medals, i.e., Medal of Honor, Silver Star, and Service Cross, recipients of which could also merit eligibility at the 100% benefit level as well.

SECTION 104

Section 104 would provide that a reservist who established eligibility to educational assistance under 10 U.S.C. § 16163(a)(1) before November 25, 2015, and loses eligibility for such assistance under 10 U.S.C. § 16167(b) would be able to elect to have such service credited towards establishing eligibility under 38 U.S.C. § 3313 equal to the number of months of entitlement remaining under chapter 1607 of title 10 U.S.C.

VA supports the intent of section 104 because it would provide educational assistance benefits for individuals who abruptly lost eligibility to the Reserve Educational Assistance Program on November 25, 2015. However, VA has the following concerns regarding section 104. First, section 104(c) refers to 38 U.S.C. § 3311(b)(6) as amended by section 104(a); however, section 104(a) does not contain an amendment to section 3311(b)(6). We believe that section 104(c) should refer to section 102(a) of the bill, and we recommend that section 104(c) be amended accordingly. Second, we interpret section 104(c) to mean that all individuals establishing eligibility under this provision would be eligible for Post-9/11 GI Bill benefits at the 60-percent benefit level, regardless of the amount of aggregate service. However, section 104 is silent as to how additional active-duty service not credited toward chapter 1607 would impact the benefit level of an individual who establishes

eligibility to the Post-9/11 GI Bill under section 104. We would be happy to provide further technical assistance as necessary to accomplish the desired intent.

There are no additional FTE or GOE cost requirements associated with this section.

SECTION 105

Section 105 would amend § 3313(c)(1)(B)(i)(I) of title 38 to provide for the calculation of the monthly housing allowance (MHA) payable under the Post-9/11 GI Bill based on the location of the campus where the individual physically participates in a majority of classes, rather than the location of the institution of higher learning (IHL) at which the individual is enrolled. Section 105 would apply to the initial enrollment in a program of education on or after August 1, 2018.

VA supports section 105 because it would make MHA payments commensurate with the cost of housing in the location where students actually attend classes. In particular, section 105 would address two situations in which the current MHA is likely not aligned with the cost of living where an individual actually attends classes: (1) courses that are held at a branch or satellite location of an IHL rather than at the IHL's main campus; and (2) online degree programs that require some in-residence courses. We believe that section 105 would also remove the issue of the amount of the MHA as a factor in choosing a school and instead allow students to focus on the educational program when choosing an IHL. VA would need to modify LTS in order to calculate MHA based on whether the initial enrollment in a program of education occurred on or after August 1, 2018.

VA is unable to determine if any costs or savings would result from section 105 because of a lack of data on trainees who attend school at a branch location with a zip code that is different than the main campus. Therefore, the total increase or decrease in MHA payments cannot be determined. This legislation would ensure that MHA payments are relative to the trainees' actual training location and cost of living, not the main campus' location. Additionally, this bill would prevent trainees from seeking an IHL that would yield a higher MHA payment at a main campus when compared to a branch campus. If trainees no longer seek IHLs based on higher MHA payments, this may result in a savings. However without data, VA cannot determine if this bill would result in any costs or savings. There are no additional FTE or GOE cost requirements associated with this section.

SECTION 106

Section 106 would amend 38 U.S.C. §§ 3315(c) and 3315A to allow for the proration of entitlement charges for licensing and certification examinations and national tests under the Post-9/11 GI Bill based on the actual amount of the fee charged for the test. Section 106 would also add educational assistance for chapter-33 beneficiaries for a "national test that evaluates prior learning and knowledge and provides an opportunity for course credit at an institution of higher learning as so described." The amendments made by this section would apply to a test taken on or after August 1, 2018.

VA supports section 106 because it would benefit Post-9/11 GI Bill beneficiaries by reducing the negative impact of test reimbursement on their remaining benefit entitlement and increasing the months of training available for the beneficiaries, thus

expanding educational opportunities. Under current sections 3315 and 3315A, an individual is charged entitlement for the reimbursement of fees associated with a licensing or certification exam, or a national test, in whole months. Thus, VA charges an individual 1 month of entitlement for each \$1,832.96 reimbursed for the academic year beginning on August 1, 2016, rounded to the nearest whole month, regardless of the cost of the test. However, VA suggests that the parenthetical “(rounded to the nearest whole month)” be struck from sections 3315(c) and 3315A(c) as the phrase would now be superfluous.

As noted in VA's Fiscal Year (FY) 2017 legislative proposal, the Department believes the law should be amended to charge entitlement for reimbursement of VA approved exams at a prorated number of days of entitlement based on the ratio of the cost of the test to the statutory amount.

There are no additional FTE or GOE costs associated with this section.

SECTION 107

Section 107 would add a new section 3699 to title 38 U.S.C. which would provide that, if VA finds that an individual was forced to discontinue pursuit of a course or courses under the Post-9/11 GI Bill as a result of closure of an institution or disapproval of a course of study and did not receive credit or lost training time toward completion of the program being pursued at the time of closure, any payment of educational assistance to the individual for pursuit of the course or courses would not be charged against the individual's entitlement to benefits under the Post-9/11 GI Bill or counted against the aggregate period for which 38 U.S.C. § 3695 limits the individual's receipt of

educational assistance. The period for which educational assistance would not be charged against entitlement or counted toward the aggregate period under section 3695 would not exceed the aggregate of the portion of the period of enrollment from which the individual failed to receive credit or lost training time, and the period by which a monthly stipend is extended under section 3680(a)(2)(B) of title 38. VA may treat a course of education that is disapproved under this chapter as being approved, if VA determines, on a case-by-case basis, that the course was disapproved for one of the reasons stated above and continuing the course is in the best interest of the individual.

Section 107 would also amend section 3680(a) of title 38 U.S.C. to authorize VA to prescribe regulations to continue awarding a monthly housing allowance stipend under the Post-9/11 GI Bill following a permanent school closure or the disapproval of a course of study as described in section 3699(b)(1)(B). The housing allowance would be payable until the earlier of the date of the end of the term, quarter, or semester during which the school closure or disapproval occurred; or 120 days after the date of the school closure or disapproval. The proposed legislation would take effect 90 days after enactment and apply to courses and programs of education discontinued after January 1, 2015.

VA supports section 107. The closure of educational institutions while GI Bill beneficiaries are actively pursuing an approved program of education or training negatively impacts student Veterans and eligible dependents. While VA can pay benefits for the term, quarter, or semester up to the time of the school's closure, the student is charged entitlement for the period prior to the closure for which benefits are received, even if the student does not earn any credit toward completion of a program.

In some instances, this could result in a beneficiary exhausting chapter-33 entitlement prior to being able to complete his/her program at another institution. Allowing VA to restore entitlement and to continue to pay MHAs in the event of a school closure would be in the best interests of Veterans and would help ensure that they are able to successfully complete their educational goals.

VA sees no need for the provision that would allow for the restoration of entitlement in cases involving course disapproval. Current VA policies provide that whenever a program loses its approval, any student currently enrolled in the program is allowed to complete the current term because, unlike in the case of a school closure, the students may still pursue the program. Therefore, there are not any students who do not receive credit, or lose training time, toward completion of the program as a direct result of the disapproval. Consequently, inclusion of disapproved courses in section 107 is superfluous.

There are no additional FTE or GOE costs associated with this section.

SECTION 108

Section 108 would amend 38 U.S.C. § 3317(a) to provide that recipients of the Marine Gunnery Sergeant John David Fry Scholarship would be covered under the Yellow Ribbon GI Education Enhancement Program. The Yellow Ribbon program is currently available to Veterans and most transfer of entitlement recipients receiving Post-9/11 GI Bill benefits at the 100% benefit level attending institutions of higher learning. The program provides payment for up to half of the tuition and fee charges that are not covered by the Post-9/11 GI Bill, such as charges that exceed an academic

year cap or out-of-state charges, if the institution enters into an agreement with VA to pay or waive an equal amount of the charges that exceed Post-9/11 GI Bill coverage. This section would be effective on August 1, 2018.

VA supports the intent of section 108, subject to the availability of funds. Also, VA estimates that implementation of section 108 would require one year from the date of enactment to make needed modifications to the Benefits Delivery Network (BDN), the VA-Online Certification of Enrollment (VA-ONCE), and LTS.

There are no additional FTE or GOE costs associated with this section.

SECTION 109

Section 109 would amend 38 U.S.C. § 3319 to authorize transfer of unused Post-9/11 GI Education Assistance benefits to a different eligible dependent upon the death of the originally designated dependent if the dependent dies before using such entitlement. Also, if an individual transferring entitlement under section 3319 dies before the dependent to whom entitlement is transferred has used all of such entitlement, the dependent would be able to transfer such entitlement to another eligible dependent. Section 109 would apply to deaths on or after August 1, 2009, and the entitlement could be used on or after August 1, 2018.

VA defers to DoD regarding the amendment providing for designation of a dependent upon the death of the originally designated dependent. Currently, an individual cannot designate a new dependent to receive a transfer of entitlement to Post-9/11 Education Assistance after separating from the Armed Forces. However, we interpret section 109 to provide that if a Servicemember or Veteran does not transfer the

maximum entitlement to a dependent, the amount that was not transferred would be forfeited.

VA supports allowing an eligible dependent to transfer entitlement to another eligible dependent if the individual who transferred entitlement dies before the designated dependent uses all of his or her entitlement. Currently, if an individual who has transferred entitlement subsequently dies, no additional changes to the transferred entitlement are authorized.

There are no additional FTE or GOE costs associated with this section.

SECTION 110

Section 110 would add a new section, 3320 to title 38 U.S.C. to create the Edith Nourse Rogers STEM Scholarship. The scholarship would provide up to 9 months of additional Post-9/11 GI Bill benefits to an individual who: (1) has used all of his or her Post-9/11 GI Bill educational assistance or who will, based on the individual's rate of usage, use all such assistance within 180 days of application for benefits; and (2) is enrolled in a program of education leading to a post-secondary degree that requires more than the standard 128 semester (or 192 quarter) credit hours for completion in biological or biomedical science; physical science; science technologies or technicians; computer and information science and support services; mathematics or statistics; engineering; engineering technologies or an engineering-related field; a health profession or related program; or a medical residency program, and has completed at least 60 standard semester (or 90 quarter) credit hours in a field listed above, or has earned a post-secondary degree in one of these fields and is enrolled in a program of

education leading to a teaching certification. Priority would be given to individuals who require the most credit hours and to individuals who are entitled to 100 percent of Post-9/11 GI Bill benefits. Each eligible individual would be entitled to a one time lump-sum payment that is the lesser of the amount available under 38 U.S.C. § 3313 or \$30,000. These additional benefits would not be transferrable to a dependent. Individuals who receive this scholarship would also be eligible for the Yellow Ribbon G.I. Education Enhancement Program. However, VA would not be authorized to issue any Yellow Ribbon payments for these individuals. Additionally, the total amount of benefits paid to all eligible individuals may not exceed \$100,000,000 during any fiscal year. Section 110 would be effective on August 1, 2018.

VA supports the intent of section 110 subject to the availability of funds. However, VA has concerns about the eligibility criteria for the additional educational assistance. As currently drafted, individuals who have completed at least 60 standard semester (or 90 quarter) credit hours in a science, technology, engineering, and mathematics (STEM) program of education at the point at which they exhaust the 36 months of the chapter-33 entitlement would be eligible for an additional 9 months of educational assistance. We do not believe that providing additional benefits under these circumstances would serve the purpose of section 110, which is designed for programs that require more than the standard 128 semester (or 192 quarter) credit hours for completion. The additional 9 months of educational assistance would not enable individuals who previously completed 60 standard semester hours of STEM classes to complete a STEM program.

In addition, it would be difficult for VA to gauge whether an individual would use all of his or her entitlement within 180 days from date of application for the scholarship. Several factors influence entitlement usage such as the length of the enrollment period and an individual's decision to reduce the number of classes in which the individual is enrolled or to withdraw from school for a period of time.

To implement section 110, VA would need to make modifications to VA-ONCE and LTS in order to verify eligibility and allow for the award of additional months of educational assistance. VA estimates that it would require 1 year from the date of enactment to make the IT changes necessary to implement section 110.

There are no additional FTE or GOE costs associated with this section.

SECTION 111

Section 111 would amend 38 U.S.C. § 3321(a) and (b) by eliminating the time limitation for use of Post-9/11 GI benefits by individuals, including children of deceased Servicemembers, who first become entitled to benefits on or after January 1, 2018. Individuals who first become entitled to Post-9/11 GI Bill educational assistance prior to January 1, 2018, would remain subject to the current 15-year time limitation for using their Post-9/11 GI Bill benefits.

VA supports section 111, subject to the availability of funds, because it would ensure that certain beneficiaries have an expanded opportunity to use all their Post-9/11 GI Bill educational assistance. However, section 111 would require VA to administer a lifelong program for millions of Veterans and dependents. As a result, additional staffing and IT resources would be needed because VA would have to make modifications to

the LTS. Also, section 111 could impact VA's ability to predict future workload trends and resource requirements.

SECTION 112

Section 112 would add a new subsection (j) to 38 U.S.C. § 3313 to provide for payment of MHA on a pro rata basis for any period in which a reservist pursuing a program of education is not performing active duty. More specifically, VA would award housing allowance benefits for each day of the month an individual is not serving on active duty. Currently, monthly housing allowance benefits for an otherwise eligible individual are terminated at the end of the month that the individual enters onto active duty service. When discharged, VA commences payment of the monthly housing allowance for an otherwise eligible individual at the beginning of the following month. This amendment would be applicable to a quarter, semester or term commencing on or after August 1, 2018.

VA supports section 112 as it would be equitable to prorate MHA payments for any period in which a reservist or individual is not performing active duty. We note, however, that section 112 would result in a decrease in the amount of MHA for the month in which a reservist is ordered to active duty and in an increase in the MHA for the month in which a reservist is released from active duty. Consequently, the amount of MHA that each reservist receives would depend upon the dates on which the reservist entered and was released from active duty. We note as well that new section 3313(j) would not apply to other persons on "active duty" as defined in 38 U.S.C. § 3301(1)(A) and (C).

We note that due to the proposed definition of “an individual” as specified in the bill, and current VA regulations, members of the regular components of the Armed Forces and members of the Army National Guard or Air National Guard serving on active duty would not be impacted by the amendment (i.e., changes to housing allowance benefits due to changes in duty status would continue to be effective at the beginning of the month following the change in duty status based on VA regulations). VA would have to modify the LTS to calculate the prorated MHA and manual award calculations and payment authorizations would be required until the LTS is modified.

SECTION 113

Section 113(a) would require VA to make changes and improvements to the Veterans Benefits Administration (VBA) IT systems to ensure that, to the maximum extent practicable, all original and supplemental claims for educational assistance under chapter 33 are adjudicated electronically and that rules-based processing is used to make decisions on such claims with little human intervention.

The proposed section would require VA to submit a plan to implement the changes and improvements to VBA’s IT systems to Congress no later than 180 days after enactment. VA would also be required to submit a report to Congress on the implementation of the changes and improvements one year after enactment.

Finally, this section would authorize an appropriation of \$30,000,000 to VA to carry out the requirements of this section during fiscal years 2018 and FY 2019. VA concurs that there is room to improve the automation of the processing of education benefits claims. VBA is currently working with the Office of Information and Technology

to assess IT capabilities. While VA is currently prioritizing replacement of legacy systems due to the risk of maintaining these systems, VA is also considering additional LTS functionality needed to provide faster and more accurate claims processing for those who apply for Post-9/11 GI Bill benefits and submit supplemental claims. The current average processing time for eligibility claims, which are not automated and are very labor-intensive, is 26 days. During calendar year 2017, an average of over 5,200 supplemental (reenrollment) claims were processed automatically each day using LTS, without human intervention. The remainder of the supplemental claims are processed using partial automation.

VA would be able to provide a plan of implementation for the required IT changes within 180 days after enactment; however, VA would require at least 24 months from the date of enactment in order to report on those changes due to the time needed for the procurement process, systems development, testing, and deployment.

No benefit costs are associated with section 113. There are no additional FTE or GOE costs associated with this section.

SECTION 114

Section 114 would require the Secretary of Veterans Affairs to carry out a pilot program for 5 years under which eligible Veterans who are entitled to educational assistance would be able to enroll in high technology programs of education. The term "high technology program of education" would be defined as a program of education that is offered by an entity other than an IHL, does not lead to a degree, and provides instruction in computer programming, computer software, media application, data

processing, or information sciences. Within 180 days after August 1, 2018, VA would be required to seek to enter into contracts with multiple qualified providers of such programs. Under these contracts, VA would agree to pay the provider 25 percent of the cost of providing the program of education upon enrollment of an eligible Veteran; 25 percent of the cost upon completion of the program by the Veteran; and 50 percent of the cost upon the employment of the Veteran in the field of study of the program following completion of the program. A qualified provider would be defined as a provider of a high technology program that has been operational for at least 2 years; has successfully provided the high technology program for at least one year; and meets the approval criteria developed by VA. VA would be required to give preference to a qualified provider that offers tuition reimbursement for students who complete a program of education offered by the provider and do not find full-time meaningful employment in the field of study of the program within the 180-days after completing the program. Each Veteran enrolled in a high technology program of education under the pilot program on a full-time basis would receive a monthly housing stipend as follows: in the case of a Veteran pursuing resident training, the monthly amount of the basic allowance for housing payable under section 403 of title 37 U.S.C. for a member with dependents in pay grade E-5 residing in the military housing area that encompasses all or the majority portion of the zip code area in which is located the institution at which the individual is enrolled; or in the case of a Veteran pursuing a program of education through distance learning, a monthly amount equal to 50 percent of the amount payable to a Veteran enrolled full-time pursuing resident training. This bill would require VA to submit to Congress a report on the pilot program not later than one year after the date

of enactment and annually thereafter. The bill would authorize an appropriation of \$15 million for each fiscal year during which the pilot program operates. The authority to carry out the pilot program would terminate 5 years after the date on which VA first enters into a contract under this bill.

VA has significant concerns regarding the implementation and administration of the pilot program. First, section 114 would apply to all Veterans entitled to assistance under any VA education program. However, it would also require payment of the Post-9/11 GI Bill MHA, which is a marked departure from the rates currently payable under programs other than the Post-9/11 GI Bill. VA recommends that section 114 apply only to covered individuals under the Post 9/11 GI Bill. Second, section 114 would require VA to manage contracts and pay providers that are not IHLs. Given the scope of the pilot program, VA would have to hire additional FTEs to manage the program. Finally, VA estimates that it would require 12 to 18 months from the date of enactment to make the IT system changes necessary to implement section 114 and the acquisition timeline for \$15 million in contracts.

Section 114 does not specify whether the mandatory Readjustment Benefits account, discretionary VBA GOE account, or a mixture of both would be used to fund the pilot program. However, direct costs of the pilot, including payments for contractors and housing allowance, are estimated to be \$15 million in 2018 and \$75 million over 5 years.

TITLE II – OTHER EDUCATIONAL ASSISTANCE PROGRAMS

SECTION 201

Section 201 would amend 38 U.S.C. § 3485(a)(4) by removing the expiration date of June 30, 2022, for work-study allowances for Veterans pursuing VA programs of rehabilitation, education, or training who perform certain "qualifying work-study activity," which includes outreach services for a State approving agency (SAA), providing hospital and domiciliary care and medical treatment to Veterans in a State home, or performing an activity relating to the administration of a national cemetery or a state Veterans' cemetery.

VA supports section 201 because it would permanently authorize work-study allowances for individuals who are performing work-study activities that involve providing services to or on behalf of Servicemembers and Veterans.

Benefit costs are estimated to be \$0 in FY 2018, \$277,000 over 5 years, and \$6.6 million over 10 years. There are no additional FTE or GOE costs associated with this section.

SECTION 202

Section 202 would amend 38 U.S.C. § 3511(a)(1) to provide educational assistance under the Survivors' and Dependents' Educational Assistance (DEA) program for 36 months for individuals who first enroll in programs of education using such benefits on or after August 1, 2018. Individuals who first enrolled in a program of education prior to August 1, 2018, would still qualify for a maximum of 45 months of entitlement.

VA supports section 202 as this would bring the amount of entitlement under the DEA program in line with the maximum number of months of entitlement under all other

VA educational assistance programs. VA would need to make modifications to the BDN in order to implement section 202.

There are no additional FTE or GOE costs associated with this section.

SECTION 203

Section 203 would increase the amounts of educational assistance payable for pursuit of institutional courses under the DEA program. An eligible person would be entitled to a monthly allowance of \$1,224 for full-time coursework, \$967 for 3-quarter time, and \$710 for half-time coursework. The increases would be effective August 1, 2018.

VA supports section 203, subject to the availability the funds, because it would provide additional funding for individuals currently utilizing the benefit for pursuit of these types of programs. These rates were last increased in 2003 and have only been increased through an annual cost of living allowance in subsequent years.

There are no additional FTE or GOE costs associated with this section.

TITLE III – ADMINISTRATION OF EDUCATIONAL ASSISTANCE PROGRAMS

SECTION 301

Section 301 would amend 38 U.S.C. § 3674(a) to provide that reasonable and necessary salary and travel expenses of SAA employees and local agencies that VA has agreed to pay would be payable out of appropriated amounts as well as from amounts available for payment of readjustment expenses. Section 301 would authorize \$3 million in appropriated funds per fiscal year, and the maximum total amount available

under section 3674 for any fiscal year would be increased from \$19 million to \$21 million. Beginning in FY 2019, the maximum total amount available for these expenses would increase by the same percentage as the annual increase in the benefit amounts payable under title II of the Social Security Act.

VA supports section 301 as it would provide additional federal funding in support of SAA duties. The current budgetary allocation of \$19 million, unchanged since 2007, has not kept up with the inflationary pressures experienced by state governments. SAAs must have the necessary funding to maintain their critical mission. VA believes the proposed increase in the funding level and the annual appropriation would prove sufficient to cover both inflationary pressures and the SAA's expanded workload.

There are no additional FTE or GOE costs associated with this section. We believe, however, that the language in new section 3674(a)(4) and (a)(5) requires further clarification. On the one hand, new section 3674(a)(4) would state authorize appropriations of \$3 million "[i]n addition to" the \$21 million provided for in new section 3674(a)(5). On the other hand, section 3674(a)(5) would state that the "total amount made available under this section for any fiscal year shall be \$21 million." It is unclear therefore whether appropriated funds for SAA funding would be \$21 million plus the \$3 million authorized in annual appropriations under section 3674(a)(4) or whether only \$21 million would be available.

SECTION 302

Section 302 of this bill would amend 38 U.S.C. § 3680A(a)(4) to authorize the use of Post-9/11 educational assistance to pursue accredited independent study

programs at the following educational institutions that are not IHLs: area career and technical education schools as defined in 20 U.S.C. § 2302(3) that provide post-secondary level education and postsecondary vocational institutions as defined in 20 U.S.C. § 1002(c). Currently, under section 3680A(a)(4), the Secretary may only approve enrollment in an "accredited independent study program (including open circuit television) leading (A) to a standard college degree, or (B) to a certificate that reflects educational attainment offered by an institution of higher learning." As such, VA is not authorized to pay educational assistance for independent study courses at an institution that is not considered to be an IHL.

VA supports section 302, subject to the availability of funds. This section would expand VA's approval authority to pay Post-9/11 GI Bill benefits for enrollment in accredited independent study certificate programs at educational institutions that are not IHLs but are accredited by an accreditor recognized by the Secretary of Education and at career and technical schools that lead to industry-recognized credentials and certificates for employment. VA understands and appreciates the importance of career and technical education courses and the growth in the utilization of online and other 21st century training modalities in the delivery of instruction for both degree and non-degree programs. As such, expanding the approval authority for certain independent study programs would be in the best interests of VA education beneficiaries.

We note that, because section 302 would amend 38 U.S.C. § 3680A, the expansion of benefits would not be limited to Post-9/11 GI Bill benefits. If the intent of section 302 is to limit this expansion to chapter 33 beneficiaries, the provision should be codified in chapter 33 or the bill should be revised to incorporate this limitation.

There are no FTE and GOE costs requirements associated with this section.

SECTION 303

Section 303 would amend 38 U.S.C. § 3698(c)(1)(C) to require VA to improve outreach and transparency to Veterans and Servicemembers by providing information on whether an IHL administers a priority enrollment system that allows certain student Veterans to enroll in courses earlier than other students.

VA supports section 303. VA's GI Bill Comparison Tool currently enables prospective students to compare educational institutions using key measures of affordability and value through access to school performance information and consumer protection information. Providing information about priority enrollment for Veterans would further help Veterans become informed post-secondary education consumers. VA would need to make modifications to the GI Bill Comparison Tool to include information on priority enrollments. VA estimates that it would need one year from enactment to make these changes.

SECTION 304

Section 304 would amend 38 U.S.C. § 3684(c) to revise requirements governing reporting fees payable to educational institutions and joint apprenticeship training committees. Section 304 would increase the annual fee to \$16 for each eligible individual enrolled in VA's education and vocational rehabilitation and employment programs. Section 304 would prohibit an educational institution or a sponsor of a program of apprenticeship with 100 or more enrollees from using reporting fees from VA

for or merging such fees with the amounts available for the general fund of the educational institution or sponsor of a program of apprenticeship. This section would be effective on August 1, 2018.

VA supports section 304 because it would prohibit schools and sponsors of apprenticeship programs from using reporting fees for, or merging such fees with, their general funds. Educational institutions and sponsors of apprenticeship programs are required to use reporting fees solely for making certifications or otherwise supporting programs for Veterans, and this would ensure that the reporting fees are used solely for those purposes.

There are no additional FTE or GOE costs associated with this section.

SECTION 305

Section 305 would authorize VA, in consultation with the SAAs, to provide training requirements for school certifying officials employed by covered educational institutions that offer courses of education approved under chapter 36 of title 38 U.S.C. If an educational institution does not ensure that a school certifying official meets the training requirements, VA may disapprove any course of education offered by the educational institution. A "covered educational institution" would refer to an educational institution that has enrolled 20 or more individuals using VA educational assistance, and a "school certifying official" would be defined as an employee of an educational institution with primary responsibility for certifying Veteran enrollment at the educational institution. This section would be effective on August 1, 2018.

VA supports section 305. VA currently provides guidance and training opportunities for school certifying officials via webinars, the School Certifying Official Handbook, and on the GI Bill website, but does not have the authority to require school certifying officials to complete this training or to disapprove educational programs if the training is not completed. Section 305 would provide VA with the authority to require school certifying officials to meet certain training requirements as determined by VA. VA suggests that the proposed requirements be codified in chapter 36 of title 38 U.S.C.

No benefit costs are associated with this section. There are no additional FTE or GOE costs associated with this section.

SECTION 306

Section 306 of the bill would amend 38 U.S.C. § 3692(c) to extend the authorization for the Veterans' Advisory Committee on Education (VACOE) through December 31, 2022. VACOE provides advice to the Secretary on the administration of education and training programs for Veterans and Servicemembers, members of the National Guard and Reserve Components, and dependents of Veterans under chapters 30, 32, 33, and 35 of title 38 U.S.C. and chapter 1606 of title 10, United States Code.

VA supports section 306. If authorization for the VACOE is extended, the Secretary would be able to continue to receive recommendations and seek advice from VACOE in order to enhance VA's educational assistance programs.

No benefit costs are associated with this section. GOE costs for the first year are expected to be \$51,000 and include oversight, member operations, travel, and other fees for 10 members of the VACOE. 5 year costs are estimated to be \$255,000.

SECTION 307

Section 307 would amend chapter 36 of title 38 U.S.C. to add a new section, 3697B, titled "On-campus educational and vocational counseling." New 38 U.S.C. 3697B would: (1) require VA to provide educational and vocational counseling services for individuals described in 38 U.S.C. 3697A at locations on IHL campuses as selected by VA; (2) provide criteria for the selection of IHLs to participate in these services; and (3) require that no later than 180 days after enactment, and each year thereafter, VA will submit a report to the Congress regarding the average ratio of counselors providing these services to individuals who receive these services at each location, a description of the services provided, and recommendations for improving the provision of these services.

VA supports the objectives of providing eligible participants with quality, readily available counseling services. However, we believe that section 307 would duplicate the VetSuccess on Campus (VSOC) program, which VA already administers under the Secretary's authority in 38 U.S.C. §§ 3115 and 3116. VSOC aims to help Veterans, Servicemembers, and their qualified dependents succeed and thrive through a coordinated delivery of on-campus benefits assistance and counseling, leading to completion of their education and preparing them to enter the labor market in viable careers.

VA, however, remains concerned that the VSOC program is not separately funded and continues to leverage existing Vocational Rehabilitation and Employment counselors to fill VSOC positions. In addition, VA does not believe that reporting on the

ratio of individuals served to counselors would accurately reflect the amount of services provided because counselors often have multiple contacts with an individual and handle multiple issues for the individual. We believe that it would be more accurate to report on the number of contacts in which services were provided by a counselor.

SECTION 308

Section 308 would add a new section 3699A to title 38 U.S.C. that would require VA to make available to educational institutions offering courses of education that have been approved for educational assistance to which a Veteran or individual is entitled information about the amount of educational assistance to which a Veteran or individual is entitled. This information would be provided to the educational institution through a secure IT system accessible by the educational institution and would be updated regularly to reflect any amounts used by the Veteran or other individual. A Veteran or other individual pursuing a course of education may elect not to provide the information to an educational institution in a manner prescribed by VA. This section would be effective August 1, 2018.

VA supports the intent of section 308. However, section 308 would present implementation challenges for VA. Currently, VA provides the amount of a Veteran's entitlement (original and remaining) and other information such as the delimiting date for educational assistance to the educational institution in which the individual is enrolled through VA-ONCE. This information is available for individuals training under chapter 30 of title 38 U.S.C. and chapters 1606 and 1607 of title 10 U.S.C. after VA processes an award for education benefits. This functionality is not currently available

for Veterans or other individuals training under chapters 32, 33, or 35 of title 38 U.S.C.; therefore, VA would need to make programming changes to VA-ONCE in order to make this information available for these individuals as well, and also ensure that the information is not provided to educational institutions for those individuals who make an election not to provide information. We note in this regard that there are very few individuals who remain eligible for chapter 32 benefits.

No benefit costs are associated with this section. There are no additional FTE or GOE costs associated with this section.

SECTION 309

Section 309 would amend 38 U.S.C. § 3684(a) to require educational institutions to treat a course that begins 7 or fewer days before or after the first day of the academic term as if it began on the first day of the academic term for purposes of reporting enrollment under 3684.

VA understands that section 309 would eliminate the separate reporting requirement for courses that begin seven or fewer days before the first day of an academic term. We note however that VA policy guidance currently does not require schools to separately certify classes that begin within 7 calendar days after the start of the term, quarter, or semester. Nonetheless, it should be noted that the amended section 3684(a) would not change the period(s) for which VA educational assistance can be paid, which are codified in 38 U.S.C. § 3680(a) and in the various education benefit chapters. As a result, the information reported under the amended section 3684(a) would be inconsistent with the periods for which VA can award educational

assistance.

TITLE IV – RESERVE COMPONENT BENEFITS

SECTION 401

Section 401 would amend 38 U.S.C. § 3301(1)(B), to include, in the case of members of the reserve components of the Armed Forces, service on active duty under a call or order to active duty under 10 U.S.C. §§ 12304a and 12304b as service constituting active duty for purposes of Post-9/11 GI Bill benefits. Section 401 would apply to such service in the Armed Forces occurring on or after the after the enactment of the Post- 9/11 Veterans Educational Assistance Act of 2008, and entitlement to such benefits could be used to pursue a course of education beginning on or after August 1, 2018.

VA supports section 401 of the bill, subject to the availability of funds. Under current law, 2 reserve component (RC) members who are serving side-by-side on active duty may not receive similar benefits under the Post-9/11 GI Bill. The active duty time of an RC member who volunteers for active duty under 10 U.S.C. § 12301(d) is counted towards the aggregate time required to establish Post-9/11 GI Bill eligibility, while the active duty time of an RC member who was involuntarily activated under 10 U.S.C. §§ 12304a or 12304b for similar duty does not count toward establishing Post-9/11 GI Bill eligibility. Section 401 would allow RC members who are involuntarily activated under 10 U.S.C. §§ 12304a and 12304b to receive the same benefits as those RC members who have volunteered to perform duty under 10 U.S.C. § 12301(d).

The LTS would need to be programmed in order to calculate eligibility based on service under 10 U.S.C. §§ 12304a and 12304b and to limit awards of educational assistance based on such service to programs pursued on or after August 1, 2018.

SECTION 402

Section 402 would amend 38 U.S.C. § 3103(f) to extend the eligibility period for participation in a vocational rehabilitation program for RC members who are ordered to active duty under 10 U.S.C. §§ 12304a and 12304b by the length of time the RC members serve on active duty plus 4 months.

VA supports section 402. Currently, 38 U.S.C. § 3103(f) provides for an extension of the eligibility period for vocational rehabilitation and employment benefits for reservists who are ordered to active duty under certain provisions of title 10 U.S.C. Section 402 would provide the same extended eligibility period for reservists who are prevented from participating in a vocational rehabilitation program during their period of eligibility because they are ordered to active duty to provide assistance in response to a major disaster or emergency or to augment the active forces for preplanned missions in support of combatant commands.

TITLE V – OTHER MATTERS

SECTION 501

Section 501 would make any modification of the amount of the basic allowance for housing (BAH) inside the United States applicable to benefits administered by

VA. Section 501 would take effect on January 1, 2018, and apply to individuals who first use their entitlement on or after that date.

VA supports section 501, subject to Congress finding appropriate offsets. This legislation would align the maximum MHA rate for full-time training under the Post-9/11 GI Bill with DoD's BAH rate for an E-5 with dependents. The MHA and BAH rates have been out of alignment for a few years, which has led to confusion on the part of Post-9/11 GI Bill beneficiaries. The LTS would need to be programmed in order to calculate MHA based on whether the individual first used entitlement on or after January 1, 2018, or prior to that date.

There are no FTE and GOE costs requirements associated with this section, but would incur some IT costs.

This concludes our statement, Mr. Chairman. We would be happy now to entertain any questions you or the other members of the Subcommittee may have.