

**U.S. DEPARTMENT OF VETERANS AFFAIRS FY2019  
BUDGET: VETERANS BENEFITS ADMINISTRATION  
AND THE BOARD OF VETERANS APPEALS**

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**JOINT HEARING**

BEFORE THE  
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY  
JOINT WITH  
SUBCOMMITTEE ON DISABILITY ASSISTANCE AND  
MEMORIAL AFFAIRS  
OF THE  
COMMITTEE ON VETERANS' AFFAIRS  
U.S. HOUSE OF REPRESENTATIVES  
ONE HUNDRED FIFTEENTH CONGRESS  
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**U.S. DEPARTMENT OF VETERANS AFFAIRS  
FY2019 BUDGET: VETERANS BENEFITS AD-  
MINISTRATION AND THE BOARD OF VET-  
ERANS APPEALS**

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**Thursday, March 15, 2018**

U.S. HOUSE OF REPRESENTATIVES,  
COMMITTEE ON VETERANS' AFFAIRS,  
SUBCOMMITTEE ON OVERSIGHT  
AND INVESTIGATIONS,  
*Washington, D.C.*

The Subcommittees met, pursuant to notice, at 2:01 p.m., in Room 334, Cannon House Office Building, Hon. Mike Bost [Chairman of the Subcommittee] presiding.

Present: Representatives Arrington, Bilirakis, Coffman, Wenstrup, Banks, Esty, O'Rourke, and Takano.

**OPENING STATEMENT OF MIKE BOST, CHAIRMAN, SUB-  
COMMITTEE ON DISABILITY ASSISTANCE AND MEMORIAL  
AFFAIRS**

Mr. BOST. All right. Good afternoon. This joint hearing of the Subcommittees on disability assistance and memorial affairs and economic opportunity will now come to order.

Before we begin, I want to take a moment to thank my colleagues, Chairman Arrington and Ranking Member Esty and Member O'Rourke—Congressman O'Rourke will be along Chairman—or Ranking Member O'Rourke will be along later—and for working together to put this hearing together.

The hearing is entitled the “U.S. Department of Veterans Affairs Fiscal Year 2000—I’m sorry—2019 Budget: Veterans Benefits Administration and the Board of Veterans’ Appeals.”

The president is asking for almost \$200 billion for VA, which is an increase of about \$12 billion over last year. This would be on top of the previous increase in the VA’s budget. Since 2006, the VA’s budget has grown 175 percent, while overall Federal spending increased 54 percent and the GDP grew by only 40 percent. I believe that the VA must be one of our Nation’s top priorities.

We have an obligation to ensure that the men and the women who have served our Nation in uniform receive the benefits they have earned. At the same time, we also owe it to the taxpayers, some of whom are veterans, themselves, to ensure that every dollar is spent wisely.

After reviewing the budget, I have several questions that I want to ask—that I want the VA to answer; for example, the budget in-

cludes a request for 605 more full-time equivalents to process the VBA appeals, but the budget does not explain whether these additional FTEs will be assigned to a new appeals or in the modernized—yeah, easy for me to say—modernized system, once it is implemented or if they will work on the appeals of veterans who have been waiting years in the existing appeals system.

I am also looking forward to the Department providing more information about the Board's plans to resolve its current appeals inventory, especially if the RAMP take rate continues at 3 percent. Now, I know the VA is doing everything within its power to increase the number of veterans willing to opt-in to RAMP, but what if that doesn't happen, despite the Department's best intentions?

I am going to stop right there because we have a full agenda ahead of us and I want to save the time for questions. Unfortunately, so you know, I have to step out early for another appointment. I want to assure you that—all the witnesses, that I will carefully review the record and let you know if I need any additional information.

With that, I ask unanimous consent that the written statements provided for the record be placed into the hearing record. Without objection, so ordered.

Again, I want to thank the witnesses for being here today and I want to call on Ranking Member Esty to open—give her opening statement.

**OPENING STATEMENT OF ELIZABETH ESTY, RANKING MEMBER, SUBCOMMITTEE ON DISABILITY ASSISTANCE AND MEMORIAL AFFAIRS**

Ms. ESTY. Thank you very much, Mr. Chairman, and thank all of you for joining us here today.

We are here to focus on the administration's fiscal year 2019 budget proposals for the Veterans Benefits Administration. Staying focused on veterans' employment, education, and compensation may admittedly be difficult with all of the other issues swirling around the VA these days; however, that is our job and we will do that job in this meeting here today.

We appreciate the Board of Veterans' Appeals' Chairman Cheryl Mason and the VSO representatives for being here to offer their perspective and expertise.

As the Ranking Member of the Disability Assistance and Memorial Affairs Subcommittee, I want to take a moment to emphasize that the administration's proposal for a compensation COLA round down is a nonstarter. As has been said many times before by Members of this Committee, as well as by the VSOs and our constituents, it is designed to take benefits from veterans receiving disability compensation to pay for other veteran's programs. If caring for and compensating veterans is truly our Nation's priority, then finding the necessary means to pay for it should also be a priority.

I want to thank the DAMA Chairman, Bost, for sponsoring H.R. 1328, The American Heroes COLA Act of 2017, which authorizes the COLA for fiscal year 2019 without a round down, and I am happy to have joined him as an original co-sponsor. I look forward to hearing the witnesses' testimony today and to your answers to our questions.

Thank you, and I yield back.

Mr. BOST. Thank you. And I now recognize Chairman Arrington for his opening statement.

**OPENING STATEMENT OF JODEY ARRINGTON, CHAIRMAN,  
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY**

Mr. ARRINGTON. Thank you, Mr. Chairman and Ranking Member Esty, for your comments and your leadership and for hosting the hearing today. I thank everybody testifying for being with us and for your input and counsel through this process, and for joining us at this hearing of the Subcommittees on Economic Opportunity and Disability Assistance and Memorial Affairs as we examine VA's fiscal year 2019 budget request, specifically, as it pertains to the VBA.

Chairman Bost already outlined the overall fiscal year 2019 VA budget request of nearly \$200 billion, which is no small amount, but I want to focus my thoughts and questions today on a piece of that that is very important, and that is the programs within the VBA that are, I believe, often overlooked but that really go a long way to empower and prepare our veterans in their everyday lives, and in some cases, I think, can save money long term because of the ounce of preparation versus the pound of intervention down the road.

If any of you have met me or attended one of our EO Subcommittee hearings, you know that I believe, like all of my colleagues, that veterans and their families deserve the very best services, benefits, and care that we can provide them, but you would also note that I feel the same way about the taxpayers and making sure that they are getting their greatest return on their investment and not wasting dollars where they could be better utilized elsewhere for excellent service for the customer, which is our veteran.

As I mentioned today, I am interested in discussing certain programs within the VBA that help to transition veterans into a meaningful and productive civilian life. These are the benefits such as the GI Bill, vocational rehab, home loans, and transition services that do more than send a check every month to the veteran, but that, instead, empower veterans, as I said, to lead a more productive and fulfilling life after their active-duty service. These benefits are estimated at \$15.5 billion for fiscal year 2019, yet, unfortunately, the same programs that administer these benefits are often not given the same priority and focus as other programs within the VBA, let alone, the rest of the VA. And in my questions, I will get into more details about how these programs have expanded in terms of the veteran need or what I would call "demand" and how the capacity to deliver and meet that need has been flat and in some cases from a resource standpoint, has declined, even in this budget. So, I want to get at—because you can argue that everything is a priority, but if everything is a priority, nothing is a priority, at least that is my experience.

And so you have got these programs on the VBA side that, again, if you administer them well, they will, down the road, I think, have a positive effect, not only for the individual veteran, but for the entire stakeholder group, including the taxpayers.

So, I look forward to our discussion today. I thank, again, the witnesses for being with us this afternoon. I also want to thank Chairman Bost again and Ranking Member Esty and Ranking Member O'Rourke for his partnership on the Committee as we endeavor to serve our veterans.

Chairman Bost, I yield back.

Mr. BOST. Thank you, Chairman Arrington.

I just ask that all other Members waive their opening remarks, as per the Committee's custom. And now I want to welcome our witnesses who join us this morning, or this afternoon, and thank you all for taking the time—

Mr. O'ROURKE. Mr. Chairman?

Mr. BOST. You know, I was just going to go to you. Would you be ready to make your opening remarks?

Mr. O'ROURKE. I, in the interests of time and also my tardiness, I would waive my opening remarks.

Mr. ARRINGTON. You know what? It is just like a Texan, Mr. Chairman, to make a dramatic entrance like that.

Ms. ESTY. But then to yield.

Mr. O'ROURKE. And then you yield.

Mr. BOST. Okay. Well, our first witness is the Board of Veterans' Appeals Chairman, The Honorable Cheryl Mason. She is accompanied by Mr. James Manker, VBA's Acting Principal Deputy Under Secretary for benefits, and Mr. Lloyd Thrower, the Deputy CIO, and Benefit Accounts Manager for VA's Office of Information and Technology.

For our VSO witnesses, first is Mr. Matthew Shuman, the Director of Legislative Division for The American Legion. Also joining us today is Mr. Shane Liermann, Assistant National Legislative Director for the DAV. Finally, we are also joined by Ms. Lauren Augustine—Augustine, how bout that—Director of Policy for the Student Veterans of America. I want to remind all witnesses that your complete written statement will be entered into the record here today.

Chairman Mason, you are now recognized for 5 minutes to present the Department of Veterans Affairs testimony.

#### **STATEMENT OF CHERYL L. MASON**

Ms. MASON. Thank you. Good afternoon, Chairman Bost—I'm sorry—Bost and Arrington, Ranking Members Esty and O'Rourke, and distinguished Members of the Subcommittees. Thank you for the opportunity to testify today in support of the president's fiscal year 2019 budget, including the fiscal year 2020 advanced appropriations request.

I am accompanied today by Mr. Jamie Manker, acting principal deputy Under Secretary for benefits to VBA, and Lloyd Thrower, deputy chief information officer, account manager for benefits from OIT.

While the unwavering support and leadership of our VA Committees, Congress passed groundbreaking legislation on VA accountability, appeals, modernization, the Forever GI Bill, and personal improvements.

The fiscal year 2019 budget fulfills the president's strong commitment to all our Nation's veterans by providing the resources necessary to improve the care and support our veterans earned



through sacrifice and service to our country. The president's fiscal year 2019 budget requests of \$109.2 billion in fiscal year 2019 is an increase of \$1.5 billion over the fiscal year 2018 budget advanced appropriations request and \$121.3 billion in fiscal year 2020 VBA's—for VBA's mandatory advanced appropriations.

In addition, the budget requests a discretionary funding of \$2.9 billion for VBA and \$174.7 million for the Board of Veterans' Appeals for claims and appeals processing. The budget request would allow VA to sustain the claims processing improvements while concurrently focusing on the secretary's priorities to modernize VA's systems and services, provide high-quality efficient care and services, and keep up the latest technology and standards of care.

For the Board, the fiscal year 2019 request of \$174.7 million is \$19.2 million above the fiscal year 2018 budget and will sustain the 1,025 full-time equivalent employees who will adjudicate and process legacy appeals while implementing the Appeals Modernization Act at the Board.

VBA's fiscal year 2019 budget requests supports the disability compensation benefits programs for millions of veterans and their survivors. The budget also reflects a sustained commitment to deliver 1.3 rating claims and 187,000 higher-level reviews and decrease the amount of time veterans are waiting for decisions.

In August 2017, the president signed into law, the Veterans Appeals Improvement and Modernization Act of 2017, representing the most significant statutory change to impact VA claims and appeals, we have seen in much—in a long time and provided much-needed reform. The new system, still in the implementation phase, provides a more efficient claims and appeals process for veterans. Within VBA's 2019 requests, the \$74 million which will be used for 605 appeals processing FTEs.

Section 4 of the Modernization Act also authorizes the VA to develop programs to testing assumptions relied upon in planning; accordingly, VBA launched the RAMP, Rapid Appeals Modernization Program, in November of 2017. The initiative allows eligible participants the voluntary option to have their decisions reviewed to higher-level review or supplemental claim line, as outlined in the act.

Additionally, the Board is exploring a pilot program that will allow the Board to make predictions about timelines and productivity, test assumptions regarding appeals modernization, streamline processes in anticipation of full implementation, and find efficiencies.

On August 16th, 2017, the president signed into law, the Forever GI Bill Act, which is the Harry W. Comery Veterans Educational Assistance Act of 2017. This includes the most comprehensive change to GI Bill benefits since the enactment of the Post-9/11 Veterans Educational Assistance Act in 2008. This bill provides access and availability to educational benefits for eligible veterans and fundamentally changes the way we view the GI Bill.

VA is also proud to be part of the Transition Assistance Program interagency partnership. In 2017, VA made a strategic decision to do a complete redesign of that curriculum. Since no two military-to-civilian transitions are the same, the redesigned curriculum is personalized to each transitioning servicemember. VA looks for-

ward to continuing to work with Department of Defense and Department of Labor and all of our other partners to improve and streamline TAP.

The Fiduciary Program requests \$22 million in the fiscal year 2019 budget for an additional 225 FTEs to protect benefits paid to some of the most vulnerable beneficiaries, who, because of disease, injury, advanced age, and being below the age of 18, are unable to manage VA benefits. There has been an over 60 percent increase in the active beneficiaries from the end of fiscal year 2011 to the end of fiscal year 2017. The requested resources will increase the capacity of VA to process approximately 16,500 field exams.

Thank you for the opportunity to appear before you today to address the fiscal year 2019 budget. The resources will honor the president's commitment to veterans by providing the high-quality benefits our veterans have earned. The budget will support the secretary's efforts to achieve his top priorities. Thank you for your support, and we look forward to responding to any questions that you have. Thank you.

[THE PREPARED STATEMENT OF CHERYL MASON APPEARS IN THE APPENDIX]

Mr. BOST. Thank you, Chairman Mason.

Mr. Shuman, please be—give—start your testimony with the—for The American Legion, please. Thank you.

#### STATEMENT OF MATTHEW SHUMAN

Mr. SHUMAN. Making a promise is easy. Honoring the promises you made, particularly, in the heated political climate we find ourselves in, is more difficult.

Chairman Bost, Chairman Arrington, Ranking Members O'Rourke and Esty, and distinguished Members of the Committee, on behalf of Denise H. Rohan, national commander of The American Legion, and our 2 million members, we thank you for the opportunity to present our position on President Trump's proposed fiscal year 2019 budget for the Department of Veterans Affairs.

The American Legion appreciates the president following through with the promises he made on the campaign trail to take care of those who have served the United States in uniform. At a time when most Federal agencies are experiencing a decrease in their respective budgets, the VA will hopefully, with assistance from these two critical Committees, receive a much-needed increase.

Acknowledging my time before you is short, I will focus on a few critical topics. 2017 was a productive year for veterans' legislation. There is now doubt about that, sir. One bill The American Legion championed in concert with this Committee was modernizing the appeals process. Now that appeals modernization is being implemented, we need to be sure the legacy appeals or the older appeals are not forgotten and given the due process they deserve.

The American Legion is thankful to see the increase of funding for the Board of Veterans' Appeals and to maintain the current 1,000 FTEs and hire an additional 600 employees to address the appeals modernization reform and focus on the legacy appeals. Some of these claims are older than I am and that is simply embarrassing.

Shifting focus, after a veteran's claim has been adjudicated, they are often eligible for access to the Vocational Rehabilitation and Employment Program, or also known as VocRehab. This program provides comprehensive services and assistance, enabling veterans with service-connected disabilities and employment handicaps to achieve maximum independence in day-to-day living, become employable, and maintain suitable employment.

Our concern is simple. If funding is increased to process more claims and appeals and those claims are, indeed, adjudicated, it would increase the applicant pool for VocRehab. If funding is not increased for VocRehab to hire more staff and process the eligible applicants, the potential to overload the applicant pool and the program as a whole, increases exponentially; therefore, The American Legion would encourage this Committee to increase funding for the VocRehab program, which is simply charged with helping veterans become more productive.

In terms of the GI Bill, let me first thank you, Chairman Arrington, and the work that your Committee has done to create and pass the Harry W. Colmery Veterans Educational Assistance Act of 2017. There is no doubt this bill will help those who have served, and The American Legion was and is thankful to be part of the largest improvement to the Post-9/11 GI Bill.

While reviewing the president's proposed budget, we noticed he planned to cap the costs of expensive flight-training programs at institutions of higher learning. The American Legion understands and applauds the Trump administration or why the Trump administration has chosen to include this in their budget request; however, we can only support this provision if the funds saved from implementing the caps is returned to fund other programs, such as the GI Bill or bettering the transition process.

Lastly, and I would be remiss if I didn't mention this, Mr. Chairman, I sit before you today on the ninety-ninth birthday of The American Legion, meaning that for 99 years, we have done exactly what I am doing today: advocating for those who have selflessly defended and served this great and beautiful Nation against the evil-doers of the world.

I extend a sincere proceedings from our 2 million members to each of you for your dedication to veterans and The American Legion. I can honestly say that we are very much looking forward to the next 99 years.

Before I end, I will quickly remark, in terms of the COLA comment that you made earlier, Ranking Member Esty, and that is exactly the testimony I render this morning, The American Legion is absolutely opposed to that and stands with you.

In closing, Chairman Arrington, Chairman Bost, Ranking Members O'Rourke and Esty, and the distinguished Members of the Committee, The American Legion thanks you for the opportunity to share with you this afternoon and I am happy to answer in questions that you may have.

[THE PREPARED STATEMENT OF MATTHEW SHUMAN APPEARS IN THE APPENDIX]

Mr. BOST. Thank you, Mr. Shuman, and happy birthday.  
So, Mr. Liermann, you may begin your DAV testimony.

**STATEMENT OF SHANE L. LIERMANN**

Mr. LIERMANN. Thank you. Messrs. Chairmen, Ranking Members, and Members of the Subcommittees, on behalf of DAV, we thank you for the opportunity to present our recommendations for the fiscal year 2019 Veterans Benefits Administration and Board of Veterans' Appeals budget.

I would like to note our funding recommendations were developed with our partners in the Independent Budget, Paralyzed Veterans of America, and the Veterans of Foreign Wars of the United States. Our written testimony contains our complete recommendations and today, I will briefly discuss a few of those items.

Overall, we recommend approximately \$3.1 billion for VBA for fiscal year 2019. The administration's budget request for VBA is approximately \$2.9 billion, roughly \$200 million less than our recommendation.

In reference to compensation service personnel, we recommend 900 additional employees for VBA, requiring an estimated \$92.4 million increase. Of those additional employees, we recommend 500 to address the pending and future appeals backlog and workload; another 350 to address non-rating related work, such as dependency claims; and 50 employees for the fiduciary services.

By comparison, the administration's budget seeks 605 additional employees to implement the new appeals process and reduce the inventory of pending appeals. We appreciate the administration's commitment to reducing the large amount of legacy appeals, however, there is a need to address the additional staffing for non-rating related work.

In reference to Vocational Rehabilitation and Employment services, we estimate that they will need an additional 143 employees in fiscal year 2019 for a total direct workforce of 1,585, in order to achieve the 1:125 counselor-to-client ratio. Counselors manage an active caseload and provide support services to almost 150,000 participants. This addition of 143 employees would require an increase of \$18 million.

We are disappointed by the administration's proposal for a decrease of \$250 million for VocRehab. While we understand this is partly due to lower pricing for the Transition Assistance Program, this decrease completely disregards the increased need of VocRehab services for veterans, even years after they have separated from service. The administration even acknowledges that since 2013, participation in VocRehab has increased by 17 percent; however, staffing levels having remained stagnant.

In reference to the Board of Veterans' Appeals, we do not recommend any additional staffing for fiscal year 2019, however, it is critical that the Board complete the hiring and training of new personnel for 2018. With the full implementation of the Appeals Modernization Act expected in February 2019, it will be critical for VA and Congress to carefully and regularly monitor workloads, timeliness, quality, and other metrics to ensure that the Board is and remains properly staffed in the future.

Within the administration's proposed budget, there are several legislative proposals that we find troubling, as they could have significant negative impact for veterans and their families. First, we oppose the rounding down of veterans' COLAs for 10 years. This

proposal would reduce veterans' benefits by \$3.1 billion over a 10-year period and reducing veterans' earned benefits for the sake of budgetary savings is not consistent with this Nation's sacred obligation to care for veterans and their families and DAV adamantly opposes this proposal.

Second, we object to the proposal that seeks to narrow the Agent Orange presumptives by redefining herbicide agents and stating they were only used in Vietnam. Currently, herbicide agents are defined as those containing dioxins, specific acids, and any other chemical compound currently found in herbicides. We strongly oppose this proposal to limit disability benefits based on this narrowing of the definition of herbicide agents.

Third, we oppose the proposal to intentionally increase the evidentiary threshold before the VA is required to order a compensation and pension examination.

And, finally, we object to the proposal to eliminate compensation payments to survivors and the estates of deceased, named, or class members for Agent Orange presumptive diseases.

Messrs. Chairmen, we thank you for the opportunity this afternoon. And this concludes my testimony. I would be pleased to answer any questions you or any Members of the Subcommittee may have.

[THE PREPARED STATEMENT OF SHANE L. LIERMAN APPEARS IN THE APPENDIX]

Mr. BOST. Thank you, Mr. Liermann.

Ms. Augustine, you are now recognized for the Student Veterans of America.

#### STATEMENT OF LAUREN AUGUSTINE

Ms. AUGUSTINE. Thank you. Chairmen, Ranking Members, and Members of the Subcommittees, thank you for inviting Student Veterans of America to provide testimony on the Department of Veterans Affairs fiscal year 2019 budget submission. We will discuss our general concerns with the current budgetary process, concerns specific to the Forever GI Bill implementation, and Vocational Rehabilitation and Employment, VR&E, budget requests, and suggestions to strengthen how VA supports student veterans.

Concerns with the lack of regular order around the budget process are consistent talking points within the veteran advocacy community; nevertheless, the need for predictable government funding is reiterating. Even with VA's robust advanced appropriation funding cycle, the step and repeat of continuing resolutions and looming threats of government shutdowns leaves student veterans with questions and uncertainty.

The recently passed Bipartisan Budget Act of 2018 is an appreciated first step towards resolving that uncertainty. And as the next iteration of funding requirements comes due in the immediate days, we hope to see continued compromise.

As the budget process does continue, we highly encourage sufficient support and appropriations for readjustment benefits largely comprised of economic opportunity programs within the VA budget. VA's budget request calls for an estimated \$15.5 billion in readjustment benefit obligations in 2019 and \$16.1 billion in obligations for

2020. This does not include the discretionary funding requests necessary to administer these benefits.

While making up only a portion of the VA budget, these programs are still substantial with billions in annual appropriations. More importantly, economic opportunity programs should be thought of as an integral part of the empowering whole-health model of care VA prioritizes. Programs encompassed under the economic opportunity umbrella, like the GI Bill and Home Loan Guaranties are proven success stories.

Specifically looking at the GI Bill, last year SVA released the National Veteran Educational Success Tracker, NVEST for short, in partnership with VA. The first of its kind, it studied 854,000 individual records; every Post-9/11 GI Bill user from 2009 in the summer of 2015. The NVEST report outlines the many ways student veterans outperform their peers on campus, from higher grade point averages, a higher success rate, and a propensity to obtain degrees in high-demand fields, the data makes clear: Student veterans are worth the investment America is making in them.

With that proven success and through increased access to and participation in these benefits, budget obligations continue to increase. We, again, encourage the Subcommittees to think of such programs as an integral part of the whole of VA when advocating for appropriated funds. A large demand on the VA's budget related to economic opportunity programs stems from implementation requirements for the Forever GI Bill.

As the leader of a coalition of over 60 organizations that helped see Forever GI Bill become law, SVA commends VA and its dedicated staff for the ongoing public outreach effort to make those affected aware and to clear dedication to successfully implementing the new law; however, as detailed in VA's budget request, VA needs sufficient resources appropriated to fully implement the Forever GI Bill. Specifically, while we appreciated the authorized IT funds to help implementation, these funds have yet to be appropriated. We encourage the inclusion of such appropriations as soon as possible, given the decreasing implementation window. Additionally, SVA encourages including sufficient appropriations to meet VA's expected staffing needs to address increased oversight and usage expectations.

A second major program within VA's readjustment benefits is the VR&E program. We believe it is necessary to meet the current appropriations needs VA outlined in its budget request; however, Congress should also address some of the underlying resource issues and proactively improve the VR&E program. For example, given the highly individualized nature of the program, there is a strong need to ensure proper counselor-to-veteran ratios as mandated in Public Law 114-223, which requires one full-time employment equivalent for every 125 veterans. We encourage these Subcommittees to hold VA accountable to that ratio in their budget request.

SVA is a solution-oriented organization and we appreciate the willingness to collaboratively address our concerns alongside the Members of these Subcommittees. Our concerns with the VA budget request have one common denominator: at present, the VA's current enterprise structure is lacking a formal leadership role for eco-

economic opportunity programs. To address that, SVA strongly supports the creation of a new administration within VA, the veteran economic opportunity administration, which would include under secretary-level representation for programs supporting economic opportunities and transitions of veterans and their families. We feel this new administration would be a re-focusing of existing resources that modernizes VA and creates greater accountability for economic opportunity and transition programs. SVA's detailed support for this new administration will be the focus of upcoming testimony on pending legislation.

We thank the Chairmen, Ranking Members, and the Subcommittee Members for your time, attention, and devotion to the cause of veterans in higher education. Thank you.

[THE PREPARED STATEMENT OF LAUREN AUGUSTINE APPEARS IN THE APPENDIX]

Mr. BOST. Thank you, Ms. Augustine.

And I am going to begin the questions. Chairman Mason, your testimony indicates that the Board is exploring a pilot program as an extension of RAMP to help expedite certain legacy appeals prior to the full implementation of the appeals reforms. Can you please describe why you feel the pilot program will provide useful information if it is scheduled to begin in October of 2018 when the reform is expected to go live on February 2019, less than four months later.

Ms. MASON. Certainly, Chairman. The Board is working with digital service and OIT and our program-management team from OEI in VA to look very closely at what we can do within a pilot program to address concerns from both, GAO and this Committee, about timeliness and productivity, as well as be able to test how those veterans with going to choose the lanes they are going to choose. And if we can do so in October of 2018, beginning of fiscal year 2019, we will be able to pivot very quickly with our partners to impact any changes we need before February of 2019.

Mr. BOST. Yeah, that is a pretty quick pivot.

So, also, and if you can, just as brief as you can, but if Congress increases the Board's budget at the president's request, how long will it take to address the 155,000 appeals currently pending at the Board?

Ms. MASON. We don't—we are working on a timeline on that. As you know, we do start implementation of—plan to start implementation of the appeals modernization in February of 2019, if not before, with the pilot. That means we are going to be running both, the direct—both all five dockets at the board, so we will need to balance the legacy cases, as well as the 365 lane, which we will be working those veterans' cases through as quickly as possible. To date, in 2018, the Board has completed 34,300 decisions for veterans, which is a record number for us.

Mr. BOST. Okay. According to the president's budget, the VA projects that the Board will issue 81,000 BVA decisions this year. Even if this occurs, how is the Board planning to address its current appeals inventory, given the VA projects that the Board will receive more than 90,000 appeals during that same time period?

Ms. MASON. Mr. Chairman, we are on track right now. In fact, we are running ahead—we are running a little bit over 100 percent for delivery of that 81,000, so I expect to exceed that 81,000 decisions this year for fiscal year 2018.

As far as going into fiscal year 2019, we are continuing to streamline our processes and re-engineer things, including the new interactive decision tool that we are piloting right now with the Board to speed up decision-rating times. I am also exploring case-review options for our attorneys which would allow a quicker case-review time to allow attorneys to get to decisions quicker, to resolve—and quicker decisions out the door. So, those things, in addition with the technology increase that digital services is giving us, which is ongoing, are the ways we are going to deliver those results.

Mr. BOST. I don't—you are just—I don't see that you are—you are not breaking even with the numbers the way they look, and I am hoping you can, I really do. Let me move on.

Mr. Manker, I am going to ask you a question that I asked the full Committee hearing—I asked you in the full Committee hearing, but hopefully you will give a better response, because I think I kind of caught you off guard then.

Mr. MANKER. Sure, absolutely.

Mr. BOST. The fiscal year 2019 budget request, an additional 605 full-time equivalents for FTE—

Mr. MANKER. Yes.

Mr. BOST [continued]. —that would dedicate to the VBA appeals. Will the VA assign these employees to process legacy appeals or process appeals under the new system?

Mr. MANKER. So, the way we will assign the new 605 FTE that we are getting in our appeals lane is to use just as many as we need to achieve our 125 days for those that opt-in to or file an appeal after February of next year. So, any additional FTE will be used to work legacy appeals.

Additionally, as I look—as you look at our production thus far, in January of 2017, we stood up an appeals management office and we took all the FTE that were allotted for appeals and we focused them solely on appeals. Since we have done, that we have increased production in the appeals lane by 24 percent.

With the opt-in, we are hoping that we can get many of the appeals, the legacy appeals to opt-in to the new process; that is that RAMP process that we talked about.

Mr. BOST. Okay. So, what you are saying is it will be both?

Mr. MANKER. That is exactly what I am saying.

Mr. BOST. Okay. Well, I hope, because we would like to see this move as fast as possible.

I am out of time and I will recognize Ranking Member Esty.

Ms. ESTY. Thank you, Mr. Chairman. And, again, thank you all for your hard work and your testimony before us here today.

I want to start—there are a lot of places we could start—but with Mr. Liermann. You had mentioned concerns about the Agent Orange exposure. As you may know, I, and others on this Committee, have been vigorously seeking attention with the current veterans who are suffering from burn pit and other toxic exposures.



It is an issue of great concern for us, so, certainly, your comments stood out to me.

Can you amplify a little bit what you think this means for both, current veterans who may have appeals in the system, but also what it may mean as we are facing this whole new round of veterans who are actively asking us to take action before this becomes a 30-year wait for a new generation of the equivalent of Agent Orange, if you would, please?

Mr. LIERMANN. Yes, thank you. The way it is being proposed in the budget is they want to redefine Agent Orange or herbicides, specifically only those toxins that have TCDD. They also want to say that only those toxins cause any of the presumptive disabilities and they also want to say that that toxin was only used in Vietnam and nowhere else.

So, by narrowing that scope and redefining, that means that any veteran who has a disability related to herbicide exposure outside of Vietnam, such as on at Korean DMZ or Blue Water Navy or even in Thailand, would no longer be able to claim that because of the re-definition down. We disagree with that, as I noted, because the current statute doesn't define it that way. It defines it as toxins, acids, and chemical compounds found, and we think it should stay that way, so it doesn't affect any current veterans receiving benefits and any pending appeals, as well.

Ms. ESTY. Thank you. And I know we hear from the Blue Water veterans in my district all the time, as well as people who served in Laos, Cambodia, and who had exposure in other places where, in theory, we were not actually engaged in activities.

Mr. SHUMAN, if you—as we are trying to figure out if we are going to be on track for all of the new appeals, we have spent a lot of time—the VSO worked very hard to help us on the moderation—do you have access to the materials that—to VA leadership as the rollout is happening, to give feedback? And we would enjoy it and we need it here, but, as well, do you have access to VA leadership and materials from them about how this is being processed, how this is being received, so that we can roll it out in the best way possible and have RAMP actually be successful?

Mr. SHUMAN. Well, thank you for the question, ma'am, and the answer is yes. The American Legion, I think, is meeting with Ms. Mason rather often. She's probably tired, as we are, of some of our colleagues, Lou Celli, in particular, but, yeah, absolutely, we meet with them frequently and get the necessary information we need in our engaging conversations to make sure that the program works to its best.

Ms. ESTY. What are you finding about outreach? That is obviously a concern that is, indeed, much of what you as VSOs do is help provide that outreach. What are you hearing so far? What do we need to do know about the VA's efforts itself, how the VSOs fit into that, and what, if any, additional guidance or resources might be needed from this Committee to assist in this process?

Mr. SHUMAN. Well, thank you for that question, as well. I think that is one area that always can be better improved is communicating to the veteran community, particularly for the hundreds of thousands of claims that are currently in process, trying to figure

out, and make sure that they are educated to make the best decision, whether they need to move over to the new system or not.

I know we work particularly closely with VA to share that with our Members and I am sure my colleagues here at the table do the same as well. I would be happy to answer that a little bit more in-depth after discussing that with my team to figure out where they are and exactly what we are hearing from our Members.

Ms. ESTY. Thank you. Because I do think that that is very important, as if we are going to be successful in this, we need to be learning what best practices are, which may differ in different areas and I just wanted to underscore, again, our concern, which you are going to hear from everyone here about the legacy appeals. It is very important to move these new appeals forward, but in fairness to the World War II and Korea veterans in my district who have been waiting a very long time, I think we all owe it to them to make sure that those legacy appeals don't just disappear.

Mr. SHUMAN. You are right, they deserve it, ma'am.

Ms. ESTY. They deserve it. And, again, I want to thank everyone for their efforts. But we—our veterans served us, and we need to ensure that we are effectively serving them.

Thank you, and I yield back.

Mr. ARRINGTON. [Presiding] I want to thank the Ranking Member. I will now take 5 minutes for questions and I will start, Madam Chairman, with you and your team. Thanks for being here and please feel free to defer to your colleagues if you think they can better answer the question.

Is the Vocational Rehab Program working?

Ms. MASON. I am going to defer to Mr. Manker on that question.

Mr. ARRINGTON. Okay. Let me back up. What is the—define success for the Vocational Rehab Program.

Mr. MANKER. So, success for the VocRehab program is completing—getting a veteran to where they are employable or can live an independent life is my—

Mr. ARRINGTON. Okay. So, that is education, training, employment? It is all the above and in terms of services.

Mr. MANKER. That's right.

Mr. ARRINGTON. Okay. How is it going? Is the working? Are we helping our veterans and are they achieving those desired outcomes?

Mr. MANKER. So, from our perspective, I believe so.

Mr. ARRINGTON. What is your perspective; is that something you just feel in your gut or do you have a scorecard? Do you have a survey?

Mr. MANKER. So, we measure VocRehab as successful outcomes. I apologize for not having that information in front of me.

Mr. ARRINGTON. That is okay. I didn't warn you about this, but I just—part of it is I need to do an oversight hearing, we do—

Mr. MANKER. Absolutely.

Mr. ARRINGTON [continued]. —on the VocRehab. We have done on it on every other program—

Mr. MANKER. That's right.

Mr. ARRINGTON [continued]. —and I don't like to get—I am on the budget Committee and this business of giving money and talking about money and how to invest money wisely without having

a review, oversight, and re-authorization drives me crazy. So, I just wanted to get some top line feedback from you.

Mr. MANKER. Absolutely.

Mr. ARRINGTON. Do you have the numbers, and do they demonstrate that this VocRehab is serving the customer, our veterans, our disabled veterans.

Mr. MANKER. What I would like to do is have Mr. Jack Kammerer, who is our director for VocRehab, come back and talk to you about that. But I would like to address—

Mr. ARRINGTON. Do you have a sense that it is working, though, that in terms of the numbers, do you think they are there? If I— if the Committee gets those numbers, will they be positive? Will they show a successful program?

Mr. MANKER. Again, from my perspective, yes. We have looked at the program and there are some veterans that were in the program for a long time that have basically gone dormant, if you will, have kind of opted out, not working in the program, and we have—

Mr. ARRINGTON. Let me just—and I don't mean to be rude, but—

Mr. MANKER. Sure.

Mr. ARRINGTON [continued]. —do you think it is an important program?

Mr. MANKER. I absolutely think it is an important program.

Mr. ARRINGTON. I want everybody that comes to the table to talk about money to know about the program's effectiveness.

Mr. MANKER. Sure.

Mr. ARRINGTON. And if it does work and it is effective and there is a need, then why are we not giving it the time and attention and resources the other programs are getting? Because like I said before in my opening remarks, there is been an increase in demand by 12 percent, but they have cut the program \$257 million. I recognize that we don't have—even though we act like we have all the money that we can print, that is not true; someone will pay the piper one day, probably our kids or grandkids, but nevertheless, it is about prioritization.

Is this a priority? Is it working? Why are we cutting the money?

Mr. MANKER. So, I am not certain where you are getting the 257—

Mr. ARRINGTON. It is in my notes and if it is wrong, then I will—I can accept that, too. So, we have talked about flat line in terms of the staffing and what I have got here is that the staffing has been requested flat at 1442 for the last 3 years.

Mr. MANKER. That's correct.

Mr. ARRINGTON. And the proposed budget includes a \$257 million decrease in funds for VR&E. If that is not true, that is fine, we can move on.

Mr. MANKER. Right. I am looking at the delta between 2018 and 2019 of being \$59 million and that consists of almost entirely, the contract efficiencies that we experience in the TAP program.

Mr. ARRINGTON. Okay. I am going to come back to this, but let me pivot to another question in the remaining seconds that I have. If this is working, if it is important, if it is a priority, then my question is, why have we had the VBA Under Secretary or the Under Secretary for benefits vacant since 2015? Yikes. Yeah, nobody wants to take that—I don't want to take that question.

Mr. MANKER. Mr. Chairman, I would love to see an Under Secretary for benefits.

Mr. ARRINGTON. So, let's—you know, look, I mean, I support this president 100 percent. I think he is doing most of the right things, but I have got to say, we need the political leadership. I served in the George W. Bush administration and if you don't have the political leadership—and I don't care if it is republican or democrat, those guys play a very important role in oversight and accountability in driving down the policies that we are passing that we expect to be done. So, I am really concerned.

My time is expired, and I don't want to take advantage of the chair here, but I am going to come back to this issue because we just had a recent resignation as the deputy Under Secretary for economic opportunity. I have heard my colleagues on the other side of the aisle beat this drum and I haven't chimed in because I'm not sure I agree with all the freeze, because we need to find savings, efficiencies. We need to do things that everybody in the country does in their families and their businesses, but this gives me great pause in terms of the commitment.

Ms. MASON. Congressman, just really quickly, there is a USB nominee—

Mr. ARRINGTON. Okay.

Ms. MASON [continued]. —currently. There is a hearing scheduled for April the 11th.

Mr. ARRINGTON. April the 11th. Okay. So, it has been vacant a while now, you know, three years, but you have got somebody in the queue.

Okay. My time is way expired and I promise you, I will give you guys all the time you need. So, Mr.—my Ranking Member from the Great State of Texas—

Mr. O'ROURKE. You might want to let Mr. Takano go first. I came after him.

Mr. ARRINGTON. You bet. Mr. Takano, I yield 5 minutes to you.

Mr. TAKANO. Thank you, Mr. Chair. Yeah, I was happy to see that close to the requested \$30 million for Forever GI Bill IT implementation is in the budget. Do you feel that the implementation is proceeding on track and that the funds will be required to fully implement the bill are available?

Mr. THROWER. Okay. Thank you for the question. I would say that right now that the implementation is going quite well. We are—I will, as context, would like to make sure that you understand that we are implementing—the timing of this was interesting because we began implementing—the statute was passed at the same time we were already in the midst of the very substantial overhaul of education systems with the work to retire the benefits deliver network. We are—and so we are balancing. The issue of trying to build the plane while you are flying it is kind of interesting in dealing with that.

So, we have had a very strong partnership with education services to identify those specific pieces of the bill that we need to get in place through systems very quickly in order to make sure that all the benefits that are in the statute are implemented properly. We identified those Sections, 501 and 107, as well as correcting a lot of—we are making a lot of changes to the letters that go out

to veterans, so they understand the “forever” part of the Forever GI Bill. We are implementing those, and we are very much on track of having these aspects onboard, as needed.

We are—at the same time, we are proceeding—

Mr. TAKANO. Okay. Mindful of my time, I just want to make sure we get other folks to weigh in on implementation, so thank you.

Anybody else here want to make a comment?

Ms. AUGUSTINE. Yes, thank you, sir, for the question. I would like to weigh in on that we.

As was stated in our testimony, we appreciate the VA’s robust outreach efforts as it relates to Forever GI Bill implementation and their dedication in the budget request to address their implementation needs. We have been impressed with their ability—their willingness to have stakeholder engagement on the implementation process.

I would like to request that the VA be as robust in their public outreach efforts moving forward. And I would also be remiss if I did not, again, request that the appropriations necessary to fully implement the bill, specifically the IT needs, were appropriated quickly. Most of provisions go into effect this August and that window is quickly decreasing, so the appropriated funds are necessary now.

I also would like the VA include in their outreach efforts, knowledge of why changes are being made, specifically, as it relates to the VAH payments, so a delineated information about monthly payments that they are receiving through e-Benefits or some sort of notification would be very helpful in helping veterans understand why things are changing, why benefits they are seeing might be fluctuating. Thank you.

Mr. TAKANO. Okay. Great. Anybody else?

Okay. Regarding the GI Bill, this is a question to the VA, do you have any data on how many veterans have applied for GI Bill restoration and have their funds been restored?

Mr. MANKER. So, we have notified over 8,000 veterans that were affected and thus far, we have restored over 300 entitlements.

Mr. TAKANO. And do you have a dollar figure for what that would be?

Mr. MANKER. Sir, I’m sorry, I don’t have that.

Mr. TAKANO. It would be great if I could get that dollar figure.

Mr. MANKER. Absolutely.

Mr. TAKANO. That would be greatly appreciated. I am extremely disappointed that we are seeing in the Higher Ed bill, a complete elimination of the 9010 rule. There is no guard rails at all. The Department of Education is—the regulatory process is going full speed ahead to give—the GI—the Inspector General’s own report in the Department of Ed is fearful of what these regulatory rollbacks are going to do in terms of increasing the for-profit predatory behaviors in the for-profit higher-ed sector, and I am just very fearful about what this will mean for liability to taxpayers going forward, especially because these schools target our veterans.

Thank you, and I yield back.

Mr. ARRINGTON. Thank you, Mr. Takano.

And now I yield 5 minutes to my Ranking Member from the Great State of Texas, Mr. O’Rourke.

Mr. O'ROURKE. Thank you, Mr. Chairman. I would love to begin with a question for Mr. Manker, only because I just—we all just received testimony from the Gold Star Wives—Gold Star families yesterday, survivors of those who were killed serving this country, and just had the chance to meet with a few of the Gold Star Wives in my office just now.

And I want to bring up two issues, which you may or may not have an answer for, but I at least want to make sure they are registered with you and that we get to follow up with you and get a precise answer. One surviving spouse told me how every year she receives a form in the mail that she has to fill out and certify that she has not remarried and she said, you know, as simple as this sounds, there is a shock to the system every year when we receive this. Is there some way to just, if in the case that you do re-marry, you can send something affirmatively to the VA? I am not exactly sure who handles it. You may not have an answer, but I would love for you to get back to me on that one.

Mr. MANKER. Certainly.

Mr. O'ROURKE. And I shared with them that I was going to see you and that I would raise that.

Mr. MANKER. Okay.

Mr. O'ROURKE. The other, more generally speaking, for Gold Star families, what, if anything, does the Office of Survivor Assistance need in terms of additional resources or authorities that you do not have already? Again, if you don't have an answer, let me know, and we will come back to you on it.

Mr. MANKER. I absolutely will. I will get back to you on that.

Mr. O'ROURKE. Okay. And then for the VSOs, Mr. Shuman, I really appreciate your comments on Vocational Rehab. I feel like a number of us have addressed that. The Chairman has asked some good questions.

For DAV and Mr. Liermann, on the toxic exposure, I was struck by how many of the VSOs, from VFW to VVA to IAVA, raised this issue. And we absolutely have to get it right for all the reasons that you described, and the more narrowly we define "exposure," the fewer people we are going to be able to help, the more are going to die without treatment or care from the Government that put them in harm's way in the first place. So, I just thought your comments were wonderful and I think they hit home with all of us.

And Ms. Augustine, you and SVA have just been terrific in working with Chairman Arrington and me in the Committee on Economic Opportunity on Forever GI Bill and other issues involving integration after service. I love your question about IT. Just in a sentence or two, were you satisfied with the answer that you received from VBA?

Ms. AUGUSTINE. Yes, and we look forward to continuing to work with them. Thank you.

Mr. O'ROURKE. Great. You also mentioned an office of veteran economic opportunity. And without getting into the wisdom of whether we move that around, in the big picture, where are you missing—where does SVA think we are missing urgency on economic opportunity issues? I know that our Chairman is doing a wonderful job on this; he has convened a number of roundtables, with which—that you all participated in. Where are you missing ei-

ther resources or urgency or attention from the VA side of the House right now?

Ms. AUGUSTINE. Thank you for that question. As the Chairman, himself, said, there is generally less attention given to economic opportunity programs and we feel that is because it is currently under VBA. And VBA is primarily focused, as they should be, on disability compensation, as that is the bulk of their budget.

However, economic opportunity programs are a proactive, empowering part of the VA's mission that can address many of the problems and issues facing VHA and VBA farther down the road, which we think validates the need for its own administration. It also would allow greater accountability for the Subcommittee who does a wonderful job bringing attention to the programs and benefits within economic opportunity. It would allow greater accountability for you all to have somebody sitting here to ask these questions and make sure you are getting somebody you can hold accountable to answer those answers.

Mr. O'ROURKE. Yeah, and just on those three issues, Mr. Chairman, and Ms. Ranking Member, I just—I think if you all could be our guides on this issue and help to hold the VA, as well as the Committee, accountable for follow-through and delivery. I know the Chairman is really big on accountability and being able to measure and I like that, and I want to make sure that as we implement, for example, the Forever GI Bill, as we work on toxic exposure, and Vocational Rehab, that you all help us in terms of giving us the feedback on how effective we have been as a government on these issues. You are doing that today, but just please continue to do that. We need the help.

So, thank you for your testimony, and I will yield—

Mr. SHUMAN. Congressman—

Mr. O'ROURKE. Yeah, please?

Mr. SHUMAN. If you don't mind, Mr. Chairman? I will echo the sentiments from Ms. Augustine. Adding a fourth administration is critical in making sure that you have somebody truly to hold accountable.

You will hear next week that the VA and others are opposed to this idea. Really, having somebody to sit before you, as long as we can fill that position, and holding them truly accountable to get real answers and the data that you want, is supported by The American Legion.

Mr. O'ROURKE. Well, and until we do—and it sounds like there is a lot of wisdom in that and we want to make sure—or I want to make sure we do the due diligence and hear the full argument on all sides—I really think we need more hearings like this with the VBA present and informed, maybe a little more, you know, I think over time, and maybe some of the questions we have already asked for the record and we get responses to, we begin to build a record of commitment or a record where there are some gaps that need to be filled.

So, just know that I think this Committee is focused on that and we will follow your lead, and then, perhaps, at some point, there is somebody specific to hold accountable just for these issues within the administration. So, I don't think that is a bad idea. I think

when you have that single point of accountability, you are likely to get better results, so, thanks.

Mr. Chairman, thank you.

Mr. ARRINGTON. I want to thank the Ranking Member for his remarks and now I will yield 5 minutes to my colleague from Colorado, Mr. Coffman.

Mr. COFFMAN. Thank you, Mr. Chairman. Mr. Manker, as you know, the VA disability compensation system is the single largest line item in the VA's budget. Over 4 million veterans annually receive disability compensation and the expenditures to those with disability ratings are growing at an unprecedented rate.

When this Committee met with Secretary Shulkin last month, there was a brief discussion on reducing compensation costs through treatments, specifically regarding sleep apnea. Can you elaborate on this?

Mr. MANKER. So, the secretary—I will try to echo what he said at the last hearing. To the extent that medical treatments have advanced, the need to compensate for the loss of income earning potential from a disability, we believe may have changed. So, as we look at the VA's schedule for rating disability, we want to look at it with this new set of eyes for a—with a—taking all medical advances into account is really what he was saying, much more effectively than I just said it just now.

Mr. COFFMAN. Okay. So, you think that the statement that this would also apply to acne, fever, gout, sinus infections, laryngitis, and other treatable disabilities?

Mr. MANKER. So, sir, we are in the throes, as we speak, of looking at everybody system that is covered by the VA scheduled rating disability and looking at every component of that schedule to ensure that we are compensating properly.

Mr. COFFMAN. Okay. I yield back.

Mr. ARRINGTON. The gentleman yields, and I will now yield 5 more minutes or as much time as she needs, to the Ranking Member, Ms. Esty.

Ms. ESTY. Thank you, Mr. Chairman. Just a couple quick points to follow up on, on this, I think, really important discussion about VocRehab. We have talked about it before, but I think it is important to talk about it in terms of the budget and priorities and, really, Ms. Augustine, you kind of underscored some of that as well.

We have an incentive structure right now which calls upon our veterans and pushes them to prove how disabled they are in order to get support and then we turn around and, in theory, we are trying to re-able them or able them, right? And so I think your point about, that is an inconsistent message and mission. Perhaps my colleague, Mr. O'Rourke, is right that both of these programs should not be in the same administration. I think we should be looking at this a little more closely and thinking about whether separating the location of those two functions in different parts of the VA might help in clarifying things. It is currently a problem, because our point should be to enable our veterans. And we all need to do a better job on that, and it is not inconsistent to say that we are going to give you all the help and support we can and then we are going to get you as abled as you can be.



So, my second question, actually, for you, Mr.—and is it Thrower or Thrower?

Mr. THROWER. Thrower.

Ms. ESTY. Thrower, okay. I wanted to make sure we are getting that right.

Mr. Thrower, it is come to my attention that the Blind Veterans Association is extremely concerned that the—and, particularly, as we rely more and more on Web sites—the Web sites are not compliant for those who are visually impaired. We have laws in this country that apply to all government agencies and if you think about our blind or visually impaired veterans, who are increasingly being urged, all of them, to go on to Web sites, can you tell us, you know, what efforts are being undertaken to facilitate blind and seeing-disabled—sight-disabled veterans from being able to access Web sites, as is required by law.

Mr. THROWER. Well, thank you for the question—not one that I had expected—but I will say that we have a very robust 508 compliance regimen. We have a series of law—we have a 508 office that reviews all Web sites as they are launched. That is part of the, sort of the ATO, the authority to operate, sort of process that we go through.

I do not have any specific statistics on, you know, where we stand in terms of potentially enabling things that have been out there a long time, but I do know it is a very serious matter within OIT in terms of making sure that we are compliant with all 508 standards.

Ms. ESTY. Then, we may follow up with the testimony that is been shared with us that is finding it not, in fact. You may get compliance by the people who are designing it, but if the end-users, the veterans we are here to serve, are not able to access, we have a problem, right? Whether it is a legal problem or a functional problem, that is one we need to address, so I hope we can follow up with you and see—it may meet the technical definition, but, again, at the end of the day, visually disabled veterans are not able to access the site, then, you know, the law is not doing its job and we are not doing our job.

Mr. Shuman, you are nodding your head yes. Anybody have experience or can shed some light on this issue?

Mr. SHUMAN. I don't have particular experience, Ranking Member, but I will agree with you, it doesn't matter if it is law. If they are not being able to use it; that really matters. So, we stand, again, with you. We are doing a lot of standing today with you, to make sure that these—that all veterans, regardless of disabilities, are able to access the information at VA. You brought up a point that just struck me and I was just agreeing with you, ma'am.

Ms. ESTY. Thank you. And—

Mr. THROWER. And I completely agree with you, as well.

Ms. ESTY. Sure. So, let's take a look at it.

And the final thing on the VocRehab, I can just tell you that those ratios make a difference. You know, it is supposed to be 125:1 on the counselors. I know in my district, we do a lot of outreach. We have wonderful VSOs; a lot of them serve on my advisory Committee. We hear all the time how they can't get in to see somebody from VocRehab, and you have people waiting.

And we do outreach and then they can't get an appointment and that is the last thing in the world that we want to be doing. So, let us know if that is a resource question, we need to know that, or we are not doing our job. We offer this promise and then we don't, in fact, make it possible for our veterans.

So, again, thank you for your efforts and I suspect we are going to have more work to do together. Thank you, and I yield back.

Mr. ARRINGTON. I want to thank the gentlelady from Connecticut, and our Ranking Member, Ms. Esty, for her line of questions. And then I am going to now yield 5 minutes or as much time as I might consume, which could be a lot of time, because I have got a lot of questions, but I will respect the fact that you guys are busy and, again, I do appreciate you being here. And I am not trying to beat up on anybody, but I feel like I always end up in that place where I am, you know, beating up on somebody, Mr. Manker.

But, what is the plan? Let's just speak plainly and directly. How are you going to compensate for the increase in caseload—case work, among the VocRehab folks?

Mr. MANKER. Sure. One of the things we are looking at, we have got a pilot at a couple of ROs where we are taking the administrative burden that the VocRehab counselors face in filling out the paperwork, making sure that the equipment that our VocRehab participants need to rehabilitate themselves, make sure they have that. We have looked at contracting the administrative portion of that out, so the counselors can actually focus on that which we have hired them for, which is to be a counselor.

Mr. ARRINGTON. And you believe that that will compensate for the 12 percent increase in caseload for these—

Mr. MANKER. It certainly will help.

Mr. ARRINGTON. I will tell you that I am not satisfied with the visibility and the knowledge and of the efficacy of the program and the sort of workload and how we are going to meet the new demand.

Mr. MANKER. Sure.

Mr. ARRINGTON. It is not crisp enough for me. When I hear it, I don't get a sense that—I get a sense that you are trying to throw everything you can at it to try to meet the need, but it is not strategic—

Mr. MANKER. Sure.

Mr. ARRINGTON [continued]. —and it doesn't seem like it is being prioritized.

I am looking at an org chart. This is the—this is where you would be here, as the acting deputy Under Secretary.

Mr. MANKER. Yes.

Mr. ARRINGTON. And that is a lot of work. That is a lot of program and people to oversee. And one side is compensation and pension and on the other side is field operation and then right here in the middle is the VocRehab and other EO programs.

How much time, approximately, do you think you spend overseeing each of those three legs of the stool here?

Mr. MANKER. So, how much time—

Mr. ARRINGTON. Approximately how much time do you provide in oversight and management of the compensation and benefits—

Mr. MANKER. Sure.

Mr. ARRINGTON [continued]. —and then the field operation and then EO in the middle?

Mr. MANKER. I don't know if I could answer that directly. What I can tell you is I have directors assigned over each one of those activities that commit all of their time to ensuring that the Under-Secretary's vision and my vision are actually implemented.

Mr. ARRINGTON. And the director, he resigned recently?

Mr. MANKER. That was the under—the deputy Under Secretary for economic opportunity. He actually did not resign; he retired.

Mr. ARRINGTON. He retired?

Mr. MANKER. Yes.

Mr. ARRINGTON. But it is a vacant position?

Mr. MANKER. It is a vacant position.

Mr. ARRINGTON. Okay.

Mr. MANKER. Right now it is being occupied by our deputy Under Secretary for benefits parent assistance.

Mr. ARRINGTON. Do you find continuity a challenge for you in terms of managing for excellence and performance to serve the customer? Do you find the continuity of leadership or the lack thereof, a challenge for you?

Mr. MANKER. So, all of our deputy Under Secretary positions and many of our director positions have been in those positions for years, so—

Mr. ARRINGTON. What about the political leadership?

Mr. MANKER. Well, the political leadership, I believe, on April 11th we will have a new political, so ...

Mr. ARRINGTON. Okay. What—you are a manager—well, I won't go down that. I think I have exhausted my union speech. I am not going to wear out Ms. Esty on it.

Mr. MANKER. I'm not a manager, I consider myself a leader, also.

Mr. ARRINGTON. What is that?

Mr. MANKER. I said I like to consider myself a leader, also.

Mr. ARRINGTON. Let me shift gears a little bit on the IT component, because we have had several hearings where IT has been a challenge. I know that even in this VocRehab component of EO, there was—there were 11,000 VR&E participants who were delayed in receiving their subsistence allowance checks and that it didn't appear there was much effort to notify them and reconcile the situation.

So, are you aware of that? Has that been resolved? And is that IT issue a deeper issue? Can somebody speak to that?

Mr. MANKER. Sure. So, I can speak to—so, as the CFO, the way a pay file is processed is generally it occurs before the 28th of the month. In this case, the VocRehab file, if you will, started the process, but as soon as it hit the 28th, it stopped processing.

There should have been some communication that occurred, and I take that as a, this has never occurred before. We were slow to respond. We were communicating at the local level. We should have done more outreach and communication at the national level.

So, we now have a plan, with respect to VocRehab—or we are building a plan, anyway—is that should this occur again, which I don't believe it will, but should it occur again, that we will be a little more aggressive in the way that we respond.

Mr. ARRINGTON. Is that an organizational management problem or is that an IT systems problem?

Mr. THROWER. I will say that it is actually—you know, there were obviously two components to this issue. There was a system file that did not run properly and oddly enough—ironically, it did not run properly because we were putting in a patch to make it run faster and better at the same time. It was a very unusual circumstance.

The recovery was—actually within two business days, things were fixed and done and processed properly. The—

Mr. ARRINGTON. My notes say that the participants, after 5 days, still hadn't been contacted. It could be wrong.

Mr. MANKER. So, the problem is that it had occurred between the last two days and on the last two days of the month, no processing can go through the system.

Mr. ARRINGTON. Sure.

Mr. MANKER. So, it was all a timing thing. If we had done the patch in the middle of the month as opposed to the end of the month—

Mr. ARRINGTON. Okay.

Mr. MANKER [continued]. —that would have been one thing. Communication, again, I take that as one that we should have done more aggressively.

Mr. ARRINGTON. Okay. And I accept that, and I don't want to nitpick you. I guess the real question is, because I have seen fundamental IT problems where we have spent hundreds of millions of dollars on updating legacy systems where we could take something off the shelf, where we have customized where we should have taken off the shelf or vice-versa and it just—and we are just spending our wheels and spending a bunch of taxpayer money and to little avail.

And IT can make us more efficient and effective if we get it right. Are there IT root causes in the EO area, especially focused on Vocational Rehab in this instance? Are there some root IT issues there or is it just a blip on the screen because of a patch that you should have just da, da, da, da, da.

Mr. THROWER. I will say in this particular instance, this was blip. It has caused us to actually look at similar processes across the board to make sure that this doesn't happen, not only here, but anywhere else.

But at the same time, there are some substantial underlying things that we are looking to address. We are in an environment where we do have a lot of legacy systems that we are—that do hold us back from being as agile as we would like to be; things like, as I mentioned earlier, the effort to retire the benefits delivery network that is in the education space, will be a major milestone in terms of modernizing and updating our systems so that we are more flexible and more agile.

We have a challenge in that a vast majority of our budget is spent on operations and maintenance and we are really trying to work to change that equation, so, yes.

Mr. ARRINGTON. Well, I appreciate your candor. You said substantial; that gets my attention. And "waste"—you didn't use that word to be fair—but money spent on operation and maintenance,

it is not necessary to spend if we could get the right system in place.

And then it begs the question again, are we giving enough time and attention and resources to this area because it seems that when you have got 12 billion new dollars flowing into the VA and we have had billions upon billions every year and yet this relatively small, but incredibly important component, of getting people in a place where they can be self-sufficient and productive and fulfilled in their lives and contributing again, that just seems that I would—it is kind of like the TAPs program. I mean, we spend so much to make these guys and gals warriors of the best kind and class in the world and then we spend a fraction to assimilate or re-assimilate and prepare them for civilian life.

But I get that feeling altogether, really, on the VocRehab and all these EO programs. I just get a sense that they are not—and then when I ask about it—and no offense, because you have got a big portfolio—but I am not so sure that that is too big.

I am going back now to Ms. Augustine about her comment about—let me ask the other folks and be fair to get them involved here, but Mr. Shuman, would you comment on, do you sense that there is a priority there? And, again, I am not trying to pick on anybody. Is it a priority? Is it a resource issue? Is it an organizational structure issue? Is it a management issue? Is it all the above? I would like for you and your VSO counterparts to comment and expound on that.

Mr. SHUMAN. Well, thank you, Chairman, and I am going to go exactly back to a comment I made earlier. I think this is a great idea of why creating a fourth administration, what you are able to do is put an Under Secretary at the head of this that would work with these fine people to be able to spend and give the focus that is necessary. I think that will aid this process going forward and it will just be better.

Mr. ARRINGTON. Okay. Thank you.

Mr. Liermann?

Mr. LIERMANN. Thank you, Mr. Chairman. First off, I am a successful outcome of the VocRehab program.

Mr. ARRINGTON. That is great.

Mr. LIERMANN. I, personally, went through the program myself almost 20 years ago and I have the career I have now because of the time and attention that I received from my VocRehab counselor.

Mr. ARRINGTON. That is awesome.

Mr. LIERMANN. But to address the current issue, over the last 20 years, I have been helping and assisting other disabled veterans get into these programs to get access to benefits. And when you look at the current, or at least the last 6 years, there has not been an increase in any of the staffing in VocRehab for about the last 6 years, so I think there is a serious resource issue.

We can't expect the increase of participants to continue to go up and not increase the number of counselors to provide that service. We have more positive outcomes—

Mr. ARRINGTON. Are you getting the feedback that there are bottlenecks in the system as a result or are we just making that leap based on the numbers that we have of the increase in demand?

That is, maybe they have the capacity. Maybe they had more capacity and they can absorb this—I don't know—but my colleague has communicated to me and everyone here that she's starting to see that in her area, her district, her region of the country.

Are you seeing it in other places?

Mr. LIERMANN. Yes, I think there is pockets, Mr. Chairman, where there are certain regional VA offices that have the resources available and there are others that might be overtasked, and so you have one counselor dealing—because the current rolling average is 136 participants per counselor and the requirement is 125. So, if you take that average over 50 VA regional offices around the country or 60, that means that there are going to be some that are completely overtasked and there are going to be others that are handling the workload very well.

So, I think there may be a bottleneck and I really think there is a resource issue, because it hasn't been addressed by any administration for the last 6 years.

Mr. ARRINGTON. Ms. Augustine, would you like to comment on that?

Ms. AUGUSTINE. Yes, as I have spoken to already, we are strongly supportive of a fourth administration; in fact, it is one of our top policy priorities for 2018. Because of the reasons you have outlined, there isn't sufficient leadership there to be accountable to and a champion for these programs. And we view it as a vital step forward to making sure these proactive empowering programs get the attention they deserve and the attention that the American taxpayer has invested into it.

The only thing I would like to add, which I think addresses some of the concerns you have both raised, our legal fellow Cassie has started compiling concerns that she has received from our student veterans specific to VocRehab and we would be happy to set up a time to brief you both on concerns that she has received.

Mr. ARRINGTON. Thank you very much for that kind of and, thank you, sir, for sharing your personal story of benefitting from that service, which is a great anecdote for all of us.

I am going to close out here, I promise, but I think you could add political leadership, oversight, accountability and enhanced management and attention over areas like this that I think need it in a budget-neutral way. I don't think you have to spend more money to do that. We have got \$12 billion. It is about prioritization.

I haven't been doing this long enough to say definitively that we need to do it, which is why I am asking you all, but my hunch is we do. I have heard the administration is not interested, but that is secondhand. So, have you all communicated with the administration and the leadership of the VA and what have you received in way of a response?

Ms. AUGUSTINE. Yes, we have communicated that a need for veteran economic opportunity administration is a priority of ours with the administration and, specifically, with leaders within VA. And we have received some valid concerns from them that we look forward to hearing in next week's testimony, which includes draft legislation on this very topic.

Mr. ARRINGTON. Okay. Well, I look forward to that discussion, a more focused, but robust discussion about that. I think we need to

have it. I would like for the administration to buy into that. I am not big on telling management how to manage. I am into holding management accountable for the lack thereof and for the lack of the desired outcomes, which is hard to come by even these days, as I have talked about with my colleague.

I want to ask you all to tell me where, if we did increase this money, I mean the resources, where you would find an offset within the VA. This is—by the way, I am not attributing this to my colleague; this is all me—but I won't make you do that, because I don't know that I have heard anybody come to this table with suggestions on where to cut things that aren't working for savings that could be reinvested in areas that we all believe are priorities and we see living proof right in front of us, except for my friend Mr. Shuman, who did say we could save some on that flight program by capping and redirecting.

So, that will be for round two one day when you guys come back here, but I want everybody at the VA to know as loaning as I am Chairman of the Economic Opportunity Subcommittee, I want to know what success is for any program. I want to know if we are achieving that success. And I want to know where we need to make additional investment and where we can make additional efficiencies, and therefore, savings, either to give back to the taxpayer or to reinvest in areas that are working and to serve our customer.

Ms. Esty has been very patient to hang in there with me, and you guys have, too. Thank you for indulging me with all this. We care about this and we want to get it right. We know you guys do, too, so let's work to improve the service to our heroes and to our taxpayers.

So, with that, I ask unanimous consent that all Members have—this is really hard to read to my colleague—5—that sounds like—it looks like 4—5 legislative days in which to revise and extend their remarks. Hearing no objection, so ordered.

[The statement of the American Federation of Government Employees, AFL-CIO appears on p. ]

[Whereupon, at 3:25 p.m., the Subcommittees were adjourned.]

## A P P E N D I X

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### **Prepared Statement of Honorable Cheryl L. Mason**

Good afternoon, Chairmen Bost and Arrington, Ranking Members Esty and O'Rourke, and distinguished members of the Subcommittees. Thank you for the opportunity to testify today in support of the President's Fiscal Year (FY) 2019 Budget, including the FY2020 Advance Appropriation (AA) request. I am accompanied today by Jamie Manker, Acting Principal Deputy Under Secretary for Benefits for Veterans Benefits Administration (VBA), and Lloyd Thrower, Deputy Chief Information Officer, Account Manager for Benefits, from VA's Office of Information and Technology (OI&T). With the unwavering support and leadership of our VA Committees, the Congress passed groundbreaking legislation on VA accountability, appeals modernization, the Forever GI Bill, and personnel improvements. The FY2019 Budget fulfills the President's strong commitment to all of our Nation's Veterans by providing the resources necessary to improve the care and support our Veterans have earned through sacrifice and service to our country.

#### **Fiscal Year (FY) 2019 Budget Request**

The President's FY2019 Budget requests \$109.2 billion in FY2019, an increase of \$1.5 billion over the FY2018 President's Budget advance appropriations request for \$107.7 billion, and \$121.3 billion in FY2020 for VBA's mandatory advance appropriations, including Compensation and Pensions, Readjustment Benefits, and Veterans Insurance and Indemnities. In addition, the Budget requests discretionary funding of \$2.9 billion for VBA and \$174.7 million for the Board of Veterans' Appeals (the Board) for claims and appeals processing. The Budget request would allow VA to sustain the claims processing improvements implemented over the past several years while concurrently focusing on the Secretary's priorities to modernize VA systems and services so the Department can continue to provide high-quality, efficient care and services, and keep up with the latest technology and standards of care. The initiatives in our Budget request are consistent with this priority.

For the Board, the FY2019 request of \$174.7 million is \$19.2 million above the FY2018 Budget and will sustain the 1,025 full time equivalent employees (FTEs) who will adjudicate and process legacy appeals while implementing the Appeals Modernization Act. The Board is currently on pace to produce over 81,000 decisions in FY2018, a historic level of production.

#### **Accelerating Processing of Disability Compensation Claims**

Since 2013, VA has made remarkable progress toward reducing the backlog of disability compensation claims pending over 125 days. VBA's FY2019 Budget request of \$2.9 billion would allow VBA to build upon the gains made in claims processing over the past several years. The Budget supports the disability compensation benefits program for approximately 4.9 million Veterans and 432,000 survivors. The Budget also reflects a sustained commitment to deliver 1.3 million rating claims and 187,000 higher-level reviews and decrease the amount of time Veterans wait for a decision.

To continue improving disability compensation claims processing, VBA has implemented an initiative called Decision Ready Claims (DRC). The DRC initiative offers Veterans, Servicemembers, and survivors faster claims decisions through a partnership with Veterans Service Organizations (VSOs) and other accredited representatives. These VSOs, and other accredited representatives, help to ensure that applicants include all supporting evidence with the claim at the time of submission, which allows VA to decide the claim within 30 days of submission. Since the inception of the program, DRCs are being decided in an average of 10.2 days.

#### **Appeals Modernization**

In August 2017, the President signed into law the Veterans Appeals Improvement and Modernization Act of 2017 (Modernization Act), which represents the most sig-



nificant statutory change to impact VA claims and appeals and provides much-needed reform. The new system, still in the implementation phase, provides a more efficient claims and appeals process for Veterans, with opportunities for early resolution of disagreements with VA decisions.

In addition, within VBA's FY2019 request, \$74 million will be used for 605 appeals-processing FTEs. This increase would sustain 2,100 FTEs dedicated to reducing the legacy appeals inventory and reviewing claims decisions under the Modernization Act.

The request also follows VBA's realignment of its administrative appeals program under the Appeals Management Office in January 2017, as part of an effort to streamline and improve performance in legacy appeals processing. The improved focus and accountability resulting from this realignment helped increase VBA appeals production by approximately 24 percent, decrease its appeals inventory by 10 percent, and increase its appeals resolutions by 10 percent, resolving over 124,000 appeals during FY2017.

In FY2019, the Appeals Modernization project will achieve the benefit of using Caseflow Certification, a commercially-developed system, that will help reduce errors and delays caused by disjointed manual claims processing, and improve the Veteran experience by enabling transparency of appeals processing and ultimately facilitating the delivery of more timely appeals decisions.

Section 4 of the Modernization Act also authorizes VA to develop programs to test assumptions relied upon in planning. Accordingly, VBA launched the Rapid Appeals Modernization Program (RAMP) on November 1, 2017. The initiative allows eligible participants with disability compensation appeals pending with VBA the voluntary option to have their decisions reviewed in the higher-level or supplemental claim lanes outlined in the Modernization Act.

With RAMP, VA has already made great strides toward implementing the new appeals process. After gathering input from VSO partners and other stakeholders, VA is testing the new process from intake to issuance of a decision. This includes testing the election opt-in notice, the new decision notice that meets the requirements outlined in the statute, as well as internal standard operating procedures.

Additionally, the Board is exploring a pilot program that will allow VA to make predictions regarding Veteran behavior, resource allocation, and timeliness in all five options in the new system. The goal of the pilot is to identify needs and concerns related to full implementation, and make predictions about timeliness and productivity. The pilot will test people, processes, and technology to ensure successful implementation of Appeals Modernization. It will draw on appeals to the Board from Veterans who receive RAMP decisions, elect to file a Notice of Disagreement with the Board, and are in the RAMP queue at the Board. The pilot is likely to begin in October 2018. The goal is to identify potential issues while operating on a smaller scale. The Board will engage all stakeholders before launching any pilot. The pilot will allow the Board to test assumptions regarding Appeals Modernization, streamline processes in anticipation of full implementation, and find efficiencies where they exist.

### **Forever GI Bill**

On August 16, 2017, the President signed into law the Harry W. Colmery Veterans Educational Assistance Act of 2017 (Public Law 115-48), nicknamed the "Forever GI Bill." This law includes the most comprehensive change to GI Bill benefits since enactment of the Post-9/11 Veterans Educational Assistance Act in 2008. The Forever GI Bill enhances access and availability to educational benefits for eligible Veterans through several technical adjustments, calls for investment in information technology (IT) systems, and fundamentally changes the way we view the GI Bill. It is known as the Forever GI Bill because of its most recognized feature - the removal of the 15-year time limitation for Veterans who transitioned out of the military after January 1, 2013, and eligible dependents, to use their Post-9/11 GI Bill benefits. The law also restores benefits to Veterans impacted by school closures since 2015 and expands benefits for certain Reservists, surviving dependents, and Purple Heart recipients among other improvements. A number of the provisions of this law were effective upon enactment, while several others will take effect on August 1, 2018, or at a later date.

The impact of this statute is that 22 of the law's 34 provisions require significant changes to IT systems. Currently, OI&T is primarily focused on a solution for the most comprehensive provisions - Sections 107 and 501 at an estimated cost of \$8 million. VA has authorized the recruitment of 200 temporary field employees to manage the new workload, and launched an extensive outreach and promotional campaign to ensure all beneficiaries are aware of the enhancements to GI Bill benefits.

VA has begun implementing provisions effective on the date of enactment. On November 15, 2017, VA notified nearly 8,000 beneficiaries and processed nearly 900 applications to restore entitlement to those impacted by school closures. VA has also notified nearly 3,200 beneficiaries, under the Reserve Educational Assistance Program, who lost benefits due to the sunset of the program who can now elect to have their qualifying active duty service periods credited towards establishing eligibility under the Post-9/11 GI Bill Program. Furthermore, VA has informed individuals of the changes to the time limitation for the GI Bill and will continue communicating with these beneficiaries. VA is also working to revise regulations, develop communications plans, and build operational models to implement the 18 provisions that will take effect August 1, 2018.

#### **Transition Assistance Program**

VA is proud to be a part of the Transition Assistance Program (TAP) interagency partnership. We are excited to tell you about our ongoing efforts to make TAP more holistic, relevant, and beneficial. In FY2017, VA conducted over 50,000 military installation engagements in support of transitioning Servicemembers (TSM) and their families. VA is collaborating with DoD to align TAP offerings with the current Military Life Cycle framework, which embeds transition planning and preparation for meeting career-readiness standards throughout a Servicemember's military career. In FY2017, VA made a strategic decision to do a complete redesign of the curriculum, exceeding the standard review requirement. Since no two military to civilian transitions are the same, the redesigned curriculum is personalized and relevant to each TSM based on where they are in their transition journey. Through this process, VA identified targeted areas of focus that have a particular importance to the TSM population, including (but not limited to) whole health, gender-specific health, mental health, suicide prevention, trauma/crisis support, career preparation, education, vocational rehabilitation, housing, homeless support, and disability benefits. During FY2016, VA also designed a new curriculum specific to members of the National Guard and Reserve. The National Guard and Reserve components have unique needs due to their missions and mobilizations, and eligibility for VA programs is often more complex to adjudicate.

VA consistently receives high evaluations from Servicemembers who attend Benefits Briefings I and II, averaging 96-percent satisfaction on information learned, 96 percent on effectiveness of the facilitators, and 94 percent on confidence gained from the material. Together, the partnership has accomplished a great deal, but there is still much work to be done. VA looks forward to continuing to work with the Department of Defense (DoD), Department of Labor (DOL), and all of our partners (Department of Homeland Security (Coast Guard), Office of Personnel Management, Small Business Administration, and Department of Education) to continue to improve and streamline TAP for future transitioning Servicemembers and their families.

VA has collaborated with DoD and DOL, and all of our partners DHS, CG, OPM, SBA, and ED to define what "success" means for TAP. The agreed definition of success for TAP transitioning Servicemembers includes either obtaining employment, starting a business, or enrolling in an educational program. The TAP interagency partners strongly believe that the impact on Veterans beyond 12 months post-TAP completion is likely to be influenced by much more than TAP; therefore, the most valid measures of the effectiveness of TAP should be focused on the first 12 months post-separation.

The current interagency TAP Evaluation Plan for FY2017–2018, approved by the Office of Management and Budget (OMB), includes a robust set of assessment methods and tools to evaluate the processes for TAP delivery, immediate results of program delivery (e.g., whether separations comply with statute and policy), and the desired systematic impacts (e.g., Veterans successfully obtain employment, start a new business, and/or seek additional education).

VA is working with interagency partners to collect feedback on post-separation outcomes via a post-separation assessment. Implementation of the assessment will give VA the opportunity to ensure that TAP is employing the right tactics to help Servicemembers transition successfully and will allow VA to conduct data-driven evaluation of the effectiveness of TAP and the long-term impact of interagency transition services.

Over the last year, VA, with contractor support, developed a survey protocol for the Post Separation TAP Assessment. To date, VA has completed cognitive pre-testing with Veterans, including VSO partners and Veteran peer groups to obtain outside input and feedback used to modify the assessment questionnaire. In February 2018, VA submitted the long-term assessment instrument to OMB for approval and published the related notice in the Federal Register.

VA has redesigned the VA Benefits briefings, which are part of the overall TAP curriculum. In addition to continuing VA's focus on providing information and access to VA resources for career preparation, education, vocational rehabilitation, housing, insurance, and disability benefits, VA has added a focus on whole health and strengthened material related to health care, mental health, suicide prevention, and trauma/crisis support. In addition, VA Benefit Advisors will facilitate live, real-time registration into VA health care and/or mental health care for all Servicemembers still on active duty status while participating in TAP. This new facilitated registration allows the transitioning Servicemembers, who choose to opt in to VA care, the ability to follow along with the instructor and complete their VA health care application online through a secure internet connection. VA health care applications completed by transitioning Servicemembers will be adjudicated by VA after the date of discharge. This redesigned curriculum has been pilot tested with Servicemembers at five military installations and will be deployed worldwide on April 2, 2018.

#### **Fiduciary FTEs**

The Fiduciary Program requests \$22 million in the FY2019 Budget for an additional 225 FTEs to protect benefits paid to some of the most vulnerable beneficiaries who, because of disease, injury, infirmities of advanced age, or by reason of being less than age 18, are unable to manage their VA benefits. There has been over a 60-percent increase in active beneficiaries from the end of FY2011 (approximately 122,000) to the end of FY2017 (approximately 196,000). The Fiduciary Program has served more than 211,000 total beneficiaries in FY2017. The number of beneficiaries is projected to increase approximately six percent each year. The average age of beneficiaries in the Fiduciary program is approximately 79 years and over 60 percent of beneficiaries are over the age of 80. The requested resources will increase the capacity of VA to process approximately 16,500 additional field examinations.

#### **Conclusion**

Thank you for the opportunity to appear before you today to address the FY2019 Budget. These resources will honor the President's commitment to Veterans by continuing to enable the high-quality benefits our Veterans have earned. The Budget will support the Secretary's efforts to achieve his top priorities while ensuring that VA is a source of pride for Veterans, beneficiaries, employees, and taxpayers. Thank you for your support.

This concludes my statement. Thank you for the opportunity to appear before you today. We would be pleased to respond to questions you or the other Members of the Committee may have.

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#### **Prepared Statement of Matthew J. Shuman**

Chairman Arrington, Chairman Bost, Ranking Members O'Rourke and Esty, and distinguished members of both Subcommittees, on behalf of Denise H. Rohan, National Commander of The American Legion; the country's largest patriotic wartime service organization for veterans and our 2 million members; we thank you for inviting The American Legion to present our position on President Trump's proposed FY19 budget<sup>1</sup> for the Department of Veterans Affairs before you today.

The American Legion is a resolution-based organization; we are directed and driven by the millions of active Legionnaires who have dedicated their money, time, and resources to the continued service of veterans and their families. Our positions are guided by nearly 100 years of advocacy and resolutions that originate at the grass-roots level of the organization -local American Legion posts and veterans in every congressional district of America.

The American Legion appreciates President Trump following through with the promises he made on the campaign trail. At a time when most Federal agencies are experiencing a decrease in their respective budgets, the Department of Veterans Affairs (VA) will hopefully, with assistance from these critical Committees, receive a much-needed increase.

#### **VETERANS BENEFITS ADMINISTRATION & BOARD OF VETERANS APPEALS**

<sup>1</sup>An American Budget: <https://www.whitehouse.gov/wp-content/uploads/2018/02/budget-fy2019.pdf>

*“Streamlines Delivery of Veteran Benefits. VA provides veterans and eligible dependents with benefits including disability compensation, pension, GI Bill, educational assistance, vocational rehabilitation, and home loan guaranties among others. The Budget invests \$2.9 billion, a 1-percent increase from the 2017 enacted level for these programs. These benefits directly support the economic security of veterans and their families, and reflect a greater commitment to a better future.”<sup>27</sup>*

#### **-An American Budget, Trump Administration’s Proposed FY 19 Budget**

One of the priorities of The American Legion is to ensure the men and women who have selflessly served our Nation receive the benefits they earned while wearing the uniform of the U.S. Armed Forces. There is no question that 2017 was a successful year for legislation dealing with and improving the quality of life for veterans. From passing the accountability and whistleblower legislation that arms the Secretary of the VA with the ability to terminate defunct employees, reforming the VA appeals process allowing for disability claim decisions to be rendered in a more realistic time frame, and passing the Harry W. Colmery Veterans Educational Assistance Act of 2017, which was named after an original author of the G.I. Bill and past national commander of The American Legion; 2017 was indeed a great and productive year. It is vital that we keep the momentum moving in a direction that benefits those who have raised their right hand, taking an oath to defend our great Nation.

In order to ensure veterans receive the benefits they earned, we must guarantee that proper funding allocated, setting up VA for success. The president’s proposed budget calls for:

#### **Benefits Claims Processing:**

- Provide \$2.9 billion to Veterans Benefits Administration (VBA) to process 1.5 million veterans rating claims and 4.5 million education claims
- Hire an additional 225 fiduciary employees to protect VA’s most vulnerable veterans who are unable to manage their VA benefits

#### **Appeals Reform:**

- Implement a new appeals process that is clear, understandable, and provides veterans with choices that best meet their needs.
- Provide the Board of Veterans Appeals (BVA) with \$175 million, to support 1,025 full time employees (FTE) to implement reform and address legacy appeals.
- Provide VBA with \$74 million to hire 605 FTE to address appeals

By resolution, The American Legion advocated for the modernization of the antiquated appeals system, also referred to as “legacy appeals.” The passage and signing of this law, aimed at modernizing the broken process that had claims in the system for more than a decade, and in some cases even longer. A new reform bill will provide three different routes that a veteran can take to receive a judgement, placing the veteran in control of their claim. Allowing the veteran control and creating numerous ways for them to file their claim will allow the VA to render a decision on the veteran’s claim within a year. This was, and remains, a much-needed improvement to an archaic and dilapidated system.

A concern held by many is how the VA prioritizes and processes legacy appeals. The American Legion applauds the president’s call to increase funding for this program and establishing the hiring of over 1,000 new FTE that will be able to assist in the processing of the legacy appeals.

Additionally, prior to a claim decision or judgement being appealed, an initial claim processing must take place. The American Legion applauds the president’s proposed budget in calling for increased funding for the VBA to process the 1.5 million veterans rating claims along with the 4.5 million education claims. Members of The American Legion understand the need for VBA to process a veteran’s claim within a timely manner, treating them with the respect they deserve. Providing increased funding will allow VA to process claims faster and better, to the benefit of the veteran. Processing claims the correct way will reduce the amount of appeals, essentially reducing the workload on the VA and the negative impact on the veteran.

#### **VOCATIONAL REHABILITATION & EMPLOYMENT**

<sup>27</sup> An American Budget: <https://www.whitehouse.gov/wp-content/uploads/2018/02/budget-fy2019.pdf>

The Vocational Rehabilitation and Employment (VR&E) Program provides comprehensive services and assistance enabling veterans with service-connected disabilities and employment handicaps to achieve maximum independence in daily living, become employable, and maintain suitable employment. After a veteran is found to be entitled to VR&E, a vocational rehabilitation counselor helps the veteran identify a suitable employment goal and determines the appropriate services necessary to achieve their goal.

The American Legion is pleased the appeals claims process is being modernized, and that the president's proposed budget calls for \$135.5 million to be allocated for the Board of Veterans Appeals and related IT initiatives to reduce the pending appeals inventory. Additionally, we are thankful that \$74 million is requested in the president's budget to hire an additional 605 full-time VBA employees to assist in decreasing and processing veterans claims.

Once a veteran's claim has been adjudicated, the next step is approval and access to utilize the VR&E program. However, if the processing rate of adjudicating claims is increased and no investment into the VR&E program is made, The American Legion fears the unintended consequence of increasing the applicant pool for VR&E without increasing support staff will cause concern.

Between FY11 and FY 16, VR&E applicants rose from 65,239 to 112,115, creating increasing workloads for VR&E counselors tasked with developing employment goals and services for beneficiaries. The American Legion recognized the escalating problems associated with VR&E, and at our 2016 National Convention enacted Resolution No. 345: Support for Vocational Rehabilitation and Employment Program Hiring More Counselors and Employment Coordinators<sup>3</sup>.

The combination of the increasing output of claims and appeals while not increasing the number of program counselors in the Vocational Rehabilitation and Employment program has the potential to accelerate the challenge into a full-blown crisis for veterans enrolled in the program.

The American Legion is thankful and proud to have worked closely with this Committee and others in Congress to modernize the appeals process and is appreciative that the president's budget requests the funding necessary to complete the modernization. We also encourage this Committee to consider and take into account the impending need to increase funding for the VR&E program, so we can assist veterans in finding quality employment.

#### **ENHANCE & EXPAND ACCESS TO POST-9/11 G.I. BILL EDUCATION BENEFITS**

The passage of the Harry W. Colmery Veterans Educational Assistance Act of 2017 mandates the largest improvements to the Post-9/11 GI Bill since its enactment in 2010. Included in this legislation was a requirement for VA to make changes and improvements to the VBA IT program ensuring that original and supplemental claims for educational assistance under Chapter 33 are adjudicated electronically and that rules-based processing is used to make decisions on claims "with little human intervention." The legislation also provided VBA with \$30 million in funding to implement the Colmery G.I. Bill.

The American Legion applauds the effort to include \$30 million within the legislation as an IT investment for VBA to better implement the G.I. Bill reform, but we remain skeptical as to how far \$30 million can be stretched to cover the sweeping improvements of the Colmery G.I. Bill. Several of the new provisions and implied tasks require work or oversight that is not currently supported by existing VBA IT systems, making manual intervention and processing necessary. This could range from broad requirements to scale the Vet Tech Pilot to sending out automated letters of eligibility to new G.I. Bill beneficiaries.

The president's proposed budget states, "the Budget complements and supports continued implementation of the Harry W. Colmery Veterans Educational Assistance Act of 2017 (the "Forever GI Bill") which represents one of the most sweeping changes to the Post-9/11 GI Bill since its inception, expanding access to veterans and eligible dependents. In addition to the benefit payments, requested funding would also fund IT investments to effectively implement all provisions of the new law." The American Legion is pleased that the Trump Administration shared the same concern of the possibility that \$30 million would not be sufficient to fully and effectively implement the Colmery G.I. Bill and requests additional funding for IT at VBA.

#### **Cap Post-9/11 G.I. Bill Flight Training Programs at Public Schools**

<sup>3</sup>American Legion Resolution No. 345: <https://archive.legion.org/bitstream/handle/123456789/5663/2016N345.pdf?sequence=1&isAllowed=y>

We are pleased to see a recommendation from the Trump Administration to cap costly flight training programs at public universities or other Institutions of Higher Learning (IHL.) The American Legion supports measures to improve cost control for flight programs offered by IHL's across the Nation.

In 2015, The Los Angeles Times exposed that some IHL's had instituted extreme costs for flight fees as there were no caps in place for public schools.<sup>4</sup> Since that time, increased oversight from the Department of Veterans Affairs and State Approving Agencies (SAAs) has resulted in lowered overall expenditures for flight training from a height of \$79.8 million in 2014 to \$48.4 million in 2016.

Among the external factors responsible for this reduction was a 100% compliance survey conducted by SAAs in 2015 that resulted in 12 suspensions and withdrawals due to violations of the 85-15 rule. The mandate to micromanage flight programs is unsustainable, even as institutions learn to adjust to the requirements while hedging veteran enrollment. The American Legion believes that a solution is still necessary to ensure that the Post-9/11 G.I. Bill and the Colmery G.I. Bill remain an honorable investment of taxpayer funds.

The president's proposed budget would place a cap on the amount the G.I. Bill would pay for a veteran to receive flight training. The American Legion supports this action, with one modification: any cost-savings from capping the G.I. Bill for services rendered from an IHL, would be utilized for the benefit of veteran's education, employment, or transition services.

#### **CLOSING**

Chairman Arrington, Chairman Bost, Ranking Member's O'Rourke and Esty, and other members of these critical Committees, The American Legion thanks you for the opportunity to elucidate the position of the 2 million veteran members of this organization on President Trump's proposed FY19 budget as it relates to the Department of Veterans Affairs. For additional information regarding this testimony, please contact Mr. Matthew Shuman, Director of The American Legion Legislative Division at mshuman@legion.org, or (202) 861-2700.

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#### **Prepared Statement of Shane L. Liermann**

Chairman Bost, Chairman Arrington, Ranking Member Esty, Ranking Member O'Rourke and Members of the Subcommittees:

Thank you for inviting DAV (Disabled American Veterans) to testify at this joint hearing of the Subcommittee on Disability Assistance and Memorial Affairs and Subcommittee of Economic Growth regarding the fiscal year (FY) 2019 budget submission of the Department of Veterans Affairs (VA). As you know, DAV is a non-profit veterans' service organization comprised of 1 million wartime service-disabled veterans that is dedicated to a single purpose: empowering veterans to lead high-quality lives with respect and dignity.

As you know, DAV is a member of The Independent Budget (IB), and with our partners, Paralyzed Veterans of America and Veterans of Foreign Wars of the United States, we jointly develop and issue budget recommendations each year for VA programs, services and benefits. In today's testimony, I will highlight DAV's and the IB's budget recommendations for the Veterans Benefits Administration (VBA) for fiscal year 2019 and compare them to the Administration's proposed budget released in February 2018.

#### **GENERAL OPERATING EXPENSES—VETERANS BENEFITS ADMINISTRATION**

The Veterans Benefits Administration (VBA) account is comprised of six primary divisions. These include Compensation, Pension, Education, Vocational Rehabilitation and Employment (VR&E), Housing and Insurance. The increases recommended for these accounts primarily reflect current services estimates with the impact of inflation representing the grounds for the increase. However, two of the subaccounts—Compensation and VR&E—also reflect modest increases in requested staffing to meet the rising demand for those benefits and backlogs of pending workload.

We recommend approximately \$3.104 billion for the VBA for FY2019, an increase of approximately \$194 million over the estimated FY2018 appropriations level. Our recommendation includes approximately \$92 million in additional funds in the Com-

<sup>4</sup>U.S. taxpayers stuck with the tab as helicopter flight schools exploit GI Bill loophole - March 15, 2015 <http://www.latimes.com/nation/la-me-adv-gibill-20150315-story.html#page=1>

pensation account above current services, and approximately \$18 million more in the VR&E account above current services to provide for new full-time equivalent employees (FTEE).

The Administration's FY2019 budget request for VBA is approximately \$2.9 billion, more than \$200 million less than our recommendations. Below are further details regarding some of the specific recommendations that result in this disparity.

#### **COMPENSATION SERVICE PERSONNEL**

In recent years, VBA has made significant progress in reducing the claims backlog, which was over 610,000 claims in March 2013. As of March 3, 2019, the claims backlog is roughly 78,000 claims, a decrease of 87 percent from its peak, and a decrease of about 18,000 claims compared to the year prior. VA defines a backlogged disability claim as one pending over 125 days. Overall, the total pending claims workload decreased from about 390,000 in January 2017, to just over 328,000 claims today, a decrease of 18 percent in the past year. During that time, the average days to complete a claim dropped from 119 days last year to 103 days this January.

However, the trends on accuracy have gone the other direction. In January 2015, the 12-month issue-level accuracy was approximately 96 percent; today it is down to about 94.5 percent, though it has leveled off over the past 10 months. The 12-month claim-based accuracy measurement has dropped from approximately 91 percent in January 2015, to less than 85 percent today. While it is critical to continue reducing the backlog and the time it takes to complete a claim, VBA must refocus on completing claims accurately the first time.

In addition, VBA has a backlog of non-rating related claims, such as for dependency status changes, that must also be addressed in a timely manner. While continued advancements in the functionality of e-Benefits and other IT systems have allowed veterans and their representatives to directly make dependency changes more quickly, this non-rating related workload is too often given low priority status in Regional Offices. VBA must provide the resources and attention necessary to consistently complete this work in a timely manner.

It is also critical that VBA have sufficient funding for IT development and maintenance. In particular, VBA must devote additional resources to stakeholder IT enhancements in order to allow VSOs to more efficiently submit and review claims they represent. This will not only provide better service to veterans, it will also reduce some of the burden and workload that would otherwise fall on VBA personnel.

Another major driver of VBA workload is appeals processing. As of February 28, 2018, there are approximately 462,000 pending appeals of claims decisions at various stages between VBA and the Board of Veterans Appeals (Board), with approximately 306,000 requiring further processing at VBA Regional Offices.

Last year, Congress approved the Veteran Appeals Improvement and Modernization Act (P.L. 115-55) in order to help streamline the appeals process and provide better, timelier decisions for veterans. In November, VBA began early implementation of the law through the Rapid Appeals Modernization Program (RAMP) pilot that invites veterans with pending appeals to opt into the new system through either the Higher Level Review or Supplemental Claim option. RAMP may have the effect of redirecting some workload from the Board back to VBA, however, once implemented, the new law will also eliminate many of the current appeal processes that take place at the Agency of Original Jurisdiction (AOJ), such as Statements of Case, and Form 9 Certification.

Over the past several years, VA has requested, and Congress has provided, additional funding to increase staffing at VBA to address the claims backlog. However, there have not been commensurate increases in funding to address the backlog of appeals pending inside VBA.

For FY2019, we recommend an additional 900 FTEE for VBA, requiring an estimated \$92.4 million increase in funding. Of those new FTEE, 500 should be allocated to the Compensation Service to address the pending and future appeals workload; another 350 should be allocated to address the growing backlog of non-rating related work such as dependency claims; and 50 should be allocated to the Fiduciary program to address increased workload in recent years, particularly related to veterans participating in VA's Caregiver Support programs.

The Administration's FY2019 budget requests an additional 605 FTEE to implement the new appeals process and reduce the inventory of pending appeals. We support the Administration's commitment to reducing the large amount of legacy appeals while also implementing the new appeals system. We concur with VA's proposed increase in additional FTEE.

We are concerned, however, that the Administration is not requesting any additional FTEE for non-rating related work, such as dependency claims. A concerted effort will need to be undertaken to reduce these non-rating issues as veterans

should not have to wait 12 months or longer to have dependents added to or removed from their benefits.

A July 2015 VA Inspector General report on the Fiduciary program found, “. Field Examiner staffing did not keep pace with the growth in the beneficiary population, [and] VBA did not staff the hubs according to their staffing plan..”

Last year we recommended 100 additional FTEE to address this problem, however since VBA reallocated an additional 51 FTEE to the Fiduciary program this fiscal year, then we had to reduced our recommendation to 50 new FTEE for FY2019.

In recognition that the program has experienced a 73 percent growth since 2011, and staffing has not kept up with the needs of the program, the Administration requested an additional 225 FTEE for FY2019 for the Fiduciary program. We concur with this increase as these veterans can be among the most vulnerable beneficiaries in VBA.

Finally, we would note that as the Veterans Appeals Improvement and Modernization Act of 2017 continues to be fully implemented, including RAMP, VBA must develop more accurate workload, production and staffing models in order to accurately forecast future VBA resource requirements.

#### **VR&E SERVICE PERSONNEL**

The Vocational Rehabilitation and Employment Service (VR&E), also known as the VetSuccess program, provides critical counseling and other adjunct services necessary to enable service disabled veterans to overcome barriers as they prepare for, find, and maintain gainful employment. VetSuccess offers services on five tracks: re-employment, rapid access to employment, self-employment, employment through long-term services, and independent living.

An extension for the delivery of VR&E assistance at a key transition point for veterans is the VetSuccess on Campus program deployed at 94 college campuses. Additional VR&E services are provided at 71 select military installations for active duty service members undergoing medical separations through the Department of Defense and VA's joint Integrated Disability Evaluation System (IDES).

Over the past four years, program participation has increased by an estimated 16.8 percent, while VR&E staffing has risen just 1.8 percent. VA projects program participation will increase another 3.1 percent in FY2019, and it is critical that sufficient resources are provided not only to meet this rising workload, but also to expand capacity to meet the full, unconstrained demand for VR&E services.

In 2016, Congress enacted legislation (P.L. 114–223) that included a provision recognizing the need to provide a sufficient client-to-counselor ratio to appropriately align veteran demand for VR&E services. Section 254 of that law authorizes the Secretary to use appropriated funds to ensure the ratio of veterans to Vocational Rehabilitation Counselors (VRC) does not exceed 125 veterans to one fulltime employment equivalent. Unfortunately, for the past three years, VA has requested no new personnel for VR&E to reach this ratio.

In order to achieve the 1:125 counselor-to-client ratio established by Congress, we estimate that VR&E will need another 143 FTEE in FY2019 for a total direct workforce of 1,585, to manage an active caseload and provide support services to almost 150,000 VR&E participants. At a minimum, three-quarters, of the new hires should be VRCs dedicated to providing direct services to veterans. This would require an increase of \$18 million for FY2019.

We are disappointed by the Administration's proposal for a decrease of \$257 million for VR&E for FY2019. While we understand this is partly due to lower pricing for the Transition Assistance Program (TAP) for those separating from service, this disregards the increased need of VR&E services veterans may require many years after separation. The Administration acknowledges that since 2013, participation in this program increased by 17 percent and noted a rolling average counselor to caseload ratio of 136.4, however, their budget request fails to request additional FTEE to move closer to a 1:125 counselor-to-client ratio.

#### **GENERAL ADMINISTRATION**

The General Administration account is comprised of ten primary divisions. These include the Office of the Secretary, the Office of the General Counsel, the Office of Management, the Office of Human Resources and Administration, the Office of Enterprise Integration, the Office of Operations, Security and Preparedness, the Office of Public Affairs, the Office of Congressional and Legislative Affairs, and the Office of Acquisition, Logistics, and Construction, and the Veterans Experience Office (VEO). This marks the first year that the VEO has been included in the divisions of General Administration.



Additionally, a number of the divisions reflect changes to the structure and responsibilities of those divisions. For FY2019, we recommend approximately \$355 million, an increase of more than \$25 million over the FY2018 estimated level. This increase primarily reflects an increase in current services based on the impact of uncontrollable inflation across all of the General Administration accounts.

#### **BOARD OF VETERANS' APPEALS**

With the enactment of the Veterans Appeals Improvement and Modernization Act (P.L. 115–55), the Board in 2018 will be developing and implementing the new appeals system scheduled to begin in February 2019. Once fully implemented, the Board will operate five separate dockets concurrently, which will require new training and new IT functionality to manage this workload. The Board has presented its implementation plans to Congress and must adhere to the timelines laid out in order to finalize new regulations and prepare its workforce. In addition, sufficient IT resources must be provided to the Board to complete development of new workload management tools.

Once the new appeals system is stood up in 2019, overall workload coming into the Board is expected to begin leveling off, or perhaps begin to decrease, as veterans take advantage of the expanded options to resolve appeals at the AOJ level. Thus, it is too early to project whether the Board will require more or less resources in its future state.

For FY2018, the Board is projecting that it will produce 81,000 decisions, the highest total in the Board's history, though there will still remain a significant backlog of appeals in the pipeline to the Board. VA's budget submission for FY2018, requested funding to increase FTEE levels to 1,050, continuing staffing increases in recent years to expand capacity and allow the Board to address both the backlog of legacy appeals and the transition to the new appeals system.

For FY2019, we do not recommend any additional staffing increases at the Board; however, it is critical that the Board complete the hiring and training of new personnel as rapidly as possible. Further, it will be critical for VA and Congress to carefully and regularly monitor workload, timeliness, quality and other metrics to ensure that the Board is and remains appropriately staffed in the future.

For FY2019, the Administration is requesting a budget of \$175 million, an increase of \$8.7 million over FY2018 funding. The increase is to allow for use of carry-over funds for personnel costs and to continue to fund the additional staff to be hired in 2018. We are pleased with these proposed increases as it reflects the Administration's commitment to reducing legacy appeals and to be properly prepared for the implementation of the Appeals Modernization Act.

#### **ADMINISTRATION'S PROPOSED LEGISLATION**

Within the Administration's VA budget request were legislative proposals on several topics that we find troubling because it could have significant negative consequences for veterans and their families. We oppose the following proposals:

- Clarify Evidentiary Threshold for Ordering VA Examinations:

VA seeks to amend 38 U.S.C. § 5103A(d)(2) to clarify the evidentiary threshold at which VA, under its duty to assist obligation in § 5103A, is required to request a medical examination for compensation claims. We oppose this proposal would raise the threshold for obtaining medical evidence and make it more difficult to receive favorable claims decisions. While this proposal estimates it would save the Federal government over \$900 million in ten years, it does not reflect the amount of rightful compensation that would be lost to veterans nor does it contemplate the additional resources necessary to resolve an increase of appeals on claim denials.

- Elimination of Payment of Benefits to the Estates of Deceased Nehmer Class Members and to the Survivors of Certain Class Members:

VA seeks to amend 38 U.S.C. § 1116 to eliminate payment of benefits to the estates of deceased Nehmer class members and to survivors of certain class members when such benefits are the result of presumptions of service connection established pursuant to §1116 for diseases associated with exposure to Agent Orange and certain other herbicide agents. This proposed legislation would deny veterans' families benefits that would have otherwise been due to their deceased veteran family member as a result of exposure to these toxic chemicals while in service. We oppose any such legislation.

- Clarify Chemicals at Issue for Purposes of Presumptive Service Connection for Veterans Serving in the Republic of Vietnam:

VA seeks to amend 38 U.S.C. § 1116 to define the harmful chemicals, specifically Tetrachlorodibenzo-p-dioxin (TCDD), used in herbicides by claiming those were only used in Vietnam. Herbicides with TCDD were used outside of Vietnam and suggesting otherwise appears to be an attempt to save money at the expense of disabled veterans. We strongly oppose this proposal to limit disability benefits based on the location of herbicide exposure.

Mr. Chairmen, this concludes my testimony on behalf of DAV. I would be happy to answer any questions you or other members of the Subcommittees may have.

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### **Prepared Statement of Lauren Augustine**

Chairmen Arrington and Bost, Ranking Members O'Rourke and Esty, and Members of the Subcommittees:

Thank you for inviting Student Veterans of America (SVA) to submit our testimony on the fiscal year 2019 budget submission of the Department of Veterans Affairs (VA). With over 1,500 chapters advocating on behalf of over one million student veterans in schools across the country, we are pleased to share the perspective of those directly impacted by the budget request concerning these Subcommittees.

Established in 2008, SVA has grown to become a force and voice for the interests of veterans in higher education. With a myriad of programs supporting their success, rigorous research on ways to improve the landscape, and advocacy throughout the Nation, we place the student veteran at the top of our organizational pyramid. As the future leaders of this country, fostering the success of veterans in school is paramount in their preparation for productive and impactful lives.

We will discuss our general concerns with the current budgetary process' impact on student veterans, concerns specific to VA's budget request, and suggestions to strengthen how VA supports student veterans.

#### **The Current Budget Process**

Concerns with the lack of regular order around the budget and appropriations processes are consistent talking points among the larger veteran advocacy community, and even more broadly throughout Washington; nevertheless, the need for consistent and predictable government funding is more than worth reiterating. Even with VA's robust advance appropriation funding cycle, the step-and-repeat of continuing resolutions and looming threats of government shutdowns leave student veterans with many questions and uncertainty, with recent examples demonstrating the timeliness of these discussions<sup>1</sup>.

Student veterans and their families frequently interact with multiple government agencies, which makes the need for reliable government funding an issue that transcends the silos of VA. The recently passed Bipartisan Budget Act of 2018 is an appreciated first step towards resolving that uncertainty.

As the next iteration of funding requirements comes due in the immediate days, assuming it is not resolved by the time of today's hearing, we hope to see continued bipartisan compromise. We also applaud the full Committee's continued commitment to ensure VA's budget, and the programs and services veterans use across government, remains a priority for the whole of Congress.

#### **Readjustment Benefits and Education Services in VA's Budget Request**

Through a combination of funding sources, the majority of which is newly appropriated funds, VA's budget request calls for an estimated \$15.5 billion in Readjustment Benefits obligations in 2019 and \$16.1 billion in Readjustment Benefits obligations in 2020<sup>2</sup>. This does not include discretionary funds necessary to administer these benefits.

Largely comprised of the education benefits Education Services manages, Readjustment Benefits serve as some of the most proactive and empowering benefits available to veterans and their families. Readjustment benefits equip veterans to re-

<sup>1</sup> See Emily Wax-Thibodeaux, 11,000 disabled student veterans left without rent and expense money due to computer glitch, THE WASHINGTON POST, Feb. 2, 2018, [https://www.washingtonpost.com/news/checkpoint/wp/2018/02/02/11000-disabled-student-veterans-left-without-rent-and-expense-money-due-to-computer-glitch/?utm\\_term=.4cf294f50380](https://www.washingtonpost.com/news/checkpoint/wp/2018/02/02/11000-disabled-student-veterans-left-without-rent-and-expense-money-due-to-computer-glitch/?utm_term=.4cf294f50380). Natalie Gross, Here's what a government shutdown could mean for GI Bill users, MILITARY TIMES, Jan. 19, 2018, <https://www.militarytimes.com/education-transition/education/2018/01/19/heres-what-a-government-shutdown-could-mean-for-gi-bill-users/>.

<sup>2</sup> U.S. Department of Veterans Affairs, Office of Budget. FY2019 Budget Submission. Available: <https://www.va.gov/budget/products.asp>

turn to the civilian workforce as the leaders and problem-solvers upon which the future of our country's economic prosperity desperately depends.

Through increased access to and participation in these benefits, budget obligations continue to increase. We encourage the Subcommittees to think of Readjustment Benefits as an integral part of the whole of VA when advocating for appropriated funds— a macroeconomic net benefit in the truest sense of the concept. While healthcare and disability compensation make up part of VA's foundational services, Readjustment Benefits are also a cornerstone of VA's foundation.

As noted during our State of Student Veterans of America delivered at the 2018 SVA National Conference<sup>3</sup>, the original GI Bill opened up higher education to all Americans. Prior to 1944, if you were trying to go to school in America, it would have been difficult; less than seven percent of Americans in 1944 had a bachelor's degree at the time. The GI Bill changed that by educating 49 percent of returning World War II veterans from Europe and the Pacific.

These amazing women and men returned to the college campuses on the GI Bill and led the democratization of higher education<sup>4</sup>. The Readjustment Benefits in place today build on that storied history. They are at the core of what VA does best for veterans and this country; we strongly encourage Congress to remember the importance of Readjustment Benefits and Education Services when defining priorities and aligning resources.

#### **Vocational Rehabilitation and Education (VR&E) in VA's Budget Request**

The VR&E program provides services to veterans with service-connected disabilities to prepare, find, and maintain employment. Currently, VR&E rehabilitation services provide veterans five tracks to employment, including employment through long-term services. This track largely focuses on the necessary training and education needed to meet a veteran's employment goals<sup>5</sup>. According to VA's budget request, the VR&E program will see an increase in program participation and administration resource needs over the next two years<sup>6</sup>.

SVA is currently tracking concerns student veterans express with the VR&E program to better understand how the program could be strengthened. A theme throughout the concerns collected so far rests largely with the large caseloads Vocational Rehabilitation Counselors (VRC) must manage, the inconsistent VRC decisions, and frequent turnover of VRCs<sup>7</sup>. We believe it is necessary to meet the current appropriations demand that VA outlined; however, Congress should also address some of the underlying resource issues<sup>8</sup> that are contributing to those concerns and proactively improve the VR&E program.

Given the highly individualized nature of the program, there is strong need to ensure proper VRC to veteran ratios as mandated in Public Law 114-223, which requires one full-time employment equivalent (FTEE) for every 125 veterans<sup>9</sup>. It is unclear if those ratios are being met and we encourage these Subcommittees to hold VA accountable to that ratio in their budget request. We strongly urge this Committee to encourage VA to increase the capped pay of VRCs<sup>10</sup> to match higher sal-

<sup>3</sup>Jared Lyon, *Defining Our Future: Today's Scholars, Tomorrow's Leaders*, Jan. 5, 2018, <https://www.linkedin.com/pulse/defining-our-future-todays-scholars-tomorrows-leaders-jared-lyon/?trackingId=KSFlIL2kVl8OVnbMoFiu1g%3D%3D>

<sup>4</sup>Id.

<sup>5</sup>U.S. Department of Veterans Affairs, Eligibility and Entitlement, VOCATIONAL REHABILITATION AND EMPLOYMENT (VR&E), <https://www.benefits.va.gov/vocrehab/eligibility—and—entitlement.asp>.

<sup>6</sup>U.S. Department of Veterans Affairs, Office of Budget, FY2019 Budget Submission. Available: <https://www.va.gov/budget/products.asp>

<sup>7</sup>Paul R. Varela, "A Review of VA's Vocational Rehabilitation and Employment Program," HOUSE COMMITTEE ON VETERANS' AFFAIRS SUBCOMMITTEE ON ECONOMIC OPPORTUNITY, July 8, 2015, <https://www.gpo.gov/fdsys/pkg/CHRG-114hhrg98685/pdf/CHRG-114hhrg98685.pdf> (turnover discussion on pg. 18).

<sup>8</sup>Benjamin L. Krause, J.D., National Association of Veterans Program Administrators (NAVPA) Statement for Hearing - "A Review of VA's Vocational Rehabilitation and Employment Program," HOUSE COMMITTEE ON VETERANS' AFFAIRS, July 8, 2015, <https://archives-veterans.house.gov/submission-for-the-record/mr-benjamin-l-krause-jd>.

<sup>9</sup>Continuing Appropriations and Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2017" Public Law 114-223, <https://www.congress.gov/114/plaws/publ223/PLAW-114publ223.pdf>.

<sup>10</sup>Glassdoor, US Department of Veterans Affairs Vocational Rehabilitation Counselor Salaries, <https://www.glassdoor.com/Salary/US-Department-of-Veterans-Affairs-Vocational-Rehabilitation-Counselor-Salaries-E41429—D—KO34,69.htm> (Indicating range of salaries from \$49,799-\$95,000 based on salary reports and statistical methods).

ary caps of similar Department of Education positions to aid in the turnover of VRCs<sup>11</sup>.

### **Forever GI Bill Implementation in VA's Budget Request**

Last summer, SVA led a coalition of more than 60 organizations to pass the most expansive higher education legislation in nearly a decade, and also the largest improvement of the Post-9/11 GI Bill-the Forever GI Bill. Signed into law on August 16, 2017, the Forever GI Bill - officially titled the Harry W. Colmery Veterans Education Assistance Act<sup>12</sup> - made history<sup>13</sup> thanks to this Committee and the current congress.

The Forever GI Bill includes dozens of provisions that increase access to higher education, reduce inequities within the benefit, and turn the GI Bill into a benefit of service far beyond the current generation. Thirteen of the law's provisions are already in effect and benefiting student veterans across the country; the majority of the law's provisions will take effect this August. While SVA was proud to work alongside many members of these Subcommittees and their staffs to pass the Forever GI Bill, we remain concerned about the law's successful implementation, which must include sufficient appropriations and continued vigilance to the implementation process<sup>14</sup>.

SVA commends VA and its dedicated staff for the ongoing robust public outreach effort to make those affected aware and a clear dedication to successfully implementing the Forever GI Bill. However, as detailed in VA's budget request<sup>15</sup>, VA needs sufficient resources appropriated to meet that goal. Specifically, while we appreciated the Forever GI Bill's language authorizing funds to meet some of the IT needs to implement the new law, these funds have yet to be appropriated. We encourage the inclusion of such appropriations to meet that need as soon as possible given the short implementation window student veterans are facing.

Additionally, several of the provisions - such as the benefit restoration for school closures - require new oversight responsibilities that cannot be automated. Others, such as the Purple Heart expansion, are likely to result in increased GI Bill usage. These increased oversight functions and expected growth in usage, and implementing the law generally, will require new staff to keep processing times from increasing. SVA encourages including sufficient appropriations to meet VA's expected staffing needs.

### **Strengthening VA to Support Student Veterans**

SVA is a solution-oriented organization and we appreciate the willingness to collaboratively address our concerns alongside the members of these Subcommittees. Our concerns with VA's budget request have a common dominator: at present, VA is lacking formal leadership on behalf of economic opportunity programs. To be clear, this is not a lack of leadership due to personality, but instead a void of a sufficient leadership role for such programs in VA's current enterprise structure.

Economic opportunity programs, largely comprised of readjustment benefits, should be thought of as an integral part of the empowering, whole health model of care VA prioritizes. Programs encompassed under the economic opportunity umbrella, like the GI Bill and home loan guarantees, are proven success stories that not only benefit veterans but the larger American economy.

Specifically looking at the GI Bill, last year SVA released the National Veteran Education Success Tracker (NVEST)<sup>16</sup> in partnership with VA, which focuses on outcomes of student veterans and demonstrates the return on investment of student veterans. The first of its kind, it studied 854,000 individual records - every Post-

<sup>11</sup> See generally National Association of Veterans' Program Administrators, 2017 NAVPA Legislative Agenda, <http://www.navpa.org/2017-navpa-legislative-agenda/>.

<sup>12</sup> Harry W. Colmery Veterans Education Assistance Act of 2017. Pub. L. 115-48. 16 August 2017. Available: <https://www.congress.gov/bills/115th-congress/house-bill/3218>

<sup>13</sup> Gross, Natalie (2017). Military Times. "Trump signed the 'Forever GI Bill.' Here are 11 things you should know", <https://www.militarytimes.com/education-transition/education/2017/08/16/trump-signed-the-forever-gi-bill-here-are-11-things-you-should-know/>

<sup>14</sup> Hubbard, William, Testimony for Legislative Hearing on the Topic Of "An Update on the Implementation of the Forever GI Bill," Dec. 12, 2017, HOUSE COMMITTEE ON VETERANS' AFFAIRS SUBCOMMITTEE ON ECONOMIC OPPORTUNITY, <http://docs.house.gov/meetings/VR/VR10/20171212/106695/HHRG-115-VR10-Wstate-HubbardW-20171212.pdf>.

<sup>15</sup> Department of Veterans Affairs, Office of Budget. FY2019 Budget Submission. Available: <https://www.va.gov/budget/products.asp>

<sup>16</sup> Cate, C. A., Lyon, J. S., Schmeling, J., & Bogue, B. Y. (2017). National Veteran Education Success Tracker: A report on the academic success of student-veterans using the Post-9/11 GI Bill. Washington, D.C.

9/11 GI Bill user from 2009 until the summer of 2015 - and showed the success of student veterans on campus.

The NVEST<sup>17</sup> report outlines the many ways student veterans outperform their peers on campus. From higher grade point averages, a higher success rate, and a propensity to obtain degrees in high demand fields, the data makes clear student veterans are worth the investment America has made in them through the GI Bill.

It is for these reasons SVA strongly supports the creation of a new administration within VA, named the Veteran Economic Opportunity Administration, that would include Undersecretary-level representation for programs supporting economic opportunities and transitions of veterans and their families. We feel this new administration would be a refocusing of existing resources that modernizes VA and creates greater accountability for economic opportunity and transition programs. SVA's detailed support for this new administration will be the focus of upcoming testimony on pending legislation.

We thank the Chairmen, Ranking Members, and the Subcommittees members for your time, attention, and devotion to the cause of veterans in higher education. As always, we welcome your feedback and questions, and we look forward to continuing to work with these Subcommittees, the House Veterans' Affairs Committee, and the entire Congress to ensure the success of all generations of veterans through education.



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<sup>17</sup>Id.