



**STATEMENT OF  
JOHN KAMIN, ASSISTANT DIRECTOR  
VETERAN EDUCATION AND EMPLOYMENT DIVISION  
THE AMERICAN LEGION**

**BEFORE THE**

**SUBCOMMITTEE ON ECONOMIC OPPORTUNITY  
COMMITTEE ON VETERANS' AFFAIRS  
UNITED STATES HOUSE OF REPRESENTATIVES**

**ON**

**"PENDING AND DRAFT LEGISLATION"**

**MARCH 20, 2018**

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

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

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

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

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

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

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

Resolution No. 318: *Ensuring the Quality of Servicemember and Veteran Student's Education at Institutions of Higher Education* supports any legislative proposal that improves education benefits so servicemembers, veterans, and their families can maximize its usage.<sup>1</sup>

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

### **H.R. 3023**

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

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

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

As the administrative requirements have grown with increasingly sophisticated GI Bill improvements, the need for greater institutional oversight has grown. A 2015 GAO report identified \$416 million in Post-9/11 GI Bill overpayments in fiscal year 2014.<sup>2</sup> These overpayments can result in a substantial loss of taxpayer dollars if not recovered, and create financial hardships for veterans.

It is this history of veterans education processing - from the Vietnam-era GI Bill to the GAO report - that underlines the necessity for effective reporting fees. This history informed Sections 113 and 114 of the Harry W. Colmery Veterans Educational Assistance Act, which increased

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<sup>1</sup> The American Legion Resolution No. 318 (2016): [\*Ensuring the Quality of Servicemember and Veteran Student's Education at Institutions of Higher Education\*](#)

<sup>2</sup> <https://www.gao.gov/products/GAO-16-42>

reporting fees to \$16 and mandated training for school certifying officials. Torpedoing these improvements is misguided and fiscally irresponsible, resulting in veterans, the Department of Veterans Affairs and American taxpayers bearing the damage.

Resolution No. 333: *Support Increase in Reporting Fees for Educational Institutions* supports the continuation of reporting fees at the rate of \$16 per student veteran enrolled.<sup>3</sup>

**The American Legion opposes H.R. 3023.**

### **H.R. 3940**

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

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

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

Resolution No. 21: *Education Benefit Forgiveness and Relief for Displaced Student-Veterans* supports legislation that restores lost benefits to student-veterans attending schools that abruptly shut down.<sup>4</sup>

**The American Legion supports H.R. 3940.**

### **H.R. 4451 - Homeless Veterans' Reintegration Programs Reauthorization Act of 2017**

*To amend title 38, United States Code, to provide for a five-year extension to the homeless veterans reintegration programs and to provide clarification regarding eligibility for services under such programs.*

A critical federal program in the fight to eliminate veteran homelessness is the Homeless Veterans Reintegration Program (HVRP) within the Department of Labor's Veterans' Employment and Training Services (DOL-VETS). HVRP is the most effective program available

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<sup>3</sup> The American Legion Resolution No. 333 (2016): [\*Support Increase in Reporting Fees for Educational Institutions\*](#)

<sup>4</sup> The American Legion Resolution No. 21 (2016): [\*Education Benefit Forgiveness and Relief for Displaced Student-Veterans\*](#)

to address homeless veterans' financial issues by helping them obtain gainful employment. HVRP grantees use a case management approach to assist homeless veterans, and provide critical linkages for a variety of support services available in their local communities. The program is employment focused; veterans receive the employment and training services they need in order to re-enter the labor force. Direct services include placement in employment, skills training, job development, career counseling, and resume writing. Support services such as clothing, provision of or referral to temporary, transitional, and permanent housing, referral to medical substance abuse treatment, and transportation assistance are also available.

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

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

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

The American Legion supports H.R. 4451 through Resolution No. 324: *Support Funding for Homeless Veterans*, which calls on The American Legion to seek and support any legislative or administrative proposal that will provide medical, rehabilitative, and employment assistance to homeless veterans and their families.<sup>5</sup>

**The American Legion supports H.R. 4451.**

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

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

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<sup>5</sup> The American Legion Resolution No. 324 (2016): [Support Funding for Homeless Veterans](#)

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

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

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

**The American Legion supports H.R. 4830.**

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

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

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

In 2012, The American Legion helped push for expansion of TAP to those who had already separated from service. In response, Congress passed the Dignified Burial and Other Veterans' Benefits Improvement Act of 2012 (P.L. 112-260, Section 301). Provisions in this act authorized an Off-Base Transition Training (OBTT) pilot program that would extend the TAP programs to veterans and their spouses in a community-based setting. The law required the pilot program to be established by the DOL in a minimum of three states, with selection favoring states with “high rates of unemployment among veterans.” DOL ultimately conducted 21, three-day workshops in Georgia, Washington, and West Virginia. Overall course ratings by participants were high. The OBTT pilot program expired in January of 2015.<sup>7</sup>

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<sup>6</sup> The American Legion Resolution No. 318 (2016): [\*Ensuring the Quality of Servicemember and Veteran Student's Education at Institutions of Higher Education\*](#)

<sup>7</sup> <https://fas.org/sgp/crs/natsec/IF10347.pdf>

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

The American Legion supports H.R. 4835 through Resolution No. 70: *Improve Transition Assistance Program*.<sup>8</sup>

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

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

*To amend title 38, United States Code, to clarify the treatment of certain surviving spouses under the contracting goals and preferences of the Department of Veterans Affairs.*

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

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

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

H.R. 5044 would give the surviving spouse of a service-connected veteran with less than total disability rating at the time of death, the option of maintaining SDVOSB status for three years.

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<sup>8</sup> The American Legion Resolution No. 70 (2016): [\*Improve Transition Assistance Program\*](#)

<sup>9</sup> <https://www.congress.gov/congressional-report/114th-congress/house-report/840/1>

<sup>10</sup> <http://smallgovcon.com/service-disabled-veteran-owned-small-businesses/sdvosb-programs-2017-ndaa-modifies-ownership-control-criteria/>

The Spouse must also retain ownership of at least 51 percent of the company for the duration of the time he/she claims SDVOSB status.

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

**The American Legion supports HR 5044.**

### **DRAFT BILL: VA Home Loan Improvement Act of 2018**

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

VA's Home Loan Guaranty Program has been in effect since 1944 and has afforded over 22 million veterans the opportunity to purchase a home. The 740,000 VA loans in 2017 were the most in a single year, and up more than 300,000 from three years ago. The Washington, DC area has had a 78 percent increase in VA loans in the past four years, according to Veterans United Home Loans, the largest VA purchase lender in the country. The home loan programs offer veterans a centralized, affordable and accessible method of purchasing homes in return for their service to this nation. Past and present statistics released by the Mortgage Bankers Association's National Delinquency Survey show that veterans using VA loans have the lowest foreclosure rate in the United States.<sup>11</sup>

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

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

The *VA Home Loan Improvement Act of 2018* would eliminate the 25% down payment for Jumbo Loans. Veterans would now only have to pay a VA funding fee on the loan, but at a cost much lower than the present down payment. Veterans with a service-connected disability rated

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<sup>11</sup> <https://www.military.com/money/va-loans/home-purchase/va-loans-have-lowest-foreclosure-rate.html>



as total, or any surviving spouse of such a veteran, would be exempt from these under this bill, however.

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

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

### **Conclusion**

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