

**STATEMENT OF
JEFFREY LONDON
DIRECTOR – LOAN GUARANTY SERVICE
VETERANS BENEFITS ADMINISTRATION
DEPARTMENT OF VETERANS AFFAIRS
BEFORE THE
HOUSE COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY**

September 6, 2018

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

Overview

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

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

provided over 37,000 grants, totaling over \$1.29 billion since the program's inception in 1948.

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

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

Since 2008, VA has administered SAH grants to Veterans and Servicemembers living outside the United States (OUS). These OUS Veterans live on nearly every continent across the globe in countries such as Germany, the Philippines, Thailand,

Canada, Peru, and New Zealand. Since program inception, VA has approved 54 OUS grants, and SAH agents are currently monitoring 133 active cases for Veterans who are rated eligible or who are awaiting a VA compensation service entitlement decision.

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

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

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

individual project decisions. SAHAT grant funds have also contributed to the development of enhanced touch-voice-eye activated assistive technology. Once SAHAT grant projects are completed, SAH agents include information on these technologies and resources in their initial conversations with Veterans.

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

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

Recent Program Trends

In the past 2 decades, VA has seen a sharp increase in SAH grant benefit usage. In the past 10 years, overall grant approval volume has nearly doubled (a 194-percent

increase), and in each of the last 3 fiscal years, VA has posted program record grant approval volume (FY 2015: 1,709; FY 2016: 1,914; FY 2017: 1,926).

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

So, too, have VA's efforts contributed to increased volume in SAH grant usage. VA has emphasized outreach to the Veteran population, Veterans Service Organizations (VSO), and non-profit organizations whose missions focus on constructing or adapting homes for severely disabled Veterans. VA has also made changes to the SAH grant approval process to empower local decision making. Other factors contributing to SAH grant volume increases are the sustained period of wartime in the United States and an increase in the number of Veterans who survive service-connected injuries with severe limb damage or traumatic brain injury, or who are diagnosed with devastating service-connected conditions. The SAH program has become a very important benefit to Veterans in helping to transition to and sustain an environment of independent, barrier-free living.

Special Focus Areas

Expedited Grant Processing

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

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

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

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

Expediting Other VA Benefits

Further, the SAH program has worked to facilitate faster delivery of other associated VA benefits. The SAH program's system of records now supports direct access by the Veterans Mortgage Life Insurance (VMLI) program staff, so they can query and view case information necessary to establish VMLI eligibility. Previously, SAH agents served as unnecessary intermediaries between VMLI staff and program data. Since VMLI provides up to \$200,000 in mortgage life insurance to apply toward

the balance of certain outstanding housing loans in the event of the Veteran's death, expediting VMLI approvals ensures that Veterans and their families receive this important and meaningful earned benefit in a more timely manner.

Rapidly Progressive Conditions

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

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

Upcoming Program Enhancements

SAH Business Process Reengineering:

The SAH program is nearing completion of a business process reengineering study. Conducted by gathering input from Veterans, private-sector builders and contractors, and a variety of subject matter experts within the program, the study is developing fully documented "As-Is" work processes and a desired "To-Be" state for

administering the SAH program. A business requirements document for an information technology (IT) system to support the “To-Be” environment is also being developed. In addition to work required to initiate development of the supporting IT system, the program is reviewing and validating the study outputs and determining what processes might be implementable prior to the rollout of the new technology.

Transition of Home Modifications for Independent Living

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

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

Program Outreach

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

basis by answering questions about the application process, and often assisting eligible Veterans to apply for the SAH grant program on the spot.

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

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

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

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

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

Legislative Matters

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

Conclusion

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