

**FISCAL YEAR 2020 PRESIDENT'S BUDGET: RE-
QUESTS RELATED TO VETERANS' READJUST-
MENT BENEFITS**

HEARING

BEFORE THE
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
OF THE
COMMITTEE ON VETERANS' AFFAIRS
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FISCAL YEAR 2020 PRESIDENT'S BUDGET: REQUESTS RELATED TO VETERANS' READJUSTMENT BENEFITS

Tuesday April 30, 2019

COMMITTEE ON VETERANS' AFFAIRS,
U. S. HOUSE OF REPRESENTATIVES,
Washington, D.C.

The Subcommittee met, pursuant to notice, at 2:20 a.m., in Room 2253, Rayburn House Office Building, Hon. Mike Levin [Chairman of the Subcommittee] presiding.

Present: Representatives Levin, Brindisi, Pappas, Luria, Lee, Cunningham, Bilirakis, Bergman, and Mueser.

OPENING STATEMENT OF MIKE LEVIN, CHAIRMAN

Mr. LEVIN. Good afternoon. I call this hearing to order. I want to thank everyone for joining us today in the Veterans Affairs' Economic Opportunity Subcommittee.

This Subcommittee's responsibility is extensive and reaches all the programs our veterans depend on as they begin their lives outside the Armed Services. Today's hearing will review the fiscal year 2020 budget for the Department of Veterans Affairs, as well as other relevant programs such as those within the Departments of Defense and Labor.

The President's budget reflects his Administration's priorities and there are some areas in which we agree; however, this budget proposal is not without fault. I have several questions for our witnesses from the Administration regarding the scope of what they aim to accomplish in the coming fiscal year, and, perhaps more importantly, I would like to discuss whether or not the budget they are presenting today will give them the necessary resources to achieve their goals.

I am pleased that the Administration has not proposed cuts to the overall VA budget as it has to virtually every other Federal agency. The Department of Veterans Affairs budget before us is an increase of 9.5 percent over fiscal year 2019 appropriated levels, but this increase would not apply to all programs across the Department. The Veterans Benefits Administration, which administers most of the programs within this Subcommittee's jurisdiction, would receive only a 1.5 percent increase. Some of the programs within the VBA would remain level or even be cut.

For example, funding for veterans' homelessness programs, which are crucial in my congressional district, would remain static. And for the VA Education Service the budget requests a reduction

of \$6 million, despite projecting a higher volume of claims. This is especially concerning given the delays in the Forever GI Bill implementation, as well as the proliferation of school closures.

Last week, this Subcommittee held a joint field hearing in San Diego where we discussed the harmful impact that predatory educational institutions are having on our Nation's veterans. This is not new, and I want to ensure this budget would do enough to crack down on these bad actors.

Last Congress, this Committee had to provide over \$300 million to veterans by school closures, and we may need to assist our veterans once again if the VA and the Department of Education do not improve oversight of these colleges. The VA must be a better steward of veterans' resources and taxpayer dollars.

And, lastly, while our Committee's primary jurisdiction relates to the Department of Veterans Affairs, we must remember that veterans' programs do not exist in a vacuum. Funding for every Federal agency in one way or another impacts our veterans. For instance, cuts to SNAP would affect benefits for 1.7 million veterans.

I am committed to working with my colleagues on the other authorizing committees, as well as the Appropriations Committee, to protect veterans from harmful proposals in their jurisdictions.

I look forward to hearing our witnesses' testimony regarding each aspect of the budget and how it would serve our veterans, but first I will recognize my friend Ranking Member Bilirakis for 5 minutes for his opening remarks.

OPENING STATEMENT OF GUS M. BILIRAKIS, RANKING MEMBER

Mr. BILIRAKIS. Thank you, Mr. Chairman, I appreciate it, and I apologize for being late. You all know when you have that reoccurring dream, maybe it is just me, where you can't find your classroom.

[Laughter.]

Mr. BILIRAKIS. Well, I forgot the number of the room, and it looks like I will probably have that recurring dream tonight, and I apologize for being late again. Maybe I am the only one that has that dream, but in any case—

Mr. LEVIN. No.

Mr. BILIRAKIS [continued]. —it is a nightmare.

Folks—thank you, Mr. Chairman, again—thank you for all of you being here today. Thanks for being with us for this hearing with the Subcommittee on Economic Opportunity as we examine the budget request for fiscal year 2020.

The budget requests \$220 billion, a 9.5 percent increase above fiscal year 2019 budget for all VA. And I know on this Committee our veterans are our top priority and it is great to see that the Administration feels the same way. While the fiscal year 2020 budget request has grown considerably, I am glad we are here today to focus on the programs under the Subcommittee's jurisdiction that are often overlooked, but do empower veterans' everyday lives.

Like all of my colleagues here today, I believe the veterans and their families deserve the best services, benefits, and care that we can provide to them. However, at the same time I believe in protecting the American taxpayer and ensuring that our government

is running efficiently, and there is no—we don't want to waste taxpayer dollars where they could be better invested elsewhere, but I can't think of a better place to invest them. If we are going to be spending the money, we need to spend it on our veterans, but it must be efficient.

The programs we are examining today should be the crown jewel of the VA benefits and services as empower veterans to lead a more productive and fulfilling life. While I am supportive of this strong budget, the proof will be in the details and implementation that at times in the past has been lacking.

Last year we witnessed VA fail to fully implement the Forever GI Bill, causing long delays in student housing payments. We also watched the Office of the Information and Technology spend \$12 million a new case management system for VocRehab counselors that did not work and had to be scrapped entirely. However, I believe we may have turned a corner with the VocRehab, as I am encouraged by the funding that has been provided and requested to hire additional counselors and improve systems.

With that being said, I am still skeptical of the funding being provided for the Education Service. This request includes a reduction of \$6.5 million for the Education Service's budget compared to fiscal year 2019. I know that the reasoning for this reduction is for the assumed efficiencies that will come with the changes to the GI Bill IT system, but, as we saw last year, we should not count on these systems to always work. I look forward to hearing from our VA witnesses what their back-up plan is in case of another IT failure, as we can't let what happened last year ever happen again. This is very, very important and we can't have that happen again. So we are going to ask the questions and we are going to hold the VA accountable.

I am also interested in learning what the Department's plan is to go back and pay veterans what they are owed from the changes that were supposed to be implemented on August 1st, 2018. The other item that I am interested in learning more about today is how the proposed budget for VA, the Department of Labor, and the Department of Defense supports the changes to the Transition Assistance Program, or TAP, that were enacted as part of the fiscal year 2019 National Defense Authorization Act. These changes included one-on-one transition counseling for transitioning servicemembers, very important, and an overhaul to the 5-day structure of TAP that will provide additional choices in training, as well as other improvements.

And we are going to make more implements, right, Mr. Chairman—

Mr. LEVIN. That is right.

Mr. BILIRAKIS [continued]. —to the transition program, but this was a good start last year.

These changes were the most significant revisions to TAP since 2011, and I am interested to see how this budget will support their successful implementation when they are supposed to go live in just 5 short months at the beginning of fiscal year 2020.

Mr. Chairman, before I yield back, I wanted to comment on the lack of attendance by the U.S. Department of Labor. I share your frustration with DOL not sending a witness to testify at today's

hearing. Congress has a constitutional role in providing oversight of the Department of Labor and it is unfortunate that today, like several times last Congress, the Department of Labor has refused to send a witness.

However, Congress also has a constitutional role in reviewing and approving nominations submitted by the President. It is my understanding that the nominee for the Assistant Secretary for Veterans' Employment and Training has been languishing in the Senate for over a year now. The nominee, Mr. John Lowery, III, a decorated U.S. Marine Corps veteran with a strong track record in the private industry, was voted out unanimously by the Senate Committee on Veterans Affairs on June 19th, 2019, and the approval of his nomination is being held up by at least one Senator of the minority party. We should expect DOL to do its job and provide a witness, and we should also expect the Senate to do their job and make decisions on President Trump's nominations.

Finally, Mr. Chairman, I would like to take a moment to recognize and welcome back U.S. Marine Corps Reserve Staff Sergeant Will Hubbard, who is testifying on our second panel. Staff Sergeant Hubbard just recently completed a tour of duty, serving alongside the Special Operations Joint Task Force in Kabul City, Afghanistan.

Staff Sergeant Hubbard, thank you for your service and welcome home.

[Applause.]

Mr. BILIRAKIS. Mr. Chairman, it is clear that we have a lot of work to do, a lot of ground to cover, so I yield back my time and say again thank you to our witnesses for joining us this afternoon. And I look forward to working with you and getting a lot done this year, Mr. Chairman—

Mr. LEVIN. Well, thank you—

Mr. BILIRAKIS [continued]. —and I am very grateful for the time. I yield back.

Mr. LEVIN. Thank you, Mr. Ranking Member. Staff Sergeant, it is great to have you here.

We did leave an empty seat for the Department of Labor representative, maybe he will show before this is over—probably not.

With that, I would like to introduce our witnesses. Thank you all, again, for being here.

Appearing on the first panel are Ms. Margarita Devlin, Principal Deputy Under Secretary at the Veterans Benefits Administration—good to see you again—who is accompanied by Mr. Dominic Cussatt—did I get that right or is it Cussatt?

Mr. CUSSATT. Cussatt.

Mr. LEVIN. Cussatt. All right, I won't mess it up again. Principal Deputy Assistant Secretary in the Office of Information and Technology at the U.S. Department of Veterans Affairs.

Mr. Brian Davis, Director of the Defense Personnel and Family Support Center at the Department of Defense. Thank you for being with us, sir.

On behalf of the Independent Budget, we have Mr. Patrick Murray, Deputy Director of the National Legislative Service for the Veterans of Foreign Wars, who is accompanied by Steven Henry, Associate Legislative Director of the Paralyzed Veterans of Amer-

ica, and Mr. Jeremy Villanueva, Associate National Legislative Director of Disabled American Veterans.

We also have Mr. Larry Lohmann, Senior Legislative Associate with The American Legion, and Mr. William Hubbard, Chief of Staff of the Student Veterans of America.

Finally, we had invited, as Mr. Bilirakis mentioned, the Department of Labor to join us to discuss the Veterans' Employment and Training Service and, while they did submit testimony for the record, I am equally disappointed they are not here to answer questions about their budget. I hope they join us soon, so we can learn more about how they intend to serve our Nation's veterans.

Thank you to everyone who is here today to speak with us. You will each have five minutes, and, without objection, the witnesses' full statements will be added to the record.

And with that, Ms. Devlin, you are now recognized for 5 minutes.

STATEMENT OF MARGARITA DEVLIN

Ms. DEVLIN. Thank you, Chairman Levin and Ranking Member Bilirakis, and Members of the Subcommittee. It is my pleasure to be here to talk about the Veterans Benefits Administration budget, with a particular emphasis on the economic opportunity programs.

I will specifically address the budgetary request for Education; Vocational Rehabilitation and Employment, or VETERANS AFFAIRS&E; Loan Guaranty; and VBA's newly created Office of Transition and Economic Development, or TED.

For Education, VBA requested \$223.5 million in discretionary funds to sustain administrative expenses, which include the 1,985 FTE needed to support the delivery of education benefits, including the new initiatives of VET TEC and STEM. In 2020, we estimate more than 4.2 million education claims will be processed for over a million eligible beneficiaries. The funds will further sustain the continued enactment of Sections 107 and 501 of the Colmery Act.

For VETERANS AFFAIRS&E, VBA requests \$245.4 million in discretionary funds, which will benefit an estimated 124,000 veterans participating in the program, and support our continued efforts to achieve the 1-to-125 hiring ratio. I am happy to report that out of the 169 new positions we have added, we have filled 160 and we have seven in the selection process. The budget request will also support the implementation of the Case Management Solution. This system is part of VBA's modernization efforts, which will allow counselors to efficiently manage their workload and dedicate more time to working directly with veterans to develop the skills they need to succeed in the competitive job market.

For Loan Guaranty, VBA requested \$200.4 million for loan administration to cover the costs of the housing loan programs and \$20.8 million in discretionary funds to cover the Specially-Adapted Housing Program. This request will provide sufficient funding for 906 FTE to continue administering programs to over 562,000 beneficiaries.

The budget will also support sustainment of the redesigned VA Loan Electronic Reporting Interface, or VALERI. Phase 1 of the system redesign launches next month. The redesigned VALERI will allow VA to monitor veterans who are in loan default and conduct oversight to ensure servicing activities completed by servicers are

in the veteran's best interest. Future phases in 2020 will incorporate all aspects of the loan life cycle and will dramatically enhance the ability to conduct program oversight, from eligibility to foreclosed property disposition.

TED is the business line responsible for military-to-civilian transition, as well as the development of economic initiatives that focus on empowering veterans to achieve comprehensive well-being. TED administers VA's portion of the Interagency Transition Assistance Program, or TAP. For 2020, VBA requests \$82.4 million in the budget to fund discretionary portions of TED, which will support adding VA courses throughout the military life cycle, increase VA's TAP course from 6 hours to a full day, and conduct a 5-year longitudinal study to obtain data on TAP outcomes.

As discussed in the hearing on April 9th, with the creation of TED we prioritize transition services not only operationally, but in our budget. For the first time, VA's investment in military-to-civilian transition and economic development has a clearly defined budget, which will provide full transparency into the resources and outcomes associated with this important mission.

The voluntary course that we administer that is taken by servicemembers after participating in VA's TAP course currently reflects a 96 percent satisfaction rate. We also obtain rich, qualitative data by the comments, the open comments that servicemembers provide.

Recently, a Navy sailor with less than 4 years on Active duty who participated in the VA TAP briefing in Southern California commented that our benefit advisers, quote, "Have been amazing. You can truly tell they are all passionate about their briefings and are willing to answer any and all questions that we may have. They are all genuine and truly care about us having an easier transition out of the military," end quote.

While my testimony today focused on VBA programs of interest to this Committee, the 2020 budget supports our holistic approach to the full complement of veteran benefits, which provide veterans the opportunity to achieve the American dream, to include overcoming the effects of illness or injury, and securing financial independence for themselves and their families.

VA appreciates the Committee's support in improving services and resources offered to servicemembers, veterans, and their families through the requested budget. We look forward to working with the Committee, as well as our Federal and VSO partners, to maintain our focus on continuous improvement of our economic opportunity programs.

Thank you, Chairman Levin and Ranking Member Bilirakis, for the opportunity to discuss our budget here today, and this concludes my testimony and I look forward to any questions you may have.

[THE PREPARED STATEMENT OF MARGARITA DEVLIN APPEARS IN THE APPENDIX]

Mr. LEVIN. Thank you, Ms. Devlin.

Mr. Davis, you are now recognized for 5 minutes.

STATEMENT OF BRIAN DAVIS

Mr. DAVIS. Chairman Levin, Ranking Member Bilirakis—
[Audio malfunction in hearing room.]

Mr. DAVIS. Did you all hear any of that?

Mr. LEVIN. I heard it.

Mr. DAVIS. Oh, okay. The new requirement to start the process 365 days prior to their separation will ensure that our servicemembers have the appropriate time to focus on a successful transition. The initial face-to-face session with the TAP counselor assists the member in completion of a self-assessments and develops an individual transition plan. Now, the individual transition plan becomes the roadmap for the servicemember in meeting their transition goals.

A strong collaboration among the interagency partners, as we have here today, contributes to the success of our members, and DoD's partnership with the Departments of Veterans Affairs, Labor, Homeland Security, Education, Office of Personnel Management, and the Small Business Administration ensure delivery of TAP resources and services to the member, and this includes preparation for employment, education, vocational training, and entrepreneurship.

But, most importantly, the program takes into account the well-being of the member, with the goal of assisting them and their families in preparation for their new chapter in their civilian life.

As previously stated, the fiscal year 2019 NDAA has driven significant changes to TAP, and over the past year the Department has aggressively engaged with the military components in design and implementation of the legislation, and we will continue to develop and redesign delivery of TAP services to our transitioning servicemembers and their families.

Career readiness in transition assistance preparation is an absolute must if servicemembers are going to experience a successful transition to civilian life. We recognize that preparing servicemembers through their military life cycle to be career-ready upon transition is essential to sustaining the all-volunteer force. In order for DoD to continue to attract the high quality and dedicated volunteers to serve in our Armed Forces, we must equip this generation of servicemembers with the ability to positively contribute to the national workforce and thrive in their military communities.

However, the Department cannot do this alone. We must have the continued strong collaboration with our interagency partners, the support and hard work of our military components, collaboration with other external stakeholders, and we need you, the Members of Congress.

So, in summary, what I am going to tell you, I will be honest with you, I have never testified in front of a House Subcommittee before. So, I am so very pleased and proud and happy to be here today, and really the word I am looking for is honored.

Just 2 and a half years ago, I retired from the military. I was in the Air Force, I was a Wing Commander, and I transitioned out. And I loved my career, I love what I did, I loved my job, but as I went up the leadership chain, as I took roles of responsibility, what I became passionate about, it is actually what you are passionate about, are the people and their families. And today I find

myself in this really unique position where as the Director of DFPC—I'm sorry, I couldn't even say my acronym right—that once again in my life I get this opportunity, I get this chance to take care of the people who have taken care of the mission. I mean, these are the men and women who every day, every day—and I just met a bunch of veterans back here, but every day they choose, they choose to put on the uniform, they lace up their boots, and they go about the very serious business of fighting and winning our Nation's wars, and at sometimes a great cost.

So, as I said, it is an honor to be with you today. I look forward to answering any questions you have and I look forward to your feedback. Thank you for your time.

[THE PREPARED STATEMENT OF BRIAN DAVIS APPEARS IN THE APPENDIX]

Mr. LEVIN. Thank you, Mr. Davis. It is extremely well said and thank you for your service too.

Mr. DAVIS. Thank you.

Mr. LEVIN. I now recognize myself for 5 minutes to begin the question portion of this hearing, and I will start with Ms. Devlin.

During the Full Committee budget hearing earlier this month, I asked about VBA's plan to implement Sections 107 and 501 of the Forever GI Bill by the spring of 2020. Specifically, I asked how the Administration is preparing for potential hiccups in the adoptions of changes to the IT system.

Under Secretary Lawrence stated, and I quote, "Worst-case scenario is we will continue to process it as we have been," end quote. However, as I mentioned earlier, VBA is proposing that Congress eliminate the additional funding we provided in fiscal year 2019 for the purpose of implementing the Forever GI Bill. Meanwhile, your written testimony states that the VA has 202 temporary employees supporting the additional workload associated with implementing the Forever GI Bill.

So my question to you is, can you explain how VBA is preparing for unforeseen circumstances to ensure it fully implements the Forever GI Bill?

Ms. DEVLIN. Thank you for the question.

We feel confident, first of all, that we will accomplish the mission and have the Sections 107 and 501 deployed on December 1st, as promised. I have my IT partner here next to me, we are very committed. Dr. Lawrence is paying very close attention to this, as is the CIO. We don't feel we need a plan B; however, having said that, in the event that we did not implement by December 1st, we would continue paying veterans on time at the current rates. And I believe that's what Dr. Lawrence was indicating is that this will not harm veterans should it not come through, but we have 100 percent confidence that it will.

Mr. LEVIN. Thank you for that clarification.

I wanted to turn to an issue that was a subject of the field hearing that I referenced when I was back in the district the last couple of weeks, along with the Education and Labor Committee. We had a joint field hearing on the GI Bill and specifically some of the issues around predatory lending and predatory institutions, you know, taking advantage of veterans, the 9010 loophole and the like.

I am concerned about this getting worse, not better. Some of the oversight that was present may or may not still be present. And I wanted to ask about Section 4(e) of Executive Order 13607, which ordered the DoD and the VA to, and I quote, “establish new uniform rules and strengthen existing procedures for access to military installations by educational institutions,” end quote.

Mr. DAVIS and Ms. Devlin, what is the status of your efforts to implement this directive?

Ms. DEVLIN. I would have differed with my DoD partners on the directive as it pertains to military installations.

Mr. DAVIS. Let me make sure I understood the question right, sir.

Mr. LEVIN. Sure.

Mr. DAVIS. What you are looking at is predatory—university and colleges’ predatory practices on the members there and taking their GI Bill money and they are not getting a degree, is that what—is that the question?

Mr. LEVIN. Yes, sir, and specifically the section of the Executive Order 13607 that ordered the DoD and VA both to, and I quote, “establish new uniform rules and strengthen existing procedures for access to military installations by educational institutions.”

So I just wanted to ask what the status was of your efforts to implement that directive.

Mr. DAVIS. Okay, I can tell you what we are doing, exactly what we are doing. So this is why the 365-day TAP governs, we moved the—you know, moved it out to 365 days for the transitioning member, that gives us time when they have the face-to-face counseling and they have the self-assessment basically to figure out, okay, what do I need, what do I need when I transition out. And it also is on—and I will tell you this just from what I did in a past life, it is also with the commanders and their unit commanders and that community that helps them along. So they self—they assess.

So let’s just say that they want to be an electrician. So, what do I do, what courses do I have to take? And you can take those through transition assistance and not utilize the GI Bill, but what you utilize the GI Bill is for your higher education.

So I believe what we are doing through our transition and our counseling is explain to them, okay, so if you want to be an architect, these are the things you need to look at. And so it gets them early on into the process, so they can decide, they can decide what they have to do. And there are all kinds of benefits and resources out there, from online to community college, they can prepare themselves with.

But I hope I answered that question.

Ms. DEVLIN. And if you look—

Mr. LEVIN. Sort of.

Mr. DAVIS. Okay.

Ms. DEVLIN [continued]. —more information in terms of oversight. As you may know, the VA partners with state-approving agencies who have the, by legislation right—so we don’t have the authority to approve or disapprove schools in the VA, we partner with state approving agencies, we provide them with the criteria based on the legislative authorities and then they administer the criteria for us.

So we watch over the state approving agencies, but we partner with them; we have contracts with them, we have specific and clear expectations, and we do watch to ensure that they are complying with their oversight requirements as well.

Mr. LEVIN. Thank you. And I know I am short of time, but if my colleagues will entertain one more question.

Ms. Devlin, in your written testimony you mention VA will soon begin a 5-year post-separation TAP longitudinal study. And I am curious, what metrics will you be tracking in the study and how will the information be used to improve the TAP program?

Ms. DEVLIN. Thank you. Yes, we are starting it this year. We got the survey approved by OMB and we will be administering the survey at three touch points post-transition, at 6 months post-transition, 1 year and 3 years, so we can really take a look at the outcomes of TAP.

The domains that we are looking at with the survey include employment, entrepreneurship, mental and physical health, social relationships, financial situation, and housing.

Mr. LEVIN. Thank you.

Ranking Member Bilirakis is now recognized for 5 minutes.

Mr. BILIRAKIS. Thank you, Mr. Chairman, I appreciate it.

Ms. Devlin, on a scale of 1 to 10, with 1 being complete failure and 10 being fully functioning, where do you believe the IT system for full implementation of the Forever GI Bill Section 107 and 501 will be December 1st, 2019—

Ms. DEVLIN. As I indicated—

Mr. BILIRAKIS [continued]. —on a scale from 1 to 10?

Ms. DEVLIN [continued]. —I am 100-percent confident I would give it a 10.

Mr. BILIRAKIS. All right. Okay. Well, that is encouraging. We will check back on the 1st of December.

Ms. Devlin, one of the most important provisions of the Forever GI Bill are the changes against Section 107 and Section 501 of the law, which calculated students' living stipend based on the location at which the student takes the majority of their classes. How does this budget support the implementation of this section and when will the final policy guidelines, the guidance on how VA will go back and make students impacted by the significant delay in implementing this section whole be released by the Department?

Ms. DEVLIN. Our funding allows for the continuation of the staffing levels, so that we can maintain the human intervention on claims processing that doesn't get accomplished by automation. So our contractor is required to meet the current automation rate, which is 37 percent, and then our FTE will manage the off-ramped claims that have to be touched by a human. So our budget supports that additional FTE.

And also, I just wanted to mention, we are conducting roundtable discussions with stakeholders in schools to really talk about the impact on schools and the impact on students and make sure that, as we are developing these policies for the school location for Section 107, that we incorporate the feedback of the schools, because really they are the ones that are going to have to be processing the paperwork to enable us to pay the student at the correct amount. So we are working with them, we are getting a lot of great insights

and, once we implement Sections 107 and 501, our key priority is going to be to make sure that veteran students get paid on time; the second priority is going back and retroactively making them whole for the semesters that they did not get the proper rate, if the rate would have been higher.

Mr. BILIRAKIS. Okay, very good.

Okay, Mr. Davis, one of the changes to TAP enacted in last year's NDAA was the requirement for transitioning servicemembers to undergo one-on-one transition counseling. The services have expressed their concern to the Subcommittee staff that additional resources are needed to complete this requirement. How does the budget proposal account for this change?

Mr. DAVIS. So, sir, to answer that very quickly, the budget—so it will be the military component who decide their budgets, to manage their budgets, how they do that. And I can't answer that right now, but I can certainly put, I believe you say, for the record and get that information to you—

Mr. BILIRAKIS. Yes, please do, because that is so very important.

Mr. DAVIS. That is very important. And if I can, if I have got just a second, I want to go back to the Chairman's question, because I didn't answer it.

Mr. BILIRAKIS. Okay, go ahead. No, no, please.

Mr. DAVIS. And I am sorry about that—

Mr. LEVIN. It happens all the time around here.

[Laughter.]

Mr. DAVIS. I am finding that out.

Mr. BILIRAKIS. But we do want—we want an answer, so go ahead, please.

Mr. DAVIS. And, sir, I can get you that. And so we will in coordination with the military components find out, because they control their budgets and they manage their budgets. But as for us in the governance of TAP, that is not something we have visibility on, but we will get it.

But for you, sir, the one question that I want to have answered is what you asked me, because if universities and colleges are preying on our veterans, that has got to stop. And so I—okay, that is for the record, right? I say that is for the record, it is for the record, and we will get you an answer. I will work to get you an answer.

I was answering his question and then yours.

Mr. BILIRAKIS. No, no, no, I understand. And we passed legislation a few years ago to address that issue as well. I would like to find out how that is working as well with regard to the predatory practices by some of these for-profit universities. Okay?

Mr. DAVIS. Yes.

Mr. BILIRAKIS. So give us some data on that.

Mr. DAVIS. Absolutely. And I am completely transparent, I actually got the opportunity to visit a university about 4 weeks ago in Florida, which is I believe where you are from—

Mr. BILIRAKIS. Yes.

Mr. DAVIS [continued]. —and what a magnificent university, what a magnificent veterans' association. They don't just have a veterans' office, they have got a veterans' suite. And they do what TAP does and they do what—and you probably know who I am talking about—

Mr. BILIRAKIS. I bet I do. It might be in my district.

[Laughter.]

Mr. DAVIS. Well, I can't say that, but okay. But that was an amazing trip for me, and it was an uplifting and enjoying trip and I got to talk to a lot of veterans that were there, and how that university takes care of their students and their veterans was just amazing. So, if we can get all of our universities to do that—

Mr. BILIRAKIS. Yeah, let's chat afterwards, because I want to find out which one it is.

Mr. DAVIS. Okay, sir—

Mr. BILIRAKIS. We could use it as a model for the rest of the country. I think it might be the one that I am thinking of too. All right, we won't say.

All right, I guess I better yield back. Thank you, Mr. Chairman. I appreciate it.

Mr. LEVIN. Thank you.

Mr. Pappas is now recognized for 5 minutes.

Mr. PAPPAS. Thank you very much, Mr. Chair, and to the Ranking Member for holding this hearing.

Thank you very much for your testimony, Mr. Davis and Ms. Devlin, this morning—this afternoon, I guess. I am very encouraged by some of the things that I have heard, but continue to have some concerns about one particular program that I just wanted to explore a little bit with you, the Vocational Rehabilitation and Education Program.

We have learned and I think we will hear a little bit later today from our VSOs that robust funding is critically important for that program, it is a lifeline for our veterans. And the coauthors of the Independent Budget highlighted a drop in the number of disabled veterans that are utilizing the VETERANS AFFAIRS&E program. There has been a decline from 2016 to 2018 of 173,000 to 164,000 veterans, a drop of about five percent. VETERANS AFFAIRS&E's caseload dropped from 137,000 to about 125,000, an 8.4 percent decline over that same period.

I am wondering if you can explain what led to the decline in utilization of that critical program.

Ms. DEVLIN. Thank you for the question.

We share your concern and we are looking very closely at this. We don't know what caused it, but we have been looking at several factors that we think can impact more veterans participating in the program. For example, we did see—and this is historical, for quite a period of time—that veterans tend to not show for their first appointment for orientation. The process by which we schedule veterans for that first initial appointment is they get a letter with an appointment date and time. And in order for us to do what most industry does today with reminder calls to make sure that they know that their appointment is coming up, we would have to have people, VocRehab counselors, going through their files, figuring out who has got an appointment today, and making a phone call. It is not sustainable, so a lot of times those reminder calls don't get made.

We are embarking—we just awarded a contract to conduct artificial intelligence-type activities to do things like give reminder calls to veterans when they have their first appointment. Obviously, if

a great percentage of them are not showing up for their first appointment, they are not going to enter into a rehab plan. So that is one thing we are implementing in short order.

The other thing that we are doing is we are taking a look at how many veterans who do show up for the first appointment, are found entitled and eligible, but don't participate in a plan, and in order to encourage more VocRehab counselors to work with their veterans to get them in a plan as quickly as is feasible for that veteran, recognizing it is an individualized program and every veteran has individual needs. We are asking our directors by putting it in their performance plan of the regional offices to increase the plan rate, which is the rate of veterans who are found entitled to participate in a plan, to have them work with their VocRehab officers and VocRehab counselors to ensure that they are paying attention to those eligible veterans and figuring out how do we make sure you actually take advantage of this important program and get into a plan of services, so we can start serving you.

Mr. PAPPAS. Well, thanks for the response.

Disabled veterans experience unemployment at a higher rate than the veteran population as a whole or the population of Americans as a whole, so it is critical that we continue to take steps to address that. I appreciate your response.

Does the number of counselors at all play into this in terms of the decreasing utilization of the program?

Ms. DEVLIN. While there isn't probably a direct correlation, there may be an indirect correlation, because if you have more veterans on your caseload to work with you might not have as much time to spread your attention across that veteran population that you serve. So we were very excited to be able to fund the 1-to-125 ratio and we are almost there in getting the people on board.

Mr. PAPPAS. One follow-up. You said reminder calls are an important way to make sure folks don't miss appointments. Do you have text capability, is there another way to make sure we get to those vets?

Ms. DEVLIN. That is exactly what this artificial intelligence will enable us to do is text messages, phone calls, both, right? Because we know a lot of our veterans are using their phones for texting and would rather receive a text message than a phone call.

Mr. PAPPAS. Great. Thank you.

I yield back.

Mr. LEVIN. Thank you.

Mr. Bergman is recognized for 5 minutes.

Mr. BERGMAN. Thank you, Mr. Chairman, and thanks to the panel. Good to see you all again.

At the last time we got together, I think, Ms. Devlin, you and I went back and forth a little bit and I requested some information, and thank you for providing it, because I think one of my questions was what is the breakdown percentage-wise between retirees and people just separating with less than, shall we say, 20 years. So I guess what I have got here is it is about 20 percent 20-plus-year retirees and about 80 percent before that time, first-term, second-term separations.

So it is a norm that has been I think held steady for a long period of time, so we can—we really are thinking about in 80 percent

of the cases getting someone an initial start in their career life post-military, because the 20-plus-year retirees are—they are starting again, but they are coming out with a pension and they have got a little bit of a cast cushion to go forward at that point, and that focus really goes on that 80 percent. So when you are getting an 80 percent bang for the buck, you are doing pretty well.

And we also talked about, you know, the Guard and Reserve and how we are looking at that, and I guess there is a different platform.

So I guess my question, you know, today would start with the Montgomery GI Bill allowed the Selected Reserve up to 36 months for education benefits. Can you compare the percentage of Selected Reserve versus Active duty servicemembers using their GI Bill benefits? So, in other words, those who are eligible for the Montgomery GI Bill, are they using it as much as those leaving Active duty, or any thoughts? Do you want to take it for the record?

Ms. DEVLIN. Well, I would have to take that one for the record; I don't have that data in front of me.

I do believe we capture in our systems the status of the veteran in terms of Active duty or Reserve, but I am not 100 percent sure. But, if we do track it, we can get you that data.

Mr. BERGMAN. Well, the relevance of the data is that so many of our young servicemembers when they leave their service time, whether it is active or Reserve, they are focused elsewhere, and unless we find a way to maintain that contact at whatever loose level. So when all of a sudden, they wake up one morning and go, oh, yeah, I think I had education benefits or I think I had this, you know, how do we tap into that.

And, having said that, what is the VA doing to—if you will, to be ready to when they do wake up to inform, include, facilitate, you know, Reserve participation in the GI Bill? I know largely through TAP it is going to be active; how about the Reserves, how about the Guard?

Ms. DEVLIN. Well, for all servicemembers, whether Active duty or Reservists who get called up to Active duty and then participate in TAP, that point in time later on when you kind of go, okay, I have been through getting all this information, they say, you know, it is like through a fire hose, there is just so much information about my benefits coming at me, wouldn't it be great if we would reach out to them afterwards and kind of say, hey, you know, we are just reaching out to you to make sure you know about your benefits and what is available to you, we are in the process of standing that capability up. It was part of the executive order that President Trump signed a little over a year ago to help—it was in the interest of suicide prevention, to make sure that these servicemembers once they become veterans, they know that we are there for them and that we are doing this outreach.

So we are calling it early and consistent outreach. We are setting up sort of a call-center capability where we will have data from DoD on when the servicemember exited the military, became a veteran, and we will contact them at consistent periods of time to just kind of touch base and say, you know, do you have your benefits all set up, are you interested, do you have any questions, and have that touch point, because that is the point at which they might go,

you know, I am not sure. I was curious about this benefit or that benefit, and we can fill in those blanks and get them connected and get them applying for those benefits.

Mr. BERGMAN. You know, based on the hearing we had last night with the Committee as a whole, you may want to include the question in there if you are going to reach out to them, how are you doing? Because sometimes they might be at risk and just that acknowledgment through the phone call, you are calling about something else, but how are you doing?

Lastly, and I know my time is running short here, last Congress this Committee uncovered that VA had spent over \$12 million on the creation of a case management system for the VocRehab program that had to be scrapped because it wasn't meeting the needs of VETERANS AFFAIRS&E counselors. How does your budget invest in programs that will provide this functionality for counselors and how will you avoid the mistakes of the past?

And I apologize for going over.

Ms. DEVLIN. That is okay. We have actually—we took that as a very high priority when Dr. Lawrence and I got into our current positions back in May of 2018.

One of the things that the Committee at that time asked was, why didn't you look at industry, to see if industry has off-the-shelf products that you could procure? Why did you spend all this money or all this investment in IT development without first looking to see if industry had products? So we did that research, and we looked, and we found that industry does in fact have products that you can either procure off the shelf or services that you can procure.

So, in working with our IT partners, because there are different appropriations for IT versus GOE funding, we were able to identify the ability to pay with GOE dollars for a software as a service. And in fact just yesterday I signed the acquisition package to get that request for proposals out on the street and we are well on our way to get that procurement, so that we can purchase that software as a service.

Mr. BERGMAN. Okay. Well, thank you.

Mr. Chairman, I yield back.

Mr. LEVIN. Thank you.

We now recognize Ms. Luria for 5 minutes.

Ms. LURIA. Thank you. It is nice to see you again, Ms. Devlin.

In your opening statement you said that the VETERANS AFFAIRS&E 2020 budget request supports performance measures designed to drive continuous improvement and achieve optimal outcomes for veterans. In fiscal year 2018, the VA revised the VETERANS AFFAIRS&E's performance measures to align with agency's goals and priorities.

I have recently reviewed the 2019 annual performance plan for the VA and how many performance measures are in that plan related to the VETERANS AFFAIRS&E's program?

Ms. DEVLIN. In the APPR?

Ms. LURIA. In the VA's annual performance plan.

Ms. DEVLIN. I believe there is one, but I would have to take that for the record exactly to see which ones of our performance measures made it to the plan.

Ms. LURIA. Okay. I bring this up, because I also brought up the measure in that plan related to last night's hearing with Dr. Stone and it appears that that plan has been written, but in his level, not necessarily being evaluated and used as an actual metric for how the programs are working, and now I found a parallel in two cases with that particular instance.

And so there actually were four performance measures that were then combined into one, so you are correct about that, but what is concerning to me is that there was actually no performance measure listed. So, no percentage accomplishment as a benchmark, it just says TBD in the plan. So for us to go back and evaluate or ask how you are making progress, there is no measure given in the plan.

And so, as an oversight Committee, you know, I think that we need metrics to be able to judge whether, you know, the plans are being used effectively. And since there is not one listed in there, I went to this 115-page document, which is the annual report talking about the VETERANS AFFAIRS&E effectiveness. And as I read through it, it just seems to lay out trends over an every-2-year period, but there is really no milestone or metric in here to say whether it is effective. It just basically gives raw numbers, but then doesn't actually use that data to say whether the program is being effective or not.

So I thought I would just provide that feedback as well on this document that you have provided each year to Congress.

The last thing I wanted to touch on was the 12-year requirement that basically says after 12 years someone is no longer eligible for participating in the VETERANS AFFAIRS&E program. And I have personally heard from veterans' groups within my district that there are some concerns about that and that some veterans could potentially benefit from this program beyond the 12-year point. Can you give your feedback on that and have you heard similar remarks from veterans about the program?

Ms. DEVLIN. Sure. The 12-year eligibility period begins either when you transition out of the military or when you get your first service-connected disability rating that makes you eligible. So, in some cases, veterans who didn't pursue their benefits at all and waited until later after being discharged from the military, their clock starts for their 12 years much later.

The VETERANS AFFAIRS&E program is unique in that it is very tailored and individualized. So, while a veteran may have exceeded his 12-year—his or her 12-year eligibility period, that doesn't prevent them from applying and becoming eligible to sit down and have an evaluation with a rehabilitation counselor. It is at that point that the rehabilitation counselor makes a decision based on that veteran's unique circumstances whether the 12-year eligibility period can be waived.

The waiver of the period will happen if the veteran is found to have a serious employment handicap and what that means is, for any veteran to be entitled to the program, they have to have an employment handicap. A serious employment handicap would be employment barriers above and beyond the standard legal requirement for an employment handicap.

So a couple examples would be severe educational deficits, significant advancement in age where there might be bias on the part of employers, a visible disability such as disfigurement or prosthetics that might be visible to an employer that might result in bias. There are a lot of examples in the regulations that allow us to bypass that 12-year eligibility period.

But if that was not present in that situation for that veteran, they didn't have any of those situations, then you are right that we would not be able to provide services.

Ms. LURIA. So if the 12-year requirement were to be eliminated, would you require additional resources then to implement the program? Do you believe there would be a larger audience of people attempting to access and use these benefits, and would that require more resources on your behalf to meet the 1-to-125 requirement that you are trying to reach?

Ms. DEVLIN. Potentially. When we did the analysis for our cost estimate, and I don't have that in front of me, but we did do some analysis based on the number of veterans who had applied for the program, were past their 12 years, and were denied access, meaning they did not have a serious employment handicap. While I don't have those numbers in front of me, they were not very large, but we don't know what the impact of marketing that type of new information would do in terms of veterans who might not have applied because they were past their 12 years.

So we would have to evaluate that and in the next budget cycle we would put in whatever requirement we had.

Ms. LURIA. And, lastly, if someone does apply past the 12-year point and they are denied, is there any recourse for them to take that up past that one individual counselor who made that decision?

Ms. DEVLIN. Yes, they have several options under the Appeals Modernization Act. They can ask for a higher-level review or they can appeal directly to the Board of Veterans Appeals.

But also, I just want to mention, our rehab counselors are required by our regulations to also provide them other forms of assistance if they are not eligible for the VETERANS AFFAIRS&E program. So they work with Department of Labor through a close partnership, and they work with other non-profits and other organizations in the area to make sure that veteran gets a referral to other programs that they might be eligible for.

Ms. LURIA. Thank you.

Mr. LEVIN. Mr. Meuser is now recognized for 5 minutes.

Mr. MEUSER. Thank you, Chairman Levin, Ranking Member Bilirakis. Thank you very much to our witnesses and for your important work.

I represent Pennsylvania's 9th Congressional District. We are home to about 50,000 veterans, the Lebanon VA, as well as Fort Indian Town Gap. So we have got quite a military and veterans' presence.

Ms. Devlin, I will ask you this, if I could, please. The VA's fiscal years we have mentioned for 2020 budget request contains a \$20 million increase for Vocational Rehabilitation Employment programs. Clearly, this plays a very important, critical role in assisting disabled servicemembers and all veterans to find meaningful employment. Throughout my district, we have some really terrific

vo-tech schools and career institutes. Is part of the program an outreach or an educational forum, so as veterans, disabled as well as not disabled within the VA, are they given information so as they can gain access to these schools, become aware, get introduced, and funding assistance?

Ms. DEVLIN. Yes. We have several mechanisms for outreach, but predominantly it is our Transition Assistance Program, which, by the way, with the ability to increase it to a full day, we know that one of the areas we need to increase attention to in our TAP class for VA is vocational rehab.

One of the things I heard consistently from veterans who had recently discharged is that they don't remember hearing about the VocRehab program when they were in TAP, even though it was clearly in the curriculum. So what does that tell us? We weren't quite getting it right. So we know we need to work on that.

We are doing a process called human-centered design where we are meeting individually with servicemembers and veterans to ask them for their input on how can we do this better. We want this to work for you. We don't want you to leave the military and not understand this amazing benefit that is here for you if you have service-connected disabilities.

The other thing that we do is we have a program called Vet Success on Campus, and we have vocational rehab counselors on many campuses across the country, not all of them, but we have many campuses that have these rehab counselors and they provide outreach to the entire veteran population on campus, not just the service-connected veterans. And the reason that is important is because there is another program that a lot of people don't know about, we tend to call it Chapter 36, it is educational and career counseling, and any veteran who is eligible for any kind of VA education benefit is eligible for that same rehabilitation counseling experience that a veteran who is eligible for VocRehab can get. They just don't get the funding for the training, because they would get the funding through their GI Bill or Post-9/11 GI Bill.

So those counselors are out there pounding the pavement, making sure that veteran students know about that program.

Mr. MEUSER. And are the VA facilities throughout the country, as well as in Lebanon, Pennsylvania, made—do you go over that or do you have a team that assures that this is a regular part of the training?

Ms. DEVLIN. I would have to look at Pennsylvania to see where we have VSOC sites, I am not sure off the top of my head, but, yes, we conduct outreach around the whole country.

Mr. MEUSER. I think they are doing very well at it and maybe even could be used as a model, as again we have so many strong vo-tech schools.

Unemployment as a whole with veterans, what would you say able—or those who are able to work and willing to work veterans, what would the unemployment rate be approximately?

Ms. DEVLIN. I don't have the unemployment rate here with me, but we do partner with DOL and in fact we sent out a VA benefits bulletin every month, and we connect to the Web site that DOL uses to put their labor market statistics and we do monitor them to see any trends. Right now, the trends, as I remember from the

last time I looked, seemed pretty invest, but that doesn't mean we should not invest heavily in employment for veterans, because we never know when they are going to need assistance and what the labor market looks like in their specific community, because labor markets are very localized.

Mr. MEUSER. Right. Are the VAs or any branch of the services for veterans, do they attend job fairs, and do they participate with the local chamber of commerce for instance?

Ms. DEVLIN. Yes. In fact, our TED Office conducted their first ever hiring event with Hiring Our Heroes, which is a chamber of commerce-sponsored organization in San Juan, Puerto Rico. And that was an economic initiative designed to bring economic assistance to the veterans in Puerto Rico and it was a huge success, 200 job offers.

Mr. MEUSER. I would encourage you to do your best to have Members of Congress be made more aware of hiring heroes, that could be something that we could really help promote quite a bit effectively.

Ms. DEVLIN. We are happy to invite, and our next event is going to be in the Puget Sound area.

Mr. MEUSER. All right. Thank you.

I yield back, Mr. Chairman.

Mr. LEVIN. Thank you, Mr. Meuser.

Ms. Lee is now recognized for 5 minutes.

Ms. LEE. Thank you, Mr. Chairman and Ranking Member, for holding this important hearing. Thank you all as well for being here and the work that you do.

You know, this is to me an important kink for us to figure out, especially after we had our hearing yesterday with suicide prevention, making sure that we are identifying and engaging with veterans as early as possible in putting them on a road to success.

So, Mr. Cussatt, I wanted to ask you—I hope I didn't butcher that name—I wanted to ask you a question about information technology. The VFW, the DAV, and Paralyzed Veterans of America have all expressed concerns with the process for the VBA integration of the legacy systems into the transformation of several large programs, notably the Forever GI Bill. The VSOs note that the VBA must compete with other OI&T priorities for funding and the VA has asked for an increase of \$240 million for OI&T for fiscal year 2020. I wanted to ask you, what are the priorities with that funding, how are you going to prioritize that?

Mr. CUSSATT. Thank you, Ms. Lee. I appreciate the question.

So we do take a lot of time to prioritize, because, as you know, the demand is very high, and the supply is limited for our budget. We have a generous budget, but it certainly can't get us everything we need. So we have worked with—we work very closely with VBA. We do have a prioritized project list for 2019 and 2020.

So it is very clear among both parties where we are setting our sights, that we are going to declare victory on in any given year, and we make a commitment to that and focus on that. And then there are other projects on the list—

Ms. LEE. Can we see that list—

Mr. CUSSATT. Absolutely—

Ms. LEE [continued]. —please? Thank you.

Mr. CUSSATT [continued]. —we can share that list with you.

Ms. LEE. Yes, just a question. There was concerns about the 202 temporary positions, you know, do you plan on funding those positions and helping with this workload?

Ms. DEVLIN. We are funding almost all of the positions in our 2020 budget, in the VBA budget. We do have sufficient FTE to manage the off-ramped or the claims that require human intervention that can't be processed through automation.

Ms. LEE. Great. Thank you.

Ms. Devlin, the Forever GI Bill provides some really promising opportunities for veterans in terms of increased education benefits and, as you know, the VET TEC pilot program will allow veterans to participate in information sciences, computer programming, you know, advance in an IT career. And as you mentioned in your testimony, you started to take provider applications and you mentioned—do you give sole responsibility to SAAs for vetting those applications or do you vet them as well?

Ms. DEVLIN. So by statute the SAAs have the authority to do school approvals. I am going to have to get back to you on the record on whether VET TEC has any different stipulations in the legislation, I feel like there might be a bit of a nuance there. But, yes, we are taking applications for facilities and we have started taking applications from veteran students, even though it is not officially live yet for veteran students, we are taking the applications.

Ms. LEE. Great. Yeah, I would like to know, just because it is a pilot program, whether or not you are putting some guardrails into place on that.

Ms. Devlin, I also wanted to ask you, I understand that the VBA wants to round down to the nearest dollar the computation of COLA, the cost-of-living adjustment for veterans with service-connected disabilities, their survivors, and to those survivors receiving dependency indemnity compensation. VSOs are adamantly opposed to this measure and I have received letters from constituents concerned.

What do you tell veterans who think this is a slippery slope to the erosion of their other veteran benefits?

Ms. DEVLIN. What I would tell you is that we are focused on taking care of our veterans and making sure that we don't at any time think about cutting benefits. This is a way to continue veterans' benefits payments consistently, if they are eligible for service-connected disability or death and indemnity compensation, that they would continue to get those payments, they would just not receive the cost-of-living increase, which would be not an incredible amount of an increase in dollar value when you think about the monthly payments.

Ms. LEE. Okay. Thank you.

Real quickly, Mr. Davis. The American Legion testimony basically provided a suggestion that the TAP program possibly be implemented through intervals during a servicemember's career. Could you quickly comment on like the possibility and the oversight of that? And I am running out of time.

Mr. DAVIS. I think I got my microphone on and I will say it just as quickly as I can talk, and I talk about—I think about as fast as I talk. But basically what we do is, it is a military life cycle is

what we are going to, and this is what I really like. So, as a previous commander, I like the fact that the touch points for the individual, as they go through this military life cycle, when they get to their first base or the installation, they start preparing them for transition.

And that sounds a little crazy, right? So you are coming into the military and you are preparing for transition, but it actually makes perfect sense. You are getting them ready for civilian transition in life, whether it is 20 years or 30 years, it doesn't matter. So, if we talked about predatory schools, we talked about getting prepared for life, these are life skills.

And so, yes, ma'am, I think I—I hope I answered your question. Yes, I think that is what they are talking about. So when I talk to my friends that are in the VFW and those, that is what they are looking for.

Did that answer your question?

Ms. LEE. Yes, thank you.

I yield.

Mr. LEVIN. Well, thank you to our witnesses, thank you to my colleagues for your great questions.

With that, I would like to excuse our first panel, and I would like to invite our second panel to join us.

[Pause.]

Mr. LEVIN. All right. Well, we already introduced you all before, so we will jump right in.

Mr. Murray, you are recognized for 5 minutes.

STATEMENT OF PATRICK MURRAY

Mr. MURRAY. Chairman Levin, Ranking Member Bilirakis, Members of the Subcommittee, on behalf of the authors of the Independent Budget, DAV, PVA, and the VFW, we would like to thank you for the opportunity to present our views on this year's budget request specifically related to economic opportunity programs.

Making sure that veterans are being employed in the right career for every one of them is incredibly important. One very important program veterans can use is the Vocational Rehabilitation and Employment Program, or VETERANS AFFAIRS&E. It 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. Ensuring veterans achieve meaningful and prosperous careers will improve their financial situations, thereby mitigating issues such as unemployment and homelessness.

VA budget documents state that the VETERANS AFFAIRS&E program will meet and sustain the congressionally-mandated goal of 1-to-125 counselor-to-client ratio; however, the latest data in VA's budget document also shows that from 2016 to 2018 the number of participants dropped by more than five percent, and during that same period the caseload also saw an 8.4 percent decline.

It would appear that VA is able to meet the 1-to-125 goal by serving fewer veterans. However, it is important and beneficial, the VETERANS AFFAIRS&E program, for disabled veterans by providing them with the ability to increase their economic independence. Why are fewer veterans taking advantage of this program?

Has VETERANS AFFAIRS&E instituted any new policies or practices that have deterred disabled veterans from seeking these services? What action is VA taking to increase awareness of the availability of this benefit and service? And we are concerned that maybe the lack of counselors over the past few years finally caught up to VA and participation in the program had dropped because of this.

The IB is also concerned about the lower funding request for VA's education program. VA requested \$6 million less than the amount appropriated in the previous year and we think that is taking a step back for this very important office. By VA's own projections, they will see an estimated increase of almost 800,000 claims over the next 2 years. And there are also additions to the GI Bill, such as the STEM extension and the VET TEC program, along with implementation of the basic allowance for housing changes due to roll out in December. VA's emergency overtime budget was almost depleted last year due to the challenges with Forever GI Bill implementation and the IB believes that VA should be ready for additional overtime during the implementation this time around as well.

Additionally, VA's aging IT infrastructure routinely requires additional resources and last-minute work-arounds in order to administer the education benefits. With these challenges, the IB believes the VA should be seeking more funding to make the necessary changes, not less.

Each iteration of the GI Bill has come with its own challenges during implementation and the Forever GI Bill is just another example of that. While it is difficult to budget for breakdowns and failures, the method of planning for the worst and hoping for the best is something VA should look to do when making changes to the GI Bill. This lower budget request seems like VA is planning for the best and hoping for the best, without taking past challenges into account.

Our organizations are encouraged to see the number of homeless veterans has decreased over the years, but the challenge is not over. Many of VA's programs help get veterans off the streets and many of the other programs aim to keep them from going back there.

VA's homeless programs are comprehensive, including medical, dental, and mental health services, as well as specialized programs for post-traumatic stress disorder, sexual trauma, substance abuse disorder, and vocational rehabilitation. VA adopted a model of housing the veterans first rather than requiring them to be in recovery or treatment for mental health or substance abuse prior to receiving this housing assistance. Homeless prevention coordinators and peer mentors are essential to the success of the program, and help veterans navigate the system to get the services they need.

We recommend VA increase the use of peer specialists, particularly those who, you know, went through recovery from substance abuse or have experienced homelessness. Peers who have had similar experiences are often able to connect on a more personal level and can help homeless veterans overcome challenges, actively engage in treatment, and maintain a healthy lifestyle.

Lastly, we would like to see VA's adaptive grant programs revised. The adaptive vehicle and housing grants have monetary and usage caps that don't align with modern-day users. We would like these adaptive programs to be revised to allow more flexibility for disabled veterans to improve their activities of daily living.

Mr. Chairman, this concludes our testimony. Again, the members of the Independent Budget thank you and the Ranking Member for the opportunity to testify on these important issues.

[THE PREPARED STATEMENT OF PATRICK MURRAY APPEARS IN THE APPENDIX]

Mr. LEVIN. Thank you, Mr. Murray.

Mr. Henry, you are now recognized for 5 minutes. Oh, wait—Mr. Lohmann, you are now recognized for 5 minutes.

STATEMENT OF LARRY LOHMANN

Mr. LOHMANN. Thank you, Chairman.

Chairman Levin, Ranking Member Bilirakis, and distinguished Members of the Subcommittee, on behalf of National Commander Brett P. Reistad and the nearly 2 million members of The American Legion, we thank you for the opportunity to testify in this Economic Opportunity Subcommittee hearing.

As we said in the Subcommittee's first hearing of the session, the 115th Congress and the Subcommittee on Economic Opportunity were very successful passing legislation. The success of this Committee is due to its commitment to bipartisan cooperation to do what is right for veterans that have served.

Earlier this month before this Committee, we testified that we generally support the President's proposed budget for fiscal year 2020. Support for the proposed budget is not an endorsement that it is the perfect budget or that there is not more that we should be doing for our veterans. The American Legion believes it is a good faith estimate that funds the VA and is responsible to the American taxpayer.

As VA continues to serve the veterans of this Nation, it is vital that the Secretary has the necessary tools and resources to ensure veterans receive timely, professional, and courteous service. The American Legion calls on this Congress to ensure that funding for VA is maintained by implementing the President's budget request.

The American Legion recognizes at a time when most Federal agencies are experiencing a decrease in their respective budgets under the President's proposal, the VA, with assistance from this critical Subcommittee and the whole Committee, will receive a much-needed increase.

While the proposed budget is sufficient, The American Legion believes VA must provide greater focus on the economic concerns of our veterans and ensure education services meet the standards of excellence veterans deserve.

The American Legion has long been concerned programs in the VA that provide assistance related to economic opportunity for veterans, their dependents and survivors have been overlooked. The landscape of education benefits has evolved rapidly, from the Montgomery GI Bill, Post-9/11 GI Bill, to the present with the essential implementation requirements of the Harry W. Colmery Veterans

Educational Assistance Act, named for its author and our past National Commander.

More veterans are using VA Educational and Vocational Rehabilitation benefits to go to school than a decade ago, which led to the creation of Vets Success On Campus, or VSOC program to cater to the growing student veteran population. The American Legion believes Congress needs to continue investing in on-campus base support resources for student veterans, to include expansion of the VSOC program, and other programs reinforcing peer-to-peer support or grant funds to develop veterans' centers of excellence.

Congress must also work closely with the Department of Education and VA to ensure taxpayer dollars are spent responsibly at reputable institutions. Legislation addressing the 9010-loophole requiring transparency and regular reporting will ensure student veterans are given the right resources to utilize their benefits properly, maintaining the fiduciary duty to the American taxpayer.

The American Legion is also pleased to see in VA's budget proposal the intention to meet the congressional mandate of a 1-to-125 counsel-to-client ratio. The American Legion has sought this compliance associated with VocRehab and employment for some time and notably at our 2016 National Convention passed a resolution in support of this goal. However, our optimism is guarded, because the compliance in part appears to be aided not only by additional funding, but also by a five-percent decrease in VocRehab participants.

As we remain concerned with the decrease in participants in this beneficial program, we urge Congress to pass legislation that would change the 12-year delimiting date for eligibility to Chapter 31. The standard period of eligibility for VocRehab benefits is limited to 12 years from the date of separation from military service or the date of notification by VA of a service-connected disability rating. Unfortunately, not all disabled veterans are aware of their possible eligibility when separating from their service and some may not need VocRehab until later in their career.

Congress must eliminate the 12-year delimiting period for VA Chapter 31 services to ensure disabled veterans with employment handicaps, including those who qualify for independent living services, qualify for VETERANS AFFAIRS&E services for the entirety of their employable lives.

Finally, The American Legion supports VA's request for the newly formed Transition and Economic Development Office, to support the transition from military to civilian life and accelerate the economic empowerment and development of transitioning servicemembers, veterans, and their families.

VA established this office to ensure the entire period of military transition starting from 365 days before separation, the first year of civilian life is efficient and thorough. TED is intended to ensure through a coordinated effort that servicemembers leaving the military have an understanding and easy access to all benefits and resources they are entitled once they are separated from military service.

Less than 15 percent of transitioning servicemembers have attended the 2-day courses. In addition to properly funding this program, The American Legion recommends that the course be man-

dated for servicemembers at different intervals of their careers before separation or transitioning into the civilian sector, along with pre-counseling for those servicemembers intending to leave the military.

We recognize not every servicemembers transitions for the same reason. Servicemembers should be afforded the opportunity to participate in training that fits their post-service objectives.

The American Legion appreciates the opportunity to comment on the budget areas overseen by this Subcommittee and would be happy to answer any questions you might have.

Thank you.

[THE PREPARED STATEMENT OF LARRY LOHMANN APPEARS IN THE APPENDIX]

Mr. LEVIN. Thank you, Mr. Lohmann.

Mr. Hubbard, you are now recognized for 5 minutes.

STATEMENT OF WILLIAM HUBBARD

Mr. HUBBARD. Chairman Levin, Ranking Member Bilirakis, and Members of the Subcommittee, thank you for the very warm welcome to start with and thank you for inviting Student Veterans of American to provide our testimony on the fiscal year 2020 budget submission of the Department of Veterans Affairs.

Established in 2008, SVA is a national higher education non-profit founded to empower student veterans as they transition back to civilian life. With over 1500 campus chapters across the United States and in four countries overseas, serving 750,000 student veterans, SVA maintains a lifelong commitment to each student's success from campus to employment.

As we often note, we call those who serve student veterans, not veteran students, because education is the vehicle of empowerment, not the destination. This distinction is important, because the way we talk about certain populations has an effect on the influence and the legislation that ultimately results from those discussions. In fact, in 2018, the American Enterprise Institute published findings describing this cycle in detail.

There are several topics which I would like to cover in brief, and I look forward to any questions this Committee may address afterward.

To begin, the budget request for VBA's Education Services. In VA's current budget proposal, we noticed a startling reduction in the request for Education Services funding. Until the Forever GI Bill is fully implemented and spikes in workload are fully understood, SVA strongly recommends VA to maintain the fiscal year 2019 staffing levels.

Next, VETERANS AFFAIRS&E, short for Vocational Rehabilitation and Employment. This program has significant progress to make. Currently, VETERANS AFFAIRS&E services provide veterans five tracks to employment, including employment through long-term services. We are grateful for the hard work of VA on seeking to achieve the congressionally-mandated counselor-to-student ratio, though it is still unclear if this ratio is being met.

More importantly, however, feedback from student veterans indicates the quality of counselors varies widely and ultimately yields

uneven outcomes. We look forward to continued work with VA and this Congress on refining the focus of the program on outcomes. And we appreciate VA's conscious effort on fielding tele-counseling technologies.

Turning to the GI Bill Comparison Tool. In VA's budget justification, the Department cites the GI Bill Comparison Tool as an important resource for prospective and current student veterans. As it stands, there is a lack of coordination between the Department of Education and VA, specifically regarding the College Navigator, College Scorecard, and the GI Bill Comparison Tool, thus reducing the overall delivery of powerful data to veterans.

Public Law 112-249, mandated in 2013, the statutory requirement for VA to launch a centralized mechanism for tracking and publishing feedback from students, similar to Amazon reviews, yet this functionality is still missing. We strongly believe that veterans should be given every opportunity to be informed consumers of their benefits and these reviews are a missing component of that decision-making process.

On to economic opportunity at VA. Our overall concerns with the VA's budget request has one common denominator. At present, VA lacks an Under Secretary-level leader exclusively focused on economic opportunity. To be clear, this is not a lack of leadership due to personality, it is instead a structural gap in such programs that VA's current enterprise structure has. As such, we strongly support the establishment of an Undersecretary of Economic Opportunity at VA, who would report directly to the Secretary and maintain accountability to Congress. This proposal would flatten and streamline some of VA's currently overloaded bureaucracy.

And, finally, the Montgomery GI Bill. Just last week, we reaffirmed our concerns that the practice of deducting \$100 per month from our newest servicemembers for the Montgomery GI Bill is still standard practice at basic training, despite the existence of the modernized Forever GI Bill that is provided at no monetary cost. In very limited and rare instances, the Montgomery GI Bill may be a better option for a few individuals, yet the program is being presented as a lucrative benefit to all new recruits; this needs to change. For a vast majority of those who do not use the Montgomery GI Bill, their \$1200 is rarely recovered. We hope to work with this Committee, VA's transition experts, and the Department of Defense to address this disparity undermining the bottom line for our troops.

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

Thank you.

[THE PREPARED STATEMENT OF WILLIAM HUBBARD APPEARS IN THE APPENDIX]

Mr. LEVIN. Thank you, Mr. Hubbard. Thank you to all our witnesses. I now recognize myself for 5 minutes to begin our questions.

Mr. Murray, I was glad to meet with you in a group not too long ago where we discussed some of our priorities for economic opportunity, and one of the issues we discussed was the VA's goal of an

average of 125 students to one counselor, the ratio in the Vocational Rehab and Employment Program, and whether that is appropriate considering the amount of time counselors need to spend on administrative matters.

The budget maintains level funding for the VETERANS AFFAIRS&E program. We are moving 127 full-time employees to management and support. How do you anticipate these factors would affect the counselor's workload and their ability to meet veterans' employment needs?

Mr. MURRAY. So we hope with the addition of the ability to do basically teleconferencing it might allow the counselors to focus more on the face-to-face interaction, what they call the knee-to-knee, providing that valuable feedback. We, again, are a little concerned about the dip in the participation. We would like to see more up-front kind of information as veterans' transition.

A lot of feedback we keep hearing from student veterans and veterans that age that they never knew about this program. So we would like to see, you know, the office kind of form a little bit more outreach, so that the 1-to-125 ratio with the new abilities they have maybe can be revisited after their new abilities have kind of been enacted for a little while.

Mr. LEVIN. I appreciate that, Mr. Murray.

I wanted to ask about the GI Bill Comparison Tool. And it was launched about 5 years ago and at the time it was a welcome step forward to help veterans choose an educational institution, but I am sure, as many of you agree, it could be improved upon.

Mr. Hubbard, in your testimony you made a couple of recommendations to enhance the tool. The first would be to allow veterans to rate their schools and the second, if I got it right, would be maintaining data for closed schools. Could you elaborate on the second suggestion, that is maintaining data for closed schools? And specifically how do you envision this change could strength veterans' understanding of their options?

Mr. HUBBARD. Thank you for the question, Mr. Chairman.

It is a really important topic because, as schools close, that data at present is essentially disappearing from the network, and that is important for researchers to have, it is important for the wider community to have. And I think in particular, as we look to strengthen protections for student veterans, having that ability to see trends of schools closing is incredibly important.

I will also note that this data is separate from what the Department of Education has available. And so if it is not being found on this tool, it is essentially being lost.

Mr. LEVIN. To the rest of the panel—and, Mr. Hubbard, you can speak to this as well—what other improvements to the GI Bill Comparison Tool should we be considering and what would be the most important factors for prospective student veterans when choosing where to use their GI Bill benefits?

Mr. MURRAY. Chairman, obviously, a better, more informed consumer up front removes a lot of the clean-up mess, the millions of dollars wasted on these benefits at poor-performing universities.

One thing that we have discussed is adding different options so that schools can kind of announce and broadcast the benefits they have. If they have priority enrollment for veterans, for example,

not every school has that, that is kind of a recruiting tool. With some oversight, so that they are not, you know, completely being fraudulent about what they offer, but if they offer additional services that don't meet the eligibility for the tool, a way that they can add that in to help promote great benefits they offer.

Mr. LEVIN. Lastly, I wanted to just touch briefly on housing. In the event of a school closure, many veterans are losing not only their pursuit of higher learning, but their housing as well, which is leading to more and more homelessness.

For any on the panel, would you support continuing housing stipend payments to students impacted by school closures? Everybody is nodding yes.

Mr. HUBBARD. Mr. Chairman, I think for a period of time that is imperative. The ability to maintain housing while seeking the next opportunity, whether that is to pursue higher education at a separate institution or simply to figure out the next step, having that housing stipend available is absolutely critical.

Mr. LEVIN. Anyone else care to comment?

Mr. MURRAY. We wholeheartedly agree.

[Laughter.]

Mr. LEVIN. Thank you. Well, very good.

I now want to turn my friend Ranking Member Bilirakis, who is recognize for 5 minutes.

Mr. BILIRAKIS. Thank you, Mr. Chairman, I appreciate it very much.

Okay, this is for the entire panel. If you had a magic wand and could change one thing about the President's budget for economic opportunity programs, what would you change and why? Let's start from here, please.

Mr. MURRAY. With my voodoo magic, I would make sure that the IT systems are fully implemented and fully funded up front, so that we don't run into problems we have had in the past.

Mr. BILIRAKIS. Amen to that.

Yes, please, sir.

Mr. HENRY. I would concur with my colleague. I would say that IT is probably one of the biggest concerns right now.

Mr. BILIRAKIS. Very good.

Mr. VILLANUEVA. And I also concur with my IB partners. And we would add that the recommendation for the 50 million increase above baseline would be beneficial, if there could be a change that we would recommend.

It should be noted that VA, when they were up here previously had just noted that there was a higher demand for IT resources than there was funding, and we believe that actually, you know, concurs with our statement of the recommendation for the 50 million increase.

Mr. BILIRAKIS. Very good.

Mr. LOHMANN. I think what important new programs are and things we would like to see implemented, one of the things we would like to see is oversight of the TAP program as it is now, just making sure the money is going to where it is supposed to be, and TED is stood up properly.

Mr. BILIRAKIS. Very good.

Mr. Hubbard?

Mr. HUBBARD. Mr. Chairman, I think I am going to join my colleagues on the point of IT, but make a specific caveat to that, which is that in the past, particularly with the implementation of the Forever GI Bill, we found that the IT resources were in competition. There was nobody necessarily fighting for those IT resources being devoted to the implementation initially; though they were authorized, they were not appropriated, and they did not find their way to making that program happen, which was a major contributing factor in the overall challenges that we saw come that semester.

And so I think—well, SVA strongly supports the Independent Budget's proposal to have an additional \$50 million, but specifically we would like to see some caveats that ensure that VBA has those resources devoted to those programs.

Mr. BILIRAKIS. Very good. Thank you.

For the entire panel again. One of the legislative proposals that are included in the budget request is a proposal to cap the amount of tuition and fees paid out under the Post-9/11 GI Bill to certain public schools for flight training. What is your view of this proposal?

Let's start again from here, please.

Mr. MURRAY. Sir, while the GI Bill is a fantastic tool, we don't believe it is a blank check, and we see that this is a loophole for institutions to partner with public organizations and basically charge the Government whatever they want. We would like to see that corrected.

Mr. BILIRAKIS. So you are in agreement, we need a cap?

Mr. MURRAY. Yes, sir.

Mr. BILIRAKIS. Okay.

Mr. MURRAY. Or a fix.

Mr. BILIRAKIS. Okay.

Mr. MURRAY. Yes.

Mr. BILIRAKIS. Very good. Thank you.

Mr. HENRY. I also concur with my colleague, we feel the same.

Mr. BILIRAKIS. Yes.

Mr. VILLANUEVA. At DAV, we are a resolutions-based organization and we don't have a resolution that pertains specifically to this issue, although we have seen it come up, so we don't take a position on that.

Mr. BILIRAKIS. All right. Thank you.

Mr. LOHMANN. We agree, we agree with the provisions for the caps in the proposal.

Mr. HUBBARD. Mr. Ranking Member, we agree with it. I think it is important to also realize that it is really more than a flight loophole, it is actually just a wide-open loophole, because ultimately, whether it is flight programs or other programs, this contract clause that allows schools to take advantage of these programs and this very generous benefit given to veterans by the American taxpayers, that needs to be taken a look at.

Mr. BILIRAKIS. Very good. Thank you.

I guess I have about a minute. What steps does VBA—this is for Mr. Hubbard and Mr. Murray—what steps does VBA need to take to instill confidence and regain trust of veterans when it comes to GI Bill payments? Based on what you would know today, do you

believe the VA will be ready to successfully implement these changes by December 1st, 2019?

Whoever—well, let's just go with Mr. Hubbard and Mr. Murray, if that is okay.

Mr. MURRAY. So, sir, I very much hope they are ready to go, but I think an outreach campaign to reassure people, whether it is traditional mailers, email, social media, whatever it might be, to let them know that they are there, and they are going to take care of them. A lot of the problem this fall was people just didn't know.

Mr. BILIRAKIS. Right.

Mr. MURRAY. They were left kind of swinging and they were unsure of if they were going to receive their benefits or not. An aggressive outreach campaign to let them know we are here to take care of you I think would help to mitigate that.

Mr. BILIRAKIS. Yes, Mr. Hubbard?

Mr. HUBBARD. I am encouraged by our colleagues at the VA's responses to some of the questions from various Members of the Committee earlier today. I think that, if we can make sure that that happens, that would be terrific. I do believe still, though, that the additional funding would be necessary to ensure that, if only for a cushion. And if that money goes unutilized, there are many more things that it should be used for. And so ensuring that they have the full breadth of resources is imperative, but I do know that my colleagues at the VA are highly capable and highly skilled, and I am encouraged by their responses.

Mr. BILIRAKIS. Very good.

I yield back, Mr. Chairman. I appreciate it.

Mr. LEVIN. Thank you, Mr. Ranking Member.

Seeing as though there are no further questions, we can begin to bring this hearing to a close. However, before I make my closing statement, I would like to again recognize the Ranking Member for any remarks he would like to make.

Mr. BILIRAKIS. No, I think we are done, but I appreciate all the testimony and I look forward to working with you. And please don't ever hesitate to reach out, because we are—again, we are all in it to help our veterans and that is why we sit on this Committee, because whatever is good for veterans is what we want.

And I appreciate, Mr. Chairman, you holding this hearing and allowing us to ask the appropriate questions. Thank you.

Mr. LEVIN. I thank the Ranking Member, in the spirit of bipartisanship that this Committee has a long tradition of and will continue to have a long tradition of.

I thank our witnesses for joining us today.

The VA, along with the Department of Labor and Department of Defense, are rapidly implementing the many changes that we have made to veterans' benefits. It is not an easy task, and their schedule is ambitious and aggressive. I do remain concerned that the budget we have considered today would not allow the VA to properly implement the Forever GI Bill.

That being said, our Committee will continue to conduct oversight of the programs that we discussed today, and it is my hope that agencies will receive every resource they need to meet the demands of our servicemembers and veterans.

With that, I will say that all Members have 5 legislative days to revise and extend their remarks, and to include additional remarks.

Again, I thank all of you for coming and, without objection, the Subcommittee stands adjourned.

[Whereupon, at 3:53 p.m., the Subcommittee was adjourned.]

A P P E N D I X

Prepared Statement of Margarita Devlin

Good morning, Chairman Levin, and distinguished Members of the Committee and Subcommittee. Thank you for the opportunity to testify today in support of the President's Fiscal Year (FY) 2020 Budget for the Veterans Benefits Administration. Accompanying me today is Dominic Cussatt, Principal Deputy Assistant Secretary, Office of Information and Technology (OIT).

FY 2020 Budget Request

The President's FY 2020 Budget requests \$3 billion in discretionary funding. The discretionary request is an increase of \$44 million, or 1.5 percent, over the enacted FY 2019 budget. It will sustain the progress we have made to improve Veterans' benefits claims processing and the 125:1 Veterans to Vocational Rehabilitation Counselor ratio and implement the Case Management Solution. This request will provide additional resources to attack burgeoning issues related to fraud, waste, and abuse, and expand elements of the Transition Assistance Program. The President's FY 2020 Budget also requests \$129.5 billion in mandatory advance appropriations for FY 2021, \$6.3 billion or 5 percent over 2020.

With the resources requested in the 2020 Budget, VA will be able to provide:

- Vocational rehabilitation and employment benefits for more than 124,000 disabled Veterans;
- Education and training assistance for about 877,000 Veterans and family members;
- New home loan guaranties for more than 562,000 Veterans, Servicemembers, surviving spouses, and members of the Reserves and National Guard;
- Life insurance programs for over 5.9 million Veterans, Servicemembers, and their families (that is, total lives insured); and
- Transition and economic development assistance to nearly 400,000 Veterans, Servicemembers, and their families.

The President's FY 2020 Budget request also includes funding for critical technology investments and other initiatives necessary to timely provide Veterans, their families, and survivors with the benefits and services they earned and deserve.

Business Transformation

Business transformation is essential if we are to move beyond compartmentalization of the past and empower our employees serving Veterans in the field to provide world-class customer service. This means reforming the systems responsible for claims, appeals, and GI Bill benefits. OIT is a critical partner and we collaborating to create the best experience for all Veterans. OIT is a critical partner. We have developed a Business Plan that prioritizes the IT required for success, and we are addressing governance.

By moving from the Veterans Benefit Management System (VBMS) to the Benefits Integration Platform, OIT will leverage existing architectural designs and deliver a modern platform with a cloud-based architecture in which individual components are delivered as microservices that can connect with Application Programming Interfaces. This agile approach provides more flexibility and speeds delivery of changes and improvements.

Forever GI Bill

Since the passage of the Harry W. Colmery Veterans Educational Assistance Act of 2017 (Colmery Act), VA has implemented 28 of the law's 34 provisions. Twenty-two of the law's 34 provisions require significant changes to VA IT systems, and VA has 202 temporary employees in the field to support this additional workload.

In accordance with the Forever GI Bill Housing Payment Fulfillment Act of 2018, VA established a Tiger Team tasked to resolve issues with implementing sections

107 and 501 of the Forever GI Bill. In February 2019, VA awarded a new contract to develop the right solution for implementing sections 107 and 501. By the spring semester of 2020, the Veterans Benefits Administration (VBA) expects that all enrollments will be processed according to the Colmery Act. VBA will recalculate benefits based on where Veterans take classes, and we will work with schools to make payments to which Veterans are entitled under sections 107 and 501 retroactive to the first day of August 2018, the effective date for those sections.

As VA moves forward with implementation, VBA will continue to regularly update our Veteran students and their institutions of learning on our progress and what to expect. VA has already modified its definition of “campus” to comply with statutory requirements and in doing so has lessened the administrative burden on schools to report housing data to VA.

The FY 2020 Budget request also supports the remaining provisions of the Colmery Act. The Veteran Employment Through Technology Education Courses (VET TEC) is a 5-year tuition and housing assistance pilot program that will help Veterans advance in an IT career. VET TEC pays for Veterans to take classes in one of five areas: information science, computer programming, data processing, media applications, and computer software. VA began accepting training provider applications in March 2019, and we will begin accepting Veteran applications this month. The implementation of the VET TEC program in 2019 and sections 107 and 501 are projected to increase claims completed for the next 2 years.

Beginning in August 2019, VA will provide up to 9 months of additional Post-9/11 GI Bill benefits to certain eligible individuals through the Edith Nourse Rogers STEM scholarship. The additional entitlement will assist qualifying beneficiaries to obtain degrees in science, technology, engineering, and math; or for graduates of such programs to obtain a teaching certificate. Priority will be given to individuals who are entitled to 100 percent of Post-9/11 GI Bill benefits and to those who require the most credit hours.

The FY 2020 Budget supports VA’s efforts to implement 28 of 34 provisions of the Colmery Act by August 2020. In August 2020, VA will eliminate the 40-percent benefit level and expand the 60-percent benefit level under the Post 9/11 GI Bill program. The remaining provisions, including the extension of the Yellow Ribbon program to Active duty Servicemembers, will go into effect in 2022. The FY 2020 Budget request will provide sufficient funding and staffing levels for Education Service to continue providing access to timely and accurate delivery of education benefits.

Claims and Performance

In 2020, VBA will continue to prioritize Veterans and their families first. VA strives to complete all rating claims in fewer than 125 days. VBA continues to work to modernize the disability claims process to increase processing timeliness. It is important to highlight that VBA will always have an inventory of claims that take longer than other claims because of complexity and VA’s legal obligations to assist. VBA has completed over 438,000 claims (within 2 percent of last year) through the end of January 2019. VBA has completed over 968,000 non-rating disability claims through January 2019. These claims took an average of 83 days to complete, which is a 21-percent decrease in the average time to process claims compared to January 2018.

VBA continues to implement technical improvements to improve the speed and accuracy of disability claims while reducing costs. These initiatives include the consolidation of centralized mail processing. Through this technical improvement, mail is directed to 18 centralized locations where it is scanned and becomes part of an electronic database. This reduces lost files and allows files to be moved and processed rapidly. VBA’s other sustained improvement falls under the National Work Queue, which continues to prioritize and distribute claims to regional offices based on their capacity.

Through these improvements, VBA has reduced the dependency inventory from 87,314 claims in October 2017 to 43,503 claims in January 2019 (50-percent reduction). VBA achieved this reduction while VBA’s overall inventory and Average Days Pending have remained relatively static (355,955 and 94.7 days in January 2019, respectively), despite an increase in overall receipts.

Transition and Economic Development

The Office of Transition and Economic Development (TED) maintains oversight and management of Military-to-Civilian Transition Services as well as the development of economic initiatives that focus on empowering future and current Veterans to achieve maximum and comprehensive economic well-being. VA requests \$82.4 million in budget authority to fund the discretionary portions of TED. The 2020 Budget will support funding for Transition Assistance Program Military Life Cycle

classes, a 5-year longitudinal study, and a full day of course instruction from 6 to 8 hours.

VBA created TED in late 2018 to support seamless transition from military service to civilian life and accelerate economic empowerment and development for transitioning Servicemembers (SM), Veterans, and their families. VA is also realigning its Chapter 36 Education and Career Counseling program to focus on increasing utilization through an improved alignment with military to transition activities and education beneficiaries.

Since the passage of the Veterans Opportunity to Work to Hire Heroes Act of 2011 (VOW Act) that mandated participation in the TAP by all transitioning SMs (with a few limited exceptions), VA has been collaborating with its interagency partners, including the Departments of Defense and Labor, to prepare separating, retiring, or demobilizing SMs for their transition to Veteran status. By the same token, in August 2018, Congress passed, and the President signed, the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (2019 NDAA) that made improvements to TAP, including a mandate for one day of instruction on VA benefits and services and a requirement that transitioning SMs begin their pre-separation transition counseling no later than 365-days before the date of separation.

Approximately 226,000 SMs are expected to transition from military service to civilian life annually over the next 4 years. TED delivers mandatory VA Benefits Briefings to 100 percent of eligible transitioning SMs at more than 300 military installations worldwide, as well as provide individual assistance and support to Department of Defense components of Transition Goals, Plans, Success, Military Life Cycle, and Capstone events.

In 2017, attendance at VA TAP events was about 350,000. With the expansion of instructional hours in accordance with the 2019 NDAA, as well as deployment of additional Military Life Cycle courses made available to SMs while still on Active duty, VA expects an increase in transition assistance workload to approximately 400,000 (an increase of about 15 percent). In order to assess the effectiveness of these events, in 2019, VA will begin a 5-year post-separation TAP longitudinal study and evaluation of up to 150,000 recently-separated Veterans to gain insights on their understanding of, and access to, VA benefits.

Executive Order 13822, "Supporting Our Veterans During Their Transition from Uniformed Service to Civilian Life," sets the goal for Veteran suicide prevention in which VA will begin, for the first time, conducting outbound calls to all Veterans throughout their first year of transition to inform them of benefits and services available to them. In FY 2020, VA expects to make more than 600,000 outbound calls to recently-separated Veterans.

To accelerate economic empowerment and development for transitioning SMs, Veterans, and their families, VBA has focused leveraging all VA benefits and services to holistically support their economic well-being. To address gaps that cannot be addressed because of statutory or fiscal constraints, VBA has aligned economic development with transition preparation to foster seamless partnerships through community-based economic investment initiatives with external organizations so Veterans and their family members are better positioned economically.

The 2020 Budget requested resource level supports performance measures that drive continuous improvement and accountability for Veterans, Servicemembers, and their families.

Loan Guaranty

The 2020 Budget request of \$200.4 million from Loan Administration and \$20.8 million in General Operating Expenses funds the discretionary costs of the housing loan programs that help support the mission to provide home loan guaranty benefits and Specially Adapted Housing grants to help buy, build, repair, retain, or adapt a home for personal occupancy.

The VA Home Loan program continues to streamline automation efforts to maintain parity with the overall mortgage industry. VA is focused on redesigning the Loan Guaranty Program's loan servicing system used to ensure, at least to the extent within VA's control, that Veterans and Servicemembers retain their homes. The redesigned VA Loan Electronic Reporting Interface (VALERI) will transform the entire lifecycle for VA loans in three ways. Through "Automation," VA is developing a database that will overhaul current program capabilities and will further expand the system footprint to include loan origination, valuation, property acquisition, and oversight functions to support Veterans obtaining VA-guaranteed loans. Through "Collaboration," the redesigned VALERI will standardize disparate data sources, integrate third party systems, and connect external stakeholders to create a transparent and holistic view of a loan's lifecycle. This will enable stakeholders to more efficiently and more effectively deliver VA's home loan guaranty benefit to Veterans.

Finally, the redesigned VALERI will allow “Evaluation” through advanced data analytics and reporting to support more robust oversight and transparency of lender and servicer performance. This will enable Veterans to better evaluate loan options and status, while VA addresses high-risk programmatic challenges with data-driven solutions. These efforts will allow VA Home Loan participants a more simplified experience in securing and maintaining a VA-guaranteed loan.

Vocational Rehabilitation and Employment (VR&E)

The VR&E 2020 budget request supports performance measures designed to drive continuous improvement and achieve optimal outcomes for Veterans. In FY 2018, VA revised VR&E’s performance measures to align with agency goals and priorities. Per Public Law 115–244, section 244, VR&E developed a ratio-based field realignment plan to ensure the ratio of Veterans to full-time employment equivalents within any program of rehabilitation conducted under chapter 31 of title 38, United States Code, does not exceed 125 veterans to one full-time employment equivalent (FTEE). To date, 157 of the 169 additional VRC FTEEs were hired to reduce the counselor caseload to 125 to 1.

VR&E Service collaborated with OIT on development of Case Management Solution System (CMSS) to replace VR&E’s 20-year-old legacy system, Corporate WINRS. We anticipate releasing a Request for Proposal in mid-FY 2019 to acquire these capabilities via General Operating Expense Services. Concurrently, VR&E is pursuing a wide-reaching modernization effort that will include numerous opportunities to incrementally leverage existing people, processes, and technology to more efficiently prepare us to seamlessly transition into the new CMSS.

As VR&E implements these changes, counselors will be able to manage workload more efficiently and effectively, allowing more time to provide high-quality counseling and employment services to VR&E participants.

Other VR&E Modernization efforts include the design and deployment of a Centralized Mail strategy, Virtual Assistant (Artificial Intelligence) tools to streamline and integrate communications with VR&E program participants, and Electronic Invoicing (e-Invoicing) also known as Invoice Payment Processing System. Additionally, VR&E deployed the Competency Based Training System in 2019. This system will deliver competency assessments to experienced counselors, and provide a direct positive impact to Veterans, as Veterans will receive standardized services from well-trained and competent employees. This system will need to be maintained for optimal performance.

VR&E is transforming the Quality Assurance (QA) program. The QA case review instruments have been revised to focus on specific issues to allow for greater tracking and analysis, identification of training needs, and a better reflection of current performance. The QA Web system, used to record the results of reviews and generate reports, is being updated with the revised review format to allow for regional offices to complete Local QA in the system.

VBA continues to execute the congressionally mandated 20-year VR&E Longitudinal Study of Veterans who began VR&E programs in 2010, 2012, and 2014. Reports are submitted to Congress annually on the long-term benefits of participating in the Chapter 31 program. VR&E will continuously analyze trends among Veterans receiving services and improve and adapt services to their changing needs.

Conclusion

Thank you for the opportunity to appear before you today to address VBA’s FY 2020 Budget. The resources requested in this budget will ensure VBA remains on track to meet Congressional intent to serve Veterans’ needs.

The budget request is the blueprint for how VBA will focus resources to modernize our delivery of benefits and services, become more efficient, leverage partnerships to execute our exceptional mission, and fulfill our vision to be a top-tier customer-service agency. Mr. Chairman, I look forward to working with you and this Committee. I am eager to continue building on the successes we have had so far and to continue to fulfill the President’s promise to provide care to Veterans when and where they need it. There is significant work ahead of us and we look forward to building on our reform agenda and delivering an integrated VBA that is agile and adaptive and delivers on our promises to America’s Veterans.

MR. BRIAN S. DAVIS

Chairman Levin, Ranking Member Bilirakis, distinguished members of the Committee, thank you for the opportunity to appear before you for this oversight hearing

on “Fiscal Year 2020 President’s Budget: Requests Related to Veterans’ Readjustment Benefits.”

My statement will focus on the implementation of changes made to the Transition Assistance Program (TAP) as a result of the Fiscal Year 2019 National Defense Authorization Act (FY19 NDAA), and how Service members will continue to flow from DoD through transition into the Departments of Veterans Affairs (VA) and Labor (DOL). Each have a primary responsibility for a portion of transition and we will continue to work together to prepare transitioning Service members for their next steps post-transition.

The TAP is a collaborative effort among seven federal partners. The federal agencies participating in the TAP are committed to supporting and facilitating transition success for departing Service members. Through robust interagency coordination, the program is overseen and monitored via the TAP interagency governance structure. The TAP interagency governance structure consists of:

- Executive Council (EC): The EC is composed of senior leaders from DoD (including the Military Components), VA, DOL, Department of Homeland Security (DHS), Department of Education (ED), Office of Personnel Management (OPM) and Small Business Administration (SBA) who collaborate and coordinate the delivery of transition services to eligible Active and Reserve Component (RC) Service members. The EC provides oversight and strategic guidance for the TAP Interagency Governance Structure.
- Senior Steering Group (SSG): The SSG consists of members from DoD (including the Military Components), VA, DOL, DHS, ED, OPM, and SBA. The SSG resolves issues, concerns and friction points among agencies providing transition assistance; promotes their alignment of effort; measures their progress; applies synergies and improvements; ensures legal review of proposed actions; and coordinates with internal agency leaders as appropriate. The SSG reports to the EC.
- Transition Assistance Interagency Work Group (TAIWG): The TAIWG meets monthly and consists of representatives from all agencies participating in the TAP. This work group develops procedures and guidance for the operation of the EC, SSG, and other work groups as well as makes recommendations to the SSG on matters pertaining to the TAP, which cross the TAP governance domain. There are five subordinate work groups that report to the TAIWG: the Curriculum, Data Sharing/Information Technology, Performance Management, Strategic Communications, and the Reserve Component Work Groups.

I will focus the remainder of my statement on the Department’s implementation of the requirements set in the FY19 NDAA, as it applies to the TAP, and provide a few updates since the Department last testified about the TAP before this Committee in November 2017. The Department places heavy emphasis on the TAP being an adaptive, evidence-based program.

Accordingly, we continuously seek to improve the program to ensure it meets the needs of our transitioning Service members and aligns with a changing military environment and population.

I will highlight some of the improvements, which build upon the original core objectives of the TAP, and the efforts currently underway to make changes to the TAP in compliance with requirements laid out in the FY19 NDAA. The Department and our interagency partners continue to strengthen the TAP to be a more robust outcome-based program that bolsters opportunities, services, and training for transitioning Service members and their eligible family members in their preparation to meet their post-transition goals.

The mandatory components of the TAP are applicable for all Service members who have served 180 continuous days or more on Active duty under Title 10 status. This includes members of the National Guard and Reserve transitioning or being released from Active duty.

This raises the obvious question, “What will TAP look like in the future in accordance with the FY19 NDAA?” The changes mandated in the FY19 NDAA will be implemented starting October 2019.

First, the transition from military to civilian life will begin no later than 365 days prior to transition for those who are separating or retiring. It is recommended retirees begin the transition process at least two years prior to retirement.

Second, the TAP will include an individualized initial counseling between the Service member and a TAP counselor. This will be done one-on-one, face-to-face or, in very limited situations that preclude a face-to-face meeting, via video conference. During the initial counseling session, Service members will complete their personal self-assessment /Individual Transition Plan (ITP) to identify and discuss their unique needs of the transition process and their post-transition goals. The self-

assessment/ ITP is criterion based and includes the following: Health Care, Current Housing Expenses and Relocation Costs, Exceptional Family Member Program, assessment for a Post-Transition Housing Plan, Post-Transition Transportation, Post-Transition Peer Support, Availability of confidential mental health services through DoD inTransition Program, Military OneSource, VA Vet Centers, and VA Medical Treatment Facilities. In addition, the counselor takes the following factors into account when performing initial counseling:

- rank,
- term of Service,
- gender,
- whether the member was affiliated with an active or reserve component of an Armed Force,
- disability,
- character of discharge (including expedited discharge and discharge under conditions other than honorable),
- health (including mental health),
- military occupational code (specialty code),
- whether the member intends, after separation, retirement, or discharge, to:
 - (1) seek employment;
 - (2) enroll in a program, of higher education;
 - (3) enroll in a program of vocational training; or
 - (4) become an entrepreneur,
- the educational history of the member,
- the employment history of the member and
- whether the member has secured
 - (1) employment,
 - (2) enrollment in a program of education; or
 - (3) enrolled in a program of vocational training.

Also during the initial counseling session, the counselor will assist the Service member in determining their transition goal(s) and the best pathway to achieve his/her desired goal(s).

Based on the initial counseling session's identified goals, plans, challenges and barriers, etc., the Secretaries concerned have identified three pathways Service members will be placed in as they move forward through the transition process: Tier I, Tier II, and Tier III. Tier I is for those who need little assistance, such as someone who already has employment confirmed or plans to completely retire and not work. Tier II would provide more assistance than Tier I such as those who may have employment but are not satisfied with that option, or have an idea of the industry but are unsure of the next steps. Tier III would be for those who have no post-transition plans or goals and thus need the most transition assistance.

Once the individual counseling is completed, Service members are required to complete pre-separation counseling, which must also commence no later than 365 days prior to transition. Pre-separation counseling is an overview of benefits, entitlements, services, training and resources for eligible transitioning Service members. Caregivers of Service members with disabilities are especially encouraged to attend this pre-separation counseling session.

Next, Service members will attend the mandatory one day pre-separation training specific to the Military Component concerned. This portion of the TAP includes curriculum modules on managing your own transition, provides an in-depth overview of the TAP and building resiliency as you transition, a Military Occupational Code (MOC) Crosswalk to help define and translate military skills, and a module on financial planning for transition, which fulfills the financial literacy requirements in statute. On day two, DOL will provide one day of instruction regarding preparation for employment. Then on day three, the VA will conduct one day of instruction regarding the various benefits available under the laws administered by the Secretary of VA.

Other changes in the TAP include Service members choosing one of the following two-day courses of instruction on: Employment, Education, Vocational Training, and

Entrepreneurship. The Service member may elect one or more of these tracks during initial counseling to support their ITP and post-transition goals.

The Capstone event is the culminating activity where commanders verify achievement of career readiness standards and a viable ITP. This must occur no later than 90 days prior to separation, retirement or discharge.

DoD's Transition to Veterans Program Office is pursuing an enterprise system capability to support and document the FY19 NDAA requirements and long term outcomes. It will be a single-source data collection tool to support and streamline the

TAP enrollment, participation, and compliance. The tool includes, but is not limited to, an Enterprise Client Tracking System (CTS), which will provide the Military Components an IT platform to execute statutory requirements. The secure CTS will capture reported data as defined in the new statute (Self-assessment/ITP information, etc), enable seamless management of Service member transition across all Military Components and installations, and provide Installation and Unit Commanders performance reports to all Military Components and other Federal Agencies. Currently, for those Service members who do not meet career readiness standards (e.g., do not have employment, acceptance to an institution of higher learning, have not secured housing, or transportation) a “warm-handover” is provided to an appropriate agency such as VA or DOL. The current system documents that a “warm-handover” was provided as well as the agency or organization receiving the warm handover for action. The enhanced system will “close the loop”, with information documenting the “warm-handover” and information on services provided. For example, what services were provided to the Service member by VA? Was housing secured? Was a referral made for mental health care?

CURRICULUM AND OTHER ENHANCEMENTS ACROSS THE MILITARY LIFE CYCLE (MLC)

Two core objectives of the original TAP redesign were to implement a revamped TAP curriculum and implement a MLC transition model. While both original objectives were achieved, the Department has continued to make advancements in these two areas.

The Department and our partners are committed to continuously updating and improving the TAP curriculum across the MLC. The TAP interagency governance has established a regular 2-year battle rhythm for reviewing, assessing and updating the curriculum, alternating between an in-depth and technical review. The annual process uses feedback provided by Service members through the Transition Participant Assessment, facilitators, subject matter experts, and other key stakeholders. This systematic review process is critical if we are to stay ahead of the changing needs of our transitioning Service members. In turn, we are providing a “pipeline” of skilled talent to industry and the public sector.

The TAP interagency governance is currently conducting an in-depth curriculum review, with revised curriculum to be implemented in FY20. The Department identified improvements to be made in all four DoD modules for Preseparation Training Day: Resilient Transitions (renamed Managing Your Transition), Financial Planning for Transition, MOC Crosswalk, and the Preparing for Education track. Based on Service member feedback, recent legislative changes, and recent research on challenges transitioning Service members face in their first 12 months post-separation, more substantial revisions are planned for the MOC Crosswalk and Preparing for Education modules this year. Note that the Managing Your Transition (Resilient Transition) and Financial Planning for Transition curriculum were substantially revised during the last annual review.

In terms of this year’s review, the improved MOC Crosswalk module, will focus on determining the hard and soft skills a Service member attained while in the service and utilizing those skills in the civilian sector. In terms of the Preparation for Education track, this module will incorporate information the Service member needs to be successful in gaining admittance and as a student in an institute of higher education.

These proposed DoD revisions, which includes the FY19 NDAA changes are scheduled to be piloted this summer with planned deployment for October 2019. This planned deployment is for the whole of the Transition Assistance curriculum to include modules in revision by VA, DOL, and SBA.

We recognize Service members may not always know at 365 days prior to separation where they will live post-separation. Therefore, the TAP teaches transitioning Service members where to find geographic location specific information about benefits and services at a number of points throughout the curriculum. Beginning with preseparation counseling, and again during VA’s benefits briefing, Service members navigate to VA’s website, in class, with links to the VA facilities in each state, a link to every state level veteran’s affairs page for state specific programs and benefits, and access a page with information on Veterans Service Organizations. This same information is replicated across multiple platforms, i.e., Military OneSource and the National Resource Directory. DOL advises attendees on how to access American Job Centers, embedded in nearly 5,000 neighborhoods across the country. DOL also provides facilitated classroom instruction for TAP attendees to research career and education options by location, online.

Service members research the potential growth of specific career fields in a given geographic area, pay differences for that career field in different locations, education

availability to support that career field, and certification and licensing requirements for that career per state. Service members also research the impact of taxes on civilian pay versus military pay and how individual states treat retirement pay with respect to taxes. Currently, Service members may elect to have DD-214 information provided to their state upon issuance of the DD-214 at the time of separation. Beginning in October 2019, Service members will be able to elect to have their contact information forwarded to their State Department of Veteran Affairs much earlier, as they complete initial counseling.

While the TAP interagency governance continues to improve the curriculum at the final touchpoint - Transition - within a service member's MLC, we are also making advances across other areas of the MLC. Through implementation of the MLC transition model, service members are engaging in the career preparation and transition assistance planning much earlier in their careers - starting at their first permanent duty station or home station for the National Guard and Reserves. This represents a significant, yet critical, cultural shift for the Department. For example, at the first permanent duty station, Service members create an Individual Development Plan (IDP), which documents professional and personal goals, as well as the training, certifications, and higher education needed to achieve those goals. Service members are also provided information on apprenticeships, instruction on resumes and financial preparedness, and they register for eBenefits. As their career progresses, their IDP is continuously updated with current certifications, technical training, and documentation of higher education. At significant life events, such as promotion, military occupational change and/or marriage, Service members are provided updated information on impacts to financial readiness and career opportunities, among other key touchpoint activities. The intent is to ensure thoughtful career planning and preparation across one's military career.

The Air Force (AF) and VA Health Administration (VHA) have been piloting a Women's Health Initiative which targets female transitioning Service members. The four hour brief provides information on women's healthcare services currently available at the VHA. Following the brief, if available, an in-person tour is provided for the workshop attendees to a local VA Women's Health Care Center. Funding for the pilot has been provided by a grant via the VA, and AF has supported the initiative by providing marketing, enrollment for the Workshop, manpower and facilities. To support all female transitioning Service members across the enterprise, the Transition to Veterans Program Office has recommended to the Initiative Team to develop a virtual capability of the project information, to include a video tour of a VA Women's Health Center. This will ensure those female Veterans no matter their location, those separating OCONUS and those at remote and isolated locations, will have the awareness of the services provided by VA to female Veterans.

CAPSTONE EVENT AND ASSISTING AT RISK SERVICE MEMBERS

The third core objective of the original TAP redesign was to implement a Capstone event to ensure: Service members complete the VOW Act requirements; meet the CRS, and have a viable ITP, to include employment or school acceptance/enrollment or a post-transition housing and transportation plan.

The DoD and VA continue to collaborate in the examining of other 'at risk' populations that may be better served during their military-to-civilian transition. This has had implications for changes to the TAP curriculum and/or "warm handover" processes. For example, one effort has been in support of the Executive Order 13822, a joint effort between DoD, VA, and DHS, geared toward suicide prevention of Service members and veterans. The focus has been on identifying the population at risk for suicide following a military-to-civilian transition and determining ways in which to better support this high risk population prior to separation.

Finally, the Department continues to take an important look at whether we are providing the National Guard (Air and Army National Guard) and the Reserves (Army, Navy, Air Force, Marine Corps and Coast Guard Reserve) the time, resources, and support to plan for transitions unique to those populations. Specifically, the Department is leveraging the Status of Forces Survey (SOFS) to pulse RC members' perceptions of the TAP and how perceptions may be changing over time. The Department recently commissioned the RAND Corporation to conduct a research study, entitled "Needs Assessment of Reserve Component Member Transitions," in order to more comprehensively investigate the current needs of transitioning RC members and to provide recommendations regarding any updates needed to the TAP. Study findings are expected in FY20. In short, the Department continues to conduct research, gather feedback from RC members, and consider potential changes to policy within current law to address any identified unique needs of RC members.

The Department remains fully committed to collaborating with Federal, state, industry, education, and community stakeholders to ensure continuous coordination and information sharing, while protecting the privacy and personal information of all our Service members. This ensures Service members receive access to education, training, and opportunities that best prepare them for their military-to-civilian transition. Private and public engagements with employers and agencies directly support and enhance stakeholder commitments that support successful transition of our service members.

Over the past nine months DoD, with the TAP interagency partners, hosted two Military Service Organizations (MSOs)/Veterans Service Organizations (VSOs) events. The forums were an opportunity for the TAP interagency partners to share with the MSO/VSO representatives what has changed in the TAP and what is coming in FY20. Both events were well attended, and the TAP governance received great feedback with very useful information in shaping the way ahead.

GAO REPORT

Additionally, I would like to share some of the improvements already in place as a result of the released 2017 GAO Report which was discussed with this Committee on November 8, 2017. The GAO Report 18–23, “Transitioning Veterans - DoD Needs to Improve Performance Reporting and Monitoring for the Transition Assistance Program,” released November 2017, provided the TAP governance an opportunity to receive external feedback on ways in which to further advance TAP.

Congress asked GAO to examine various aspects of the program’s implementation. GAO surveyed 181 DoD Military installations; analyzed DoD participation data for Fiscal Year 2016; reviewed and analyzed TAP data reports and performance measures; and interviewed officials at DoD, the Military Components, Service members, and our interagency partners.

GAO also visited seven installations (two from Army, Navy, Air Force and one Marine Corps). The audit was conducted from February 2016 to September 2017. As a result, GAO made six recommendations, including that DoD improve transparency in reporting the TAP participation and career readiness rates and monitor certain key areas of the TAP implementation, including timeliness of participation and access to supplemental 2-day classes. I would like to provide you a progress update on the recommendations from the Report.

The Transition to Veterans Program Office in partnership with the Military Components has successfully had GAO approve two recommendations as “implemented and closed” of the six recommendations noted.

RECOMMENDATION 1: DoD provides performance and career readiness attainment for ALL TAP-eligible service members and members of the National Guard and Reserve. A report is provided quarterly on the publically available DoDTAP.MIL website, on VOW compliance and information on missing or incomplete forms is included.

RECOMMENDATION 3: GAO recommends that the Secretary of Defense monitor and report on the extent to which service members who elect to receive supplementary 2-day classes are able to receive training. DoD produces a quarterly report on self-reported barriers to attending the two-day classes. The report can be accessed specific to a Military Department, a Component, an installation, or a Unit. The Military Components have been provided training on how to access the information as well as provided the tools to accomplish the report.

GAO approved both recommendations as “implemented and closed” in October 2018.

The remaining four recommendations will be presented to GAO for closure in the Spring/Summer 2019.

CONCLUSION

The FY19 NDAA has driven significant changes to the TAP. These changes will require substantial adjustments in resource requirements for the Military Departments. The Secretaries of the Military Departments are developing implementation plans for the legislative change and will include in the plan any requirements for additional funding and manpower.

Career readiness and transition assistance preparation is an absolute must if Service members are going to have a successful transition to civilian life. We recognize that preparing Service members throughout their MLC to be career-ready upon transition is essential to sustaining the All-Volunteer Force. In order for DoD to continue to attract the high quality and dedicated volunteers to serve in our Armed Forces, we must return this generation of Service members to the Nation with the

ability to positively contribute to the national workforce and thrive within their civilian communities.

The Department cannot do this alone. It must have the continued strong collaboration with our interagency partners, the support and hard work of our Military Components, especially at the installation level, and collaborations with other external stakeholders and you, the members of Congress. The TAP interagency governance is vibrant, effective, responsive, and committed, as evidenced by the 2016 signing of our national Memorandum of Understanding (MOU) regarding the “Transition Assistance Program for Service Members Transitioning from Active Duty.” As stated in the MOU, “The parties will support and advance the ongoing implementation, assessment, and enhancement of TAP. This collaboration will serve to support Service members in pursuing employment, higher education, skills and career training, credentialing, and entrepreneurship.”

In closing, Mr. Chairman, I thank you, the Ranking Member, and the members of this Subcommittee for your outstanding and continuing support of the men and women who proudly wear the uniform in defense of our great Nation.

JOINT STATEMENT OF THE CO-AUTHORS OF THE INDEPENDENT BUDGET: DISABLED AMERICAN VETERANS, PARALYZED VETERANS OF AMERICA, VETERANS OF FOREIGN WARS

Chairman Levin, Ranking Member Bilirakis, and members of the Subcommittee, the co-authors of The Independent Budget (IB) - Disabled American Veterans (DAV), Paralyzed Veterans of America (PVA), and the Veterans of Foreign Wars (VFW) - are pleased to present our views regarding the President’s funding request for the Department of Veterans Affairs (VA) for Fiscal Year (FY) 2020, including advance appropriations for FY 2021.

VR&E Program

The Vocational Rehabilitation and Employment (VR&E) 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. An extension for the delivery of VR&E assistance at a key transition point for veterans is the VetSuccess on Campus program, deployed at 104 college campuses. VetSuccess offers services on five tracks: re-employment, rapid access to employment, self-employment, employment through long-term services, and independent living. Additional VR&E services are provided at 71 select military installations for Active duty service members undergoing medical separations through the Department of Defense (DoD) and VA’s joint Integrated Disability Evaluation System (IDES). 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 veterans’ demand for VR&E services. Section 254 of that law authorizes the Secretary of Veterans Affairs to use appropriated funds to ensure the ratio of veterans to vocational rehabilitation counselors does not exceed 125 veterans to one full-time employee (FTE) equivalent. For FY 2019, VR&E was authorized to hire an additional 174 FTEs. Congress needs to closely review how VR&E is implementing this workforce increase and carefully review the Administration’s FY 2020 budget for VR&E now that it has been presented.

VA budget documents state that the VR&E program will meet and sustain the congressionally mandated goal of 1:125 counselor-to-client ratio. However, the latest data in the VA budget document also shows that from 2016 to 2018, the number of VR&E participants fell from 173,606 to 164,355—more than a five percent decrease. During that same period, VR&E’s caseload also dropped from 137,097 to 125,513—an 8.4 percent decline. It would appear that VR&E is able to meet the 1:125 goal by serving fewer veterans. Given how important and beneficial the VR&E program is for disabled veterans by providing many of them with the ability to increase their economic independence, why are fewer veterans taking advantage of this program? Is the lack of counselors impacting veteran utilization? Has VR&E instituted any new policies or practices that have deterred disabled veterans from seeking these services? What action is VA taking to increase awareness of the availability and benefits of VR&E services? We are concerned that the lack of counselors over the years has finally caught up to VA and participation in VR&E has dropped because of this.

VA Education Services

The IB veterans service organizations (IBVSOs) are concerned about the lower funding request for VA's Education Program. VA requested \$6 million less than the amount appropriated the previous year, and we think that is taking a step backwards for this incredibly important office. By VA's own projections, they will see an estimated increase of almost 800,000 claims over the next two years. There are also additions to the GI Bill, such as the STEM extension and the VET TEC program, along with implementation of the Basic Allowance for Housing changes due to roll out in December. VA's emergency overtime budget was almost depleted due to challenges with Forever GI Bill implementation, and the IBVSOs believe VA should be ready for additional overtime for implementation this time around as well. Additionally, VA's aging infrastructure routinely requires additional resources and last minute workarounds in order to administer education benefits. With these challenges, the IBVSOs believe VA should be seeking more funding to make the necessary changes, not less. Historically, VA has struggled to implement GI Bill changes on time and under budget dating back to the original inception of the GI Bill in 1944. Each iteration of the GI Bill has come with its own challenges during implementation, and the Forever GI Bill is just another example of that. While it is difficult to budget for breakdowns and failures, the method of planning for the worst and hoping for the best is something VA should look to do when making changes to the GI Bill. This lower budget request seems like VA is planning for the best, and hoping for the best, without taking past challenges into account.

Information Technology

Over the past several years, the Veterans Benefits Administration (VBA) has developed and implemented new IT systems to support several program transformations, including the Veterans Benefits Management System, National Work Queue, Case Flow, and eBenefits. Unfortunately, VBA must compete with other offices and agencies within VA for the limited IT funding available each year, delaying development and deployment of critical IT systems and programming. As a result, critical IT systems are rarely fully developed before business process changes are implemented. Instead, they are phased in over several years, forcing VBA to rely on an inconsistent mix of old and new IT systems, as well as an endless stream of suboptimal workaround solutions. While it may be understandable from a purely budgetary view to stretch out development and deployment of new IT systems, it is a failure from a functional perspective. Providing only partial IT solutions inevitably results in a loss of productivity, and often leads to lower quality and less accurate decisions on claims and appeals by veterans. For example, similar problems caused by inadequately developed technology can be seen in the VR&E's \$12 million IT debacle and the education service's continuing problems in making accurate payments under the new GI Bill program.

Unfortunately, VBA has a long list of pending IT funding requests, forcing it to prioritize and, thereby, delay many IT projects that could have led to better, more timely outcomes for veterans. In order to achieve the fullest gains of both productivity and quality possible, the IBVSOs recommend that Congress provide VBA with full funding upfront to develop new IT systems and reprogram existing ones. For FY 2020, the IBVSOs recommend that an additional \$50 million be added to the IT budget to accelerate critical IT projects, particularly those related to programs within VBA.

Homeless Issues

VA's homeless programs are comprehensive including medical, dental, and mental health services, as well as specialized programs for post-traumatic stress disorder, sexual trauma, substance use disorder (SUD), and vocational rehabilitation. VA adopted a model of housing veterans first, rather than requiring them to be in recovery or treatment for mental health or SUDs prior to receiving housing assistance. Homeless prevention coordinators and peer mentors are essential to the success of the program and help veterans navigate the system to get the services they need. VA should consider increasing the use of peer specialists, particularly those who are in recovery from SUDs and/or have experienced homelessness. Peers who have had similar experiences are often able to connect on a more personal level and can help homeless veterans overcome challenges, actively engage in treatment, and maintain healthy, sober lifestyles. While VA's comprehensive services, efforts, and approach to ending homelessness among veterans is effective overall, the National Coalition for Homeless Veterans recommends increased funding for the Supportive Services for Veterans Families program - the only program targeted at those at risk of losing housing. This would allow VA to maintain these prevention efforts, expand the program to new communities, and focus on innovative approaches to prevent more veterans from becoming homeless. The IBVSOs recommend that VA address the unique

risks associated with subpopulations of homeless veterans, particularly women, minorities, those with serious, chronic mental illness or traumatic brain injuries, and aging veterans. VA should also continue to develop relationships with community providers that supplement current services and ensure its programs remain effective and flexible. The IBVSOs commend VA and the Department of Housing and Urban Development (HUD) for establishing a new pilot program to provide grants to make housing more accessible for low-income veterans with physical disabilities. VA should continue to grow its Enhanced Use Lease program, and work in partnership with HUD on project-based HUD-Veterans Affairs Supportive Housing vouchers, in order to spur the construction of critically needed affordable housing for homeless veterans with the highest needs.

Special Adaptive Housing

VA's Specially Adaptive Housing (SAH) grant program helps veterans with certain service-connected disabilities to live independently in a barrier-free environment by providing critical housing adaptations. The accessibility provided through this program greatly increases the quality of life for these veterans, but to qualify, the individuals must endure a lengthy and cumbersome process. The controlling authorities governing the program are outlined in title 38 United States Code 1717, 38 Code of Federal Regulation (CFR) 17.150 and CFR 17.3100 - 17.3130. Veterans Health Administration (VHA) Directive 1173.14 entitled, "Home Improvements and Structural Alterations Program," establishes uniform policy, processes, and procedures governing VA's Home Improvements and Structural Alteration program.

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

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

The IBVSOs' second concern is the timeliness of modifications. Our field employees say many veterans are waiting an average of 6-8 months (up to two years in some cases) to have the modifications completed. The ability to safely live independently is a common goal of SAH eligible veterans and any processes that foster delays must be addressed.

For example, the average person diagnosed with ALS (Lou Gehrig's disease) generally lives two to five years after diagnosis. Many veterans represented by our organizations rarely live past one year after diagnosis. Therefore, timely completion of SAH modifications is imperative. There have been instances where veterans have passed away before the modifications have been completed. The very nature of ALS presents different circumstances than those present for many other SAH eligible veterans. For veterans who have been diagnosed with ALS, their health declines so quickly it is imperative they receive modifications as soon as possible to improve the quality of what life they have left. The IBVSOs believe that the cases of veterans with terminal illnesses, like ALS, should be prioritized. If VA is unwilling to do so, then Congress must pass legislation directing it.

Finally, the IBVSOs are concerned about consistency in the administration of the SAH program. Often the quality and speed of the work seems to depend entirely on the geographic location of the veteran. This is troubling based on the fact that compared to other programs, SAH is very small. It should not be as difficult for VA to maintain a standard across the board. Veterans should not be punished for where they choose to live. Instead, they should be able to receive quality service regardless of the location of their residence.

Veteran Unemployment

Veterans with disabilities continue to struggle in the job market with lower labor force participation rates compared to veterans without disabilities. Employment challenges are even greater for veterans with the highest disability ratings. Veterans who have a disability rating of less than 30 percent were about 40 percent more likely to be engaged in the workforce than veterans with a 60 percent or higher disability rating. Only about four in every ten veterans with a 60 percent or higher disability rating participated in the labor force in 2017. This growing labor force participation disparity exists for veterans (Gulf War-era II) who have served on Active duty since September of 2001. Bureau of Labor Statistics data showed that Gulf War-era II veterans without a disability were 12 percent more likely to be in the labor force than Gulf War-era II veterans with disabilities.

Fourth Administration

In order to further strengthen VA's education/economic opportunities and transition programs, the IBVSOs support the Veterans' Education Transition, and Opportunity Prioritization Plan Act of 2019 (VET OPP Act) which would separate from the VBA programs under the purview of the Office of Economic Opportunity (OEO) and elevate them by creating a new fourth administration within VA with a new Under Secretary for Economic Opportunity and Transition. The new Veterans Economic Opportunity and Transition Administration (VEOTA) would include critical programs such as VR&E, the GI Bill, and the Transition Assistance Program (TAP) for transitioning service members.

At present, VA is comprised of three administrations: VBA, the VHA, and the National Cemetery Administration. VBA includes not only compensation and pension programs for veterans, but also education programs, VR&E, home loan, veteran-owned business programs, and the broadly defined transition program, which is shared with DoD and the Departments of Labor (DOL) and Homeland Security. All of these programs are currently overseen by the OEO which is to be led by a Deputy Under Secretary. However, that position has been left vacant for years and it does not appear that the vacancy will be filled any time soon.

Currently, the OEO programs inside VBA must compete for resources and focus with the Compensation, Pension and Insurance programs, of which compensation is by far the largest and tends to dominate the attention of VBA leadership and personnel. Because of the scale and scope of the claims and appeals processing reforms in recent years, it has too often been hard for VA's economic opportunity (EO) programs to compete for adequate funding, specialized resources, and other prioritization. For example, while VBA has boosted resources to support the modernization and streamlining of the claims and appeals process for the past several years, other important programs such as VR&E have actually seen a stagnation of resources and oversight. Between 2014 and 2018, VR&E participation increased by approximately 17 percent while the funding rose less than two percent.

We understand that this type of transformation needs to be done carefully, and there are a few concerns that still need to be addressed. We question the need to place an arbitrary cap on staffing for the new VEOTA in the legislation. In recent years, the IBVSOs have often joined other advocates calling for an increase in the staffing levels of the VR&E service to help achieve the 1:125 counselor-to-client ratio mandated by Congress. While the bill's FTE cap of 23,692 may be sufficient, we believe staffing and funding requests should be based on need, not arbitrary caps.

We understand that VA remains opposed to this legislation. However, given the recent management and oversight issues involving implementation of the Forever GI Bill, and VR&E IT management, we believe the creation of the VEOTA could strengthen VA's oversight of EO programs. In addition, there still remain unanswered questions about how VA should reorganize the new VEOTA in order to maximize resource sharing between employees at VA Regional Offices, minimize duplication of services and management, and ensure clear lines of authority and oversight. We would recommend that VA be required to put forward a comprehensive organizational and operations plan, with measurable milestones, prior to the changeover in order to ensure a smooth transition.

Department of Labor Veterans' Employment and Training Service (VETS)

The Department of Labor Veterans' Employment and Training Service (VETS) prepares transitioning service members for civilian careers through the TAP employment workshops. More than 6,000 workshops are conducted each fiscal year and VETS works closely with the DoD, VA, and other stakeholders to help meet the employment needs of transitioning service members and their spouses. TAP employment workshops are provided on military installations, both domestically and abroad, and are facilitated by an all-contract staff. If fully funded, VETS plans to deliver services to approximately 150,000 transitioning service members and

spouses in FY2020 - a rate that is expected to remain fairly constant for several years.

FY 2020 will be the first full year implementing changes to TAP enacted in the FY 2019 National Defense Authorization Act, and extra resources were requested in both TAP and federal administration budgets to oversee these improvements. The additional funding would enhance the quality of employment support services for transitioning service members, with a focus on improved outcomes. It also allows VETS to develop and implement a course curriculum to help military spouses which, in turn, would help reduce the number of military families that are at risk for homelessness. At a minimum, Congress should fund DOL's FY2020 request of \$29,379,000 for the VETS program, but additional resources may be warranted upon closer examination of the program and its planned expansion projects.

Many veterans who served honorably and were discharged in good health, later acquire significant disabilities. As a consequence, eligible veterans qualify for the VA nonservice-connected pension. VA pension is often likened to Supplemental Security Income (SSI) under Social Security. However, SSI recipients have access to a work incentive program whereby their public benefit is gradually reduced as their earned income rises. Unlike SSI recipients, VA pensioners face a "cash cliff" in which benefits are terminated once an individual crosses an established earnings limit. Because of a modest work record, many of these veterans or their surviving spouses may also receive a small Social Security Disability Insurance (SSDI) benefit that supplements their VA pension. If these individuals attempt to return to the workforce, not only is their SSDI benefit terminated, but their VA pension benefits are reduced dollar for dollar by their earnings.

In 1984, under Public Law 98-543, Congress authorized VA to establish a four-year pilot program of vocational training for veterans awarded a VA pension. Modeled on the Social Security Administration's trial work period, veterans in the pilot program were allowed to retain eligibility for VA pension up to 12 months after obtaining employment. Also, they remained eligible for VA health care up to three years after their pension terminated because of employment. The pilot program ran from 1985 to 1989, and achieved some modest success. However, the pilot was discontinued before VA implemented eligibility reform, because most catastrophically disabled veterans were reluctant to risk their access to VA health care by working. The VA Office of Policy, Planning, and Preparedness examined the VA pension program in 2002 and, though small in number, seven percent of unemployed veterans on a pension and nine percent of veteran spouses on a pension cited the dollar-for-dollar reduction in VA pension benefits as a disincentive to work. Now that veterans with catastrophic nonservice-connected disabilities retain access to VA health care, loss of access to medical care is no longer an impediment to work, but the VA pension cash cliff remains a barrier. Congress should reexamine work disincentives in the VA pension program, and policies toward earnings should be changed to parallel those in the SSI program.

Proposed Legislation

Finally the IBVSOs would like to address some of the proposed legislation from VA contained within this year's budget request.

VA is proposing to expand the scope of VA's EUL authority to include projects that provide supportive housing, and projects that provide services and/or mixed uses, which incorporate other important benefits to veterans. The IBVSOs support expansion of EUL in any substantive efforts to curb the homeless veterans issue facing far too many of our brothers and sisters. Expanding VA's EUL authority to allow for redevelopment of other types of facilities will allow VA to attract private financing to address its infrastructure needs.

VA is seeking to amend title 38 U.S.C. § 3699 to extend the restoration of entitlement to educational assistance for veterans affected by school closure or disapproval, implemented by section 109 of the Howard W. Colmery Veterans Educational Assistance Act of 2017 (Forever GI Bill), to apply to vocational rehabilitation programs provided under chapter 31. The IBVSOs believe any veteran affected by sudden school closures should have their benefits restored, and supports the inclusion of Chapter 31 benefits to section 109 of the Forever GI Bill.

Lastly, the IBVSOs strongly oppose all legislative proposals included in the budget that would reduce benefits to veterans that were earned through their service. The round down of the cost of living adjustment for five years proposal is a not an acceptable option. Veterans earn their benefits from years of service to our nation, and decreasing those benefits to balance a budget is a proposal that the IBVSOs oppose. The federal budget should not seek financial savings at the expense of benefits earned by veterans and their families.

Mr. Chairman, this concludes our testimony. Again, the IBVSOs thank you and the Ranking Member for the opportunity to testify on these important issues before this Subcommittee. We are prepared to take any questions you or the Subcommittee members may have.

STATEMENT OF LARRY L. LOHMANN

Chairman Levin, Ranking Member Bilirakis, and Members of the Committee; on behalf of Brett P. Reistad, National Commander of the largest veteran service organization in the United States representing nearly two million members; we welcome the opportunity to comment on specific funding programs of the Department of Veterans Affairs (VA) in the federal budget.

The American Legion is a resolution-based organization directed and driven by active Legionnaires who dedicate their money, time, and resources to the continued service of veterans and their families. Our positions are guided by 100 years of advocacy and resolutions that originate at the grassroots level of the organization - local American Legion posts and veterans in every congressional district across the United States. The headquarters staff of The American Legion works daily on behalf of veterans, military personnel, and our communities through our roughly 20 national programs and thousands of outreach programs led by our posts across the country.

As VA continues to serve the veterans of this nation, it is vital the Secretary has the necessary tools and resources to ensure they receive timely, professional, and courteous service - they have earned it. The American Legion calls on this Congress to ensure that funding for VA is maintained by implementing the president's budget request. At a time when most federal agencies are experiencing a decrease in their respective budgets, the hope of The American Legion is that VA, with assistance from these critical committees, receive a much-needed increase.

Education

VA requests \$223.5 million in budget authority to fund discretionary portions of Education Service to include administrative expenses for 1,985 FTE.

The American Legion supports the President's FY 2020 Budget request for Education. Though the President's budget requests \$6.1 million less (-2.7%) than the 2019 current estimate; this request will provide sufficient funding and staffing levels for Education Service to continue providing access to timely and accurate delivery of education benefits.

Since the passage of the Harry W. Colmery Veterans Educational Assistance Act of 2017, VBA hired an additional 202 temporary employees to implement multiple provisions of the bill. The additional Full-Time Employees (FTE) primarily focused on processing claims resulting from significant changes to eligibility criteria and expanding program usage. In the summer of 2018, problems began when VA's benefit-processing system buckled under complex new formulas for GI Bill students. As a result, scores of veterans waited weeks or months to be paid and fell victim to VA's decades-old technology that The American Legion and lawmakers warned for months would do what it did, fail.

To address these IT issues, VA determined additional FTE would be required for the entirety of 2019. This change increased FTE by 65, which is the net effect of having the 202 employees onboard longer throughout 2019 than initially planned. Recognizing the temporary necessity of these additional FTE, The American Legion does not see an issue with the 2.7% decrease for education funding in FY 2020.

While the proposed budget is sufficient, The American Legion shares the sentiment of many in Congress and among the major stakeholders that VA must provide greater focus on the economic concerns of our veterans, and ensure education services meet the standards of excellence veterans deserve.

The American Legion has long been concerned programs in the VA that provide assistance related to economic opportunity to veterans, their dependents, and survivors have been overlooked. The landscape of education benefits has evolved rapidly from the Montgomery to the Post-9/11 GI Bill and the essential implementation requirements of the Harry W. Colmery Veterans Educational Assistance Act.

More veterans are using VA educational and vocational rehabilitation benefits to go to school than a decade ago, which led to the creation of VetSuccess on Campus (VSOC) to cater to the growing student veteran population. Congress needs to continue investing on campus-based support resources for student veterans to include

expansion of the VSOC program or additional programs reinforcing peer-to-peer support or grant funds to develop Veteran Centers of Excellence.

Congress must also work closely with the Department of Education and VA to ensure taxpayer dollars are spent responsibly at reputable institutions. Legislation addressing the 90/10 loophole, requiring transparency, and regular reporting will ensure student veterans are given the right resources to utilize their benefits properly, maintaining the fiduciary duty to the American taxpayer.

Housing

VA requests \$154.0 million in reimbursement authority from credit administration accounts, \$441 thousand in reimbursements from the United States Department of Agriculture (USDA), and \$20.8 million in budget authority to fund the discretionary portion of the Specially Adapted Housing (SAH) program.

The American Legion supports the President's FY 2020 Budget request for housing, but requests Congress review procedures. Too many of our veterans and their families face significant housing challenges, aggravated by issues like unemployment, age, and service-related disabilities. The Special Housing Adaptation (SHA) grant and Special Adaptive Housing (SAH) grant processes have many requirements. Some requirements have cumbersome and lengthy procedures.

Once eligibility has been established, VA assigns a SAH agent to each veteran to provide guidance and assistance in preparing and collecting required documents and exhibits. After the grant is approved, SAH agents deliver the SAH grant benefit by meeting with veterans at their existing or desired future residence to provide an overview of the grant process. SAH staff members assess the residences and provide hands-on guidance and suggestions for incorporating home modifications to improve mobility and promote independence. The primary focus of the grant program is to provide safe and reliable options for getting in and out of the home, provide accessible bathroom and shower facilities, and ensure the home has adequate space in passageways (doors, open areas, hallways, etc.) for accessible entry and exit to and from the home. Other adaptations can be incorporated based on the veteran's disability.

After identifying the needs of the veteran, SAH staff provide guidance and oversight for new or existing home construction to ensure the completion of required adaptations. SAH staff manages projects during ongoing development and serves as a liaison between the veteran and the contractor completing the construction. SAH staff completes the project by conducting final field reviews to assess the outcome and ensure the veteran's unique mobility needs were addressed.

Unfortunately, the SAH grant and the SHA grant processes may take a considerable amount of time. Veterans with terminal illnesses and severely restricting disabilities do not have time to wait. Veterans with terminal illnesses often do not survive long enough to receive the SAH benefits they have earned.

Although VA will expedite the claims for veterans who have terminal illnesses, they do not prioritize cases. Congress should pass legislation to provide VA with the authority to prioritize the SAH claims of terminally ill veterans. Further, through Resolution No. 357, Support Veterans Housing Repair and Modification for Pilot Program, The American Legion urges Congress to create a veterans housing pilot program for home rehabilitation and modification to augment programs like the Specially Adaptive Housing Program, to allow veterans service organizations and housing nonprofits to combine their resources with other federal funding by applying for grants through the Department of Housing and Urban Development.¹

Through partnerships and hands-on volunteering, The American Legion works hard every day to improve the lives of veterans and their families. Through partnerships like Team Depot, a collaboration with The Home Depot, volunteer Legionnaires, as well as other stakeholders, devote thousands of hours each year to building and repairing homes for those who have served. Instituting a pilot program that allows veterans service organizations to help veterans who are low-income or disabled and who own their homes or are living in the owner-occupied home of a family member would be beneficial to local communities and the country as a whole.

¹The American Legion Resolution No. 357: Support Veterans Housing Repair and Modification Pilot Program (Aug 2016)

Employment Benefits

VA requests \$245.4 million in budget authority to fund discretionary portions of the VR&E Program to include administrative expenses for 1,663 FTE.

The American Legion supports the President's FY 2020 Budget request for Employment benefits. 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 proper employment goal and determines the appropriate services necessary to achieve their goal. Once a veteran's claim has been adjudicated through the appeals process, the next step is approval and access to utilize the VR&E program.

The American Legion is pleased to see in VA's budget proposal the intention to meet the congressional mandate of a 1:125 counselor-to-client ratio. The American Legion has sought this compliance associated with VR&E for some time and notably at our 2016 National Convention passed Resolution No. 345: Support for Vocational Rehabilitation and Employment Program Hiring More Counselors and Employment Coordinators.² However, our optimism is guarded because the compliance, in part appears to be aided not only by additional funding but also by a 5% decrease in VR&E participants.³

The American Legion is thankful and proud to have worked closely with this committee and others in Congress to reach this goal. We remain concerned with the decrease in participants in the program as it is a beneficial program for disabled veterans. In the same vein, we urge Congress through Resolution No. 336 to Support Legislation that Would Change the 12-Year Delimiting Date for Eligibility to Chapter 31 Benefits, to eliminate the 12-year expiration date for chapter 31 benefits.⁴

The standard period of eligibility for VR&E benefits is limited to 12-years from the date of separation from military service or the date of notification by VA of a service-connected disability rating. Unfortunately, not all disabled veterans are aware of their possible eligibility when separating from their service and some may not need VR&E until later in their career. Congress must eliminate the 12-year delimiting period for VA Chapter 31 Vocational Rehabilitation and Employment (VR&E) services to ensure disabled veterans with employment handicaps, including those who qualify for independent living services, qualify for VR&E services for the entirety of their employable lives.

Assisting Homeless Veterans

VA requests \$1.8 billion for homeless programs, maintaining the significant funding provided in 2019 and increasing funds by \$179 million above the 2018 level, to provide the type of resources most needed where they are most needed across the country.

The American Legion believes that homeless veteran programs should be granted sufficient funding to provide supportive services such as, but not limited to: outreach, healthcare, rehabilitation, case management, personal finance planning, transportation, vocational counseling, employment, and education. In that vein, we support the proposed funding in the president's budget and urge Congress to appropriate the funds.

Furthermore, The American Legion continues to place particular priority on the issue of veteran homelessness. With veterans making up approximately 9% of our nation's total adult homeless population, there is plenty of reason to give this issue special attention. Along with various community partners, The American Legion remains committed to seeing VA's goal of ending veteran homelessness come to fruition. Our goal is to ensure that every community across America has programs and services in place to get homeless veterans into housing (along with necessary

²The American Legion Resolution No. 345: Support for Vocational Rehabilitation and Employment Program Hiring More Counselors and Employment Coordinators (Aug 2016)

³Volume III Benefits and Burial Programs and Departmental Administration, U.S Department of Veteran Affairs, <https://www.va.gov/budget/docs/summary/fy2020VAbudgetvolumeIIIbenefitsBurialProgramsAndDeptmentalAdministration.pdf> (last visited Apr 26, 2019).

⁴The American Legion Resolution No. 336: Support Legislation that Would Change the 12-Year Delimiting Date for Eligibility to Chapter 31 Benefits (VA's Vocational Rehabilitation and Employment Program) (Aug 2016)

healthcare/treatment) while connecting those at-risk veterans with the local services and resources they need. We hope to see that with the expansion of assistance afforded to homeless veterans and their dependents, there will also be an increase in funding to support. We estimate that an additional \$10 million annually will be sufficient to accomplish this goal.

Additionally, we have concerns about cuts to the Supplemental Nutritional Assistance Program (SNAP). SNAP is the largest nutritional assistance program administered by the United States Department of Agriculture and serves as a critical social safety net program in the United States. While veterans' homelessness programs remain unchanged in the FY20 budget, many other programs outside of VA have seen proposed reductions in their funding. Almost 1.4 million veterans live in households that participate in SNAP, according to the analysis of data performed by the Center on Budget and Policy Priorities from the Census Bureau's American Community Survey.⁵ While not intended to impact veterans directly, cuts across the social network could make a negative impact contributing to veterans' quality of life and homelessness.

Transitioning Programs

VA requests \$82.4 million in budget authority to fund the discretionary portions of TED to include administrative expenses for 37 FTE.

The American Legion supports VA's request for \$82.4 million but urges Congress to exercise its oversight powers to ensure appropriate spending. VA's Transition and Economic Development (TED) office was newly established in 2018 to support the transition from military-to-civilian life and accelerate the economic empowerment and development of transitioning servicemembers, veterans, and their families. VA established this office to ensure the entire period of military transition readiness, from 365 days before separation through the first year of civilian life is efficient and thorough. TED is intended to ensure through a coordinated effort that servicemembers leaving the military have an understanding of, and easy access to, all benefits and resources they are entitled once they have separated from military service.

A key area of focus for TED is the Transition Assistance Program (TAP), a joint program administered by the U.S. Departments of Defense (DoD), Department of Labor (DoL) and VA. TAP is charged with providing veterans a successful transition from military to civilian life. The American Legion supports the President's proposed budget, however, is still wary about whether TED is sufficiently staffed as the budget equates to approximately \$2.4 million per FTE. We urge Congress to exercise its oversight powers to ensure prudent management of taxpayer dollars.

Further, we urge Congress to pass legislation optimizing the TAP program. As stated, the goal of 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 TAP represents an essential step toward providing transitioning servicemembers, and their families, with the information they need to transition into civilian life successfully.

TAP is now mandated for all servicemembers and optional for their spouses. However, TAP provides a tremendous amount of information, which at times can be incredibly intricate, overwhelming, or even excessive to a particular participant. DoL's portion, which is three-days long, is responsible for most of that information. The American Legion recommends that the course be mandated for servicemembers at different intervals of their careers before separation or transitioning into the civilian sector along with pre-counseling for those servicemembers intending to leave the military.

The American Legion recognizes the vast difference between a transitioning servicemember who served one enlistment in contrast to a transitioning servicemember who is retiring after 20 years of service. This difference includes, but is not limited to, servicemembers who are being separated for medical reasons and other unexpected reasons. TAP is presently five-days long with an optional two-day class. According to a November 2017 GAO report, less than 15 percent of transitioning servicemembers have attended the two-day courses. Not every

⁵ Brynne K Jennings, SNAP Helps Almost 1.4 Million Low-Income Veterans, Including Thousands in Every State Center on Budget and Policy Priorities (2018), <https://www.cbpp.org/research/food-assistance/snap-helps-almost-14-million-low-income-veterans-including-thousands-in#—ftn1> (last visited Apr 26, 2019).

servicemember transitions for the same reason, servicemembers should be afforded the opportunity to participate in training that fits their post-service objectives.

Conclusion

The American Legion thanks this committee for the opportunity to elucidate the position of the nearly 2 million veteran members of this organization. For additional information regarding this testimony, please contact Mr. Larry Lohmann, Senior Associate of The American Legion Legislative Division at (202) 861-2700 or llohmann@legion.org.

WILLIAM HUBBARD

Chairman Levin, Ranking Member Bilirakis and Members of the Subcommittee:

Thank you for inviting Student Veterans of America (SVA) to submit our testimony on the fiscal year 2020 budget submission of the Department of Veterans Affairs (VA). Established in 2008, SVA is a national nonprofit founded to empower student veterans as they transition to civilian life by providing them with the resources, network support, and advocacy needed to succeed in higher education.

With over 1,500 Campus Chapters across the U.S. and in four countries overseas, serving over 750,000 student veterans and military-connected students, SVA establishes a lifelong commitment to each student's success, from campus life to employment, through local leadership workshops, national conferences, and top-tier employer relations. As the largest chapter-based student organization in America, we are a force and voice for the interests of veterans in higher education, and SVA places the student veteran at the top of our organizational pyramid.

Edward Everett, our nation's 20th Secretary of State, and the former President of Harvard University was famously quoted as stating, "Education is a better safeguard of liberty than a standing army." While we have the finest military that the world has ever known, the sentiment remains; the importance of education to our nation's national security continues to be critical.

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.¹

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 need for regular order is especially apparent when considering the cycle of GI Bill payments, which typically ebb and flow in conjunction with the beginning of each semester. The ability of the Veterans Benefits Administration (VBA) to project upcoming increases in demand for GI Bill approvals is indirectly linked to appropriate IT funding, as we publicly witnessed during the rollout of several crucial provisions of the Forever GI² Bill³.

¹ 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.

² Wentling, Nikki, "Federal watchdog: VA leadership failures are to blame for GI Bill payment issues," March 21, 2019, <https://www.stripes.com/federal-watchdog-va-leadership-failures-are-to-blame-for-gi-bill-payment-issues-1.573672>

³ 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/>.

SVA supports the recommendation of the Independent Budget to include an additional \$50 million for IT infrastructure.⁴ We 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 \$14.06 billion in Readjustment Benefits obligations in 2020 and \$12.58 billion in Readjustment Benefits obligations in 2021.⁵ These figures do not include discretionary funds necessary to administer these benefits.

Largely comprised of the education benefits which VA's 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 return to the civilian workforce as the leaders and problem-solvers upon which the future of our country's economic prosperity desperately depends.

SVA acknowledges VA's justification for reducing their baseline personal services budget line item from \$190.5 million in 2019 to \$183.8 million in the 2020 request due to a cut in Forever GI Bill implementation support staff. However, until the new law is fully implemented, we encourage VA, and this congress, to provide the full resources necessary, as the Department historically lacked the appropriate support and resulted in unacceptable late payments.⁶

Through increased access to and participation in these benefits, budget obligations should naturally continue to increase. We encourage the Subcommittee 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 we noted during the Joint Veterans Committee annual hearing on policy priorities for 2019, student veterans have led the way for all non-traditional students in higher education, and this unique population is succeeding at remarkable rates.⁷ In many ways, the original GI Bill democratized higher education to all Americans. Prior to 1944, the most Americans interested in pursuing higher education faced unrealistic prospects; 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.⁸ 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.⁹ 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.¹⁰

SVA tracks student veterans concerns and feedback associated with the VR&E program to better understand how the program could be strengthened. Themes

⁴The Independent Budget: Budget Recommendations Fiscal Years 2020 and 2021, Feb. 11, 2019. <http://www.independentbudget.org/pdf/funding.pdf>

⁵U.S. Department of Veterans Affairs, Office of Budget. FY 2020 Budget Submission. Available: <https://www.va.gov/budget/products.asp>

⁶Stewart, Emily. Vox. The VA's latest issues paying student veterans their benefits, explained. Dec. 11, 2018. <https://www.vox.com/policy-and-politics/2018/12/7/18129508/forever-gi-bill-student-veterans-housing-wilkie>

⁷Jared Lyon, Student Veterans of America Legislative Priorities of 2019, March 7, 2019, <https://www.veterans.senate.gov/imo/media/doc/5%20-%20SVA%20Testimony%2003.07.19.pdf>

⁸Id.

⁹U.S. Department of Veterans Affairs, Eligibility and Entitlement, VOCATIONAL REHABILITATION AND EMPLOYMENT (VR&E), <https://www.benefits.va.gov/vocrehab/eligibility—and—entitlement.asp>.

¹⁰U.S. Department of Veterans Affairs, Office of Budget. FY 2020 Budget Submission. Available: <https://www.va.gov/budget/products.asp>

within this feedback collected included: the large caseloads Vocational Rehabilitation Counselors (VRC) must manage, the inconsistent VRC decisions, and frequent turnover of VRCs.¹¹ We believe it is necessary to meet the current appropriations demand that VA outlined; however, congress could also address some of the underlying resource issues that are contributing to those concerns and proactively improve the VR&E program.¹²

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.¹³ It is unclear if those ratios are being met currently, and we encourage this Subcommittee to hold VA accountable to that ratio in their budget request, though we appreciate VA’s focus on achieving this target over the past fiscal year. Also, we continue to urge this committee to encourage VA to increase the capped pay of VRCs to match higher salary caps of similar Department of Education (ED) positions to aid in the turnover of ¹⁴VRCs.¹⁵

Forever GI Bill Implementation in VA’s Budget Request

In 2017, 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 16th that year, the Forever GI Bill, officially titled the Harry W. Colmery Veterans Education Assistance Act, made history thanks to this committee and the current ¹⁶congress ¹⁷.

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. Nearly all of the law’s provisions are already in effect and benefiting student veterans across the country. While SVA was proud to work alongside many members of this Subcommittee and their staffs to pass the Forever GI Bill, we remain concerned about the success of the law’s ongoing implementation, which must include sufficient appropriations and continued vigilance to the implementation process.¹⁸ The fall 2019 semester will be a crucial indicator of this process, as many of the technically complex provisions should have taken effect by this date.

In several oversight hearings this committee held last year, senior VA officials assured the nation’s student veterans and this congress that late payments and failures associated with a lack of accountability at VA have been sufficiently addressed.¹⁹ At the time, student veterans expressed the dire straits of the situation, noting, “I’m about to lose everything that I own and become homeless. I don’t want

¹¹ 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).

¹² 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>.

¹³ 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>.

¹⁴ 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).

¹⁵ See generally National Association of Veterans’ Program Administrators, 2017 NAVPA Legislative Agenda, <http://www.navpa.org/2017-navpa-legislative-agenda/>.

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

¹⁷ 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/>

¹⁸ 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>.

¹⁹ Wentling, Nikki, “Federal watchdog: VA leadership failures are to blame for GI Bill payment issues,” March 21, 2019, <https://www.stripes.com/federal-watchdog-va-leadership-failures-are-to-blame-for-gi-bill-payment-issues-1.573672>

to be that veteran on the street begging for change because I haven't received what I was promised."²⁰

SVA commends VA and its staff for public outreach efforts to spread awareness, and we commend the obvious dedication to successfully implementing the Forever GI Bill; we remind all stakeholders that students, administrators, and advocates all have a vested interest in transparent and timely communication. Most recently, school administrators have communicated a lack of information from VA on how these changes will affect the schools, and we encourage congress to work with VA on addressing this crucial gap.

As detailed in VA's budget request, the Department needs sufficient resources appropriated to meet that goal.²¹ 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 face.

Improving the GI Bill Comparison Tool

In VA's budget justification, the Department cites the GI Bill Comparison tool as an important resource for prospective and current student veterans.²² Since inception in 2014, the GI Bill Comparison Tool has proved to be an invaluable source of information for veterans trying to understand the value of their GI Bill as they considered different education options. There are, however, important improvements that would make the process of considering education options significantly better. Additional IT budget resources should be devoted to implementing important congressional mandates, and the GI Bill Comparison Tool is no exception.

As it stands, there is a lack of coordination between ED and VA with the College Navigator, College Scorecard, and GI Comparison Tool, reducing the overall delivery of powerful data²³ to²⁴ veterans.²⁵ The Comparison Tool has unique and important data, necessitating a separate tool from ED's current options; no less, the underlying data is not being effectively shared to deliver prospective students a complete view of their options.

The current data running the Comparison Tool is largely limited to VA's internally available data, which is severely limited, notably excluding many student veterans who run out of benefits or elect alternative funding sources. Student veterans should be able to rate their schools, thereby affording future student veterans direct consumer feedback similar to Amazon's verified user rating system.

In 2013, Public Law 112-249 mandated the statutory requirement for VA to launch, "centralized mechanism for tracking and publishing feedback from students," similar to 'Amazon reviews,' yet this functionality is still missing.²⁶ SVA appreciates the continued availability to the raw data powering the GI Bill Comparison Tool, which affords external entities to run complementary research and analysis to support additional feedback to VA and policymakers.

Finally, we encourage VA to develop a mechanism to maintain closed schools within the tool, versus having them merely disappear. This disappearance of schools from the tool also applies to associated data, leaving significant gaps in the overall picture.

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 this Subcommittee. Our concerns with VA's budget request have a common dominator: at present, VA is lacking dedicated Under Secretary-level 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 en-

²⁰ McCausland, Phil, NBC News, Veterans haven't received GI Bill benefits for months due to ongoing IT issues at VA, Nov. 11, 2018, <https://www.nbcnews.com/news/us-news/veterans-haven-t-receive-gi-bill-benefits-months-due-ongoing-n934696>

²¹ Department of Veterans Affairs, Office of Budget, FY 2020 Budget Submission. Available: <https://www.va.gov/budget/products.asp>

²² Id.

²³ College Navigator, National Center for Education Statistics, US Department of Education, <https://nces.ed.gov/collegenavigator/>, Accessed 01 March 2019

²⁴ College Scorecard, US Department of Education, <https://collegescorecard.ed.gov/>, Accessed 01 March 2019

²⁵ GI Bill Comparison Tool, US Department of Veterans Affairs, <https://collegescorecard.ed.gov/>, Accessed 01 March 2019

²⁶ Public Law 112-249, "Comprehensive Veterans Education Information Policy", <https://www.govinfo.gov/content/pkg/PLAW-112publ249/pdf/PLAW-112publ249.pdf>

terprise structure. In other words, the VA bureaucracy is not currently designed to properly support programs of future-focused empowerment.

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, in 2017 SVA released the National Veteran Education Success Tracker (NVEST) in partnership with VA, which focuses on outcomes of student veterans and demonstrates the return on investment of student veterans.²⁷ The first of its kind, it studied 854,000 individual records - every Post-9/11 GI Bill user from 2009 until the summer of 2015 - and showed the success of student veterans on campus.

NVEST 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.²⁸ Based on this research, we support aligning economic opportunity-focused programs into a distinct lane within VA known as the Economic Opportunity and Transition Administration. Presently, economic opportunity programs such as the GI Bill, home loan guaranty, and many other empowering programs for veterans are buried within the bureaucracy of VBA and functionally in competition against disability compensation policy for internal resources.

On their public data site, VA proudly and rightly pronounces, “Economic competitiveness isn’t just about employment; it encompasses overall employment, wealth, independent living, housing, career mobility and educational attainment. VA is proud to work alongside employment experts at the Department of Labor and policy leaders in DoD to ensure we are in alignment with relevant trends and services they offer to transitioning service members and veterans.”²⁹ With economic opportunity as a stated priority of VA, we strongly support the establishment of an Under Secretary of Economic Opportunity at VA, who would report directly to the Secretary.

These programs are buried within the bureaucracy of VA and lack a true champion at the level of leadership these programs warrant, as demonstrated this past year in VA’s failure to successfully implement the congressional mandates of the Forever GI Bill a timely and transparent manner. SVA appreciates the recent creation of the Office of Transition and Economic Development (TED) within VBA, yet this step further demonstrates VA’s lack of commitment to providing economic opportunity programs an Under Secretary-level leader to administer these programs for veterans.

Over the past century, VA evolved to focus on compensating veterans for loss, which worked for previous generations of veterans, but fails to address the future needs of veterans, nor those of our nation. The reality of the 21st century and beyond demands the additional goal of empowering veterans to excel post-service. Critically, this will further advance our nation’s goals of enhancing economic competitiveness; a focus on veteran contributions to business and industry, to governments, to non-profit organizations, and to communities, and preparation through the best education programs in our country will result in imperative returns on the taxpayer’s investments.

To truly achieve “whole health” for veterans in the future economy, it is essential we afford VA the opportunity to enrich the lives of veterans through the primacy of VA’s economic opportunity programs, which may also play an important role as a gateway to VA through exceptional interactions and services in programs important to the future of veterans post-service. During several House Committee on Veterans’ Affairs hearings in the last Congress, we’ve articulated our commitment to elevating the economic opportunity programs at VA and identified the need to ad-

²⁷ 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.

²⁸ Id.

²⁹ Department of Veterans Affairs, “Understanding Economic Competitiveness in Relation to Their Non-Veteran Counterparts.” Accessed March 16, 2018. <https://www.data.va.gov/story/economic-opportunities-veterans>.

dress a lack of resource-focus on economic opportunity programs within the greater scope of the overall ³⁰VA ³¹budget.³²

This proposal would flatten and streamline some of the bureaucracy of VA. With proper safeguards in place, it would curb any expansion of government while providing economic opportunity and transition programs an accountable champion, resulting in abundant improvements to support veterans:

- **Increases Accountability.** This proposal would provide for greater accountability and access to issues that empower veterans. It further prevents these issues from being reduced in priority with shifting VBA leadership. At present, the VBA leadership team has shown a commitment to economic opportunity programs, but that support is tied to existing leadership. The creation of an Economic Opportunity and Transition Administration would cement the importance of such programs with guaranteed leadership and accountability.
- **Elevates Economic Opportunity Issues.** Directly relevant to President Trump's Executive Order 13822, "Supporting Our Veterans during Their Transition from Uniformed Services to Civilian Life", this proposal supports the importance of transition, education, employment, and well-being³³. Further, it sends a strong message to veterans and the American public that economic opportunity issues truly matter and are important enough to have the leadership of an Under Secretary. Giving a national voice to issues like home ownership, education, training, and employment is a critically important measure. Further, it provides a champion to engage with the Department of Education (DoEd) in advancing higher education interests for veterans.
- **Reduces Bureaucracy.** Bureaucracy at VA has historically led to serious national challenges, and keeping economic opportunity issues buried at the bottom of VBA is not the answer. This proposal flattens the bureaucracy of VA in favor of the veteran, versus creating additional layers in the current structure or overloading the structure. This was painfully apparent during the initially botched implementation of certain provisions of the Forever GI Bill, as a lack of leadership within VBA resulted in technical failures and a dearth of accountability.
- **Establishes Direct Counterpart.** The Department of Labor (DoL) and the Department of Defense (DoD) presently lack a direct and dedicated counterpart within VA's Under Secretary leadership for the programs that overlap the agencies-any significant initiative must achieve multiple layers of approval before reaching the customers: our country's veterans. This proposal provides DoD and DoL with a political appointee who can move important programs into the modern age, while supporting their missions more broadly for positive, holistic interagency solutions.
- **Supports "Whole Health."** A tragically elastic narrative exists around veterans as either "broken or damaged." In reality, veterans are fundamentally the same as all other Americans-hard-working, community-oriented neighbors who want what's best for their families, and who thrive in higher education and career when they have opportunity to access economic opportunity programs. Creation of an Under Secretary of Economic Opportunity will empower veterans to be successful as they transition through improved education programs and better employment opportunities. One of the major challenges facing veterans today is "transition stress," an issue an Under Secretary of Economic Opportunity would be keen to address via a robust portfolio of programs and services veterans can rely on during transition to advance their, and our country's, eco-

³⁰ Hubbard, William. Testimony for Legislative Hearing on the Topic of "Legislative Hearing on H.R. 1206, H.R. 3023, H.R. 3940, H.R. 4451, H.R. 4830, H.R. 4835, H.R. 5044, and a draft bill entitled, 'VA Home Loan Improvement Act of 2018'." March 20, 2018, House Committee on Veterans' Affairs Subcommittee on Economic Opportunity, <https://docs.house.gov/meetings/VR/VR10/20180320/108011/HHRG-115-VR10-Wstate-HubbardW-20180320.pdf>.

³¹ Augustine, Lauren. Testimony for Legislative Hearing on the Topic of "U.S. Department of Veterans Affairs Fiscal Year 2019 Budget: Veterans Benefits Administration and the Board of Veterans' Appeals." March 15, 2018, House Committee on Veterans' Affairs Subcommittees on Disability Assistance and Memorial Affairs, Economic Opportunity, <http://docs.house.gov/meetings/VR/VR09/20180315/106968/HHRG-115-VR09-Wstate-AugustineL-20180315.pdf>.

³² Vangellow, Cassandra. Testimony for Oversight Hearing on the Topic of "A Review of VA's Vocational Rehabilitation and Employment Program." May 17, 2018, House Committee on Veterans' Affairs Subcommittee on Economic Opportunity, <https://veterans.house.gov/calendar/eventsingle.aspx?EventID=2160>.

³³ Executive Order 13822. Supporting Our Veterans During Their Transition From Uniformed Service to Civilian Life. January 9, 2018. <https://www.federalregister.gov/documents/2018/01/12/2018-00630/supporting-our-veterans-during-their-transition-from-uniformed-service-to-civilian-life>

conomic interests.³⁴ With better service and stronger outcomes, more veterans will be apt to actually “Choose VA.”

We unabashedly recognize that bold initiatives are required to ensure our country delivers the best outcomes possible for veterans, yet some apparently continue to prefer to the status quo of heavily layered bureaucracy. Some have cited concerns regarding “increased resource costs and creation of redundant roles.” Uniquely, this proposal achieves the exact opposite outcome as it will streamline these programs given a dedicated leader. Others have argued for continuing to give current leaders at VA the chance to address and elevate these issues through their own work. For decades VA has had the opportunity to elevate economic opportunity issues.

The approach of “wait and see” is really not an approach at all, but instead a waiting game meant to guard the current system which continues to miss the mark on providing veterans the level of service they deserve for the benefits they earned. Waiting for the bureaucracy to change itself is ultimately misguided and unacceptably short-sighted, as personality-dependent success is not a long-term solution to these structural challenges.

Veterans’ organizations came out in force to support this overall concept when it was previously introduced in congress, including: The Disabled American Veterans (DAV), The Veterans of Foreign Wars (VFW), Vietnam Veterans of America (VVA), and Iraq and Afghanistan Veterans of America (IAVA).³⁵ Today, the current proposal further simplifies the proposal of a Veteran Economic Opportunity and Transition Administration with no intention of statutorily affecting the DoL VETS program, a valued partner for transition and employment programs like VR&E. The Independent Budget, an authoritative annual presentation of recommended funding levels produced by American Veterans (AMVETS), DAV, Paralyzed Veterans of America (PVA), and VFW has called for this change for years.³⁶

Last year, the American Enterprise Institute (AEI) published a compelling argument for restructuring VA in a piece titled, “Economic Opportunity, Transition Assistance, and the 21st-Century Veteran: The Case for a Fourth VA Administration.”³⁷ AEI’s research concluded legislative language related to veterans creates a powerful and sustained narrative related to this population; notably, language consistent with a “deficit model;” words such as ‘broken’, ‘wounded’, ‘helpless’, etc., damage overall perceptions of this population wreaking further havoc on a wider audience of veterans.

Conversely, language consistent with an “asset model,” such as ‘civic asset,’ ‘successful,’ ‘leaders,’ etc., has the effect of improving the likelihood of achieving positive transition and long-range experiences. This proposal is strongly in favor of a positive narrative of veterans, as it proposes elevating issue areas the public widely views as empowering such as education, employment, home ownership, and others.

We encourage this committee to consider investing significant data authorities in this office to be able to effectively track, and one day project, the true impact empowered veterans have on the country’s economic health. For example, it’s known that the Servicemen’s Readjustment Act of 1944, known as the original GI Bill, had an economic output of \$7 for every \$1 dollar invested in that program.³⁸ Insights such as these will be vital to establishing the long-term understanding of these programs. Further, we recommend this office produce a consolidated annual report reviewing program efficacy, tracking key metrics tied to outcomes instead of outputs.

VA publicly declares they, “[have] a mission to help veterans maximize their economic competitiveness and thus, increase the number of economic opportunities for veterans and their families.”³⁹ This proposal will maximize the notion VA publicly

³⁴ Clark, James. For Most Vets, PTSD Isn’t the Problem, ‘Transition Stress’ Is. Here’s What It Means, January 25, 2018, <http://taskandpurpose.com/what-is-transition-stress/>

³⁵ United States. Cong. House. Committee on Veterans Affairs. Legislative Hearing on H.R. 356; H.R. 832; H.R. 1994; H.R. 2133; H.R. 2275; H.R. 2344; H.R. 2360; H.R. 2361; and a draft bill. Hearings, June 2, 2007. 114th Cong. 1st sess.

³⁶ The Independent Budget for the Department of Veterans Affairs Budget (FY2012), 112th Congress, <http://www.independentbudget.org/2012/IB—FY2012.pdf>

³⁷ Burgess, Rebecca. American Enterprise Institute (2018). “Economic Opportunity, Transition Assistance, and the 21st-Century Veteran: The Case for a Fourth VA Administration,” <http://www.aei.org/wp-content/uploads/2018/03/Economic-Opportunity-Transition-Assistance-and-the-21st-Century-Veteran.pdf>.

³⁸ 100th United States Congress, Joint Economic Committee, Subcommittee on Education and Health of the Joint Economic Committee. “A Cost-Benefit Analysis of Government Investment in Post-Secondary Education Under the World War II GI Bill,” December 14, 1988.

³⁹ Department of Veterans Affairs, Understanding Economic Competitiveness in Relation to Their Non-Veteran Counterparts. Accessed March 16, 2018. <https://www.data.va.gov/story/economic-opportunities-veterans>.

espouses in empowering veterans to lead successful lives. Further demonstrating this idea, the 1996 Congressional Commission on Servicemembers and Veterans Transition Assistance once stated, “If employment is the door to a successful transition to civilian life, education will be the key to employment in the information age.”⁴⁰ Future generations of veterans are counting on the success of this proposal, and we are eager to work with this Congress and the White House to make it a reality.

In addition to the proposed points for consideration outlined above, SVA supports VA’s interest in amending 38 U.S.C. § 3699 to extend the restoration of entitlement to educational assistance for Veterans affected by school closure or disapproval, implemented by Section 109 of the Forever GI Bill, to apply to VR&E programs provided under ⁴¹Chapter ⁴²31. Any veteran affected by sudden school closures should have their benefits restored to afford them the opportunity for continued success.

We thank the Chairman, Ranking Member, and the Subcommittee 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 this Subcommittee, the House Veterans’ Affairs Committee, and the entire Congress to ensure the success of all generations of veterans through education.

SAM SHELLENBERGER DEPUTY ASSISTANT SECRETARY

VETERANS’ EMPLOYMENT AND TRAINING SERVICE
U.S. DEPARTMENT OF LABOR STATEMENT FOR THE RECORD

Introduction

Chairman Levin, Ranking Member Bilirakis, and distinguished Members of the Subcommittee, thank you for the opportunity to provide a statement for the record for this hearing, “Fiscal Year (FY) 2020 President’s Budget: Requests Related to Veterans’ Readjustment Benefits.” I commend the Committee for its efforts to ensure that America fulfills its obligations to its veterans, their families, and their caregivers. The Department of Labor (DOL or Department) provides training, employment services, and information related to the economic health of all workers within an integrated network that continues to generate positive employment outcomes for the men and women who have served our country.

The President’s FY 2020 budget reflects the Administration’s priorities to support the American workforce. The President’s vision for America and the American workforce is to empower our economy to each day create jobs that are safe and family sustaining. The Department is working hard to: keep Americans safe in the workplace; prevent discriminatory employment practices; safeguard retirement savings; increase employment opportunities for all Americans; level the playing field for working Americans through fair trade; collect, analyze, and disseminate essential economic information; promote private-sector union democracy and financial integrity; protect the interest of workers, and their families, who were injured or became ill on the job; and ensure workers are paid what they have earned.

Veterans’ Employment and Training Service

The Veterans’ Employment and Training Service (VETS) is an integral part of the Department and a budget priority for the Secretary. VETS’ mission is to prepare America’s veterans, service members, spouses, and caregivers for meaningful careers, provide them with employment resources and expertise, protect their employment rights, and promote their employment opportunities. The new HIRE Vets Medallion Program will encourage more employers to recruit, hire, and retain veterans. Expanded apprenticeship opportunities will assist veterans in finding meaningful and family-sustaining careers. VETS employees are dedicated to the mission of providing transitioning service members, veterans, and their spouses the employment services they deserve.

⁴⁰ <https://ntrl.ntis.gov/NTRL/dashboard/searchResults/titleDetail/PB2006113212.xhtml>

⁴¹ 38 U.S. Code § 3699. Effects of closure or disapproval of educational institution, <https://www.law.cornell.edu/uscode/text/38/3699>

⁴² Public Law 115–48, Section 109, <https://www.congress.gov/115/plaws/publ48/PLAW-115publ48.pdf>

In March, the Department's Bureau of Labor Statistics (BLS) released its annual report on the "Employment Situation of Veterans." Some highlights from the report include:

- The unemployment rate for all veterans fell to an 18-year low of 3.5 percent in 2018.
- Unemployment for veterans who served on Active duty in the U.S. Armed Forces since September 2001 dropped from 4.5 percent in 2017, to 3.8 percent in 2018—the lowest rate recorded since BLS began collecting the data in 2006.
- The unemployment rate for women veterans fell to 3.0 percent in 2018.¹

Unfortunately, military spouse unemployment is estimated to be at least two times higher than the national average, and in a survey conducted in 2017, 50 percent of military and recent veteran spouse respondents who were working part time indicated a desire to work full time.² Even with more than 7 million open jobs in the country right now, these reports suggest well-qualified and credentialed military spouses encounter challenges both with maintaining careers and transferring their industry-recognized credentials between states.³ The Administration, including the Department, are working to improve the employment prospects for these spouses.

Recognizing that the veteran unemployment rate continues to reach historic lows, the budget would provide an opportunity to modernize the ways we address the employment needs of transitioning service members, veterans, their spouses, and caregivers by providing more targeted and tailored delivery of employment services.

For FY 2020, VETS is requesting \$306,041,000, an increase of \$6,000,000 from the FY 2019 enacted level. The requested funding by program is:

- \$29,379,000 for Transition Assistance Program
- \$180,000,000 for Jobs for Veterans State Grants
- \$3,414,000 for the National Veterans' Training Institute
- \$50,000,000 for Homeless Veterans' Reintegration Program
- \$43,248,000 for Federal Administration-USERRA Enforcement

TRANSITION ASSISTANCE PROGRAM (TAP)

Transitioning service members are a valuable resource to American communities, and they bring the technical skills and leadership traits that employers look for. The TAP for separating and retiring service members and their spouses, provided under 10 U.S.C. 1144, helps to smooth the transition from Active duty to civilian life. TAP is a cooperative effort among DOL, the Department of Defense (DoD), the Department of Education, the Department of Homeland Security, the Department of Veterans Affairs (VA), the Small Business Administration, and the Office of Personnel Management.

VETS estimates that approximately 150,000 transitioning service members will attend the DOL Employment Workshops this year. In FY 2018, VETS provided 5,769 DOL Employment Workshops, both domestic and overseas, to 154,580 transitioning service members and their spouses.

To improve TAP, President Trump signed H.R. 5515, the "John S. McCain National Defense Authorization Act (NDAA) for Fiscal Year 2019," (Pub-Law 115-232), into law on August 13, 2018. DOL will alter the delivery of employment-related workshops in FY 2020 to align with the new legislative requirements. VETS would also provide additional employment related services to transitioning service members beyond the classroom and those services could include career counseling, resume preparation, and job search assistance. For example, VETS' FY 2020 budget requests additional funding to revise the course curriculum to provide one-day employment preparation that is mandatory for all transitioning service members, an optional two-day workshop for apprenticeship/technical career preparation, and an optional general employment preparation. These changes to TAP are designed to help transitioning service members make the best career choices among those available to them, taking into account individual skills and high-demand career fields. Better matching veterans to career opportunities prior to transition could reduce job turnover rates among recently-transitioned veterans.

¹Bureau of Labor Statistics. "Employment Situation of Veterans." March 2019. <https://www.bls.gov/news.release/vet.nr0.htm>.4

²The Council of Economic Advisors. "Military Spouses in the Labor Market". <https://www.whitehouse.gov/wp-content/uploads/2018/05/Military-Spouses-in-the-Labor-Market.pdf>.

³Bureau of Labor Statistics. Job Openings and Labor Turnover Survey Results, February 2019. <https://www.bls.gov/news.release/jolts.htm>.

Additional funding would enhance the quality of employment support services for transitioning service members, with a focus on improved outcomes.

VETS will also administer the Veteran Apprenticeship Pilot, funded in the FY 2019 appropriation. This pilot will prepare transitioning service members to qualify for and enter into high quality apprenticeship programs. This initiative supports the Administration's priority to expand apprenticeship opportunities by connecting service members to prospective employers before their transition through apprenticeship placement counselors. Intended outcomes include more transitioning service members embarking in high-paying careers, while employers gain veterans as valuable employees.

The requested funding would also allow VETS to develop and implement a course curriculum specific to military spouses who are transitioning with their service member out of the service or to another installation. The course curriculum would use components of the current curriculum for military members, such as resume development and interviewing techniques. It could also include components more specific to the needs of military spouses as a result of their frequent moves and the complexities associated with state licensing and credentialing requirements. As an example, last year, DOL developed a military spouse web portal where military spouses can efficiently search for specific points of contact, guidelines, and state laws on professional licensing, including information on how occupational licenses from one state can be recognized in another. While developing the new course curriculum, VETS will evaluate delivery options with DoD to determine the most effective and efficient format, likely hybrid models that allow face-to-face programming and digital delivery. This investment would help military spouses build careers.

The President's FY 2020 Budget includes a legislative proposal to provide the Department with broader access to National Directory of New Hires (NDNH) data that would enable VETS, in collaboration with the Department's Chief Evaluation Office, to track the employment outcomes of transitioning service members. Meanwhile, VETS receives data on transitioning service members daily from DoD. This growing database contains demographic information, highest education level achieved, military base geographic data, and a full list of all the courses each service member participated in during the transition process.

JOBS FOR VETERANS STATE GRANTS (JVSG)

VETS funds employment and training services for veterans at State Workforce Agencies nationwide through JVSG, as authorized under 38 U.S.C. 4102A(b)(5). This program assists veterans with significant barriers to employment and other eligible individuals to help them attain family-sustaining careers, and to assist employers in filling their workforce needs with job-seeking veterans. VETS awards JVSG grant funds by formula to each state, the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands. The formula, governed under 38 U.S.C. 4102A(c)(2) and the implementing regulations, is based on the following factors:

- The number of unemployed individuals in the general population in each state, compared with the total number of unemployed individuals in the general population across all states; and
- The number of veterans in the civilian labor force in each state, compared with the total number of veterans in the civilian labor force across all states.

VETS provides JVSG funds to states to support three types of staff positions: Disabled Veterans' Outreach Program (DVOP) specialists, Local Veterans' Employment Representatives (LVER) staff, and Consolidated Positions (positions which perform the functions of both the preceding staff positions).

The primary duty of DVOP specialists is to provide specialized services to veterans and eligible spouses with significant barriers to employment that are designed to mitigate an individual's particular barriers to employment. Since FY 2014, appropriation language has allowed DVOP specialists to provide services to transitioning service members who have participated in TAP and are in need of intensive services and to wounded, ill, or injured service members and their caretakers. These intensive services, now referred to as individualized career services under the Workforce Innovation and Opportunity Act (WIOA), include comprehensive and specialized job readiness assessments, interview preparation, development of individual employment plans, and career guidance through group or individual counseling. From July 2017 to June 2018, 99,296 eligible veterans received services from DVOP specialists. Nearly 60 percent of these individuals were employed within ninety days of service.

LVER staff promote veteran hiring through outreach activities that build relationships with local employers with the goal of connecting employers across the country with career-ready veterans. LVERs coordinate with DVOP specialists and other AJC

staff to transition veteran clients into employment in the local community. Consolidated positions allow states flexibility to provide appropriate employment services for veterans and employer support in areas currently underserved or where the assignment of only full-time DVOP specialists or LVER staff would be impractical.

The FY 2020 budget requests \$180,000,000 for the JVSG program to continue providing employment and training services at American Job Centers (AJCs) nationwide. The JVSG program will continue to fund DVOP specialists to assist veterans with significant barriers to employment and other eligible individuals, to help them attain family-sustaining careers, and to fund LVER staff to assist employers in filling their workforce needs with job-seeking veterans. Within the funding request, JVSG staff will be able to expand the awareness of the HIRE Vets Medallion Program (HVMP).

NATIONAL VETERANS' EMPLOYMENT AND TRAINING INSTITUTE (NVTI)

The NVTI was established in 1986 to increase the level of proficiency and training of staff that provide employment services to veterans. NVTI provides training to veteran service providers and Federal staff, including DVOP specialists and LVER staff who provide or oversee grant services, and Federal staff who perform compliance and enforcement activities under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) and the Veterans' Employment Opportunities Act. At the requested level, NVTI will maintain the current curriculum, increase digital delivery, and train veteran service providers in order to meet the training requirements at 38 USC 4102A(c)(8)(A).

HOMELESS VETERANS' REINTEGRATION PROGRAM (HVRP)

The Homeless Veterans' Reintegration Program (HVRP), authorized under 38 U.S.C. 2021, provides services to help veterans experiencing homelessness obtain meaningful employment and to develop effective service delivery systems to address the complex problems they encounter. Funds are awarded on a competitive basis to eligible applicants, including: state and local Workforce Development Boards, public agencies, for-profit/commercial entities, and nonprofit organizations, including faith- and community-based organizations.

The FY 2020 budget requests \$50,000,000 to allow HVRP grantees to provide employment and training services that help thousands of homeless veterans successfully re-enter the labor force. Direct services include placement in employment, skills training, job development, career counseling, and resume writing. Support services may include clothing, referral to medical substance abuse treatment and housing, and transportation assistance. As a member of the United States Interagency Council on Homelessness, DOL collaborates with the VA, as well as other Federal and local entities serving homeless veterans. In FY 2018, HVRP provided services to 17,958 homeless veterans and of those veterans who obtained employment, their average wage was \$13.50 per hour.

VETS also provides HVRP funding for "Stand Down" events in local communities. A "Stand Down" event is a community-based event in which organizations come together to serve veterans who are experiencing homelessness, connecting them with support services to help them reenter the workforce, gain permanent housing, and access healthcare services.

President Trump signed S. 2248, the "Veterans Benefits and Transition Act of 2018," (Pub-Law 115-407) into law on December 31, 2018. This bill covered a range of veterans' issues, including provisions that would increase veterans' benefits and those that would improve the transition process from military to civilian life. Specific to DOL, Pub-Law 115-407 amends Section 2021(a) of title 38, U.S.C., by expanding eligible participants under HVRP. VETS included these additional populations in the grant announcement which closed on April 26.

FEDERAL ADMINISTRATION- UNIFORMED SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT (USERRA) ENFORCEMENT

The FY 2020 budget requests \$43,248,000 for Federal Administration. The requested amount would provide for the salary and benefits, travel, and training for all of VETS' current staff in the national office, six regional offices, and offices in each state, the District of Columbia, and Puerto Rico.

VETS is responsible for administering, interpreting, and helping enforce the USERRA, pursuant to 38 U.S.C. 4301, et seq. VETS staff conduct formal investigations of complaints received from individuals who believe their employment or reemployment rights were violated. Upon completion of an investigation, if the evidence supports the allegations raised in the complaint, VETS will work with both the em-

ployer and complainant to obtain the appropriate relief under the law. If the complainant is dissatisfied with the results of the investigation, he or she may request that the case be referred to either the U.S. Department of Justice for non-Federal cases, or to the U.S. Office of Special Counsel for Federal cases for consideration of representation in either U.S. District Court or before the Merit Systems Protection Board, as appropriate.

VETS is also responsible for investigating complaints received from preference-eligible veterans who allege that their veterans' preference rights in Federal employment were violated, pursuant to the Veterans' Employment Opportunities Act of 1998 (VEOA), 5 U.S.C. 3330a, et seq. In addition, VETS receives and collects Federal contractor data reporting pursuant to the Vietnam Era Veterans Readjustment Assistance Act. In-depth summaries of VETS' USERRA enforcement activities, including data on cases opened during the last fiscal year, are provided in the Department's USERRA Annual Report to Congress.⁴

VETS conducts public outreach to educate service members, employers, and others on their rights and responsibilities under USERRA. At the requested funding level, VETS provides an online USERRA advisory tool to assist veterans in understanding employee eligibility, job entitlements, and obligations, as well as benefits, remedies, and employer obligations under USERRA.⁵ This electronic advisory tool helps veterans determine the types of preferences and benefits to which they may be entitled, explains the process for filing a complaint, and provides an electronic claim form.

HIRE VETS MEDALLION PROGRAM

The Honoring Investments in Recruiting and Employing (HIRE) American Military Veterans Act of 2017, P.L. 115-31 (Division O) (HIRE Vets), required DOL to establish a program to recognize employer efforts to recruit, employ, and retain veterans. The HIRE Vets Medallion Award is the only Federal-level veterans' employment award that recognizes a company or organization's commitment to veteran hiring and retention. As set forth in the Act, the program is intended to be entirely fee-funded and comprises different award criteria for large employers (500-plus employees), medium employers (51-499 employees), and small employers (50 or fewer employees). This is a fee-funded program and participants pay a non-refundable application fee. On November 13, 2017, the Department published the Final Rule establishing the HIRE Vets Medallion Program, at 82 FR 52186, and is actively promoting the program, including providing guidance and technical assistance to the public workforce system in order to ensure that local employers are aware of this opportunity for recognition.

In 2018, VETS established the standard operating procedures and criteria for the HIRE Vets Medallion Program through a demonstration project, developed new IT systems to capture and analyze the applications, selected the awardees for the demonstration project, and presented the demonstration medallions to the recipients at a ceremony on November 9th. The demonstration was limited to 300 applicants, 239 of which met the eligibility requirements to receive a demonstration award. The demonstration award recipient list, along with additional information about the program is available at www.hirevets.gov. Full implementation of the program began in January of this year and the open application period closes this month. We look forward to announcing the award recipients on a date to coincide with Veterans' Day.

Conclusion

The Department looks forward to working with the Subcommittee to ensure that our transitioning service members, veterans, their spouses, and care providers have the resources and training they need to be successful in the civilian workforce. The improving employment situation for veterans is a testament to the nationwide recognition from stakeholders-both public and private, at the national level and within local communities-of the value that veterans bring to the civilian workforce. Chairman Levin, Ranking Member Bilirakis, and members of the Subcommittee, this concludes my statement for the record. Thank you for the opportunity to provide this statement for the record.

⁴ <https://www.dol.gov/vets/programs/userra/index.htm>.

⁵ <http://www.dol.gov/elaws/userra.htm>.

STATEMENT FOR THE RECORD

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Introduction

Chairman Levin, Ranking Member Bilirakis, and members of the Subcommittee, the Department of Housing and Urban Development (HUD) appreciates the opportunity to provide a written statement on HUD's Fiscal Year 2020 budget request for programs aimed at ending veteran homelessness in the United States.

General HUD Homeless Assistance Programs

HUD's Office of Community Planning and Development (CPD) provides about \$2.4 billion annually to communities to help end homelessness. Funding is primarily used for permanent supportive housing, which successfully houses people with long histories of homelessness and significant disabilities. Permanent supportive housing has proven to reduce hospitalization and emergency room utilization while dramatically improving the well-being of the people it serves.

HUD also provides funding for rapid re-housing, a cost-effective strategy that helps people move quickly into housing. This strategy combines short-term financial assistance and supportive services to help the formerly homeless stabilize in their housing, increase their employment and income, and connect to community supports. HUD also supports emergency shelter, transitional housing, and many other types of assistance dedicated to ending homelessness.

In 2017, the last year for which data is available, approximately 17,000 veterans were served using \$97 million through HUD's Continuum of Care (CoC) program. Most of that funding is for permanent supportive housing that houses approximately 10,000 veterans with disabilities.

Thousands more veterans are served with rapid re-housing, emergency shelter, and other assistance.

HUD-Veterans' Affairs Supportive Housing (HUD-VASH)

The HUD-VASH program, administered by HUD's Office of Public and Indian Housing (PIH), is dedicated to housing homeless veterans.

HUD-VASH has been successful in its approach to addressing veteran homelessness by providing long-term housing assistance to the most vulnerable veterans experiencing homelessness. It combines housing choice voucher (HCV) rental assistance for homeless veterans with case management and clinical services provided by the Department of Veterans Affairs (VA). VA provides these services for participating veterans at VA medical centers (VAMCs) and community-based outreach clinics.

In the HUD-VASH program, the local VA case managers screen and determine veteran eligibility for the program. Eligible veterans are then referred to the partnering Public Housing Authority (PHA) to receive their housing voucher assistance. By agreeing to administer the HUD-VASH program, the PHA is relinquishing its authority to determine the eligibility of families in accordance with regular Housing Choice Voucher program rules and PHA policies with one exception: PHAs are required to prohibit admission of any member of the household subject to a lifetime registration requirement under a state sex offender registration program.

To date, Congress has appropriated \$755 million in HUD-VASH funding. HUD-VASH vouchers are renewed based on actual leasing, as with the HCV program generally. When a household leaves the program, their voucher is reissued to another eligible household.

Every year since 2008, HUD and VA have collaboratively awarded new HUD-VASH vouchers based on a community's geographic need (meaning the size of its eligible veteran population) and administrative capacity. A total of 97,576 HUD-VASH vouchers have been awarded to PHAs between 2008 and 2018. Of these, about 4,700 were awarded through a competitive set-aside as project-based vouchers (PBV), in which the rental subsidy is assigned to a specific housing unit rather than provided to a veteran to find a unit in the private market to rent. PBVs have proven to be an effective tool to help address the need for HUD-VASH in high-cost rental markets or where there is a lack of affordable housing stock. In addition to the HUD-VASH vouchers specifically awarded as PBV, PHAs, with the support of their local VA partners, have the ability to convert any of their existing HUD-VASH vouchers to PBV.

HUD will be awarding approximately 5,000 new HUD-VASH vouchers with the additional \$40 million in HUD-VASH funding that was appropriated in FY2019. HUD is working with VA and United States Interagency Council on Homelessness (USICH) to determine the processes and priorities for this award.

HUD did not request new HUD-VASH vouchers in FY 2020 because, based on an analysis conducted jointly by HUD and the VA, the turnover of these existing HUD-VASH vouchers and the FY 2019 appropriation of \$40 million is enough to meet the demand of current referrals of VA eligible veterans who are experiencing homelessness and require the intensive services and support of a HUD-VASH voucher.

To fulfill our shared commitment to ending veteran homelessness, it is important to remember that HUD must serve all veterans experiencing homelessness, including those not eligible for VA services. To achieve this, HUD has been working with VA and CoC-funded local supportive service providers to create a process that allows PHAs to partner with local, VA-designated service-providers and use a portion of their existing HUD-VASH vouchers to assist those homeless veterans with an other-than-dishonorable discharge who do not qualify for VA healthcare. This flexibility also helps communities better maximize the utilization of their HUD-VASH resources.

These efforts around HUD-VASH demonstrate HUD's commitment to optimize the effectiveness of the HUD-VASH program and allow for local flexibility in addressing the homeless veteran population. HUD is also exploring options to ensure maximum utilization of these vouchers to ensure the highest number of veterans are being served across the country.

Congress has provided HUD flexible authority to design the HUD-VASH program in ways that would best serve homeless veterans. As HUD-VASH is a joint program between HUD and the VA, both Departments are working collaboratively on this reallocation effort to ensure that existing HUD-VASH resources are being used as efficiently and effectively as possible to serve the maximum number of eligible veterans across the country. Therefore, HUD and VA are focusing on changes to maximize effectiveness in the allocation of new vouchers and supporting PHAs in their efforts to improve utilization, as opposed to the recapture and reallocation of existing vouchers.

Tribal HUD-VASH

The Tribal HUD-VASH pilot program provides rental assistance and supportive services to veterans who are Native American and experiencing homelessness, or at risk of homelessness, while living on or near a reservation or other Indian areas. Veterans participating in this program are provided housing assistance through HUD and supportive services through VA to foster long-term stability and prevent a return to homelessness.

The pilot was first authorized in the Consolidated and Further Continuing Appropriations Act, 2015 (Public Law 113-235) - and Congress has continued its support in subsequent years by enacting funds for renewal grants and modest expansion. In all, 26 Indian tribes or tribally designated housing entities (TDHE) currently participate in the program. These recipients were initially awarded grants totaling \$5.9 million based on their level of need and administrative capacity. HUD provided a first round of renewal funding to these recipients in 2018 and expects to do so again in 2019. HUD will also award additional funding to expand the program using funds provided in the Consolidated Appropriations Act of 2017.

Implementation of the program is overseen by HUD's Office of Native American Programs (ONAP) within PIH, and VA is responsible for providing case management services and referring eligible veterans for housing assistance. As of April 2019, approximately 400 veterans have received case management services, and of those, 330 veterans are also currently being housed under the Tribal HUD-VASH program. The program is producing tangible results, housing Native American veterans and their families who were living in severely inadequate units - without running water, heat or electricity - or in overcrowded living conditions.

The President's Budget for FY 2020 requests authority to set aside up to \$4 million of Tenant Based Rental Assistance funds for necessary renewal funding for the Tribal HUD-VASH program. While HUD believes there is sufficient carryover funding appropriated in previous years to provide renewal grants, this authority will allow the Department to ensure that all veterans remain stably housed in the event that renewal funding needs are higher than anticipated.

Continued Collaboration with VA and USICH

HUD has worked closely with VA for many years administering HUD-VASH. Together, HUD, VA and the USICH have implemented a joint decision-making structure known as Solving Veterans Homelessness as One (SVHO) where the agencies jointly administer the programs and policies related to veteran homelessness and develop and implement a range of strategies for preventing and ending veteran homelessness. This structure allows us to jointly review data on HUD-VASH and

other programs and to coordinate policymaking to ensure our assistance is integrated and impactful.

This collaboration has also helped us improve utilization in the HUD-VASH program, coordinate the implementation of the Tribal HUD-VASH program, better target available assistance to those with the highest needs, and ensure resources are prioritized for communities with greater numbers of veterans experiencing homelessness.

HUD, VA and USICH have also used the structure of SVHO to jointly create standards for evaluating whether communities have ended veteran homelessness. Since 2014, more than 880 mayors, city and county officials, and governors have set a goal of ending veteran homelessness in their communities. As of April 17, 2019, 71 communities across 30 states have achieved the goal.

The agencies also collaborate on the implementation of Coordinated Entry Systems, meaning a system that is easy for veterans and other persons experiencing homelessness to access. Coordinated Entry ensures that a homeless person has simple access to housing and other homelessness resources. The collaboration between HUD and VA ensures that veterans have access to all the resources in a community, including VA dedicated resources, no matter where and how they access assistance.

Technical Assistance for Communities

Because the ability of any community to end veteran homelessness depends on the strength of each community's leadership and successful implementation of proven strategies, HUD and its federal partners are committed to helping communities get there. In addition to providing homeless assistance funds, HUD supports several technical assistance initiatives that have helped reduce veteran homelessness. The Built for Zero and Vets@Home initiatives help communities implement best practices and learn from the successes of other communities. Both initiatives were designed with the explicit goal of helping communities end veteran homelessness.

In 2012, HUD and VA partnered with the 100K Homes Campaign and Rapid Results Institute to hold "bootcamps" for 13 HUD-VASH communities. The events brought together PHA, VA, CoC, and HUD staff as community-centered groups to map their processes and identify creative and collaborative ways to improve them. These bootcamps were extremely successful and helped to get the HUD-VASH program utilization to where it is today. This bootcamp model has since been used to inform the continuing collaborative process for HUD-VASH and the roll out of Tribal HUD-VASH.

Some best practices have included incorporating HUD-VASH in a larger coordinated entry system to ensure there are multiple access points for veterans seeking help, coordinated outreach efforts to locate all veterans in need of assistance, and better data sharing across systems to ensure veterans do not fall through the cracks.

HUD has worked with our partners to identify specific strategies for utilizing HUD-VASH vouchers in high-cost, low-vacancy communities. These are often the same communities with the greatest need. In addition to converting HUD-VASH to project based vouchers, PHAs have used their flexibility to increase their payment standard, including the adoption of exception payment standards, to be competitive in the private market. Another strategy has been intensive landlord outreach and maintaining landlord relationships. PHAs have also been able to connect with local service providers that assist veterans in their housing search.

HUD continues to help communities with targeted assistance. HUD has launched a technical assistance initiative focused on helping communities with high numbers of unsheltered people experiencing homelessness, including high numbers of unsheltered veterans. The initiative focuses on helping those communities implement best practices that have helped end veteran homelessness in cities such as Houston, New Orleans, and Las Vegas. HUD is also providing assistance to rural communities to help increase their capacity and address challenges unique to veterans living in rural areas, such as access to transportation.

Results

Each year, communities across the country conduct point in time counts of people experiencing homelessness. The count, held annually in January, includes people living in shelters as well as people sleeping on sidewalks, in parks, in cars, or in other places not meant for human habitation. Based on the 2018 count, veteran homelessness decreased by 5.4 percent between 2017 and 2018 bringing the overall decline in veteran homeless to 49 percent (a decrease of 36,209 veterans) since 2010. This kind of reduction is historic, and HUD-VASH has been a primary reason for this progress.

A robust body of evidence shows that the combination of permanent supportive housing, rapid re-housing, and other targeted interventions can indeed end homelessness. The long-term national trend and the results in the many communities that have ended veteran homelessness show the positive results of a coordinated effort.

Conclusion

A great deal of progress has been made in the way HUD works with other agencies to address veteran homelessness. The HUD-VASH program continues to be a model for interagency collaboration and one of the best tools for ending veteran homelessness. Nonetheless, HUD must continue to find ways to maximize the effectiveness of the HUD-VASH program, while also assisting communities in utilizing all available homeless assistance resources.

Thank you again for this opportunity to discuss HUD's efforts to end veteran homelessness.

