STATEMENT OF

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DEPARTMENT OF VETERANS AFFAIRS (VA)

BEFORE THE

HOUSE COMMITTEE ON VETERANS' AFFAIRS

ECONOMIC OPPORTUNITY SUBCOMMITTEE

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Good Morning Chairman Levin, Ranking Member Bilirakis, and Members of the Subcommittee. I appreciate the opportunity to appear before you today to discuss 14 bills—6 on Veterans' educational assistance, 2 on employment assistance, 2 on transition assistance, and 4 on VA's health care. Accompanying me today is Ms. Charmain Bogue, Executive Director, Education Service (VBA) and Dr. Keith Harris, Director Clinical Operations, Homeless Programs Office (Veterans Health Administration). VA is unable to provide views and costs on the draft bill regarding repayment of GI Bill contributions at this time.

H.R. 2224

H.R. 2224, the "Homeless Veterans with Children Reintegration Act," would amend 38 U.S.C. § 2021 to require the Secretary of Labor to prioritize the provision of

services to homeless Veterans with dependent children in operating the Homeless Veterans Reintegration Programs. It would also impose additional reporting requirements related to the biennial report to Congress.

Because this bill concerns responsibilities and programs of the Department of Labor, VA defers to the views of that agency on H.R. 2224. However, on a technical level, we note that the bill purports to add a new paragraph (2) to section 2021(a), but section 701 of the Veterans Benefits and Transition Act of 2018 (Public Law 115-407) already added five paragraphs to this subsection.

H.R. 5056

H.R. 5056, the "Modern GI Bill Act," would add a new section 3320A to title 38 U.S.C. to allow individuals who are entitled to payment of tuition and fees under the Post-9/11 GI Bill to use this educational assistance to repay outstanding balances on Federal student loans up to a capped amount of $15,900 annually that would be increased each year. This bill would require VA to make monthly payments in amounts chosen by the individual, but each monthly payment could not exceed 1/12th of the maximum annual amount allowed and the total number of months of payments could not exceed 36 months. An individual entitled to benefits under the new section 3320A would not be able to transfer this new benefit. In addition, this bill would require VA to pay these amounts to the lender of the Federal student loan directly, and to enter into the necessary arrangements and prescribe the necessary regulations for making such payments. The amendments made by this bill would apply to educational assistance paid for months beginning on or after the date of enactment of the bill.

VA has significant concerns regarding the implementation and administration of the requirements of this bill and cannot support the legislation as proposed. Moreover, it appears that technical issues in the bill would cause several unintended consequences.

First, the bill would require VA to make payments directly to the lender of the Federal student loan of the individual who is entitled to educational assistance pursuant to section 3320A. Under the Post-9/11 GI Bill, VA issues payments for tuition and fees directly to the educational institution on behalf of the student and payments for living expenses directly to the student. The bill would significantly depart from how VA currently administers education benefits, as payments to an entirely new category of payees, Federal lenders, would be required. Implementing the proposed legislation would require significant technical changes to VA systems and, given the complexity of these necessary IT changes, VA would need substantial time to effectively implement IT changes. Therefore, VA could not likely implement the bill immediately upon enactment.

Second, VA would have to establish procedures and mechanisms to ensure that payments are only made for the repayment of loans eligible for such payments. Since VA currently has no expertise regarding what constitutes qualifying Federal and private student loans, implementation would require significant coordination with the Department of Education. Additional resources would be required for VA to develop procedures and methods to evaluate elections and eligibility for the qualifying student loan repayments, again precluding implementation immediately upon enactment.

Third, the bill provides for a monthly payment, up to a maximum annual amount, but it does not specify when VA should pay less than the maximum amount. Veterans with less than 36 months of qualifying active duty service receive a reduced percentage of the maximum tuition and housing benefit amounts payable pursuant to the Post-9/11 GI Bill unless they were discharged with a service-connected disability or awarded a Purple Heart. See 38 U.S.C. § 3313(b). Six months less of service ordinarily results in a 10 percent reduction of benefits under section 3313, with a minimum benefit reduced by 60 percent for 90 days of active duty, yet these reductions are not incorporated into proposed section 3320A and the proposed bill does not otherwise address proration based on less than 36 months of active duty. Therefore, as written, it appears possible that an individual who qualifies for proposed section 3320A could be entitled to the same maximum amount regardless of whether they served 36 months of active duty or 90 days.

Finally, the bill is ambiguous as to whether a beneficiary may use the proposed benefit to pay toward multiple loans.

VA is unable to estimate mandatory or discretionary costs primarily due to the technical deficiencies in the legislative text. VA estimates IT costs associated with the enactment of this legislation to be $10 million. This estimate is dependent on migration of the Benefits Delivery Network (BDN) which may require new interfaces to interface with federal student loans and a new set of logic within the Post-9/11 GI Bill Long-Term Solution (LTS). VA estimates that it would require 36 to 48 months from the date of enactment to make the IT changes necessary to implement the proposed legislation.

H.R. 5324

H.R. 5324, the "Sergeant Daniel Somers Veterans Network of Support Act of 2019," would require VA to carry out a 2-year pilot program to encourage transitioning Servicemembers to designate up to 10 persons to receive on a quarterly basis information about VA assistance, including services and benefits, challenges and stresses of transitioning to civilian life, services to cope with these challenges, services available through community partner organizations and Federal, State, and local government agencies to support Veterans and their families, the environmental health registry program, health and wellness programs, resources for preventing and managing diseases and illnesses, and a toll-free number for the pilot program for requesting information. This bill would also require VA to provide these designated persons the option to elect to receive this information and to notify Veterans of the ability to modify designations, but the bill would prohibit VA from disseminating information in violation of laws and regulations pertaining to Servicemembers' privacy. In addition, the bill would require a Veteran to provide necessary contact information. A Veteran or designated person would be able to participate in the pilot program or receive information only if he or she voluntarily elects to participate or elects to receive information.

Furthermore, the bill would require VA to administer a survey once a year beginning 1 year after the commencement of the pilot program to designated persons who elected to receive information to receive feedback on the pilot program, including the nature of information disseminated, satisfaction with and the utility and successes and challenges of the pilot program, and reasons for opting in or out of the pilot

program. Finally, the bill would require VA to report to Congress not later than 3 years after the commencement of the pilot program on the results of the survey, the number of Veteran pilot program participants and designated persons, the number of persons who made any elections under the pilot program, and the average period persons remained in the pilot program. The report would have to include an assessment of the feasibility and advisability of making the pilot program permanent and any necessary legislative or administrative action associated with making the program permanent, and, if feasible and advisable, a plan to expand the pilot program or, if not feasible and advisable, justification for such finding.

With regard to encouraging transitioning Servicemembers to designate up to 10 persons to receive information regarding available VA assistance and benefits, VA supports this provision, provided Congress identifies funding to implement it. However, VA questions whether the intent of this provision is for VA to implement a separate and independent pilot from the pilot which was required by section 570E of the National Defense Authorization Act for FY 2020, requiring DoD to provide information about DoD benefits in a similar manner. VA further questions whether the intent of this provision is to require a Servicemember who opted-in to both the existing DoD and proposed VA pilots to designate two separate groups of 10 individuals or to re-designate the same group of individuals for both pilots. VA recommends that, in an instance in which a Servicemember opts-in to both the existing DoD and proposed VA pilots, the Servicemember and the individuals who opt-in to one pilot be grandfathered in to the other pilot to avoid the burden of or confusion caused by having to opt-in twice.

VA estimates the costs associated with developing and disseminating information under this pilot program will be $750,000 in the first year and $450,000 each subsequent year.

Amendment to H.R. 5687

This amendment to H.R. 5687, the "Emergency Supplemental Appropriations for Disaster Relief and Puerto Rico Disaster Tax Relief Act, 2020," would amend 38 U.S.C. § 3680(a)(2) to allow VA to continue to pay educational assistance and subsistence allowances to individuals pursuing a program of education for up to 8 weeks, rather than only 4 weeks, after an educational institution temporarily closes under an established policy based on an Executive Order of the President or due to an emergency situation. Provided Congress identifies funding to implement it, VA supports this amendment because it would ensure that beneficiaries are not disadvantaged during emergency situations that are due to no fault of their own. Benefit costs associated with this bill are insignificant. No discretionary costs are associated with this bill. IT costs associated with this bill are estimated to be $10 million. The proposed change would require VA to make changes to the functionality in the Post-9/11 GI Bill Long-Term Solution (LTS) and update the Web Enabled Approval Management (WEAMS) computer system and the GI Bill Comparison Tool. VA estimates that it would require 24 months from the date of enactment to make the IT changes necessary to implement the proposed legislation. This estimate is based on current priorities and funding for fiscal year 2021 staying as is. This time period would allow for funding to be

allocated and priorities to be set without impacting current work. Acceleration is possible if money is appropriated with the legislation.

Unnumbered Bill – Chapter 33 Qualifying Service, TAP, Skillbridge

Sections 1 and 2 of this unnumbered bill would amend 38 United States Code (U.S.C.) §§ 3301(1) and 3311(b) to seek to clarify the service of Reserve components of the Armed Forces and of Army and Air National Guard members that would qualify for Post-9/11 GI Bill educational assistance and to add duty under 32 U.S.C. § 502 and duty for which a member is eligible to receive pay under 37 U.S.C. §§ 204, 206, or 372 (which includes certain active and inactive duty training and cases of injury or illness in line of duty) to the service that would qualify for this educational assistance. These amendments would take effect on August 1, 2021, and apply to academic years beginning on or after that date for service performed before, on, or after the date of enactment of this bill.

Specifically, section 1 of the bill would seek to simplify the eligibility criteria for Post-9/11 GI Bill educational assistance by amending the term "active duty" to mean the following: active duty as described in 38 U.S.C. § 101(21)(A); active duty for training as described in 38 U.S.C. § 101(22)(A), (C), and (E); active duty as defined in 32 U.S.C. § 101(12); and full-time National Guard duty as defined in 32 U.S.C. § 101(19). Although VA acknowledges the bill's intent of attempting to simplify Post-9/11 GI Bill eligibility criteria, VA has significant concerns with section 1 as drafted, because rather than simplifying the process, it would complicate it. Currently, there is a clear system in place for determining whether Reserve duty qualifies, and the

process is simple. Reserve duty is qualifying if it is pursuant to a call-up under any of the ten authorities listed in 38 U.S.C. § 3301(1)(B), or is Active Guard or Reserve duty, or is a call-up under 32 U.S.C. § 502(f) for the purposes of responding to a declared national emergency. Call-up authorities are listed on orders making it easy for Servicemembers and VA to determine whether the call-up is qualifying. These clear and unambiguous call-up authorities are not subjective, and therefore are safe from inconsistent determinations due to an adjudicator's subjective judgments. Also, in the event of a Department of Defense (DoD) reporting error or a VA recording error, the Servicemember can easily identify and articulate the error to VA for correction. By contrast, the proposed references to 38 U.S.C. § 101(22)(A), (C), and (E) and 32 U.S.C. §§ 101(12) and 101(19) are not as clearly understood, are not discrete data elements currently provided by DoD, and are far more subjective in application. Therefore, it would be harder for a Servicemember to know and argue that his or her service was qualifying. Also, the lack of discrete data elements would severely limit VA's ability to achieve automated adjudication of educational benefit claims. Consequently, the proposed changes are not in the best interests of Servicemembers because they would result in more complicated adjudications that would take longer to process.

Further, section 1 of this bill appears to remove qualifying Reserve duty in support of contingency operations while including duty for the purposes of drill training. For example, call-ups under 10 U.S.C. § 12301(a) (call-ups for the purposes of responding to a national emergency or to fight a war) are currently qualifying. It is unclear whether such call-ups would continue to qualify under the proposed section 1.

It would be problematic for such service to no longer qualify while standard drill training would qualify.

Lastly, we have concerns with the availability of DoD's data elements that correspond with VA adjudicative rules under 38 U.S.C. § 101; therefore, it would require significant work between VA and DoD to facilitate the data exchange needed to make automated adjudications possible. Assuming such exchanges are eventually possible, the proposed changes would require VA to make significant changes to the type of data currently exchanged between DoD and VA through the VA/DoD Identity Repository (VADIR) and displayed in the Veteran Information System (VIS). In addition, new rules would need to be programmed into the Post-9/11 GI Bill Long Term Solution (LTS) in order to calculate eligibility based on the new qualifying active duty service. The cumulative effect of these changes would be that VA would need 18 to 24 months from enactment of the proposed legislation to complete these changes.

With regard to section 2 of the bill, although VA generally supports the expansion of education benefits, VA has concerns because section 2 would create inequities between duty in the regular components and certain Reserve duty. The amendments to 38 U.S.C. § 3311(b)(5), (6), (7), and (8) (i.e., instances where "excluding" is replaced with "including other qualifying duty but excluding") would create a situation where "other qualifying duty" (duty under 32 U.S.C. § 502 [i.e., required drill and field exercises] and duty for which a member is eligible to receive pay under 37 U.S.C. § 204, 206, or 372) would count towards eligibility for Post-9/11 GI Bill educational assistance, whereas duty in the regular component while attending entry level and skill training would not qualify. Additionally, the effective date provisions in

paragraph (c) neglect to limit service to only such periods occurring after September 10, 2001; such a limitation must be in place in order to maintain consistency with other forms of qualifying service.

Section 3 of this unnumbered bill would add a new paragraph to 10 U.S.C. § 1142(b) to require the inclusion of information on VA health care (including mental health care) for Veterans and Servicemembers who have survived sexual assault, harassment, and intimate partner violence in Servicemembers' pre-separation counseling.

VA defers to DoD for views on this provision. VA works closely with DoD and the military services to provide information on VA benefits and services that can be communicated during the Servicemember's pre-separation counseling sessions. If the intent of Congress is to make information on VA health care available to Servicemembers in a way that helps the Servicemembers connect with these health care resources, VA notes that we currently provide detailed information on VA health care available to Veterans and Servicemembers who have survived sexual assault, sexual or gender harassment, or intimate partner violence during mandatory full-day benefits and services briefing offered through the Transition Assistance Program (TAP). Moreover, VA provides this information, on the topics of VA Vet Centers and VA Social and Emotional Health Resources, to Servicemembers through a variety of optional additional in-person and virtual training opportunities known as Military Life Cycle Modules.

Section 4 of this unnumbered bill would amend 10 U.S.C. § 1142(c)(1) to replace consideration of certain factors (disability and character of discharge) with consideration

of other factors (potential or confirmed medical discharge and involuntary separation, respectively) when establishing pathways for Servicemembers receiving counseling as part of DoD's TAP. This bill would also add consideration of a Servicemember's child care requirements, the employment status of other adults in a Servicemember's household, a Servicemember's duty station location, the effects of operating and personnel tempo on a Servicemember and a Servicemember's household, and whether the Servicemember is an Indian or urban Indian when establishing a Servicemember's pathways. VA defers to DoD's views on this section.

Section 5 of this unnumbered bill would amend 10 U.S.C. § 1143(e)(2) to open eligibility for DoD's Skillbridge program to members of the Reserve components of the Armed Forces. This section would also add a new paragraph (3) to 10 U.S.C. § 1143(e) to allow a Servicemember who is enrolled in DoD's Skillbridge program and is discharged or released from active duty before completion of the program to complete the program without the continued participation affecting the Servicemember's discharge or separation date or eligibility for pay or benefits. It would also add a new paragraph (4) to section 1143(e) to authorize a spouse of a Servicemember to participate in such program to the extent space is available.

With regard to the extension of eligibility to members of the Reserve components to participate in DoD's Skillbridge program, VA defers to DoD's views on this provision. VA also recommends clarification on whether active duty Servicemembers only or active duty Servicemembers and eligible Reserve component Servicemembers may continue to participate in the Skillbridge program after discharge or separation.

With regard to authorizing the participation of spouses of Servicemembers in the Skillbridge program pending space availability, VA supports the intent of this provision. VA recommends clarification of whether the intent of this provision is to allow spouses who are participating in a Skillbridge program at the time of their sponsoring Servicemember's discharge or separation to be allowed to continue in the program after their sponsor has been discharged or separated from service. Furthermore, as a Federal agency provider of Skillbridge training, which is authorized under a new VA/DoD agreement, and in which VA identifies various VA civilian jobs for which Servicemembers could be provided training, VA notes that participation in the Skillbridge program does not automatically lead to a pathway to Federal employment. As such, VA is concerned about possible disparities in a spouse's ability to utilize special hiring authorities for military spouses while participating in this program. Therefore, VA recommends additional language which would protect the integrity of these hiring authorities for spouse participants.

VA is unable to estimate mandatory costs due to ambiguities in the legislative text. There are no discretionary costs associated with the bill. VA estimates IT costs associated with the enactment of sections 1 and 2 of this legislation to be $1 million. The proposed change to the eligibility criteria under the Post-9/11 GI Bill would require VA to make changes to the type of data that are exchanged between DoD and VA through the VA/DoD Identity Repository (VADIR) and displayed in the Veteran Information System (VIS). In addition, new rules would need to be programmed into the Post-9/11 GI Bill Long Term Solution (LTS) in order to calculate eligibility based on the new qualifying service. VA would need 24 months from enactment of the proposed

legislation to complete these changes. This time is based on current priorities and funding for fiscal year 2021 staying as is. This time period would allow for funding to be allocated and priorities to be set without impacting current work. Acceleration is possible if funding is appropriated with the legislation.

Unnumbered Bill – Renaming VR&E (Vocational Readiness)

This unnumbered bill would make amendments to change the name of the program that VA administers under chapter 31 of title 38 U.S.C. from Vocational Rehabilitation and Employment (VR&E) to Vocational Readiness and Employment.

VA supports the intent of this bill, however, VA has concerns with the bill as written. VA has socialized the replacement of "rehabilitation" in the program name with "readiness" with VR&E stakeholders. While we have received positive feedback, a final renaming proposal is still pending. VR&E Service continues to study this issue. A study gathered information and insights on using a human-centered design approach from key stakeholder groups, including vocational rehabilitation counselors, as well as from those who support the Integrated Disability Evaluation System (IDES) and the VetSuccess on Campus (VSOC) program, Veterans, transitioning Servicemembers, Veterans Service Organizations (VSO), and VR&E claimants. The study included individuals from each service branch and gender from across the Nation to ensure a comprehensive and inclusive data pool. One of the key themes to emerge from this study was that VR&E's program name should reflect the program purpose in order to reduce misconceptions about the services provided by and the goals of the VR&E program. The findings indicated the term "rehabilitation" has a negative connotation

and may inhibit some individuals from taking advantage of VR&E benefits and services. Additionally, the term “rehabilitation” was perceived to be related to issues with drug and alcohol addiction and recovery, another factor that may limit one’s willingness to seek VR&E benefits and services.

As VA’s study on this issue is ongoing, VA requests additional time to complete our human-centered design process prior to Congress taking action to change the program name. This will ensure that the new name is socialized with Veterans to ensure it will have the intended resonance.

Also, the proposed bill is not comprehensive enough. The bill as written only seeks to amend the program name in the heading of 38 U.S.C. chapter 31 and in two statutes, 38 U.S.C. §§ 3121 and 3122. VA recommends that all references to the current name for the VR&E program in 38 U.S.C. chapter 31, as well as all other references throughout the code, be replaced with the proposed new name for the program, when decided. VA looks forward to the opportunity to work with the Committee on this issue. VA estimates the general operating expense (GOE) costs associated with this bill to be insignificant.

Unnumbered Bill – Yellow Ribbon Participation Clarification

This unnumbered bill would amend 38 U.S.C. § 3317(a), generally replacing the terms “established charges” with “tuition and fees,” to replace vestigial terminology with respect to the Yellow Ribbon program (a program under which colleges and universities can enter into an agreement with VA to cover a portion of the charges not otherwise covered by VA educational assistance, and in which contributions are matched by VA).

This terminology was made obsolete by a number of amendments in the Post-9/11 Veterans Educational Assistance Improvements Act of 2010 (Public Law 111-377). VA supports the proposed legislation as it would clarify the current statute and make it consistent with all other laws regarding the Post-9/11 GI Bill provided Congress identifies funding to implement it. No mandatory costs or savings and no discretionary costs are associated with this bill. VA estimates IT costs associated with the enactment of this legislation to be $500,000. VA would need to make changes to the Post-9/11 GI Bill Long-Term Solution (LTS) and the Web Enabled Approval Management (WEAMS) computer system to implement the proposed legislation. VA estimates that it would require 18 to 24 months from the date of enactment to make the necessary IT changes. This estimate is based on current priorities and funding for fiscal year 2021 staying as is. This time period would allow for funding to be allocated and priorities to be set without impacting current work. Acceleration is possible if funding is appropriated with the legislation.

Unnumbered Bill – Fee Reimbursement for HMIS

This bill would amend 38 U.S.C. § 2012(a)(2)(B) by inserting a new clause (iii), which would permit VA to reimburse the recipient of a grant under 38 U.S.C. § 2011 for fees charged to that grant recipient for the use of local Continuum of Cares' homeless management information systems (HMIS).

VA supports this bill, provided that Congress provides an offset. These grantees receive payments in the form of per diem and would benefit from the financial flexibility provided by this proposal to support HMIS costs. HMIS is a computerized, locally-administered, Web-based data collection system that tracks the nature and

scope of human service needs at an individual agency as well as across a Continuum of Care (CoC). It is used to record and analyze both program and client information at the local CoC level. Also, it is used to measure project performance and to participate in benchmarking of the national effort to end homelessness. HMIS is required by other VA grant programs such as Supportive Services for Veteran Families (SSVF) and other Federal agencies such as HUD. Historically, Homeless Grant and Per Diem (GPD) grantees have been *allowed* to support HMIS costs under a GPD grant if HMIS costs are calculated as part of the cost of care for Veterans and if supported within the maximum per diem rate allowed by law. GPD grantees, though, have not been *required* to participate in HMIS because for some grantees, the maximum per diem rate is insufficient to allow HMIS costs to be included without exceeding the maximum rate. The bill, however, would permit VA to reimburse the grantee for fees charged for using HMIS, and therefore, would make it more reasonable for VA to require GPD grantees to use HMIS. Use of HMIS by GPD grantees would be consistent with efforts across VA, the CoCs, and the Federal Government. The more agencies that use HMIS, the better the data. The better the data, the greater the benefits to the grantee, the community, VA, the Federal Government, and Veterans.

VA estimates this bill would cost $5.5 million in Fiscal Year (FY) 2021, $31.53 million over 5 years, and $67.22 million over 10 years.

Unnumbered Bill – GI Bill Comparison Tool Consumer Testing Bill

This unnumbered bill would amend 38 U.S.C. § 3698 to require VA to conduct consumer testing on the GI Bill Comparison Tool among Veterans, Servicemembers,

families of Veterans and Servicemembers, educational institutions, school certifying officials, and VSOs every 5 years beginning no later than December 31, 2022, to ensure that this Web site provides information in the most effective and efficient manner, in particular with regard to the layout and language used on the Web site and the information that should be conveyed through the Web site. VA would be required to submit a plan for conducting this consumer testing no later than 2 years after the date of enactment of this bill. This bill would also require VA to submit a report to Congress on the findings of the testing no later than 60 days after completion of the testing. Congress would authorize $5,000,000 to be appropriated for FY 2023 and each subsequent fiscal year of consumer testing under this bill.

VA supports this bill providing that Congress has provided sufficient funds. We agree it is important to ensure our tools are meeting the demands of our beneficiaries, their families, representatives, and our GI Bill approved educational institutions. Additionally, VA welcomes the additional funding to expand our consumer testing capabilities.

VA does not anticipate any costs associated with this bill.

Unnumbered Bill - Case Management Collaboration for Tribal HUD-VASH

This unnumbered bill would amend 38 U.S.C. § 2003 to add a new subsection (c) that would authorize VA to enter into a memorandum of understanding with the Secretary of Health and Human Services under which case managers of the Indian Health Service (IHS) may provide case management assistance to Veterans who

receive housing vouchers under the Tribal HUD-VA Supportive Housing (VASH) program.

VA does not support this bill because VA does not require the assistance of IHS to obtain or deliver case management services to veterans in the Tribal HUD-VASH program. VA is providing the needed services to Veterans participating in Tribal HUD-VASH in the tribe's service area and communities. VA obtains independently-licensed clinical staff to provide case management services either through hiring or through a contract. VA hires tribal members as case managers, case managers from other tribes, or case managers with Native American ancestry, where indicated. VA is offering recruitment incentives to support hiring efforts for particularly rural or frontier areas. Because VA has the capacity, experience, and resources to provide these case management services, we do not believe this legislation is needed. It is also unnecessary because it would authorize VA to enter into an agreement with IHS, and VA already has the authority to do so as needed.

Native VetSuccess on Tribal Colleges and Universities Pilot Program

This unnumbered bill, the "Native VetSuccess on Tribal Colleges and Universities Pilot Program Act," would require VA to establish, within 18 months of enactment, a 5-year pilot program at three tribal colleges and universities by assigning a VSOC counselor and full-time Vet Center outreach coordinator to each tribal college or university chosen to participate in the pilot program and providing student Veterans, Servicemembers, and dependents of Veterans and Servicemembers who are eligible to participate in VA's VSOC program the same services they would be able to receive

under the VSOC program. The bill would require VA's VR&E program and Office of Tribal Government Relations to consult with Indian tribes, Tribal organizations, and VSOs on the design of the pilot program, the selection of three tribal colleges or universities who would participate in the pilot program, and on the most effective way to provide culturally competent (e.g., considerate of the unique values, customs, traditions, cultures, and languages of Native American Veterans) outreach and services to eligible students at tribal colleges and universities. VA must base its identification of the three tribal colleges or universities on factors such as the number of eligible students enrolled at the school, the capacity of the school to accommodate a full-time VSOC counselor and a full-time Vet Center outreach coordinator at the school, and the lack of information on and access to VA benefits and services. In addition, VA must notify all tribal colleges and universities about the pilot program and encourage them to apply to participate in the pilot program.

The bill would require VA to brief Congress within 1 year after the bill's enactment on the design, structure, and objectives of the pilot program and the list of the three tribal colleges or universities selected to participate in the program with the reasons for selecting these three colleges or universities. In addition, the bill would require VA submit to Congress within 4 years of establishing the pilot program a report detailing the number of eligible students who received services through the pilot program, the types of services received, the graduation rate and rate of employment within 1 year of graduation of eligible students, feedback from each participating tribal college or university, and a detailed legislative proposal regarding a long-term extension

of the pilot program, including a budget if VA determines that an extension is appropriate.

VA supports the intent of this bill as it provides the opportunity to extend services currently provided by VSOC counselors to additional individuals. However, VA has concerns regarding the necessity of this bill, in particular with regard to assigning VSOC counselors to schools. VA has the authority to establish VSOC programs on the campuses of tribal colleges and universities under 38 U.S.C. § 3697B, the authority for VA's existing VSOC program. The services outlined in the bill mirror those currently available through VA's VSOC program. VSOC counselors are Masters-level trained counselors who provide culturally competent services daily to individuals from various cultures. The existing VSOC program provides educational and vocational counseling services to eligible individuals across the Nation. The VSOC program has been in effect for several years; therefore, an additional pilot period is not necessary. VA looks forward to working with the Committee to address these issues.

VA does not, however, support the requirement to assign Vet Center outreach coordinators to schools. VA's Readjustment Counseling Service (RCS) oversees VA's Vet Centers and assigns staff appropriately to meet Veterans' needs for these services. The population of Veterans eligible for RCS services at tribal colleges and universities would not be large enough to sustain a full-time outreach specialist. In similar instances, VA has found that when stationing an outreach specialist in other pilot programs (Native American Outreach and VSOC) and in small communities full-time, their outreach mission of sharing information about eligibility for service and inviting participation in programming was accomplished within a very short period of time.

Tying valuable resources to one location would be counter to the mission of reaching a broader population of individuals eligible for services.

RCS outreach specialist duties include reaching out to the student Veterans in their coverage areas. The overall student population of the tribal colleges and universities ranges from less than 100 to approximately 1,700, with the average being about 450 students. Only a small percentage of these individuals are Veterans, and a smaller percentage would meet RCS eligibility. RCS already has outreach specialists whose service areas encompass areas that could participate in this pilot program, and VA will reinforce the importance of reaching out to this specific population to ensure contact with Veteran students is made.

Additionally, VA has concerns with the reporting requirements outlined in the bill, specifically the long-term measures of graduation and employment rates. The motivational and outreach services currently provided by VSOC counselors are not designed to be provided over a long period of time, but rather on an as-needed and voluntary basis. The services are in place to ensure that individuals are making informed decisions about the services available to them, the marketability and suitability of the identified educational and/or vocational goals, and how to reach identified goals. Therefore, the requirement to report on long-range outcomes would not only be administratively burdensome, but more importantly, difficult to validate as resulting from, or impacted by, participation in educational and vocational counseling services. The VSOC program currently reports annually on the average ratio of counselors providing services to individuals who received services at each location, a description of the services provided, and recommendations and other matters that VA may determine

appropriate. If the VSOC program were expanded to include three tribal colleges or universities, the existing annual VSOC report would include data points for these colleges and universities.

GOE costs associated with this bill are estimated to be $445 thousand in the first year, $2.1 million over 5 years, and $4.4 million over 10 years. IT costs associated with this bill are estimated to be $12 thousand in the first year (and aligns to the 3-year refresh cycle), $46 thousand over 5 years, and $91 thousand over 10 years.

Unnumbered Bill – Approval of Distance Learning Programs – Location

This unnumbered bill would add a new subsection (f) to 38 U.S.C. § 3672 requiring VA to consider, for purposes of approval of programs of education exclusively by distance learning, the location of the educational institution that conducts such program to be the address where it is registered with the Department of Education or where the majority of the operation leadership, administrative staff, and records of the educational institution are located.

VA supports the intent of this bill that would clarify the location to consider for approval of distance learning courses. However, VA believes using the location where the majority of the operational leadership, administrative staff, and records are located is too ambiguous and malleable to serve as a useful standard. Many schools maintain electronic records that are stored virtually (there is no meaningful location) or at multiple IT storage facilities simultaneously. Therefore, it is entirely possible for all records to be stored in multiple State Approving Agency (SAA) jurisdictions simultaneously or arguably stored in no SAA jurisdiction at any time. Furthermore, the location of the

majority of operational leadership and administrative staff is problematic because the term “operational leadership” is ambiguous. Operational leadership and administrative staff may have offices in multiple locations or may share time between offices, and the division of the time between these offices may change through the year. Therefore, determining the “location” of these employees may be difficult and a potential point of contention between the school, the SAA, and VA.

Instead, VA recommends relying on more definitive and concrete attributes, such as the state in which the school is endowed or empowered to issue post-secondary degrees or certificates, the state in which the school is licensed by a board of post-secondary education to operate as an in-state institution, the location declared in Federal tax filings to be the primary corporate office, or the location listed by an accreditor as the main campus. VA does support using the address registered with the Department of Education, but recognizes that some approved schools may not be registered with the Department of Education, so it cannot be the sole criterion.

No mandatory costs or savings and no discretionary costs are associated with this bill.

Unnumbered Bill – Reducing Veteran Homelessness Act of 2020

Section 2(1) of this unnumbered bill, the “Reducing Veteran Homelessness Act of 2020,” would amend 38 U.S.C. § 2012(a)(2)(B) to state in clause (i) that, except as provided in clause (ii), in no case may the rate for per diem payments to grant recipients or eligible entities under VA’s GPD program exceed the rate authorized for State homes for domiciliary care under 38 U.S.C. § 1741(a)(1)(A) as VA may increase from time to

time under subsection (c) of that section and computed using applicable percentages for locality pay under section 5304 of title 5 U.S.C.

We generally support what we believe to be the intended outcome of this bill, which we understand to be ensuring that GPD grant recipients or eligible entities in higher cost areas are paid higher rates of per diem, but we do not support the bill as written. We recognize that some areas of the country are more expensive for those delivering services, and reimbursing grantees in higher cost areas with higher per diem amounts could be appropriate. However, as a technical matter, it is not clear that the bill, as written, would accomplish this. We believe the insertion of subclauses (I) and (II) legally refer back to the rates established in section 1741, and thus the language about using applicable percentages for locality pay under section 5304 of title 5 would appear to modify VA's State home domiciliary rate. We would object to revising the State home domiciliary rate and do not believe that is the drafters' intention. Further, while allowing for some variability for higher cost areas makes some sense, we believe adoption of the locality pay percentages under section 5304 of title 5 would make administration of the GPD per diem rates significantly more difficult, as there are more than 50 different locality pay areas that the Office of Personnel Management administers for Federal employees. In addition to raising the rates generally, which would demand an increase in the authorized amount to be appropriated for this program or risk a reduction in services, the administrative costs associated with determining these rates and ensuring proper application of them would be considerable. We see value in developing a fairer approach that would recognize some regional variations in costs, but we would like to

explore alternatives with the Committee to see if we can find a solution that will be technically sufficient and administratively practical.

Given the complexities associated with applying more than 50 different cost tables to various facilities across the country, VA cannot immediately produce a cost estimate for this provision.

Section 2(2) of this unnumbered bill would further amend 38 U.S.C. § 2012(a)(2)(B) by inserting a new clause (iii), which would permit VA to reimburse the recipient of a grant under 38 U.S.C. §§ 2011, 2012, 2013, or 2061 for fees charged to that grant recipient for the use of the homeless management information system (HMIS) described in section 402 of the McKinney-Vento Homeless Assistance Act (Public Law 100-77; 42 U.S.C. § 11630a) in amounts VA determines to be reasonable and if VA determines that the grant recipient is unable to obtain information contained in such system at no cost through other means.

As we stated concerning an earlier draft bill, we generally support permitting VA to reimburse grantees for fees charged for the use of HMIS, but we do not support including section 2013 in this list. Grantees under this authority receive payments that are not in the form of per diem, and so these grantees already are able to support HMIS costs without the need for separate reimbursement.

We estimate section 2(2) of this bill would cost $6 million in FY 2021, $31.54 million over 5 years, and $67.22 million over 10 years.

Section 3 of this bill would amend section 7401 to include a parenthetical stating that social workers appointed under that authority include those employed as case managers for the HUD-VASH program. It should be noted that all social workers

holding the assignment at the full performance level and higher may perform case management.

Section 4(a)(1) of this bill would amend section 304(a) of the "Honoring America's Veterans and Caring for Camp Lejeune Families Act of 2012" (Public Law 112-154) by adding a new paragraph (2)(A) that would state that, subject to subparagraphs (B) and (C), if the Secretary determines that a medical center failed to use more than 15 percent of vouchers allocated to that medical center under the HUD-VA Supportive Housing (HUD-VASH) program in the fiscal year preceding such determination due to a lack of case management services provided by VA, the director of that medical center would have to seek to enter into a contract or agreement with eligible entities to collaborate with VA in the provision of case management services to covered Veterans. The new paragraph (2)(B) would state that a contract or agreement described in subparagraph (A) may not require that a case manager employed by an eligible entity have credentials equivalent to those of a VA case manager. The new paragraph (2)(C) would state that VA could waive the requirement under subparagraph (A) if VA determines that fulfilling such requirement is infeasible. However, if VA granted a waiver, VA would have to submit a report within 90 days of such determination to the House and Senate Committees on Veterans' Affairs containing an explanation of that determination, a plan to increase the number of case managers of the Department, and a plan for that medical center to increase the use of HUD-VASH vouchers. Finally, the bill would create a new section 304(a)(3) stating that VA would pay for contracts or agreements for case managers under this section from

amounts appropriated or otherwise made available to VA in the Medical Services account.

VA is generally supportive of the intent of these amendments, provided Congress identifies funding to implement them, but we do not support this language as written based on several concerns. We believe this bill would be difficult to administer because it is predicated on VA's ability to determine that under-utilization of HUD-VASH vouchers was "due to a lack of case management services provided by the Secretary." Inability to use HUD-VASH vouchers is often a result of many different factors, such as low market availability of housing options, high rental costs, or other conditions outside of VA's control. The areas of the country that would most likely be targeted by this bill are what VA considers challenging rental markets (where housing supply is low and rental costs are high). Thus, these are the areas most likely to warrant a waiver from VA, thereby defeating the purpose of the bill. Predicating the contracting determination on the case manager vacancy rate itself rather than the voucher utilization rate would provide VA with a more direct method of implementing this bill. Further, we believe the bill is ambiguous in several ways. First, it is unclear what population of vouchers is intended to be targeted. VA generally calculates usage of vouchers based on the total number of vouchers that have been issued in an area over time. However, we read the language "15 percent of vouchers allocated to that medical center under the program described in paragraph (1) in the fiscal year preceding such determination" to limit the population of vouchers to just those allocated during the previous fiscal year. If this is not the intended result, changes to the text would be needed. Second, the legislation is not clear as to whether the effort to contract for case management services must be for

all outstanding vouchers or only a portion of them. Third, it is possible that existing efforts by VA, such as new hiring, would otherwise address the deficiency, in which case new contracts would likely be a waste of resources. Finally, we note that contracting is much more expensive and can take longer than hiring VA staff in some areas.

We understand the intent of the proposed paragraph (2)(B), and VA is currently contracting for the most qualified case managers possible. However, we recognize that in some markets, there are no case managers who have credentials equivalent to those of a VA case manager, and in those places, VA contracts for the best available case managers instead. We do not support legislation barring VA from requiring that contracted case managers have credentials equivalent to VA case managers because in some situations, we could hold contractors to those higher standards.

VA estimates the cost of this provision to be $300M over 5 years and $665M over 10 years.

Section 4(a)(2) of this bill would also amend section 304(b) to amend the definition of covered veteran for purposes of this authority to eliminate three examples in statute as to what may constitute having difficulty obtaining the amount of such case management assistance the Veteran requires.

VA supports this change because it would provide more flexibility to ensure that Veterans in need of case management services can access them. We estimate the change made by section 4(a)(2) would result in no additional costs.

Section 4(b) would state that the amendments made by this section would take effect on the first day of the first fiscal year to begin on or after the date of the enactment of this Act. We have no objection to this provision.

Conclusion

Mr. Chairman, this concludes my testimony. My colleagues and I are prepared to respond to any questions you or other Members of the Subcommittee may have.