

**STATEMENT OF  
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DEPARTMENT OF VETERANS AFFAIRS (VA)  
BEFORE THE  
HOUSE COMMITTEE ON VETERANS' AFFAIRS  
ECONOMIC OPPORTUNITY SUBCOMMITTEE**

**April 14, 2021**

Good Morning Chairman Levin, Ranking Member Moore, and other Members of the Subcommittee. I appreciate the opportunity to appear before you today to provide the views of the Department of Veterans Affairs on pending legislation, including bills pertaining to education benefits. Accompanying me today is James Ruhlman, Deputy Director for Program Management, Education Service, Veterans Benefits Administration and Michael Fisher, Chief Officer, Readjustment Counseling Service, Veterans Health Administration (VHA).

We request that Congress recognize that implementation of many of these bills would have implications for support by information technology (IT) that are above and beyond the current budgets established for fiscal year (FY) 2022 and beyond, and will require additional funding as the implementation details are fully translated into the technical requirements.

**H.R. 147 – Bringing Registered Apprenticeships to Veterans Education Act  
(BRAVE Act)**

H.R. 147, the “Bringing Registered Apprenticeships to Veterans Education Act,” or the “BRAVE Act,” would amend titles 10 and 38, United States Code, to make certain improvements to transitional services for separating members of the Armed Forces and educational assistance under laws administered by the Secretary of Veterans Affairs, and for other purposes. Specifically, section 2 of the Act would amend section 1144(b)(1) of title 10, United States Code, to require the Department of Labor to provide information on apprenticeship programs registered under the National Apprenticeship Act and approved under chapters 30 through 36 of title 38 to members separating from active duty. Section 3 would amend 38 U.S.C. § 3313(c)(1)(B)(i) to reclassify the educational stipend under the Post-9/11 GI Bill by replacing “housing stipend” with “stipend” in each place it appears under section 3313(c)(1)(B)(i). Section 4 would require VA, in coordination with the Secretary of Labor, to establish a user-friendly website available to the public that allows Veterans to find information about registered apprenticeship programs that are subject to the National Apprenticeship Act and meet the approval requirements under chapters 30 through 36 of title 38. The information on VA’s website must be searchable, sortable by craft and location, and include, regarding each apprenticeship program, the following information:

- A description, including any cost to a Veteran;
- Contact information;
- Whether the program has been endorsed by a Veterans Service Organization or nonprofit organization that caters to Veterans;
- Whether the program prefers to hire Veterans; and
- Whether the program grants a certification or degree on completion.

VA defers to the Department of Labor regarding the amendment in section 2.

VA is unclear about the intent of section 3 of the proposed legislation. As written, it merely replaces “housing stipend” with “stipend” under section 3313(c)(1)(B)(1) of title 38. Currently, an individual pursuing apprenticeship training under the Post-9/11 GI Bill receives a monthly housing stipend under section 3313(g)(3)(B)(i) for each month the individual pursues the program of education, and a monthly stipend up to \$83 for books, supplies, equipment, and other educational costs. As such, it is unclear how the proposed change to section 3313(c)(1)(B)(1) would expand or otherwise amend the educational stipend administered by VA for pursuit of a registered apprenticeship program.

VA supports section 4, which would ensure that Veterans can find useful information about apprenticeship programs that are registered under the National Apprenticeship Act and approved for VA educational assistance. However, VA asks for more clarity regarding the requirement that nonprofit organizations “cater to veterans.” It is unclear what is meant by “caters to veterans,” and whether “catering” to Veterans must be the primary stated mission or whether ancillary assistance to Veterans will be sufficient.

VA would need to confirm with the Department of Labor that the specific data elements can be provided. In addition, VA would need to make changes to the GI Bill Comparison Tool to implement this section. VA estimates that it would require a total of 18 months from the date of enactment to make the IT and other changes necessary to fully implement the proposed legislation. Assuming that the necessary information is available from the Department of Labor, VA estimates it would take 12 months to identify a repository for the data and collect additional information from training establishments. Changes to the Comparison Tool and systems integration aligned with the FY 2022-23 Agency Priority Goals (APG) would take an additional 6 months.

No mandatory or administrative costs are associated with this bill. While VA may incur IT costs, we are unable to estimate the costs at this time.

### **H.R. 2195- Protecting the Employment Rights of Servicemembers Act**

Protecting the Employment Rights of Servicemembers Act would amend the Uniformed Services Employment and Reemployment Rights Act (USERRA) to clarify certain procedural rights of members of the uniformed services with respect to their

employment and reemployment rights. VA defers to the Department of Defense and the Department of Labor regarding this bill.

### **Unnumbered Bill- Value Added Homes for Veterans Act (VA Homes for Veterans Act)**

The VA Homes for Veterans Act would amend 38 U.S.C. § 3710 to require VA to change its underwriting standards to account for estimated energy cost savings. Any such cost savings would be used to offset regular expenses for the home calculated in the Veteran's debt-to-income ratio. Although VA strongly supports efforts to encourage the purchase and construction of energy efficient homes, VA has several technical concerns that prevent VA from fully supporting the bill as drafted.

VA is concerned that this bill could result in increased costs and delays to Veterans during the home buying process. The bill would require a Veteran to obtain an energy efficiency report to take advantage of the new underwriting framework. Additionally, since determining estimated energy cost savings associated with new and existing homes is not a standard component of home appraisals, an appraiser with the appropriate certifications and training may not be available in all areas, particularly rural areas. With consideration of the increasingly competitive real estate market, VA is concerned that the additional time and money required to obtain the energy efficiency report may, in some cases, lead to a restriction, rather than an expansion, of access to the VA home loan benefit. This is an especially significant concern given that VA does not have any data to suggest that Veterans are unable to qualify for these loans absent this legislation. Therefore, VA anticipates that, more often than not, most Veterans would simply forego the new underwriting framework and opt to proceed without any special considerations for energy efficiency.

VA also notes that this bill, as drafted, seems to conflate two distinct underwriting concepts. VA's current statute at 38 U.S.C. § 3710(g)(3) distinguishes between debt-to-income ratio and the evaluation of monthly residual income. Likewise, under VA's implementing regulations, lenders are required to determine both a Veteran's debt-to-income ratio and monthly residual income when underwriting a loan for VA guarantee or insurance. See 38 C.F.R. § 36.4340. VA's residual income standards vary by region, accounting for regional cost of living differences. See 38 U.S.C. § 3710(g)(3); 38 C.F.R. § 36.4340(e). This bill makes overlapping references to statutory authority for both debt-to-income ratio and monthly residual income.

The conflation would require VA to adopt a unique method for calculating a Veteran's debt-to-income ratio. VA's current debt-to-income ratio calculation does not require lenders to consider costs associated with utilities as regular expenses for the home. This is due in large part to the fact that monthly costs associated with utilities are not static. They are highly dependent on both geography and individual preferences.

More important, VA's current framework is consistent with the general industry application of debt-to-income ratio. Other Federal housing guarantee and insurance programs, for example, including the Federal Housing Administration and the Government Sponsored Enterprises (GSE) Fannie Mae and Freddie Mac, do not contemplate energy-related adjustments to the debt-to-income ratio when directing lenders to evaluate a borrower's creditworthiness for a mortgage. The standard debt-to-income ratio calculation, which has been incorporated into automated desktop underwriting software used throughout the mortgage industry to underwrite loans, including VA-guaranteed loans, instead contemplates the total monthly obligation of the borrower including principal, interest, taxes, and insurance (PITI), any special assessments and other fees such as condominium or homeowners' association fees, and certain debts and obligations.

To establish a novel understanding of debt-to-income ratio, one applicable only to VA, would mean that lenders might not be able to use existing software to underwrite these loans. Some lenders may even opt not to participate in assisting borrowers looking to make energy efficient home purchases or improvements. Moreover, the additional delay to underwrite these loans through this unique debt-to-income calculation would further slow the home buying process, putting Veterans at a disadvantage against other buyers.

VA notes that the bill would include an annual reporting requirement. The annual reporting requirement suggests that VA would have data to report to Congress beginning in April 2022. VA is concerned, however, that an implementation date of April 1, 2022, is not feasible given the many technical considerations that would go into a rulemaking to implement this legislation and the new demands on the lenders who help VA deliver VA's home loan benefits to Veterans. For example, an advisory committee would need to be established and convened before drafting such regulations. Given the general timelines associated with advisory committees and notice-and-comment rulemaking, it would be difficult to meet Congressional expectations.

VA believes that these concerns and others are surmountable through amendments to the proposed legislation and welcomes the opportunity to provide technical assistance to the Committee to achieve the goal of expanding Veterans' access to, and encouraging Veterans' purchase of, energy efficient homes.

Benefit costs are undetermined in 2022 and over 5 and 10 years if this bill is enacted. Likewise, VA's Administrative, General Operating Expenses (GOE) costs are undetermined. VA notes the difficulty in estimating costs associated with this bill. VA has limited visibility into the credit underwriting decisions made by lenders when evaluating a borrower for a VA guaranteed loan. While VA collects data on every loan as to debt-to-income ratio and monthly residual income, there is no data currently collected on energy efficient cost savings outside of the energy efficient mortgage (EEM) program. Regardless, VA notes that Veterans were able to qualify for those loans guaranteed by VA; thus, it is not clear what effect, if any, this legislation would produce for borrowers who seek energy efficient homes. As for loans that may have been denied during the underwriting process because energy cost savings were not

incorporated into the credit determination, VA does not collect data from lenders as to those loans. Therefore, VA is unable to estimate what percentage of Veterans may have qualified for a loan and thus estimate any costs or savings associated with this legislation. Similarly, without an ability to estimate the number of loans that will participate in this program, VA cannot, at this time, estimate the additional resources required to implement the legislation.

### **Unnumbered Bill- Homeless Veterans Credit Repair, Enhancement, and Debt Improvement for Tomorrow Act (Homeless Veterans CREDIT Act)**

The proposed legislation would require VA to conduct a study assessing the use and variation of financial and credit counseling services among homeless Veterans and Veterans experiencing housing instability, including those served in VA's Supportive Services for Veteran Families (SSVF) program. Additionally, the bill would require VA to research the barriers to such financial and credit counseling services in this Veteran population as it relates to cost, stigma, child-care, transportation, outreach, Coronavirus Disease 2019 (COVID-19) response, and accessibility to SSVF services. The bill would require VA to research the effects of such services for homeless Veterans and those experiencing housing instability with respect to employment, income, credit score, housing status, and other outcomes. The bill would also allow VA to enter into a contract with a qualified independent entity or organization to complete the study.

VA supports this bill, subject to the availability of appropriations. Although SSVF publishes Annual Reports, which are available publicly on VA's website at the following link: [www.va.gov/homeless/ssvf/?page=ssvf\\_university/research\\_library](http://www.va.gov/homeless/ssvf/?page=ssvf_university/research_library), financial and credit counseling has not been a focus of Annual Reports. The proposed legislation would support further data collection and analysis on financial and credit counseling that would provide important supplementary information for the Annual Report. Conducting such a study would require research funds, resources, and investment from the SSVF program and the National Center on Homelessness among Veterans to carry out. The information would help guide program development and contribute information on the needs of homeless and at-risk Veterans concerning financial literacy and credit counseling. Section 2(b)(1)(B) would require the survey to target homeless and at-risk Veterans not enrolled in SSVF. We recommend not requiring inclusion of this group because this would be a broad heterogeneous group, which would be difficult to identify, which would be prohibitively expensive to survey in a nationally representative sample, and from which it would be difficult to draw conclusions. VA expects in FY 22, the cost to conduct the study will be \$2 million with a total of \$5.3 million over a 4-year period. This estimate assumes the technical assistance provided above, is adopted. Otherwise, VA believes the cost will be higher and difficult to predict.

### **Unnumbered Bill- G.I. and Veterans Education Empowerment Act (GIVE Act)**

The proposed bill, the "G.I. and Veterans Education Empowerment Act," or the "GIVE Act," would amend title 38 of the United States Code, to require the Secretary of Veterans Affairs to make available to Veterans certain additional information about

postsecondary educational institutions. Specifically, the GIVE Act would amend 38 U.S.C. § 3698(c) to expand the current list of information VA provides to Veterans about postsecondary educational institutions. The legislation would require VA to provide information on the following:

- Whether the educational institution is listed on the College Navigator website as affiliated with a religion and, if so, which religious denomination;
- Whether the Secretary of Education or other head of a department or agency of the Federal Government has determined that the institution is a minority serving institution and, if so, which one or more minority groups it serves; and
- whether the institution is gender specific.

The GIVE Act would further require, to the extent practicable, that VA ensure the information is provided in a searchable format. Additionally, the GIVE Act would define the term “College Navigator website” by reference to section 132 of the Higher Education Act and “minority serving institution” as any of the following:

- A part B institution;
- A Hispanic-serving institution;
- A Tribal College or University;
- A predominantly Black institution;
- A Native American-serving, nontribal institution;
- An Alaska Native-serving institution or Native Hawaiian-serving institution; or
- An Asian American and Native American Pacific Islander-serving institution.

The proposed legislation would be effective 2 years after the date of the enactment.

VA supports the intent of the proposed legislation to expand the points of information VA must make accessible to Veterans and Service members about postsecondary educational institutions using information available on two Department of Education (ED) websites: the College Navigator website and the College Scorecard website. These sites contain the required information concerning religious affiliation, gender-specificity, and whether the institutions are minority serving institutions (as defined by the Act).

However, section 3698(c)(2), as currently codified, specifies that the Secretary provides all of the enumerated postsecondary education information by adding hyperlinks to VA’s website to other Internet websites that contain such information. Because this information is maintained by or through ED for their purposes, VA will work with ED that the websites mentions contain, to the extent practicable, the necessary information.

No mandatory or administrative costs are associated with this bill. While VA may incur IT costs associated with this provision, we are unable to estimate those costs at this time.

## **Unnumbered Bill- Native VetSuccess at Tribal Colleges and Universities Pilot Program Act**

This unnumbered bill, the “Native VetSuccess on Tribal Colleges and Universities Pilot Program Act,” would direct the Secretary of Veterans Affairs to carry out a Native VetSuccess at Tribal Colleges and Universities Pilot Program. Sections 2(a) and (b) of the proposed legislation would require VA to establish, within 18 months of enactment, a 5-year pilot program in three regional Native VetSuccess service areas consisting of at least two participating tribal colleges or universities by assigning a VetSuccess on Campus (VSOC) counselor and full time Vet Center outreach coordinator to each regional Native VetSuccess service area chosen to participate in the pilot program and providing student Veterans, Service members, and dependents who are eligible to participate in VA’s VSOC program the same services they would be able to receive under the VSOC program. Section 2(c) would require VA’s Veteran Readiness and Employment (VR&E) program – identified in the proposed legislation as “Vocational Rehabilitation and Employment” – to work in coordination with the Office of Tribal Government Relations and consult with Indian tribes, Tribal organizations, and Veterans Service Organizations regarding the design of the pilot program; the selection of the sites; and the most effective way to provide culturally competent outreach services to eligible students at these facilities. Section 2(d) would require the Secretary to provide notice of this pilot program to all Tribal colleges and universities and encourage participation, and section 2(e) would require VA to provide a program implementation briefing to Congress within one year after the bill’s enactment, and a report on the program to Congress no later than four years after the bill’s enactment. Section 2(f) would provide definitions related to the language in the proposed legislation.

VA supports the opportunity to extend services currently provided by VSOC counselors to additional individuals, subject to the availability of appropriations. However, VA has concerns regarding the necessity of this bill, in particular with regard to assigning VSOC counselors to schools. The services outlined in the bill mirror those currently available under VA’s VSOC Program, which is codified at 38 U.S.C. § 3697B. As such, VA has the authority to establish VSOC programs on the campuses of Tribal colleges and universities. VSOC counselors are master’s level trained counselors who provide culturally competent services daily to individuals from various cultures. The current 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.

Additionally, in the experience of the Readjustment Counseling Service (RCS), the Veteran populations at Tribal Colleges and Universities are not large enough to sustain a full-time outreach specialist. In past similar instances, when stationing an outreach specialist in pilots (Native American Outreach and VetSuccess on Campus) and in small communities full-time, the 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.

The duties of RCS outreach specialists include reaching out to the student Veterans in their coverage areas. The overall student population of the Tribal Colleges and Universities range from less than 100 students to approximately 1,700 students, with the average being about 450 students. Only a percentage of these individuals are Veterans, and a smaller percentage would meet Vet Center eligibility. Therefore, the population for the outreach specialist to engage with at each institution would be quite small, and outreach could be achieved in a short period of time. In reviewing the locations of each of the Tribal Colleges and Universities, RCS has outreach specialists whose service area encompasses those locations. RCS will reinforce the importance of reaching out to this specific population to ensure contact with Veteran students is made, regardless of the passage of this legislation.

GOE costs for the first year are estimated to be \$440 thousand and include salary, benefits, supplies, other services, and equipment. Five-year costs are estimated to be \$2.2 million. No mandatory costs are associated with this bill.

### **Unnumbered Bill- Affordable Housing for Homeless Veterans Act of 2021**

This unnumbered bill would amend 38 U.S.C. § 2041 to reauthorize VA to sell, lease, lease with an option to purchase, or donate real property, and improvements thereon, acquired by VA through a default on a VA-guaranteed loan, to non-profit organizations or to any State or political subdivision thereof for the purpose of assisting homeless Veterans and their families acquire shelter. It would also amend sections 2041(a)(1) and 2041(a)(3)(B)(i) by adding that property acquired under this section may be used for permanent housing, in addition to shelter. Furthermore, it would expand the types of entities with whom VA may enter into agreements to include tribal entities. Finally, the bill would amend section 2041(a)(1)(A) by removing the reference to certain nonprofit organizations; that is, those named in, or approved by VA, under 38 U.S.C. § 5902, that shall be given preferential treatment and would instead replace such reference and provide for preference being given to any nonprofit organization that is the recipient of a VA homeless program grant under section 2011, 2013, 2044, or 2061 of title 38 of the United States Code. The authority for the program would expire September 30, 2025.

VA supports this bill. The opportunity to sell VA-acquired homes to non-profit organizations or to State or tribal entities, or political subdivisions would help provide long-term and permanent housing solutions instead of only short-term shelter solutions for homeless Veterans. It would further VA's strategic goals and objectives of continuing to reduce Veteran homelessness. It would also further Federal homeless housing policy, which has been moving away from models that feature shelter or short-term housing to models that feature long-term supportive and permanent housing solutions. This policy shift has been successful in many communities. By providing housing to homeless individuals first, providers can focus on effectively integrating critical social, economic, and health services into assistance plans for those individuals. Many



communities have realized success in decreasing their homeless populations by shifting to such models.

VA estimates that benefit costs of \$9.0 million in 2022, and \$9.4 million over 5 and 10 years, would result from enactment of this bill. No Administrative, General Operating Expenses (GOE) costs would result from enactment of this bill. No additional full-time equivalent (FTE) requirements or reductions in FTE would result from enactment of the bill.

**Unnumbered Bill- To authorize VA to provide educational assistance under the Post 9/11 GI Bill to students who are rounding out during their final semester, term, or academic period**

This unnumbered bill would amend 38 U.S.C. § 3680(a) to authorize the Secretary of Veterans Affairs to provide educational assistance under chapters 30, 32, 33, 34, or 35 of title 38, United States Code or under chapter 1606 of title 10, United States Code to students who are “rounding out” during their final semester, term, or academic period, and for other purposes. Specifically, the amendments would allow an eligible student to enroll in an additional course that is not required, if the enrollment in the non-required course in addition to the required course(s) would constitute enrollment on a more than half-time basis.

VA supports the intent of the legislation, subject to the availability of appropriations but has concerns.

As written, this bill would allow beneficiaries under chapters 30, 32, 33, 34, 35, or 1606 to receive educational assistance, including the monthly housing stipend described in section 3313(c), during their last term. However, currently individuals receiving benefits under chapters 30, 32, 34, 35 and chapter 1606 do not receive monthly housing stipends. As such, this change would require major Information Technology changes and would require VA to determine the rate at which to issue the monthly housing stipends as these payments are generally only payable under chapter 33 and are tier-based depending on an individual’s length of service. If this is not Congress’ intention, then VA recommends specifying that the monthly housing stipend would only be payable to Post-9/11 GI Bill beneficiaries. Additionally, the Harry W. Colmery Veterans Educational Assistance Act of 2017 fundamentally altered the Post-9/11 GI Bill by removing the 15-year delimiting date for individuals last released from active duty on or after January 1, 2013; transforming that program into a lifetime learning benefit. Previously, the limit on the period of eligibility would prevent students from using benefits later in life for further advancement by staying up to date on changes in a chosen career field, gaining the skills needed for a career change, receiving reimbursement for examination charges associated with a license or certification, or other educational activities that would aid in career progression. As education assistance is provided to assist Veterans and other beneficiaries with improving their economic outcome, VA would recommend that pursuit of programs

funded by the government be limited to courses applicable to a student's designated educational or vocational program.

VA recommends specifying that additional courses pursued during the last quarter, semester, or term must be courses applicable to the student's program of education as outlined in the school's catalog or that complement the student's designated educational or vocational objective.

**Unnumbered Bill- To provide for extensions of the time limitations for use of entitlement under the VA educational assistance programs by reason of school closures due to emergency and other situations**

This unnumbered bill would amend title 38 of the United States Code to provide for extensions of the time limitations for use of entitlement under VA educational assistance programs by reason of school closures due to emergency and other situations. Section 1(a) of the proposed legislation would require VA to extend the 10-year eligibility period under the Montgomery GI Bill if an individual is prevented from pursuing a chosen program of education before the expiration of the 10-year eligibility period either because an educational institution closed (temporarily or permanently) due to an emergency situation or because another reason, as determined by the Secretary, prevents the individual from pursuing the individual's chosen program of education. The 10-year period would not run during the time the individual is prevented from pursuing the program and would begin again on a date determined by the Secretary that is not earlier than the first day after the individual is able to resume training under the Montgomery GI Bill, and not later than 90 days after that date. Section 1(b) would extend the 15-year period for use of entitlement under the Post-9/11 GI Bill in the same manner outlined under section 1(a) of the bill.

VA could support the proposed legislation if Congress provides an offset for any identified costs. as it would ensure that individuals who are prevented from training due to a school closure because of an emergency situation, or due to another reason as determined by VA, would have additional time to use their Montgomery GI Bill and Post-9/11 GI Bill educational assistance benefits.

We anticipate there will be costs associated with this provision; however, VA is unable to provide an estimate at this time.

**Unnumbered Bill- To authorize VA to provide or assist in providing an additional vehicle adapted for operation by disabled individuals to certain eligible persons**

This unnumbered bill would authorize the Secretary of Veterans Affairs to provide or assist in providing an additional vehicle adapted for operation by disabled individuals to certain eligible persons. Section 2 of the bill would amend 38 U.S.C. § 3903, section 3 of the bill would add new section 3905 to title 38 of the United States Code, and section 4 would amend 38 U.S.C. § 1701.

VA supports section 2 of the bill in principle because it expands eligibility for the automobile grant; however, VA recommends some amendments to the bill text for clarity. In addition, VA would require additional mandatory and discretionary resources to fully implement this bill as we would anticipate enactment to result in more automobile allowance applications.

Currently, the law only allows eligible persons to receive an additional (referred to in current section 3903(a)(2) as “second”) automobile or conveyance if a vehicle is destroyed as a result of a natural or other disaster—as determined by the Secretary—through no fault of the eligible person, and the eligible person does not otherwise receive from a property insurer compensation for the loss. Under the draft bill, *all* eligible persons, as of October 1, 2020, would be allowed to receive *an additional* automobile or other conveyance if 10 years have elapsed since the date on which the eligible person received the immediately previous automobile, other conveyance, or assistance under chapter 39.

VA interprets this section of the bill to permit only a second automobile benefit (or possibly a third in the disaster scenario contemplated under 38 U.S.C. § 3903(a)(2)), rather than an every-10-year benefit. This reading is supported by the singular language (“an additional”) proposed by the bill and the general provisions of 38 U.S.C. § 3903(a)(1). Nonetheless, there is some room for the contrary interpretation, as the bill’s reference to the “immediately previous such automobile” could be interpreted as implying a recurring entitlement. The Committee could eliminate any ambiguity regarding this issue by revising the bill’s proposed language in 38 U.S.C. § 3903(a)(3) to state the following: “The Secretary may provide or assist in providing an eligible person with an additional automobile or other conveyance under this chapter if 10 years have elapsed since the date on which the eligible person received the initial automobile, other conveyance, or assistance under this chapter, or any replacement thereof under 38 U.S.C. § 3903(a)(2).”

VA does not support section 3 because it is inconsistent with other ancillary disability programs that require establishing entitlement to service connection for disabilities, i.e., programs such as specially adaptive housing (38 U.S.C. § 2101A) and clothing allowance (38 U.S.C. § 1162). VA has some benefit programs that are available to all Veterans, such as home loans and education. However, VA’s benefit programs for disabled Veterans generally require service-connected disabilities. This bill would expand the population of eligible beneficiaries for the automobile and adaptive equipment benefit to include all Veterans who were not already service connected for the disabilities specified in the bill. Moreover, the bill would require VBA to administer this benefit to Veterans with specific disabilities listed under newly-added section 3905 that would prevent or impair them from operating a vehicle, and who are not in receipt of compensation benefits for those disabilities. As written, this new entitlement would require VA to revise its adjudication procedures and issue formal rating decisions on conditions not related to service in order to document those nonservice-connected conditions for any Veteran who claims automobile and adaptive equipment benefits.

Without additional resources, compensation claimants may experience delays or increased processing times with respect to VA adjudication and subsequent decision notification. Additionally, IT resources would also be required for implementation, and significant mandatory and discretionary costs would be associated with carrying out section 3 of the legislation.

VA also notes that, as automobile and adaptive equipment benefits may be payable from private insurance or Medicare coverage, maintaining section 3 in the proposed bill as drafted could result in VA paying benefits that are already covered by another entity.

With respect to section 4, VA notes that the bill may create overlap between the automobile adaptive equipment (AAE) that Veterans could receive under the proposed 38 U.S.C. § 1701(6)(I) and the AAE that they could receive under 38 U.S.C. §§ 3901-05. Specifically, some Veterans may be eligible under both authorities, in particular because of the proposed provision in section 3 of the draft bill that would make nonservice-connected Veterans eligible for an automobile and AAE under 38 U.S.C. chapter 39. Consequently, Veterans eligible under both authorities may not understand which authority to apply under to maximize their benefits. In turn, this overlap may create confusion for providers prescribing automobile adaptive equipment and vehicle modifications.

VA recommends Congress address this overlap between the authorities in Chapters 17 and 39 in the proposed draft bill by adding language to section 4 indicating the Veteran cannot receive the same adaptive equipment under both authorities.

We note that the decision of *what* prosthetic or rehabilitative item or service is to be provided to an individual Veteran is a clinical decision and results in a prescription. We recommend removing the phrase “medically necessary” in section 4 of the proposed amendment to 38 U.S.C. § 1701(6). This phrase is not used in any other statute in connection with any term defined in 38 U.S.C. § 1701. Rather, VA is authorized to provide hospital care and medical services “which the Secretary determines to be needed” pursuant to 38 U.S.C. § 1710. Including the phrase “medically necessary” as proposed in the draft bill would create potential redundancy, as well as ambiguity about the impact it is intended to have on the provision of these services.

In addition, we note that while van lifts, raised doors, raised roofs, air-conditioning, and wheelchair tiedowns may be considered “necessary” for the Veteran to use a vehicle, we question whether they would ever be considered “medically necessary.” In particular, we question whether they would be considered necessary to promote, preserve, or restore health and be in accord with generally accepted standards of medical practice (See 38 C.F.R. § 17.38(b)). Instead, the drafters may want to consider using language that limits eligibility for the services added in section 4 of the bill to nonservice-connected Veterans and other Veterans who are not eligible for adaptive equipment for automobiles and other conveyances under 38 U.S.C. §§ 3901-

3903 and to those who are seeking vehicle modifications for the purpose of assisting the person into or out of the vehicle to allow them to obtain medically needed health care.

Section 4 of the draft bill would require VA to include in the definition of medical services in 38 U.S.C. § 1701(6) provided to eligible Veterans a finite list of vehicle modifications. The list of equipment includes obsolete modifications (i.e., raised roofs, raised doors) and risks falling further out of date over time. Generally, VA has interpreted the “similar appliances” authority in 38 U.S.C. § 1701(6)(F)(iii) to authorize VA to adapt to changing standards of care and provide Veterans with innovative, cutting edge, and evolving devices. The proposed list of vehicle modifications in section 4 of the draft bill would establish a rigid list of equipment only for vehicle modifications, which as a class of item, has changed over time and will likely continue to change in the future. Equipment that is currently a novelty or installed by after-market installers may over time become standard, factory-installed equipment. Also, as vehicle design changes over time, the ability to modify vehicles will change as well. VA recommends that the legislation describe the intended function of vehicle modifications (e.g., safe ingress and egress) rather than a finite list of items in order to authorize VA to make the safest and best possible vehicle modifications for Veterans over time.

#### **Unnumbered Bill-To eliminate the time period for eligibility under the Survivors' and Dependents' Educational Assistance Program of VA**

This unnumbered bill would amend 38 U.S.C. § 3512(b)(1)(A) to eliminate the time period for eligibility under VA's Survivors' and Dependents' Educational Assistance Program. The bill would allow spouses and surviving spouses receiving benefits under chapter 35 of title 38 of the United States Code, on or after August 1, 2022, to be afforded educational assistance at any time after such date. This bill would essentially remove the end date for spouses and surviving spouses using chapter 35 benefits.

VA supports the intent of this legislation, subject to the availability of appropriations, but would point out that children are not provided equal treatment. Chapter 35 beneficiaries who are children or surviving children would remain subject to the time limits for using their educational assistance. VA also notes a likely drafting error. The draft refers to “or (D)” in section 3512(b)(1)(A) but “or (D)” appears in two places. It appears this is intended to only apply to “or (D)” the first place it appears.

While there will be costs associated with this provision, VA is unable to estimate those costs at this time.

#### **Unnumbered Bill- To direct VA to implement a modern information technology service to process claims for educational assistance under chapters 30, 33, 35, and 36**

This unnumbered bill would require VA to implement a modern information technology service to process claims for educational assistance under chapters 30, 33,

35, and 36 of title 38, United States Code, using one or more commercial software systems. VA would be required to complete the implementation not later than August 1, 2024. The bill would require that VA ensure the modern information technology (IT) service, as compared to the legacy information technology systems (both of which would be defined under the bill), can process claims faster and more efficiently through improved processing integration and accuracy, data exchange and reporting, customer integration, and simplification of the online experience. The modern IT service would have to be capable of facilitating timely communication by VA employees to individuals and educational institutions using an online portal that can provide real-time information on claims for educational assistance, fully automating (to the extent practicable) all original and supplemental claims (to include calculating accurate awards). Additionally, the service would have to have the ability to be customized to address future capabilities required by law, electronically process changes made by educational institutions, verify attendance at an educational institution, process validations made by an educational institution, allow individuals entitled to educational assistance to electronically apply for, withdraw from, and amend their entitlement, and reallocate a transferred entitlement.

Further, the bill would require VA to meet certain reporting and notification requirements. VA would be required to provide the Committees on Veterans' Affairs of the House of Representatives and Senate an initial report not later than 120 days after the date VA awards a contract for the modern IT service. This report would have to contain information on the cost, schedule, and performance of the project for implementing such system, including, with respect to such project, cost estimates, an implementation schedule, key objectives, statistics related to original and supplemental claims processed on a monthly basis, estimated savings realized by using the modern IT system over the legacy system, claim timeliness and processing accuracy, and a description of how the modern IT service will automate the processing of original claims and supplemental claims.

During the period VA is implementing the modern IT service, VA would be required to submit to the Committees on Veterans' Affairs of the House of Representatives and Senate an annual report containing updated information regarding the matters in the initial report. Each updated report would have to identify any changes to the cost, schedule, or performance of the project to implement the modern IT system. VA would also be required to notify the Committees on Veterans' Affairs of the House of Representatives and Senate not later than 60 days after any of the following actions occur:

- With respect to the acquisition, implementation, or life cycle cost of the project, or an increment therein, a change or variance that is 10% or greater compared to the amount identified in the most recent report submitted to the Committees on Veterans' Affairs of the House of Representatives and Senate.
- With respect to the schedule for achieving a significant milestone, initial operating capability, or final completion of the project, a change or variance that is 180

days or greater compared to the schedule identified in the most recent annual report submitted to the Committees on Veterans' Affairs of the House of Representatives and Senate.

- With respect to the performance, an instance where a key business, functional, or performance objective is not attained, or is not anticipated to be attained, in whole or in part.

The bill would authorize an appropriation of \$250 million for fiscal years 2020 through 2022 to carry out this section.

VA supports the proposed legislation, subject to the availability of appropriations, but has some concerns. Section 2(c) of the proposed legislation would require VA to provide an initial report containing information on the cost, schedule, and performance of the project no later than 120 days after the date VA awards a contract for the modern IT service; however, VA already awarded a contract on March 11, 2021, for the modern IT service. While VA has no issues with providing an initial report, VA recommends Congress allow at least 120 days from the date of enactment of the proposed legislation for VA to submit the initial report.

VA also recommends section 2(c)(4) of the proposed legislation be amended to clarify the information required in the initial report. Specifically, we recommend the language be amended with respect to the statistics on original and supplemental claims processed on a monthly basis to state that VA provide information on the number of claims processed using legacy information systems; number off-ramped and processed manually; and the number of such claims estimated to be processed using the modern IT service.

**Unnumbered Bill- To direct the Assistant Secretary of Labor for Veterans  
Employment and Training to carry out a pilot program on short-term fellowship  
programs for Veterans**

This unnumbered bill would direct the Assistant Secretary of Labor for Veterans' Employment and Training to carry out a pilot program on short-term fellowship programs for Veterans. Sections 1(a) and (b) of the bill would require the Department of Labor (DOL) Veterans' Employment and Training Service (VETS), also known as DOL-VETS, to carry out a pilot program on short-term fellowships in three to five States. Section 1(c) would provide the requirements of the fellowship regarding duration, a monthly stipend, and the opportunity for long-term employment with the employer following the fellowship. Section 1(d) would outline the reporting requirements associated with the pilot program, and section 1(e) would provide the authorization of appropriations in the amount of \$10,000,000 for each of the fiscal years 2021 through 2025.

VA defers to DOL for views on this proposed legislation as it does not require coordination with or involvement of VA.

## **Unnumbered Bill- To establish in VA the Veterans Economic Opportunity and Transition Administration**

This unnumbered bill would amend title 38 of the United States Code to establish in VA the Veterans Economic Opportunity and Transition Administration (VEOTA). Section 1 of the bill would establish the organization of VEOTA, outline its functions and the programs it would administer, set annual reporting requirements to Congress, provide appropriations for VEOTA, and maintain the labor rights of employees transferred to VEOTA. Section 2 would establish the position of Under Secretary for VEOTA (appointed by the President and directly responsible to the Secretary), outline the Under Secretary's responsibilities, and establish the procedures under which the position would be filled. Section 3 would require the Secretary of Veterans Affairs to submit a report to the Committees on Veterans' Affairs of the House of Representatives and Senate on the progress toward establishing VEOTA within 180 days of enactment and prevent the transfer functions to VEOTA until the Committees on Veterans' Affairs of the House of Representatives and Senate receive certification that the transition of services to VEOTA will not negatively affect the services provided and that services are ready to be transferred. Further, section 3 would create additional reporting requirements for the Secretary in the event the Committees on Veterans' Affairs of the House of Representatives and Senate do not receive the Secretary's certification by September 1, 2022.

While VA appreciates the Committee's focus on improving services and resources offered by these programs, we do not support this bill. The current VBA structure appropriately reflects the Under Secretary for Benefits' overall responsibility for Veterans benefits programs that include programs related to economic opportunity and transition, as well as compensation, pension, survivors' benefits, and insurance.

The Office of Small and Disadvantaged Business Utilization (OSDBU) currently reports directly to the Secretary or Deputy Secretary. OSDBU's mission is to advocate for the maximum practicable participation of small, small-disadvantaged, Veteran-owned, women-owned, and empowerment-zone businesses in contracts awarded by VA and in subcontracts awarded by VA's prime contractors. This bill would move only OSDBU's Center for Verification and Evaluation (CVE) program to the new administration. CVE administers the verification program required for Service-Disabled Veteran-Owned Small Businesses and Veteran-Owned Small Businesses and maintains the vendor information page database. There is some concern that moving this major program from OSDBU to a new administration might result in a redundancy of efforts. Additionally, the verification program currently administered by OSDBU for Service-Disabled Veteran-Owned Small Businesses and Veteran-Owned Small Businesses is to be transferred to SBA by Jan 1, 2023, by the FY 2021 National Defense Authorization Act.

The VBA portfolio of benefits is thriving. The Education, Loan Guaranty, VR&E, and Transition and Economic Development programs are part of an integrated suite of



interdependent services and benefits that also includes compensation, pension, and insurance programs. Together, they form a suite of benefit-related resources that Veterans can rely on.

In FY 2020, education claims timeliness improved from 24.7 days to 15.4 days for original claims, and supplemental claims timeliness improved from 8.6 days to 6.9 days. During this time, over 3.5 million education claims were processed, paying nearly \$12 billion in education benefits for 875,000 Veterans and their beneficiaries.

Loan Guaranty set new records during FY 2020, guaranteeing an all-time program high of 1.246 million loans worth \$375 billion, and assisting a record 119,000 Veterans to avoid foreclosure through various loss mitigation strategies. VR&E helps Service members and Veterans with service-connected disabilities and a barrier to employment prepare for, find, and maintain suitable jobs through counseling and case management. There were over 123,000 VR&E participants in FY 2020, with more than 33,000 new plans developed to assist Veterans, and over 16,000 Veterans achieving positive outcomes. Further, VR&E's 20-year longitudinal study indicates nearly 90% of Veterans who achieved rehabilitation from an employment plan were employed in the past year.

For those Service members transitioning out of the military, VBA's Office of Transition and Economic Development (OTED) offered additional focus on helping them move more effectively into civilian life, both socially and economically. VA's commitment to support Veterans transition from the military was bolstered by the establishment of the VA Solid Start (VASS) program in December 2019, which provides early and consistent contact with newly separated Veterans. The goal of the VASS program is to provide seamless access to mental health and suicide prevention resources, including care for substance use disorders. VASS representatives proactively call newly-separated Veterans over their critical first year (three key stages from 0–90, 90–180, and 180–365 days post-transition) to discuss their transition experiences, available benefits, and any challenges they may be facing. VASS recently made successful contact with the 100,000th newly-separated Veteran.

VA continues to partner with the Department of Defense, as well, to ensure separating Service members are focused on their transition as early as possible and begin civilian life on the right foot, and recently launched a pilot program to conduct transition briefings virtually, as well as implemented a new Women's Health Transition Training program focused on providing women Service members with actionable information on their unique health needs transitioning into Veteran status.

In order to support the adjudication and delivery of Veteran and Service member earned benefits, VBA also has many enabling staff offices, such as finance, Human Resources (HR), facilities, production optimization, outreach and engagement, field operations, business process integration, strategic program management, performance analyses, communications, and executive review. These enabling organizations would have to be recreated within the new administration in order to effectively operate,

requiring additional executive leadership and replicated structures. The addition of another administration would increase the leadership oversight for programs that are currently in place, contrary to the modernization efforts that are underway.

With respect to section 2 of the bill, the procedure for filling the position of Under Secretary for VEOTA is the same as for filling the positions of Under Secretary for Benefits, Under Secretary for Health, and Under Secretary for Memorial Affairs. Should VEOTA be enacted, VA agrees this should be the procedure for selecting the new Under Secretary for VEOTA.

Additionally, should the VEOTA be enacted, VA will ensure the transition of services to VEOTA will not negatively affect the services provided. However, VA would require ample time to plan for this considerable transition to ensure services are not negatively affected. Therefore, while VA remains committed to communicating closely with the Committees, it does not support a specified timeframe for reporting or certification.

General Operating Expense (GOE) costs would result from enactment of this bill with an additional 812 FTE needed for Management Direction and Support (MD&S) for enabling staff offices (aforementioned finance, HR, facilities, outreach and engagement, field operations, business process integration, strategic program management, performance analyses, communications, and executive review). VA estimates GOE costs of approximately \$241 million in FY 2023, and \$2.4 billion over 10 years, which includes payroll and non-pay costs (travel, contract support, centralized payments, etc.) for the additional 812 FTE.

No mandatory costs would be associated with the proposed legislation. While there is no benefit cost associated with the bill, the appropriation language for the Readjustment Benefits account and the Credit Reform account would have to change to reflect the title of the new administration.

**Unnumbered Bill- To provide for the disapproval by VA of courses of education offered by public institutions of higher learning that do not charge Veterans the in-State tuition rate for purposes of Survivors' and Dependents' Educational Assistance Program**

This unnumbered bill would provide for the disapproval by the Secretary of Veterans Affairs of courses of education offered by public institutions of higher learning that do not charge Veterans the in-State tuition rate for purposes of the Survivors' and Dependents' Educational Assistance Program. The bill would do so by amending 38 U.S.C. § 3679 to add Chapter 35 beneficiaries to the definition of a "covered individual" by which VA must disapprove a course of education offered by a public institution of higher learning (IHL) if the institution does not charge in-state tuition and fees for covered individuals. Currently, covered individuals include only those beneficiaries under Chapters 30, 31, and 33 of title 38 of the United States Code. The

amendments would take effect on the date of the bill's enactment and would apply with respect to an academic period that begins on or after August 1, 2022.

VA supports the proposed legislation as it would allow Chapter 35 beneficiaries to receive the same protections under the law as beneficiaries who are in receipt of benefits under other VA educational programs.

No mandatory or discretionary costs are associated with this bill.

### **Unnumbered Bill- To increase the amount authorized to be appropriated for the high technology pilot program of VA**

This unnumbered bill would increase the amount authorized to be appropriated for VA's high technology pilot program. Specifically, the bill would amend section 116 of the Harry W. Colmery Veterans Educational Assistance Act of 2017, Public Law 115-48 (Colmery Act), which was further amended by section 4302 of the *Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020* (Public Law 116-315) by increasing Veterans technology education courses (VET TEC) funding to \$45 million for each fiscal year preceding FY 2022, and \$125 million for FY 2022 and each subsequent fiscal year.

VA supports this bill and welcomes the increased appropriation, which would greatly assist VA in accommodating the demand for this popular program, for which Veteran demand has outstripped funding to date. The VET TEC Pilot Program is an exceedingly popular training option with Veterans seeking to expand or enhance their career prospects in high-demand employment areas. Since launching on April 1, 2019, more than a dozen Training Providers have been approved by VA, over 2,100 students have trained in a VET TEC program, and 80% have found meaningful employment. This program is in high demand with Veterans as evidenced by the high volume of applications VA has received since reopening the program to new applications following the receipt of additional funding in Public Law 116-315. In the first eight days of reopening the program (April 1 – 8, 2021) VA has received 1,193 new applications for VET TEC benefits. Consequently, VA also suggests that Congress consider converting the pilot program to a permanent GI Bill benefit. Such a conversion would allow VA to more readily allocate resources to support the VET TEC program. It would also allow VA to continue to support Veteran hiring and ease concerns raised by Veterans and Training Providers on the long-term viability of the pilot, thus allowing VA's partners to further invest in Veterans seeking training and employment in high-tech fields.

Mandatory costs associated with this bill are estimated to be \$60 million in 2021, \$300 million over five years, and \$300 million over 10 years. No discretionary costs are associated with this bill.

### **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.