

**STATEMENT OF
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VETERANS BENEFITS ADMINISTRATION
DEPARTMENT OF VETERANS AFFAIRS
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
U.S. HOUSE OF REPRESENTATIVES
ON
PENDING LEGISLATION
May 18, 2022**

Chairman Levin, Ranking Member Moore and other Members of the Subcommittee, thank you for inviting us here today to present our views on several bills that would affect Department of Veterans Affairs (VA) programs and services. Joining me today are Monica Diaz, Executive Director, Homeless Programs, Clinical Services, Veterans Health Administration (VHA) and John E. Bell, III, Acting Executive Director, Loan Guaranty Service (VBA).

H.R. 2650 Military Spouse Licensing Relief Act

H.R. 2650 would amend title VII of the Servicemembers Civil Relief Act (50 U.S.C. § 4021 et seq.) by including a new section 705A regarding the portability of professional licenses of Service members and their spouses.

VA defers to the Department of Defense (DoD) and the Department of Justice (DOJ) on this bill.

H.R. 3950 Veterans Medical Legal Partnerships. Act of 2021

Section 2 of H.R 3950 describes Congress' findings regarding medical legal partnerships (MLP).

VA notes that the statement in paragraph (12) that the "overwhelming majority of MLPs operate in Federal veteran's [sic] facilities" is not accurate. As noted in paragraph

(5), in 2020, there were some 450 MLPs in 49 States serving a variety of populations. However, VA currently has approximately 30 MLPs operating in its facilities that serve Veterans, and VA is not aware of any other Federal Veterans' facilities.

Section 3 of this bill would amend subpart 2 of part E of the Omnibus Crime Control and Safe Streets Act of 1968 (34 U.S.C. § 10171) to establish a State Veterans Justice Assistance Program. Under this Program, the Attorney General would award grants to eligible entities to support certain MLPs

VA defers to DOJ on section 3.

Section 4 would amend the Veterans Treatment Court Coordination Act of 2019 (34 U.S.C. § 10651a) to authorize the Attorney General to provide a grant selection preference for jurisdictions that provide a plan to work with Federal or State MLPs to reduce recidivism and promote rehabilitation.

VA defers to DOJ on section 4.

Section 5 would amend 38 U.S.C. § 6304(b) to authorize VA to establish and maintain MLPs to screen Veterans for civil legal matters associated with the provision of health care or other benefits provided by VA and facilitate the provision of no-cost legal services at VA facilities.

VA agrees that addressing legal services for Veterans is important. Legal services remain a crucial but largely unmet need for some Veterans, especially those who are homeless or at risk of homelessness. VA currently has authority to enter into Memoranda of Understanding to establish MLPs at VA facilities. VA has authority under two programs—the Supportive Services for Veteran Families (SSVF) Program, and section 4202 of P.L. 116-315—to award grants to eligible entities, including legal services providers in some cases, that could establish and maintain MLPs. While VA supports the objective of this provision, VA does not believe additional legislative

authority is needed at this time. VA is currently entering into no-cost agreements (through Memoranda of Understanding) where possible and is actively working to promulgate regulations for P.L. 116-315, which is a new authority. We believe it would be prudent to allow these new programs to begin to operate before providing VA new authority, as our current efforts, when fully operational, may be sufficient. VA would be happy to discuss our current efforts and planned future actions with the Committee.

H.R. 4702 Military Spouse Tax Act

H.R. 4702 would amend section 511(a) of the Servicemembers Civil Relief Act (50 U.S.C. § 4001(a)) to amend the authority regarding the State of residence or domicile of a Service member or spouse who is absent from that tax jurisdiction solely based on the Service member's military orders. It would further allow Service members and their spouses to elect to use the residence or domicile of the Service member, the residence or domicile of the spouse, or the permanent duty station of the Service member for purposes of taxation.

VA defers to DoD on this bill.

H.R. 6124 VA Home Loan GRACE Act of 2021

H.R. 6124 would increase the maximum amount of home loan guaranty entitlement available to certain Veterans, reorganize and reformat the home loan entitlement framework into an easier-to-read table, authorize civil penalties for false certifications related to home occupancy requirements and extend (through April 6, 2027) the currently applicable percentages by which VA calculates the statutory loan fee.

VA supports the bill, subject to the availability of appropriations, but has concerns that when the temporary increase in entitlement ends, there may be some unintended effects on certain cash-out refinances and on Veterans whose VA-guaranteed loans have been foreclosed (specifically, certain Veterans may be unable to obtain a VA cash-out refinancing loan on or after April 7, 2027, and the higher amounts of

entitlement might make it more difficult for Veterans to reuse their home loan benefit after a foreclosure). VA is fully in favor of the temporary increase, the clarifying improvements to the statutory text and the additional enforcement authority the bill would provide.

Section 2(a) would amend the maximum amount of guaranty entitlement available to Veterans as specified in 38 U.S.C. § 3703(a)(1)(B) by temporarily increasing the amount of available entitlement for a “covered veteran.” The newly defined term would essentially mean a Veteran who has already used the home loan benefit and whose entitlement has not been restored under 38 U.S.C. § 3702(b). The amendment would result in an equal opportunity for such Veterans to use the home loan benefit, regardless of the second loan amount. Under the current statutory framework, Veterans who seek to use their home loan benefit to purchase a second home for \$144,000 or less are generally unable to do so because their entitlement is limited to the basic entitlement (\$36,000) minus unrestored entitlement. Veterans who seek to use their home loan benefit to purchase a second home for greater than \$144,000 have entitlement equal to 25 percent of the conforming loan limit (CLL) less unrestored entitlement, which means they have more access to home loan entitlement. The bill would eliminate this disparity and use the same formula to calculate remaining entitlement for all Veterans looking to use their home loan benefit to purchase a second home, regardless of loan amount. VA believes this would expand the opportunities available to Veterans who may otherwise be unable to take full advantage of the home loan benefit they have earned.

In addition to the increase of the maximum amount of guaranty entitlement, the bill would reorganize and reformat current 38 U.S.C. § 3703(a)(1) into a table outlining maximum guaranty and the maximum amount of guaranty entitlement. VA welcomes the improved readability and clarity that the bill would provide.

Similarly, VA appreciates the addition of proposed subparagraphs (C) and (D), which would outline how VA would calculate maximum guaranty in the case of joint

loans, when two or more Veterans use guaranty entitlement on a single loan. VA believes the amendments would reduce confusion for Veterans and the mortgage industry.

Section 2(b) of the bill would amend 38 U.S.C. § 3704(c) by authorizing civil penalties in the event a Veteran falsely certifies to the intent to occupy a property as the Veteran's residence. While false certifications are infrequent, they do occur, and VA believes the addition of such penalties would provide a counterbalance against potential misuse of the increased home loan benefit entitlement that would be authorized under the bill.

Section 2(c) would amend 38 U.S.C. § 3729(b)(2) by extending, from April 7, 2023, through April 6, 2027, the period during which certain Veterans are required to pay a higher loan fee when obtaining a VA-guaranteed loan. VA notes that the purpose of the loan fee is to help preserve the solvency of the home loan program.

Despite VA's strong support for this bill, VA does believe it is important to highlight a couple of potential unintended effects. First, there are circumstances where a Veteran who uses the additional entitlement may be unable to obtain a VA cash-out refinancing loan on or after April 7, 2027. For example, consider a Veteran who had a VA-guaranteed loan for \$600,000 (guaranty of \$150,000) and then, after moving due to new duty station orders, purchased another property for \$300,000, with zero down payment (guaranty of \$75,000). If the Veteran wanted, on or after April 7, 2027, to obtain a full cash-out refinance of either the \$600,000 loan or the \$300,000 loan, the Veteran would likely be unable to do so because maximum available entitlement would be 25 percent of the CLL (or \$161,800) less unrestored entitlement. In either case, the Veteran would not have sufficient entitlement, as the entitlement encumbered by the other property would be subtracted from \$161,800.

A second unintended effect could occur in the unfortunate event of a default. For example, a Veteran who used the additional entitlement but later experienced one or

more loan terminations resulting in a loss to the Government would need to repay a greater amount of money to the Government to have the entitlement restored. See 38 U.S.C. § 3702(b). While the loss would not be considered a debt to the United States, it would nevertheless have to be repaid to unencumber the Veteran's entitlement.

VA's first concern could be addressed if the increase in the maximum amount of guaranty entitlement were made permanent. As for the second concern, VA does not foresee a solution, but believes the expanded entitlement would result in a better benefit for most Veterans, especially given the low foreclosure rates in VA's guaranteed portfolio. Again, neither of these concerns affects VA's support of the bill, but VA does appreciate the opportunity to bring this to the Committee's attention.

VA estimates loan benefit costs of the bill would be a savings of \$90.2 million in fiscal year (FY) 2023 and a savings of \$632.7 million over 5 years and \$638.8 million over 10 years. Additional General Operating Expense costs would not be expected.

H.R. 6307 Tiny Homes for Homeless Veterans Act (Draft Amendment in the Nature of a Substitute)

Section 2(b) of the draft amendment in the nature of a substitute to H.R. 6307 would add a new section 2068 in title 38, U.S.C., requiring VA to carry out a pilot program to make grants to facilitate the creation of five villages of tiny homes across the United States with associated supportive services for Veterans to build and live in the homes, among objectives. The pilot program would also seek to build homes that are energy efficient with low carbon footprints. Proposed section 2068(b) would authorize VA to award a grant to any eligible entity for grants and per diem payments under sections 2011 and 2012 of title 38, U.S.C., including non-profit organizations described in sections 501(c)(3) or (c)(19) of the Internal Revenue Code of 1986 and State and local governments. Applicants would have to describe the long-term goals and objectives of the proposed project, describe the village that the entity intends to build under the grant, list supportive services the grantee would provide, identify the number

of Veterans the village would be able to house at any given time, describe the factors the entity will use to screen Veterans who will build and reside in the housing and describe how the entity will evaluate its performance under the grant. Grant recipients would be required under proposed section 2068(c) to use grant funds for constructing the village, offering supportive job skills services, providing supportive counseling services and other uses VA determines appropriate. Proposed section 2068(d) would require VA to publish a Notice of Funding Opportunity online, and proposed subsection (e) would require VA to give priority to applicants that propose to carry out the project to create Leadership in Energy and Environmental Design-certified units. Under proposed section 2068(f), grantees would have to report annually, beginning in the second year after being awarded a grant, on their activities, Veteran participation and the outcomes of the project. During the fourth year of the program, VA would have to submit to Congress a report comparing the outcomes of the grantees of this program to the outcomes of grantees under other grant and per diem payment programs. Proposed section 2068(g) would authorize to be appropriated \$20 million for each of FYs 2022 through 2027, of which \$5 million could be used for operating costs. Proposed section 2068(h) would prohibit VA from awarding a grant under this program after the day that is 6 years after the date of the enactment of this bill. Proposed section 2068(i) would define terms for purposes of this section. Section 2(c) of the bill would require VA to carry out the proposed section 2068 not later than 180 days after the date of the enactment of the bill.

VA recognizes that the underlying values and goals of the bill are noteworthy. Since 2010, VA and its Federal and nonprofit partners have helped house or prevent from experiencing homelessness more than 938,000 Veterans and family members. These efforts have led to a 55% reduction in sheltered Veteran homelessness since 2010. VA's goal is to prevent and end Veteran homelessness by providing support and services to homeless and at-risk Veterans that enable them to lead independent lives in the community of their choosing. In support of this, VA's homeless programs provide a comprehensive and practical range of services, including outreach, prevention assistance, housing solutions, employment assistance, health care and justice and re-

entry services. Notably, VA has set goals to permanently house 38,000 Veterans in calendar year 2022 and is actively collaborating with the Departments of Housing and Urban Development (HUD) and Labor (DOL), the US Interagency Council on Homelessness and a broad range of state and local partners to achieve joint progress for Veterans and Americans. Currently, the most emergent need related to ending Veteran homelessness is increasing the availability of affordable permanent housing for Veterans transitioning out of homelessness.

While VA applauds the intent of this bill, VA does not support this bill for several reasons. First, VA already has the statutory authority through the Grant and Per Diem (GPD) program to award grants for new construction or renovation for transitional housing, including tiny homes and to provide supportive services under 38 U.S.C. §§ 2011 and 2012. VA currently has nearly 13,000 transitional housing beds nationwide, but only about 2/3 of those beds are occupied. Pre-pandemic utilization rates were approximately 81 percent. VA awards grants through the GPD program on a regular basis, and through this process, new and current grantees can apply for awards to make available beds to meet the current needs of their community. If, in the future, the availability of transitional housing does not meet demand, VA also has the authority to award new capital grants to help increase the amount of transitional housing.

Of note, VA is using tiny shelters to serve Veterans through the VA Greater Los Angeles Health Care System, which are distinct from the tiny homes described in this bill. The tiny shelters are part of a low-barrier outreach initiative to provide unsheltered Veterans with temporary, short-term accommodations as they begin to engage in care and services. This is notably different from the additional transitional housing that this bill proposes to create in the form of tiny homes. Transitional housing programs provide temporary residences, up to 24 months, and typically include wrap-around supportive services to improve employability, access to benefits, case management and other therapeutic and housing supports to further assist Veterans in obtaining permanent housing as quickly as possible. VA believes both tiny shelters and transitional housing are important elements of a comprehensive approach to ending Veteran homelessness,

but as discussed above, VA currently has sufficient transitional housing to meet demand. Further, VA's time-limited grant award process is agile enough to address changing community needs in the future. Additionally, VA has broad authority to support transitional housing, including through tiny homes, provided by eligible entities under §§ 2011 and 2012.

Further, recent capital grant activities have been focused on improving existing housing resources by converting congregate spaces into private spaces for the health and safety of vulnerable Veterans. These efforts have allowed housing that was capitally funded by VA decades ago to be renovated to protect VA's investment, modernize existing facilities and safeguard the well-being and dignity of Veterans experiencing homelessness. We believe this has resulted in arrangements that have been better for Veterans, grantees and VA.

Additionally, VA has operational concerns with the bill as written. The bill proposes a grant program that includes both capital grant components and per diem (services) components in a way that could not be operationalized. Also, because funds to carry out this program would come from within GPD's existing budget, current grantees would be impacted negatively without additional funding. VA does not believe the timeline of implementation within 180 days of the date of the enactment of the bill would be feasible. VA would need to establish a new program, hire staff and develop and finalize regulations and policies to carry out this program. Capital development involving Federal funds often takes a couple of years. Using the existing authority under 38 U.S.C. § 2011 would be a more expedient option to help create additional transitional housing when needed. Typically, programs for transitional housing with supportive services operate for 3 years after first admissions. The bill would not account for Veterans still in the program when the pilot ends. The bill is also overly prescriptive in defining uses of grant funds, and the concept of a "village" is unclear and undefined. While we appreciate the intended value of allowing Veterans to construct the homes in which they will live, once those homes have been built as transitional housing, other

Veterans would have no need to construct further homes; as a result, only the first cohort of Veterans might participate in the construction process.

As a technical matter, VA note's that this bill proposes to create a pilot program that would expire. We do not believe such a pilot program should be codified in title 38, U.S.C., It would be sufficient to simply enact this as a statute-at-large. Also, proposed section 2068(a)(1) would provide that the pilot program would "allow veterans to build and live in the homes." It is not clear whether the Veterans would have any equity in the homes after they build them. To allow the Veterans to build the homes, but not allow them to have any equity in them may appear unfair.

VA does not support this bill but would welcome the opportunity to work through any policy changes and discuss options for potential ways to address housing issues, including the availability of affordable permanent housing for homeless Veterans.

VA does not have a cost estimate for this bill.

H.R. XXXX Approval of Certain Study Abroad Programs for Purposes of VA Educational Assistance Programs

This bill would amend 38 U.S.C. § 3680A(f) to authorize VA to approve a covered study-abroad course for a period of no more than 5 years if, per the contract or other written agreement under which the course is offered, the educational institution offering the course under chapter 36 of title 38, U.S.C., agrees to assume responsibility for ensuring that VA quality standards are upheld and serve as the certifying official for the covered study-abroad course, and the educational institution offering the covered study-abroad course agrees to seek approval of the course under chapter 36 of title 38, U.S.C., by not later than 5 years after the date of the agreement. The bill would define a "covered study-abroad course" as a course that is: offered by an educational institution under contract or other written agreement by another educational institution that offers a course that is approved under chapter 36; provided at a location in a foreign country; and has not been approved under chapter 36.

VA does not support the proposed legislation unless amended. Both the Department and the State Approving Agencies currently approve programs for study abroad either solely at foreign educational institutions or in conjunction with U.S. institutions. In FY 2020, VA paid benefits for 1,764 enrollments at foreign institutions in 70 countries. While VA acknowledges and agrees with Congress's desire to increase (or ease the barriers to) participation of VA students in foreign programs, VA has a number of concerns with the bill as currently written. First, the bill does not differentiate between study abroad at a foreign educational institution, which requires a separate application and approval by VA, and an overseas branch of a U.S. educational institution which can be approved by the State Approving Agency with jurisdiction over the school's main campus as part of the same application package. Second, VA is concerned with the requirement for the institution to seek approval within 5 years of the date of the agreement. As written, the bill appears to have a loophole in that it would technically allow for a school to contract with a different provider for a course every 4 years and avoid the need to ever be formally approved for GI Bill benefits. This loophole would allow for benefits to be paid without ever verifying that a course (or course provider) meets program approval requirements with respect to quality and content that would still have to be met by domestic programs. At a minimum, VA recommends limiting the exception to courses provided by foreign educational institutions and requiring application for approval of any such course within 1 year. VA is willing to work with the Committee to address these concerns while meeting the legislative intent.

VA has not developed a cost estimate for this bill.

H.R. XXXX Building Credit Access for Veterans Act of 2022

The draft bill would require VA to commence, within 1 year of enactment, a pilot program to assess the feasibility and advisability of using alternative credit scoring information or credit scoring models. The bill would also require VA, in consultation with such entities as the Secretary considers appropriate, to establish criteria and approval for acceptable commercially available credit scoring models and to publish such criteria

in the Federal Register. VA would be required to consider the Federal Housing Finance Agency's regulation on credit score assessment (12 C.F.R. § 1254.7) and to approve any commercially available model approved for use by Fannie Mae and Freddie Mac. VA would further be required to conduct outreach to lenders and Veterans to inform them of the pilot program and would be required to report to Congress findings related to the pilot program within 2 years of enactment. The bill would set forth a termination date for the pilot of no later than September 30, 2025.

While VA supports the use of alternative credit information and alternative credit scoring models in evaluating Veterans' creditworthiness for purposes of the VA home loan program, VA does not support this bill.

Existing statutory authority in 38 U.S.C. § 3710(g) directs the Secretary to prescribe regulations to establish credit underwriting standards and standards for obtaining credit information. Pursuant to this authority, VA already allow lenders significant latitude in determining optimal alternative and non-traditional credit sources to use on an individual loan to establish creditworthiness and support loan approval. VA's regulation at 38 C.F.R. § 36.4340(g)(6) directs that the absence of a credit history is not generally to be viewed as an adverse factor in credit underwriting. Lenders are told to "develop evidence of timely payment of non-installment debts such as rent and utilities." Also, where a number of Federal housing agencies have minimum credit score requirements, VA does not. Instead, Chapter 4.1.a of the *Lenders Handbook* (VA Pamphlet 26-7) encourages lenders to make VA loans to all qualified Veterans who apply and outlines expectations that underwriters use good judgment and flexibility when determining creditworthiness. Both VA regulation and the *Lenders Handbook* provide guidelines for evaluating the creditworthiness of individuals with an absence of credit history and instruct lenders to base the determination of credit approval on alternative or non-traditional credit in which a payment history can be verified. VA also offers lenders and underwriters training and individualized assistance in determining credit qualifications pursuant to 38 U.S.C. § 3710(b) and (g).

VA notes that it does not currently prescribe specific credit scoring models that may be considered. Under VA's existing regulation, lenders are encouraged to develop evidence, including through non-traditional documentation, of timely payments on any non-installment debts such as rent and utilities with information provided by the Veteran. Underwriters are directed to make an informed decision. This bill, however, would constrain lenders to pre-approved credit models, which would seem to restrict VA's more flexible approach and limit lenders' options in evaluating Veterans. It may also lead lenders to consider less alternative credit information than under the current policy. Further, a commercially available credit scoring model may not incorporate all potential sources of alternative or non-traditional credit information that VA would currently allow and encourage, again shrinking the opportunities that VA already provides for Veterans based on their individual borrowing profiles.

In view of the foregoing, VA does not believe that a pilot program is necessary to determine whether alternative credit scoring information or credit scoring models would improve Veteran outcomes related to VA-guaranteed loans. VA values the spirit of the bill and believes that, to the degree that Veterans with "thin files," or limited credit histories, may be underserved by third-party systems and policies governing credit risk modeling, VA could better implement alternative credit scoring models through a VA-managed Automated Underwriting System (VA-AUS). VA notes that existing AUS platforms may not be designed to account for the strengths and special circumstances of Service members and Veterans, which means they do not clearly align with VA's statutory and regulatory frameworks. Information sharing between Federal entities is also limited under current AUS structures.

Use of a VA-AUS would benefit Service members, Veterans and lenders because it would incorporate VA-specific eligibility and underwriting requirements. This functionality would allow VA and lenders to evaluate the credit risk of a Service member or Veteran through a unique rules-based engine that could incorporate alternative credit scoring criteria. A VA-AUS would also ensure a more consistent, objective and efficient process, thereby reducing participant costs, allowing for faster closing times, reducing

paperwork requirements and enhancing data integration with external sources. Additionally, a VA-AUS would enhance VA's portfolio risk management and create operational efficiencies for VA and lender personnel. VA is exploring the feasibility and costs of developing a VA-AUS and would be pleased to discuss the technical aspects of a VA-AUS with the Committee.

VA is unable to provide a cost estimate for this draft bill.

H.R. XXXX Directing VA to Seek to Enter into an Agreement with an Entity to Carry out a Pilot Program to Connect Homeless Veterans to a Network of Supportive Services

Section 1(a) of the draft bill would require VA to seek to enter into an agreement with an entity to carry out a pilot program under which the entity would connect covered individuals to a network of supportive services furnished by qualified entities and establish and maintain a system of information technology to track covered individuals provided such supportive services and the supportive services selected by such covered individuals. VA would have to ensure that VHA case managers have access to this tracking system. VA would carry out the pilot program in not fewer than three geographically diverse locations (at least one of which would be urban, one suburban and one rural). VA would have to give priority to locations that contain statistically high numbers of covered individuals and for which many vouchers in the HUD-VA Supportive Housing (HUD-VASH) program remain unused despite a statistically high rate of use of HUD-VASH vouchers. VA would have to notify Congress of the locations selected not less than 60 days before carrying out the pilot program, which would last for a period of 3 years from the date on which VA enters into an agreement. Funding for the pilot program would come from amounts appropriated to VA to carry out the SSVF program under 38 U.S.C. § 2044; \$55 million would be available for the first year of operation, and \$45 million would be available for each of the two subsequent years. The term "covered individual" would mean an individual who is a homeless Veteran or is a recipient of a HUD-VASH voucher. The term "homeless Veteran" would have the

meaning given that term in 38 U.S.C. § 2002. The term “qualified entity” would mean a non-profit entity determined by VA to provide supportive services to covered individuals.

VA does not support this bill as written because VA already has significant connections through its SSVF program to connect covered individuals (homeless Veterans and those receiving HUD-VASH vouchers) to supportive services, so creating an additional layer between VA and eligible entities, through an agreement with a third-party entity, would not seem to add value to these relationships. Further, the requirement to establish and maintain an information technology system would not be helpful. Two comparable data systems are already widely used nationally: HUD’s Homeless Management Information System and VA’s Homeless Operations Management System.

VA’s SSVF program is a critical element of VA’s strategic plan to end homelessness among Veterans as it is designed to rapidly re-house homeless Veterans through a mix of financial assistance and case management and promotes housing stability among Veteran families at imminent risk of homelessness. In FY 2021, it served more than 114,000 Veterans and family members. In 10 years of operation, SSVF has exited 80 percent of participating Veterans and their families to permanent housing. SSVF’s success has contributed significantly to cutting by half the number of homeless Veterans since 2010. SSVF annual reports continue to demonstrate the efficiency and effectiveness of this program. SSVF interventions keep families together and offer a critical resource in serving women Veterans, who are often the caretakers in single-parent families.

VA does not have a cost estimate on this bill.

H.R. XXXX Emergency Relief for Service Members Act

The draft bill would amend section 305A of the Servicemembers Civil Relief Act (50 U.S.C. § 3956) to expand protections for termination of certain contracts for Service members and their families.

VA defers to DoD and DOJ on this bill.

H.R. XXXX Empowering Veterans Against Cyberthreats Act

Section 2 of the draft bill would express Congress' findings.

VA has no objection to section 2 of the bill.

Section 3 would express the sense of Congress that it must immediately act to pass legislative measures to increase digital and media literacy and cyber-hygiene among Veterans.

VA defers to Congress in expressing its sense.

Section 4(a) of the draft bill would require VA to establish a program to promote digital citizenship and media literacy through the award of grants to eligible entities to enable those entities to carry out certain activities. Eligible entities would have to apply to VA containing a description of the activities the eligible entity intends to carry out with the grant funds, an estimate of the costs of such activities and such other information and assurances as VA may require. Eligible entities awarded a grant would be required to carry out one or more of the following activities to improve cyber-hygiene and increase digital and media literacy among Veterans: (1) develop competencies in cyber-hygiene; and (2) develop media literacy and digital citizenship competencies by promoting Veterans' (A) research and information fluency; (B) critical thinking and problem solving skills; (C) technology operations and concepts; (D) information and technological literacy; (E) concepts of media and digital representation and stereotyping; (F) understanding of explicit and implicit media and digital messages; (G) understanding of values and points of view that are included and excluded in media and digital content; (H) understanding of how media and digital content may influence ideas and behaviors; (I) understanding of the importance of obtaining information from multiple media sources and evaluating sources for quality; (J) understanding how

information on digital platforms can be altered through algorithms, editing and augmented reality; (K) ability to create media and digital content in civically and socially responsible ways; and (L) understanding of influence campaigns conducted by foreign adversaries and the tactics employed by such adversaries in conducting influence campaigns.

Section 4(d) would require grantees to submit to VA, not later than 1 year after first receiving funds, a report describing the activities the grantee carried out using those funds and the effectiveness of those activities. Not later than 90 days after the date on which VA receives the last report it expects to receive, VA would have to submit to Congress a report describing the activities carried out under this section.

Section 4(e) would express the sense of Congress that VA should establish and maintain a list of grantees and individuals designated by those grantees as participating individuals and make that list available to grantees and participating individuals to promote communication and further exchange of information regarding sound digital citizenship and media literacy practices among grantees.

Section 4(f) would authorize to be appropriated to carry out this section \$20 million for each of FYs 2022, 2024 and 2026.

Section 4(g) would define terms in this bill, including cyber-hygiene, which would mean practices and steps that computer and internet users take to maintain and improve online security and protect their devices. The term “digital citizenship” would mean the ability to safely, responsibly and ethically use communication technologies and digital information technology tools and platforms; create and share media content using principles of social and civic responsibility and with awareness of the legal and ethical issues involved; and participate in the political, economic, social and cultural aspects of life related to technology, communications and the digital world by consuming and creating digital content. Eligible entities would mean Congressionally chartered Veterans Service Organizations and a civil society organization, including

community groups, non-governmental organizations, non-profit organizations, labor organizations, indigenous groups, charitable organizations, professional associations and foundations. Media literacy would mean the ability to access relevant and accurate information through media in a variety of forms; critically analyze media content and the influences of different forms of media; evaluate the comprehensiveness, relevance, credibility, authority and accuracy of information; make educated decisions based on information obtained from media and digital sources; operate various forms of technology and digital tools; and reflect on how the use of media and technology may affect private and public life.

VA appreciates the Committee's continuing interest in ensuring that Veterans are equipped with the tools and information necessary to consume information from the media and digital sources effectively. VA takes seriously the concerns underlying this bill. VA currently has an agreement with the Cybercrime Support Network (<https://cybercrimesupport.org>) to create and share quality content designed to support the Veteran and Service member community to recognize, report and recover from cybercrime and online fraud. This has included webinars related to Veterans' privacy as well. VA is not prepared to offer a position on this bill at this time. VA would appreciate the Committee's patience while we determine what we can do within our current authority before the Committee seeks to grant the Secretary new authority in this area. Based upon our review of the draft bill, VA believes there are a number of technical concerns with it and would be happy to meet with the Committee to talk through your intent and discuss the issues we have identified.

VA does not have a cost estimate for this bill.

H.R. XXXX Establishing in VA an Office of Food Insecurity

Section 1(a) of the draft bill would amend chapter 3 of title 38, U.S.C., by adding a new section 324 regarding an Office of Food Insecurity. Section 324(a) would establish in VA an Office of Food Insecurity, headed by a Director, who would be a career appointee in the Senior Executive Service. Section 324(b) would identify the

responsibilities of this Director as (1) providing information to Veterans concerning the availability of, and eligibility requirements for Federal nutrition assistance programs; (2) collaborating with other VA program offices (including the Homeless Programs Office) to develop and implement policies and procedures to identify and treat Veterans at-risk of or experiencing food insecurity; (3) collaborating with the Secretary of Agriculture and the Secretary of Defense on food insecurity among Veterans, including by collaborating with the Secretaries to develop materials related to food insecurity for the Transition Assistance Program curriculum and other transition-related resources; (4) developing and providing training (including training that may count towards continuing medical education or licensure requirements) for social workers, dietitians, chaplains and other clinicians on how to assist Veterans with enrollment in nutrition assistance programs; and (5) issuing guidance to VA medical centers on how to collaborate with State and local offices administering the supplemental nutrition assistance program (SNAP). The Director would be required to consult with and provide technical assistance to the heads of other Federal departments and agencies, including the Department of Agriculture (USDA), DoD and the Department of Labor. Section 324(c) would require VA, in consultation with USDA, to submit to Congress an annual report on Veteran food insecurity. Section 1(b) of the draft bill would make a clerical amendment to reflect the new 38 U.S.C. § 324 in the table of sections at the beginning of chapter 3 in title 38, U.S.C.

VA strongly agrees that a dedicated office focused on food security for Veterans is critically important, which is why the establishment of a Food Security Program Office in VHA is already underway. This Office has been approved, and efforts are underway to fill positions in the Food Security Program Office. Given these efforts, VA does not believe legislation is necessary and the bill as drafted could actually interfere with those efforts in several ways. First, by relying on VA's broader authority to provide information, outreach and collaboration with other entities (both Federal and non-Federal), our current efforts ensure this new office is not limited by a specific set of responsibilities. As this Office is staffed and matures, it may identify new functions or responsibilities it should fulfill. A statutorily prescribed list could impede such progress. Further, by

placing this authority in chapter 3 of title 38, this would presumably be a VA-wide function. The office currently being established is in VHA, staffed by clinicians and part of VA's delivery of health care benefits. VA is concerned that creation of a separate office at the Department-level would result in a duplication of efforts and at worst could create confusion as to responsibilities, resulting in missed opportunities to support Veterans.

Section 1(c) would require VA, acting through the Director of the Office of Food Insecurity, to carry out a 5-year pilot program under which VA would make grants to eligible entities for the purpose of supporting partnerships that address food insecurity among Veterans, and the family members of such Veterans, (1) who receive services through Vet Centers or other VA facilities and (2) who have recently transitioned from serving as members of the Armed Forces to civilian life. Grants for Veterans described in clause (1) could not exceed \$150,000 per year, and grants for Veterans described in clause (2) could not exceed \$75,000 per year, but VA could award multiple grants to an eligible entity serving both populations.

Eligible entities would be defined to mean non-profit organizations, Veterans Service Organizations, public agencies, Indian Tribes or Tribal organizations, community-based organizations, or institutions of higher education. In making grants to Veterans and their families receiving services from VA, the Secretary would have to award at least one grant to at least one eligible entity in each State, if the Secretary determined there is such an entity in a State that has applied for and met the requirements for the award of a grant. VA could award not more than five additional grants to eligible entities that principally serve Native Americans. VA would also be required to award at least one grant for Veterans who have recently transitioned from service in the Armed Forces in five different geographic areas that VA determines have a high rate of such individuals.

Grants awarded under this authority would be used to either or both (A) increase access to and enrollment in Federal assistance programs, increase participation in

nutrition counseling programs and provide education materials and counseling to Veterans and their families to address food insecurity and healthy diets, and (B) provide direct food assistance to covered individuals (defined as Veterans or family members described in clauses (1) or (2), above) or otherwise provide assistance to such individuals in accessing food. Eligible entities would have to apply for grants under conditions set forth by VA. VA would select eligible entities that submit applications through a competitive process, taking into account the capacity of the applicant to serve covered individuals, demonstrated need of the population the applicant would serve, demonstrated need of the applicant for a grant, capacity of the applicant to serve covered individuals from underserved or disadvantaged populations and such other criteria as VA considers appropriate.

VA would be required to collect information from grantees as appropriate to monitor and evaluate the use of grants, including data regarding the results or outcomes of the services provided to covered individuals under the grant. VA would also be required to include in the annual report required by 38 U.S.C. § 324(c), as added by section 1(a) of this draft bill, a study on the effectiveness of the grants made under the pilot program, broken down by grants for Veterans described in clauses (1) and (2), above. For grants awarded to provide services to transitioning Veterans described in clause (2), above, the study would have to measure the need for food assistance by such individuals and include a description of how improving access to food during this transition period affects the outcomes of the individual and the family of the individual.

As VA submitted testimony for the House Veterans' Affairs Subcommittee on Economic Opportunity in October 2021, VA supports efforts to provide VA grant-making authority to work with other organizations to promote food security for Veterans. VA is currently unable to offer direct support for Veterans facing food insecurity because appropriated funds cannot be used to purchase groceries or other means of subsistence for Veterans. Food may only be provided concurrent with the provision of medical care or therapy. In addition, VA programs are able to assist only those Veterans who come to VA for care, so there may be Veterans facing food insecurity who could

receive support through this authority. VA appreciates the Committee's interest in addressing food insecurity among Veterans and their families. For the last 5 years, VA has been working to collaborate with government and nonprofit agencies to focus on the issue of food insecurity. VA has developed and deployed a food insecurity screening tool as part of the regular screenings that occur during VA primary care visits; all Veterans are screened annually unless they reside at a nursing home or long-term care facility. If a Veteran is screened positive for food insecurity, the Veteran is subsequently screened every 3 months thereafter. A Veteran who screens positive is offered a referral to a social worker and a dietitian, and VA further assesses the Veteran for clinical risk and complications. Since July 2017, VA has completed more than 10 million screenings. VA social workers can provide information about SNAP eligibility and help Veterans complete a SNAP application. They can also address possible root causes of food insecurity and connect Veterans with community resources. VA would welcome the opportunity to meet with the Committee to discuss our current efforts to promote Veterans' food security.

The Government Accountability Office (GAO) has just completed a review (GAO-22-104740) of VA's and USDA's programs regarding food insecurity among Veterans. GAO found that VA has taken several actions to identify Veterans who may be experiencing food insecurity and refer them for assistance, but it has not fully monitored or evaluated the effectiveness of these efforts; VA concurred with GAO's recommendations in this area. VA would appreciate the opportunity to discuss this review with the Committee and our current efforts to address Veterans' food security.

While VA strongly supports the goal of this provision, there are concerns with some of the prescriptive language included here that could present challenges or obstacles during implementation. VA prefers the language in section 8 of S. 1944, subject to the technical issues and concerns identified in VA's October testimony and subject to the availability of appropriations. VA is concerned about the size and scale of the pilot program that would be required. The bill would require VA to award a minimum of 61 grants (one in each of the 50 States, one in each of the 5 territories and one in

Washington, DC, as well as five in different geographic areas that VA determines have a high rate of transitioning Veterans). While VA understands the intent behind this language, we recommend against including a requirement that VA award this many grants in this specific way. As a new program, we believe it would be better to build up this effort, particularly with a 5-year window of authority, so that we could focus resources on those areas with the greatest need in terms of Veteran food insecurity.

That may mean that in the first year or two of the grant program, VA would award fewer grants, but perhaps in overlapping areas with significant need where those resources might produce the biggest improvements in Veterans' health. Large states like California, Florida, New York, or Texas might have several areas of acute need, and beginning the pilot program by awarding grants in these locations could address these needs before devoting resources to areas where Veterans may be facing less severe food insecurity issues. Further, by focusing on those areas of greatest need, we are also likely to serve a larger number of Veterans through each grant, which can help us gather data to ensure that subsequent efforts are informed by past experience and proven strategies. We also generally recommend against establishing statutory caps on grant awards, as it may become clear that the available resources are inadequate to meet Veterans' needs in certain areas. VA could establish parameters on these awards administratively, which would preserve this flexibility. VA also notes that the annual reporting requirement and other provisions could increase VA's administrative costs, which would result in fewer resources available for Veterans. VA believes we can work with the Committee to address the concerns we have with this proposal to ensure it bolsters and supports our efforts to provide greater support to Veterans and their families.

VA estimates this provision would cost \$0.43 million in FY 2023 (during initial set up of the program, staffing and drafting regulations prior to the award of any grants), \$35.54 million over 5 years and \$44.75 million over 7 years (including program close-out).

H.R. XXXX Expanding and Improving VA's Covid-19 Veteran Rapid Retraining Assistance Program and High Technology Pilot Program

Section 1(a) of this bill would seek to expand and make improvements to the Veteran Rapid Retraining Assistance Program (VRRAP) by amending section 8006 of the American Rescue Plan Act of 2021 (ARP), P.L. 117-2, to:

- Authorize VA to provide VRRAP beneficiaries with 24 months of entitlement instead of the current 12 months of retraining assistance.
- Remove the age requirement that states a person must be at least 22 years of age but not more than 66 years of age at the time of application receipt.
- Authorize VRRAP eligibility for individuals who have no more than 1 month of educational assistance under chapter 30, 31, 32, 33, or 35 of title 38, U.S.C., or chapter 1606 of title 10, U.S.C. (Previously, the law required that a person not be eligible to receive any other VA educational benefit to qualify for VRRAP.)
- Authorize VRRAP benefits for programs leading to a degree as long as the program allows a student to earn the degree within 24 months of enrolling in the program. (Previously, programs that led to a bachelors or graduate degree were not authorized for VRRAP.)

Section 1(b) of this bill would expand the High Technology Pilot Program Veterans Technology Education Course (VET TEC) by amending section 116(e) of the Harry W. Colmery Veterans Educational Assistance Act of 2017 (P.L. 115-48) to remove the restriction that a high technology program only be offered by an entity other than an institution of higher learning. This would allow a VET TEC participant to pursue a program at an institution of higher learning as long as the program does not lead to a degree.

Although VA supports section 1(b) of this proposed bill, subject to the availability of appropriations, VA has significant concerns regarding section 1(a) and does not support the bill as currently drafted.

The proposed changes in section 1(a) would fundamentally change the requirements of VRRAP just months away from its December 11, 2022, end date. These changes would generate confusion for beneficiaries and create new administrative burdens for educational institutions and VA in that program approvals would need to be reexamined and revisions made to applications and outreach materials. VA is concerned that the time required for full implementation of the proposed changes could take months, leaving little time for eligible individuals to find and enroll in an approved program.

The change to authorize VRRAP benefits for programs leading to a degree within 24 months of enrollment is particularly problematic. VA does not currently collect, store or track information on the pursuit of degree programs in terms of allowable months of enrollment for completion. Consequently, VA would need to request and collect this information from educational institutions approved for the various VA educational assistance programs, which would require a new Information Collection process needing Office of Management and Budget approval under the Paperwork Reduction Act. Also, VA would need to develop procedures for processing and awarding benefits for individuals completing a program under VRRAP that was begun under a different VA educational assistance program and socialize these new processes with beneficiaries, program providers and VA employees.

Finally, it is unclear as written whether the changes in section 1(a), such as the increase from 12-months to 24-months of benefit entitlement, should be applied retroactively to include VRRAP beneficiaries currently pursuing a program and individuals who have been issued a Certificate of Eligibility but have not begun pursuit of a program, or if it would only apply to new applications received on or after date of enactment. VA is willing to discuss these matters further and provide technical assistance, if desired.

VA has not developed a cost estimate for this bill.

H.R. XXXX Expanding Eligibility for, and Extending Authorization of, Certain Programs for Homeless Veterans

Section 1(a) of the draft bill would amend 38 U.S.C. § 2002(b), which defines the term “Veteran” for purposes of certain programs for homeless Veterans under chapter 20 more broadly than the term “Veteran” is defined in 38 U.S.C. § 101(2), to make this more expansive definition applicable for purposes of 38 U.S.C. § 2031, which is VA’s authority for its Health Care for Homeless Veterans (HCHV) program. Section 1(b) of the draft bill would also extend the authorization of the HCHV program through FY 2027.

VA supports section 1. These changes would bring the HCHV program into alignment with other Homeless Programs, which already have expanded eligibility, and would authorize appropriations for the HCHV program for an additional 5 years.

VA estimates section 1 would cost \$17.8 million in FY 2023, \$18.4 million in FY 2024, \$19.2 million in FY 2025, \$19.9 million in FY 2026 and \$20.7 million in FY 2027. Section 2 of the draft bill would amend 38 U.S.C. § 2033(d) to authorize through FY 2027 the provision of VA benefits and services to homeless Veterans through centers for the provision of comprehensive services to homeless Veterans.

In the Department’s FY 2022 Budget request, VA proposed a permanent extension of authority for 38 U.S.C. § 2033, or failing that, a 5-year minimum extension. VA similarly proposed a 5-year extension in the FY 2023 Budget request.

H.R. XXXX Extension of Certain VA Programs for Homeless Veterans

Section 1(a) of this draft bill would amend 38 U.S.C. § 2066(d) to extend the authority for the Advisory Committee on Homeless Veterans from September 30, 2022, until September 30, 2027. Section 1(b) would amend 38 U.S.C. § 2061(d)(1) to authorize the appropriation of funds for FYs 2022 through 2038. Section 1(c) would amend 38 U.S.C. § 2033(d) to authorize through FY 2032 the provision of VA benefits

and services to homeless Veterans through centers for the provision of comprehensive services to homeless Veterans.

Regarding section 1(a), VA supports the extension of the authority for the Advisory Committee on Homeless Veterans for an additional 5 years.

Regarding section 1(b), VA does not support the extension of the budget authority in 38 U.S.C. § 2061(d)(1). In the Department's FY 2022 Budget request, VA proposed the authority under section 2061 be removed. The special needs grant authority under this provision began in 2004, but due to tremendous advances in the field, the need to encourage development of special needs programs for these populations has come to an end. VA already has active grants running through FY 2024, and authorizing the appropriation of additional funds to award grants after FY 2022 is not necessary.

Section 1(c) would extend VA's authority under 38 U.S.C. § 2033(d) through FY 2032, similar to how section 2 of the previous draft bill would have extended this authority through FY 2027. As previously noted, in the Department's FY 2022 Budget request, VA proposed a permanent extension of authority for 38 U.S.C. § 2033, or failing that, a 5-year minimum extension. VA supports the 5-year extension of authority proposed by the previous bill, but VA prefers the 10-year extension in this draft bill.

VA estimates section 1(c) would have no cost.

H.R. XXXX Extension of Supportive Services for Very-Low Income Veteran Families Authority

The draft bill would amend 38 U.S.C. § 2044(e)(1) to include new subparagraphs (I) and (J) authorizing the appropriation of \$731 million in FY 2023 and \$775 million in FY 2024, respectively.

VA supports this draft bill. SSVF is a critical element of VA's strategic plan to end homelessness among Veterans. In FY 2021, it served more than 114,000 Veterans and family members. In 10 years of operation, SSVF has helped 80 percent of participating Veterans and their families transition to permanent housing. SSVF's success has contributed significantly to cutting by half the number of homeless Veterans since 2010, and SSVF annual reports continue to demonstrate the efficiency and effectiveness of this program. SSVF interventions keep families together and offer a critical resource in serving women Veterans, who are often the caretakers in single-parent families. In FY 2022, VA used ARP funds to provide additional resources to SSVF grantees. The proposed increase in SSVF's authorized appropriation, if matched by a comparable increase in appropriated funds, will allow VA to sustain this funding level for the program and continue reaching these Veterans.

VA estimates this draft bill would cost \$731 million in FY 2023, \$775 million in FY 2024, \$3.83 billion over 5 years and \$7.71 billion over 10 years.

H.R. XXXX Extension of VA's Assistance for Individuals Residing Temporarily in Housing Owned by a Family Member

The draft bill would amend 38 U.S.C. § 2102A(e) to extend, through FY 2027, VA's authority to provide adaptations to the residence of a family member of certain disabled Veterans.

VA supports this bill, subject to the availability of appropriations. The Department proposed in the FY 2023 Budget request to extend this authority through FY 2032. VA is in favor of the longer extension to FY2032 requested in the Budget.

Costs to the Readjustment Benefits account are estimated to be \$785,000 in FY 2023, \$4.0 million over 5 years and \$4.0 million over 10 years. No discretionary costs or savings are estimated to be associated with this draft bill.

H.R. XXXX Improving the VA Home Loan Benefit Act of 2022

The draft bill would require VA to clarify existing requirements in the home loan program's appraisal process and consider new opportunities for improvements.

VA shares the Committee's concerns about Veterans needing to compete in the homebuying market and is committed to making ongoing improvements to VA's appraisal procedures; as a result, VA would support the draft legislation, if amended.

VA has already begun reevaluating its processes to enable appraisers to leverage technology, including desktop appraisals, in the valuation process. As such, VA has no objection to reviewing and clarifying, within 90 days of enactment, VA's program requirements regarding desktop appraisal procedures. VA also supports evaluating other aspects of the appraisal program, including those outlined in section 2(b) of the bill. However, VA cannot support the bill's requirement to complete a more comprehensive review and prescribe updated regulations or program requirements within 90 days of enactment.

VA recognizes that the appraisal industry is overstrained in many areas and that improvements are essential to help Veterans use their benefits in highly competitive markets. VA also recognizes the dwindling number of qualified appraisers in certain areas of the country may make traditional appraisals impracticable (for example, in Fairbanks, Alaska, there are seven VA panel appraisers). During the COVID-19 national emergency, VA revised its procedures to expand use of innovative appraisal technologies. The multiple approaches allowed appraisers and Veterans to safely and timely complete the appraisal process and spurred VA to continue exploring how these tools might lead to long-term efficiencies in the appraisal process. In fact, VA expects to issue, within 90 days of this hearing, a new procedural waterfall for appraisal assignments that would incorporate use of innovative appraisal tools, including VA's Assisted Appraisal Processing Program and desktop appraisals.

VA is continuing to research and evaluate other measures that will make it easier for Veterans and other participants to complete loan transactions in VA's program. This

includes considering changes to certification requirements for appraisers, minimum property requirements, the process for selecting and reviewing comparable sales, quality control processes and the use of waivers or other alternatives to existing appraisal processes. VA supports a long-range review of VA's appraisal program as necessary to ensure the VA home loan guaranty remains a competitive earned benefit for the Nation's Veterans.

VA does not believe that VA's appraisal process causes its homebuyers such significant issues as to necessitate a 90-day revamping of its program. From an internal perspective, VA would not be able to develop a well-reasoned, evidence-based public policy in that timeframe. The effort would also drain the home loan guaranty program's resources from other mission-critical functions. From an external perspective, a massive overhaul of VA's program would be premature and could disrupt larger, industry-wide efforts that are already underway. For example, the Property Appraisal and Valuation Equity (PAVE) Task Force recently submitted to the President an Action Plan that would change the landscape of the valuation industry. As a member of the PAVE Task Force, VA will continue working with the collaborating Federal agencies to implement this Action Plan.

Like any organization that wants to provide world-class service, VA is always looking for ways to better serve Veterans. VA has already begun reevaluating and realizes there is more work to be done. VA is committed to the improvement process and welcomes an ongoing dialogue with the Committee about how to accomplish that. But VA cannot support a 90-day requirement to overhaul VA's longstanding, time-tested appraisal model, especially to address a volatile, unsustainable market abnormality. If a rulemaking is required, VA would expect for the public to have the advantage of a full 60-day comment period and would hope for responses from a wide range of stakeholders. VA would also expect the interagency clearance process to bring substantial input from other Federal programs. VA would need time to evaluate all comments and interagency input and perhaps even solicit additional public comment if

new issues were to surface from the initial round of comments. VA could support this approach.

VA does not anticipate any costs associated with this bill, if amended.

H.R. XXXX Providing for Eligibility for Educational Assistance under the Post-9/11 Educational Assistance Program of Certain Individuals Who Receive Sole Survivorship Discharges

This bill would amend 38 U.S.C. § 3311(b)(2) by providing eligibility for educational assistance under the Post-9/11 GI Bill to certain individuals who receive sole survivorship discharges as defined in 10 U.S.C. § 1174(i). Specifically, the draft bill would expand the category of covered individuals to include an individual who on or after September 11, 2001, has either completed at least 30 continuous days on active duty in the Armed Forces or has completed at least 30 continuous days of service on active duty as an officer pursuant to an agreement under 10 U.S.C. §§ 2107(b), 7448, 8459, or 9448, or 14 U.S.C. § 182 and at the completion of such service received a sole survivorship discharge. In addition, it would also increase the benefits payable to an otherwise eligible individual discharged due to sole survivorship not previously qualifying under the provisions of 38 U.S.C. § 3311(b)(1) or (b)(2).

VA supports the proposed bill, if amended, and subject to the availability of appropriations. Currently, under the Post-9/11 GI Bill, an individual whose last discharge or release from active duty is prior to January 1, 2013, is limited to a 15-year period from that discharge in which to use their entitlement to educational assistance, as specified in 38 U.S.C. § 3321(a)(1). As written, the draft bill would grant eligibility for sole survivorship discharges back to September 11, 2001, without extending the 15-year eligibility time-period for those with final discharges prior to January 1, 2013. Consequently, some individuals would have little or no time to use such entitlement. Therefore, VA recommends the bill be amended to clarify when an individual granted eligibility and entitlement to educational assistance under the proposed legislation could use such entitlement to pursue a course of education. VA is willing to work with the

Committee and provide technical assistance to ensure that the legislation meets its intended goal.

There are no discretionary costs associated with this proposal. Mandatory costs to the Readjustment Benefits Account would be insignificant. For information technology costs, the proposed legislation would require 12 months to implement at a cost of \$3.2 million.

Conclusion

This concludes my statement. We would be happy to answer any questions you or other Members of the Subcommittee may have.