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BEFORE THE HOUSE COMMITTEE ON VETERANS' AFFAIRS
ECONOMIC OPPORTUNITY SUBCOMMITTEE

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Good afternoon, Chairman Van Orden, Ranking Member Levin, and Members of the Subcommittee. I appreciate the opportunity to appear before you today to discuss several bills that would affect the Department of Veterans Affairs (VA) programs and services. Accompanying me today is Melissa Cohen, Deputy Executive Director, Outreach, Transition, and Economic Development and Monica Diaz, Executive Director, Homeless Program Office.

H.R. 491 Return Home to Housing Act

H.R. 491 would amend 38 U.S.C. § 2012(a)(2)(B) to clarify that VA can adjust per diem rates under the Homeless Grant and Per Diem (GPD) program as the Secretary considers appropriate, including in response to an emergency. It would also increase the maximum cap on per diem rates to 200 percent of the rate authorized for State homes for domiciliary care (an increase from the current limit of 115 percent for Veterans experiencing homelessness and 150 percent for a Veterans experiencing homelessness who are placed in housing that will become permanent).

VA supports this bill, if amended. Specifically, VA recommends amending 38 U.S.C. § 2016 to increase the authorization of appropriations for the GPD program from $257.7 million to $ 400million for FY 2024 and such sums as may be necessary in each subsequent fiscal year. This amendment would provide VA the clear authority to provide necessary resources to assist Veterans experiencing homelessness through the GPD program and would align with VA's FY 2024 legislative proposal.

VA estimates the bill, as amended, would cost a total of approximately $296.0 million in FY 2024, $304.0 million in FY 2025, $1.56 billion over 5 years, and $3.31 billion over 10 years. Compared to the authorized level of $257.7 million, this would be an increase of $38 million for FY 2024, approximately $272 million for the 5-year period from FY 2024 through FY 2028 and approximately $737 million for the 10-year period from FY 2024 through FY 2033.

The projected costs estimated here are lower than the projected costs estimated in VA's FY 2024 legislative proposal because adjustments are made to align with the new transitional housing grants scheduled to start on October 1, 2023, when VA will be awarding fewer beds compared to previous projections. The decrease reflects actual needs in communities as expressed by applicants. This information was not available before now. Additionally, VA anticipates a modest decrease in authorized beds over

time consistent with recent utilization trends. The costs projected here also have been updated to include the most recent State Home rate for domiciliary care, effective April 2023.

VA appreciates the goals of the legislation and is grateful for the attention that is being given to ensure that Veterans have access to the highest standard of transitional supportive housing and services. As written, VA expects to be able to fully implement this bill, as amended, immediately upon enactment.

H.R. XXX HOME Act of 2023

Section 2 of the draft HOME Act of 2023 would amend 38 U.S.C. § 2012 to clarify that VA can adjust per diem rates under the Homeless GPD program in certain situations; it would establish the maximum per diem rate for all Veterans experiencing homelessness at 140 percent; this would represent an increase from 115 percent for some Veterans experiencing homelessness, but a decrease from 150 percent for others. The HOME Act of 2023 also would allow VA to waive the maximum per diem rates and provide such payments at a rate that does not exceed 200 percent of the rate authorized for State homes for domiciliary care under 38 U.S.C. § 1741(a)(1)(A) if VA notified Congress and determined the grant recipient or eligible entity furnished services to Veterans experiencing homelessness in a rural or highly rural area, an area with a high rate of suicide among Veterans, or an area with a high rate of homelessness among Veterans. VA could not waive the maximum rate for more than 10 percent of all grant recipients and eligible entities in a fiscal year, and VA could not provide more than 10,500 payments under this section in a fiscal year.

Section 2 would also add a new subsection (f) to 38 U.S.C. § 2012 requiring VA to submit to Congress a report within 90 days of enactment and not less frequently than twice each year thereafter on the rate for per diem payments under this section for each Veterans Integrated Service Network (VISN). VA would have to report the average rate for such a payment, a list of locations where the rate for such a payment is within 10 percent of the maximum rate for such a payment, and the average length of stay by a participating Veteran.

VA does not support section 2 of the bill. The provisions of this bill are not aligned with current implementation structures and VA projects, and as such, they risk disrupting progress toward our shared goal of removing barriers to housing stability for the Nation's vulnerable Veterans. Moreover, placing this level of prescriptive detail in statute imposes unnecessary restrictions on VA's resources and limits VA's ability to adapt to changes in circumstances quickly and effectively.

To implement the level of detail included in section 2, VA would likely need to promulgate regulations, which could significantly delay VA's ability to implement this rate increase efficiently and fully if enacted by Congress. Community providers of transitional supportive housing and services, as well as the Veterans they serve, urgently need the increased support as quickly as possible. Additionally, reducing the

maximum rate of payments from what VA requested recently (200%) to what is proposed in the bill (140%) is insufficient to meet the needs of many grantees in communities that experience a high cost of care, grantees who provide decongregated housing, and grantees who have limited ability to secure alternate sources of funding to support their operations.

Because VA increasingly expects grantees to provide more and better staffing and services, the President's FY 2024 Budget request included a VA proposal to raise the maximum rate of per diem for the GPD program to 200%. Reducing the maximum rate of payments from 150% to 140% under clause (ii) for approximately 600 authorized transitional housing beds that become the Veteran's permanent housing could result in grantees withdrawing from the program due to insufficient funding. This housing model provides the most individualized accommodations (private apartments) for Veterans of any of the housing models offered by VA. Private facilities like these protect Veterans' safety, health and dignity better than congregate facilities. They are well-suited to serve distinct populations, such as women, families and those with minor dependents. Private accommodations are precisely what VA, Congress and communities have been requesting and supporting. In section 711 of the Jeff Miller and Richard Blumenthal Veterans Health Care and Benefits Improvement Act of 2016 (Public Law 114-315), Congress incentivized this housing model by establishing a higher reimbursement rate than for other transitional housing. By cutting this established rate, the bill would risk a further decrease in supportive housing resources needed for Veterans and communities.

VA does not support the limited waiver authority for rates this bill would establish. Specifically, the stated criteria (rurality, suicide rates and homelessness rates) do not necessarily relate directly to a particular community's need for transitional supportive housing or the cost of that housing. To the extent that they cause or are correlated with higher costs, the existing requirements for calculating a per diem rate already allow adjustments for the actual cost of care and for locality. VA recommends allowing for such criteria to influence its per diem rate decisions but not requiring that they be the only and necessary factors for waiver requests. Criteria such as performance results, cost-effectiveness and local demand continue to be foundational criteria when making decisions about limited resources. We note that grantees are not automatically eligible to request the maximum per diem rate—they are only eligible to request the actual cost of care up to the maximum rate.

Moreover, the criteria in the bill are not defined by readily available tools, are continuously fluctuating targets, and would not necessarily parallel with the geographic boundaries of a VISN, VA medical center catchment area or grantee service area. The natural occupancy and vacancy levels in transitional supportive housing projects ebb and flow from day to day and month to month during any given year as Veterans enter and discharge from the program. Some localities experience seasonal variations in bed demand. Establishing a limit in statute would not allow VA to be agile in responding to fluctuating community needs over time. Implementing these criteria would be unduly burdensome and detract from resources needed for veteran care.

Limiting per diem to 140% instead of 200% is not expected to result in proportional cost savings because a higher percentage of grantees are expected to request at or near the maximum per diem rate (to meet their costs needs). Comparatively, if the rate limit were set at 200% a lesser percentage of grantees are expected to be at the maximum rate. Historically, GPD grantees have not requested the maximum available per diem rate; they request the rate needed to support their actual costs of care. For example, at the beginning of this fiscal year when the maximum per diem rate was approximately $157, the average GPD rate was closer to $84, with rates ranging from $34.11 to $156.71. During this time more than 150 grantees had rates above $78.54, which is what the maximum per diem rate would be if per diem was limited to 140%. Experience shows that grantee funding needs are variable depending on a variety of factors. For some grantees, providing insufficient funding can negatively impact the scope of services, quality of care, or even their ability to continue operations. Therefore, a higher rate of 200% is cost-effective and necessary to ensuring that Veterans have options available nationwide when they find themselves in a housing crisis.

Other provisions of concern are only authorizing rate waivers to 10% of grant recipients per year and limiting VA to providing not more than 10,500 payments per fiscal year, as these limits could negatively impact resources for Veterans; the latter limit (not more than 10,500 payments) also is unclear, as we think this is intended to refer to 10,500 beds. Including a bed limit in statute is not necessary as the numbers of Veterans experiencing homelessness naturally limits the appropriate number of beds. VA adjusts bed capacity in an intentional and strategic way to support the demand. The flexibility to respond to an increased demand for bed capacity within the limits of funding availability is an essential authority to avoid the risk of Veterans being unhoused.

VA has announced funding opportunities for Per Diem Only (PDO) and Transition in Place (TIP) grants that will begin in FY 2024 and expects to award approximately 10,500 PDO beds and 600 TIP beds. These anticipated awards are expected to exceed the bed limits proposed in section 2. Regarding the limits on rate waivers, we are concerned these could create implementation barriers that would make operation of the program more difficult without achieving any clear or apparent goal. As written, grantees may require a waiver for a portion of a year, but if they do not require a waiver until later in the year, the 10 percent cap may have already been reached, leaving VA no flexibility and Veterans experiencing homelessness at risk. VA is also concerned about the requirement to notify Congress of the need for a waiver, as this would create undue delay in operating the programs and serving Veterans. It is unclear from the bill language if congressional approval is required prior to approving the waiver. Codifying this level of specificity regarding bed limits would hinder VA's ability to respond to community needs.

VA identified several technical issues with section 2 and appreciates the opportunity to further discuss how to best support this initiative with the Committee.

Section 3 of the draft HOME Act of 2023 would amend section 2 of the West Los Angeles Leasing Act of 2016, as amended, as it relates to VA's ability to enter into or renew any lease or land-sharing agreement at the West Los Angeles Campus. Specifically, if VA's Office of Inspector General (OIG) determined, as part of an audit report or evaluation, that VA was not in compliance with Federal laws relating to leases and land use at the Campus, or that significant mismanagement has occurred with respect to leases or land use at the Campus, VA could not enter into any new lease or land-sharing agreement, or renew any such lease or land sharing agreement, until VA submits to Congress notice in writing of whether VA concurred or not with each recommendation included in the audit report or evaluation and, in the case of a non-concurrence, the reason for such non-concurrence. Further, section 3 of the draft HOME Act would add a new subsection (n) to section 2 of the West Los Angeles Leasing Act of 2016 that would provide that notwithstanding 40 U.S.C. 1302, 38 U.S.C. 8122, or any other provision of law, consideration for a lease made pursuant to the West Los Angeles Leasing Act of 2016 may include consideration other than money.

VA supports this section 3 of this bill. Since enactment of the West Los Angeles Leasing Act of 2016 (West LA Leasing Act; Public Law 114-226), VA has made significant strides in the multi-year plan to redevelop the West LA Campus into a thriving community for homeless and at-risk Veterans and their families, consistent with VA's West Los Angeles Campus Master Plan. VA continues to work to restore the trust of Veterans and local stakeholders and ensure that all activities on the West LA Campus benefit Veterans. As a natural extension of that progress, VA believes the ability to make final determinations to renew or enter into new land use agreements and leases on the West LA Campus should be within the Secretary's authority.

VA and VA OIG have differed in their interpretation of several provisions of the West LA Leasing Act. As a result, there are currently five land use agreements that are at an impasse due to outstanding VA OIG recommendations with which VA cannot concur because we do not agree with the underlying legal analysis. Without a statutory amendment, these recommendations will remain open until the agreements expire. This section would grant VA the autonomy to interpret and implement its authorities and make land use decisions consistent with those authorities. While VA will continue to make those determinations in consultation with VA OIG and remain accountable to Congress, this section would allow VA a greater degree of control in the future development of the West LA Campus.

VA also supports the addition of the proposed subsection (n) that would explicitly permit in-kind consideration for land use agreements on the West LA Campus. While VA has not interpreted the West LA Leasing Act or other authorities as prohibiting the use of in-kind consideration for land use agreements on the West LA Campus, the VA OIG has. This amendment would clarify that in-kind contributions are permissible and help VA derive the greatest benefit for Veterans from all land use agreements on the West LA Campus.

This section does not directly impact VA homeless program operations, and is not urgently needed to support VA homeless services. This stands in stark contrast to some other sections in this package, which share broad support, and which are urgently needed if VA is to continue its progress in reducing Veteran homelessness. While VA supports this section, VA would support de-coupling this section from the other sections in this package to expedite progress on this bill.

Section 4(a) of the draft HOME Act of 2023 would authorize VA to use amounts appropriated or otherwise made available to VA to carry out 38 U.S.C. 2011, 2012, 2031, or 2061 to provide to covered Veterans: (1) assistance required for the safety and survival of the Veteran (such as food, shelter, clothing, blankets, and hygiene items); (2) transportation required to support the stability and health of the Veteran (such as transportation for appointments with service providers, the conduct of housing searches, and the obtainment of food and supplies); (3) communications equipment and services (such as tablets, smartphones, disposable phones, and related service plans) required to support the stability and health of the Veteran (such as through the maintenance of contact with service providers, prospective landlords, and family members); and (4) such other assistance as VA determines necessary. Covered Veterans would be defined in section 4(e) to mean Veterans experiencing homelessness and Veterans participating in the Department of Housing and Urban Development-VA Supportive Housing (HUD-VASH) Program under section 8(o)(19) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(19)).

VA supports section 4(a), if amended. This subsection is very similar to a VA FY 2024 legislative proposal #75 (Flexibility in the provision of assistance to Homeless Veterans). VA recommends, consistent with its legislative proposal, this authority be codified in title 38, for example in a new section 2069, to ensure that it is easily referenced and clearly identifiable for the public in the future. This proposal would continue the authority VA was able to use during the COVID-19 public health emergency to provide additional assistance and support to homeless Veterans experiencing homelessness and Veterans participating in HUD-VASH to great effect.

Section 4(b) of the draft HOME Act of 2023 would authorize VA to collaborate, to the extent practicable, with one or more organizations to manage the use of VA land for Veterans experiencing homelessness for living and sleeping. Collaboration that would be authorized by this provision could include the provision of food services and security, by either VA or the head of the organization concerned, for VA property, buildings, and other facilities.

VA supports section 4(b) of this bill. VA recommends codifying this authority in title 38. VA's FY 2024 legislative proposal proposed by sections 4(a) and (b) of the draft HOME Act of 2023 would be codified at 38 U.S.C. § 2069(a) and (b), respectively.

Section 4(c) of the draft HOME Act of 2023 would require VA, not later than one year from the date of enactment of this Act, to submit to Congress a report that includes a statement, disaggregated by each VA medical center (VAMC), of the amount of funds

under this section each VAMC requested and the amount provided to each VAMC, data (disaggregated by VAMC) relating to how each such VAMC used amounts provided by VA, the total amount of assistance VA provided to covered Veterans for ridesharing, the number of covered Veterans who received such assistance, and a description, for each rideshare used by a covered Veteran with such assistance, of the reasons such covered Veteran used such rideshare.

VA supports section 4(c) of this bill, with amendments. VA recommends changing the reporting requirements of this provision to include aggregated data only to avoid unnecessary administrative burdens.

Section 4(d) of the draft HOME Act of 2023 would provide that the authority under this section would terminate on September 30, 2024.

VA does not support section 4(d) of this bill. We do not believe a statutory time limit would provide stability and assurance to Veterans experiencing homelessness and Veterans participating in HUD-VASH. VA suggests a permanent authority instead, since this would provide assurances for Veterans and likely would result in lower per capita costs to the Department, as VA could negotiate contracts that could cover multiple years (provided appropriations are available for such purposes). Operating with a shorter statutory authority would prevent VA from such long-term arrangements and would likely result in higher costs. VA already has several years of experience exercising the authority that would be granted by section 4(a) and (b) and does not believe another short-term extension is necessary.

HR XXX Authorizing representatives of VSOs to promote membership in such organizations during TAP counseling.

The proposed legislation would amend title 10, United States Code, to authorize representatives of Veterans Service Organizations to promote membership in such organizations during pre-separation counseling under the Transition Assistance Program (TAP) of the Department of Defense (DoD), and for other purposes.

Section 2(a) would add an additional paragraph under 10 U.S.C. § 1142(b) for a presentation during TAP on promoting the benefits of joining a Veterans Service Organization (VSO). This presentation would be offered by a national representative of a VSO recognized under 38 U.S.C. § 5902 and will include information on assistance in filing claims for benefits under laws administered by the Secretaries of Defense and Veterans Affairs. Section 2(a) would prohibit the VSOs from encouraging a transitioning Service member to join a particular VSO and limits the presentation to no more than one hour in length. Section 2(b) would require the Secretary of Veterans Affairs, not less than once each year after enactment, to submit a report that identifies each VSO that presented under section 2(a); contains the number of transitioning Service members that attended the presentation; and presents any recommendations regarding changes to the presentation.

VA does not object to this bill but offers several amendments for consideration. The inclusion of VSOs in TAP recognizes the importance of providing access to information on community resources for a successful transition to civilian life. VSO partnership is critical in assisting transitioning Service members and Veterans in navigating VA benefits and services. Utilizing a trained VSO to advocate on a Veteran or Service member's behalf is vital to our success as a department.

VA strives to provide valuable information to transitioning Service members during the "one day of instruction regarding benefits under laws administered by the Secretary of Veterans Affairs" per P.L. 115–232, Section 552. Specifically, the one-day VA Benefits and Services course provides Service members and their families the skills, resources and tools needed to support emotional and physical health, career readiness, and economic stability in civilian life. In order to continue providing a standardized, measurable, and high-quality experience for all transitioning Service members participating in the VA Benefits and Services course, VA recommends the following amendments to this bill and welcomes the opportunity to provide further assistance to the Committee, if requested.

Recommended amendments:

- Sec. 2(a) "(20)" Line 8: Strike "joining" insert "utilizing/using"
- Sec. 2(a) "(20)(B)" Lines 11-12: Strike "shall be previously reviewed and approved by the Secretary of Veterans Affairs;" and insert "shall be reviewed by an appropriate program office for accuracy and approved through the Transition Assistance Interagency Working Group;"
- Sec. 2(a) "(20)(G)": Strike "length.''." and insert "length;"
- Sec. 2(a) "(20)" INSERT: "(H) Such presentations will be provided at no monetary cost to the Government;
- Sec. 2(a) "(20)" INSERT: "(I) is subject to Veteran Service Organization staffing, availability, and access to DOD installations; and"
- Sec. 2(a) "(20)" INSERT: "(J) will be scheduled for times and dates as determined by the Department of Veterans Affairs.".

VA recommends Department of Defense (DoD) review and respond on proposed legislation, as this changed Title 10 legislation and TAP is owned by DoD, and DoD is responsible for granting access to installations and bases.

General Operating Expenses (GOE) for this bill are estimated at $1.2 million for FY2024 (estimate includes salary, benefits, rent, travel, supplies, other services, and equipment), $3.5 million over 5-years and $3.5 million over 10-years.

H.R. XXX Making digital transcripts available to eligible persons at educational institutions

The proposed legislation would amend section 3675(b) of title 38, United States Code, by adding a new paragraph that would require educational institutions to make available to each eligible person or Veteran a copy of their official transcript in a digital format.

VA supports this bill, if amended. While the proposed legislation would make it easier for certain Veterans and eligible persons to obtain their transcripts, VA notes that the placement of this requirement, solely in 38 U.S.C. § 3675, means it will not be applicable to accredited public institutions of higher learning (IHLs), accredited private (not-for-profit) IHLs, or non-accredited programs because the approval requirements for these institutions and programs are located in 38 U.S.C. §§ 3672 and 3675. Therefore, many eligible beneficiaries would not benefit from this change. All GI Bill students enrolled in standard college degree programs should benefit from this change. "Transcripts" are only applicable to standard college degree programs. While having records of training, non-college degree programs (including certificate programs) do not produce documents considered "transcripts;" therefore, this provision is inapplicable to courses other than standard college degree programs. VA recommends the following amendments for consideration:

- Amend section 3672(b)(2)(A) by striking "3675(b)(1) and (b)(2)," and replace it with "3675(b)(1), (b)(2), and (b)(5)," and;
- Amend section 3676(c) by adding, at the end, a new paragraph (17) to read as follows: "In the case of a course that leads to a standard college degree, the course satisfies the requirements of section 3675(b)(5) of this title."

VA also notes that the proposed legislation would be effective the date of enactment. VA recommends Congress consider a transition period for schools to comply with the new requirement. VA welcomes the opportunity to work with the Committee to provide technical assistance to ensure the legislation meets its intended goal.

H.R. XXX Making certain improvements in the administration of the educational assistance programs

The proposed bill would amend title 38 of the United States Code, to make certain improvements in the administration of VA educational assistance programs, and for other purposes.

Section 2 of this bill would amend 38 U.S.C. § 3680(a)(3) by striking language that referenced the monthly housing stipend in 38 USC § 3313(c) and VA educational assistance under Chapters 30, 31, 32, 33, 34, or 35 of title 38 or under Chapter 1606 of title 10. This section would also add a new subparagraph (B) to 38 U.S.C. § 3680(a)(3) that would require VA to treat an eligible Veteran or eligible person as enrolled on more

than a half-time basis for purposes of providing the monthly housing stipend during a period that is the last semester, term, or academic period.

VA does not support section 2 of this bill. The monthly housing allowance (MHA) provided by the Post-9/11 GI Bill is a critical advancement in our Nation's commitment to providing Veterans with the necessary support to succeed in obtaining their educational goals after completing their honored service to our Nation. Congress recognized that full-time students need an MHA as a means of subsistence to alleviate a full-time student's stress – a student can concentrate on studying without having to worry about how they can afford to keep a roof over their head. VA has always been and remains committed to the importance of the MHA and is supportive of any initiatives from Congress to improve the MHA benefit.

Unfortunately, this bill may decrease the MHA for many Veterans during their final semester, quarter, or term. The monthly housing allowance under the Post-9/11 GI Bill is based on a student's actual rate of pursuit – the number of credit hours a student takes during the term divided by the number of credit hours needed to be considered full-time. Therefore, a student taking 9 credit hours as an undergraduate will have a rate of pursuit of 80% (9/12 = 0.75; VA rounds up to the nearest 10%). VA will pay the student 80% of the full-time MHA. This bill, however, would have VA replace 80% with "more than half-time." There is no payment rate for "more than half-time" and the bill's intent is unclear where the language directs VA to "treat the veteran or person as pursuing a program of education on more than a half-time basis." VA suggests clarifying language on how this instruction would translate into a percentage of the MHA and therefore a dollar amount. As written, it is unclear if the intent of proposed 38 U.S.C. § 3680(a)(3)(B) is to authorize students the minimum housing rate in their final term. If this is the intent, this section would be detrimental to all students with a rate of pursuit greater than 54% as this section would reduce their MHA payments down to 50% of the full-time MHA (VA rounds rate of pursuit to the nearest 10%; a student with a rate of pursuit "more than half-time" may be presumed to have a rate of pursuit of 51% which would then be rounded to 50%). The above example student would only be paid 60% of the MHA instead of the 80% they are currently entitled to receive.

Additionally, the provisions of this bill could create inequity between participants in the Chapter 31 program and participants in other VA education programs. The proposed bill allows for participants in Chapter 31 to be treated as attending the last term or semester as full-time students; however, it does not provide Chapter 31 the authority to pay a monthly subsistence allowance under 38 U.S.C. § 3108. VA would propose to remove Chapter 31 from the statutory authority as VA already has the authority to provide what is necessary for a Veteran to achieve a successful rehabilitation program.

Mandatory costs would be associated with section 2 of this bill, but VA is unable to estimate costs due to the ambiguity of the legislative text. This section states that VA, "shall treat the Veteran or person as pursuing a program of education on more than a

half-time basis." VA does not have a payment rate for "more than half-time." It is therefore unclear what rate of pursuit these individuals should be categorized as.

Section 3 would add a new 38 U.S.C. § 3699C, which would prohibit VA from implementing a rule that relates to any VA educational assistance program that is not subject to notice requirements under section 553(b)(A) of title 5, prior to the date that is 180 days from that date of notifying and providing justification to students, educational institutions, and the Committees on Veterans' Affairs of the Senate and House of Representatives on the rule making.

VA does not support section 3 of this bill. Our stakeholders, including students, educational institutions, and Members of Congress, are critical partners in the development of sound, practical policies that achieve our goals in the most efficient ways possible. VA is committed to transparency and active engagement and communication with our partners. We will continue to communicate when it comes to changes, including the development and implementation of new policies. This bill would decrease VA's ability to make changes efficiently to improve the administration of VA educational assistance programs as it would add unnecessary delays in VA's implementation of necessary rule changes and improvements that provide more immediate support to students in their educational pursuits.

No mandatory costs are associated with section 3. This would not change entitlement to benefits, and VA cannot predict what regulatory changes would be delayed by this change.

Section 4 would amend 38 U.S.C. § 3673A(d) to require the Secretary of Veterans Affairs, or a State-approving agency to provide not more than two business days of notice to an educational institution before conducting a targeted, risk-based survey of the institution.

VA supports section 4 of this bill.

There are no mandatory costs associated with section 4 of this bill. This would not change entitlement to benefits.

Section 5 would amend 38 U.S.C. § 3679(f)(1) to remove subparagraph (A), which requires the State-approving agency or the Secretary of Veterans Affairs, when acting in the role of State-approving agency to take certain adverse actions if an educational institution did not provide information about the costs to attend the institution, financial aid available and student debt upon graduation, rates of graduation and job placement, ability to transfer credits, and other relevant information that students may consider when selecting a course of education at an institution.

Section 5 would also make two technical corrections in subsection (e) of 38 U.S.C. § 3679 by removing "chapter 31 33" both places it appears and inserting "chapter 31, 33" and in 38 U.S.C. § 3679(f)(4)(A)(iii) by adding a period at the end.

VA does not support section 5 of this bill. This provision would remove valuable consumer protections for Veterans and their dependents. Per § 3676(f)(1)(A), schools are required to provide information (essentially data points) to students which allow them to be well-informed consumers on how to make the best choice on how to build their future. Importantly, the data points contained in subparagraph (A) are ones that can only be provided by the school (e.g., cost of the program, graduation rates, job placement rates for graduates, transfer policies). If the school does not provide this information, the Veteran student is unaware of potential drawbacks in selecting their choice of school until after it is too late. Though portions of this information may be available from other sources, VA does not support placing any burden and cost associated with gathering this information on the Veteran. It is far more efficient and less costly to require schools to gather and package that information and provide it directly to the Veteran as is currently required by subparagraph (A). Therefore, VA values retaining subparagraph (A) and does not support its removal as proposed in section 5 of this bill.

There are no mandatory costs are associated with section 5 of this bill. This would not change entitlement to benefits.

Section 6 would amend 38 U.S.C. § 3675(b) to authorize the State-approving agency, or the Secretary of Veterans Affairs when acting in the role of a State-approving agency the right to waive the requirement that an educational institution be approved and participate in a program under title IV of the Higher Education Act of 1965 for multiple years.

VA supports section 6 of this bill. However, VA does not anticipate any substantive change due to this amendment; the Secretary's current waiver authority is not limited to 1 year, and thus VA currently has the statutory authority to issue waivers for multiple years.

There are no mandatory costs associated with section 6 of this bill. VA already has statutory authority to issue multi-year waivers.

H.R. XXX The Native American Direct Loan Improvement Act of 2023

This proposed bill would amend title 38 of the United States Code to improve the program for direct housing loans made to Native American veterans and to authorize the Secretary to make loans to Native community development institutions to relend those funds to qualified Native American Veterans, and for other purposes.

Section 2(a) would amend 38 U.S.C. § 3762(a) and (b) by giving VA more flexibility when working with Tribal organizations that want to participate in the Native American Direct Loan (NADL) program. Where current law requires VA to enter into a Memorandum of Understanding (MOU) with the Tribal organization having jurisdiction over a Veteran before VA can make a NADL program loan, discretion the bill would

authorize the Secretary to make a NADL program loan under a variety of agreements, including an MOU, which would essentially make the MOU discretionary.

VA supports section 2(a) of this bill, subject to cost offsets and appropriations. The change would help VA overcome current statutory barriers to NADL program loans in Alaska, where a Regional Corporation or Village Corporation does not have legal jurisdiction over the Veteran. It would also decrease the amount of time and frustration Tribal organizations, Veterans, and VA personnel encounter during the MOU process, which can take months or sometimes even years due to the administrative burdens associated with MOUs.

Section 2(b) would amend section 3762(h) by giving Native American Veterans on trust land more opportunity to refinance their home loans. Current law restricts refinances under the NADL program, such that Native American Veterans on trust land are only allowed to refinance other NADL program loans.

VA supports section 2(b) of this bill, subject to cost offsets and appropriations. Section 2(b) would allow VA to offer a range of refinance options to Native American Veterans living on trust land, including certain cash-out and construction refinances of loans that were not originated by VA. The change would provide more parity with Veterans who benefit from a variety of refinances in the guaranteed loan program and would help Native Americans on trust land move from less advantageous loan products into NADL program loans that better fit their financial needs, often with a lower-than-market interest rate. (For example, the current interest rate for a NADL program loan is 2.5%, including refinances, compared to non-NADL interest rates, which are currently around 7%.)

Section 2(c) would amend section 3762(i) by improving VA's ability to help Native American Veterans on trust land qualify for NADL program loans.

VA supports section 2(c) of this bill. This provision would allow VA to draw from the expertise of Tribal organizations, Tribally designated housing entities, Native community development financial institutions, nonprofit organizations, and other local service providers to help Native American Veterans with financial counseling, homebuyer education, and post-purchase education. VA could also rely on the organizations for technical assistance and attend conferences sponsored by Native community development financial institutions and other Native American homeownership organizations to provide information and training.

Section 2(d) would add new section 3762(k) to ensure that VA assigns adequate personnel to the NADL program. The new subsection would specifically address the need for assigning construction and valuation specialists to assist with issues unique to new construction and renovations on trust land.

VA supports section 2(d) of this bill, subject to cost offsets and appropriations. VA estimates that the provision would require VA to assign at least six

new personnel to fulfill anticipated increases in workload and outreach associated with section 2 of this bill. Six of the new personnel would be to fulfill anticipated increases in workload and outreach associated with section 2 of this bill. The cost estimate for section 2 of this bill also incorporates three additional NADL personnel requested in the FY 2024 President's Budget needed to ensure adequate personnel are assigned to the NADL program.

Section 2(e) would amend section 3765 by adding new definitions and revising current definitions, for the purpose of carrying out the various provisions of the bill.

VA supports section 2(e) of this bill. The new definition of trust land would help eliminate some of the statutory restrictions that have prevented Native American Veterans in places like Alaska from obtaining NADL program loans.

Section 2(f) would make a conforming amendment to section 3729, the section that directs the Secretary to charge a statutory loan fee for VA home loans.

VA supports section 2(f) of this bill. This provision would be necessary to ensure the proper statutory loan fee is charged, based on the type of refinance the Native American Veteran would obtain under subsection (b) of this bill.

Section 2(g) would require VA to prescribe regulations to carry out the NADL program authority under subchapter 37, title 38 of the United States Code.

VA supports section 2(g) of this bill.

VA estimates section 2 would result in $0.2 million in benefits savings in the first year, $1.2 million over 5 years, and $2.3 over 10 years. VA also estimates $1.6 million in new administrative costs in the first year, $8.0 million over 5 years, and $17.2 million over 10 years.

Section 3(a) would create a new 38 U.S.C. § 3762A to authorize a new relending program and outline the program's purpose, standards, relending requirements, repayment terms, and oversight requirements.

Section 3762A(b) would require VA to establish standards to evaluate whether to make a loan to a Native community development financial institution. The standards would, at a minimum, include VA's determination that the Native community development financial institution (NCDFI) is able to originate loans that align with the purpose of the NADL program and will operate the relending program in a manner consistent with VA's mission. The provision would also limit the NCDFI's use of VA's loan funds to relending to Native American Veterans.

Section 3762A(c) and (e) would establish minimum requirements on the relending activities of the NCDFI and provide an oversight component. The requirements would ensure the NCDFIs' relending is consistent with the NADL program.

The requirements would also mandate that VA carry out VA's oversight responsibilities in a manner similar to its oversight of lenders in the guaranteed loan program. VA agrees that participant oversight is a necessary function of any Government agency entrusted with the administering government funds and that the responsibility is even more heightened when carrying out the mission of serving Veterans, their families, and their caregivers. Nevertheless, VA views NCDFIs as valued potential lending partners and looks forward to solidifying strong relationships with NCDFIs if the relending program is enacted.

Section 3762A(d) would require that the NCDFI repay the loan upon such terms and conditions as the Secretary prescribes in regulations. The provision would also set the interest rate on VA loans to NCDFIs at 1 percent.

VA supports section 3(a) of this bill, subject to cost offsets and appropriations. VA appreciates the proposed language of new section 3762A(b), which aims to balance expanded access to NADL program funds with appropriate protections. VA also welcomes the minimum requirements and oversight components in proposed sections 3762A(c) and (e). These requirements would ensure the NCDFIs' relending is consistent with the NADL program. The requirements would also mandate that VA carry out VA's oversight responsibilities in a manner similar to its oversight of lenders in the guaranteed loan program. VA agrees that participant oversight is a necessary function of any Government agency entrusted with the administering government funds and that the responsibility is even more heightened when carrying out the mission of serving Veterans, their families, and their caregivers. Nevertheless, VA views NCDFIs as valued potential lending partners and looks forward to solidifying strong relationships with NCDFIs if the relending program is enacted. As for proposed section 3762A(d), As for proposed section 3762(d), VA believes that a dynamic interest rate could help mitigate costs of the new relending program, especially if the cost to the Government of borrowing funds increases, VA does not object to the 1% cap.

Section 3(b) of the bill would direct that a clerical amendment be made to the table at the beginning of chapter 37, title 38 of the United States Code.

VA supports section 3(b) of this bill. The change would be necessary to insert the reference to the new section 3762A.

Section 3(b) would amend 38 U.S.C. § 3763 to authorize the use of the Native American Veteran Housing Loan Program Account to carry out the relending program. In FY 2024, VA would be authorized to use not more than $5,000,000 for relending to NCDFIs, and in any year after FY 2024, an amount determined necessary by the Secretary to meet loan demand.

VA supports section 3(c) of this bill subject to cost offsets and appropriations. Section 3(c) would authorize the funding to help carry out the program. VA estimates that section 3 of the bill would result in $4.2 million in benefits costs in the first year, $20.2 million over 5 years, and $41.9 million over 10 years. VA also estimates

$.9 million in new administrative costs in the first year, $4.6 million over 5 years, and $9.8 million over 10 years.

H.R. XXX Establishing Certain Employment and Reemployment Rights for Spouses of Members of the Uniformed Services

This proposed bill would amend certain sections of title 38 of the United States Code to establish certain employment and reemployment rights for spouses of members of the uniformed services. *VA defers to the Department of Defense and the Department of Labor regarding this bill.*

H.R. XXX Improvements to Reemployment Rights of Members of the Armed Forces

This proposed bill would amend certain sections of title 38 of the United States Code to improve the reemployment rights of members of the Armed Forces, and for other purposes. *VA defers to the Department of Defense and the Department of Labor regarding this bill.*

Conclusion

This concludes my statement. We appreciate the committee's continued support of programs that serve the Nation's Veterans and look forward to working together to further enhance delivery of benefits and services.