LEGISLATIVE HEARING ON H.R. 1750, H.R. 1824, H.R. 1598, H.R. 1315, H.R. 1240, H.R. 675, H.R. 513, H.R. 2259, H.R. 2475, H.R. 1632, H.R. 112, H.R. 2579, AND H.R. 1370

HEARING

BEFORE THE

SUBCOMMITTEE ON ECONOMIC OPPORTUNITY

OF THE

COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED TENTH CONGRESS

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THURSDAY, JUNE 21, 2007

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY,
Washington, DC.

The Subcommittee met, pursuant to notice, at 2:00 p.m., in Room 334, Cannon House Office Building, Hon. Stephanie Herseth Sandlin [Chairwoman of the Subcommittee] presiding.

Present: Representatives Herseth Sandlin, Boozman, and Moran.

Also Present: Representatives Brown-Waite, Walz.

OPENING STATEMENT OF CHAIRWOMAN HERSETH SANDLIN

Ms. HERSETH SANDLIN. Good afternoon, ladies and gentlemen. The Committee on Veterans' Affairs, Subcommittee on Economic Opportunity, Hearing on Pending Legislation will come to order.

For purposes of trying to get through with, and hearing from our first panel of witnesses before votes may be called, I know Mr. Wynn is on his way as is our Ranking Member, Mr. Boozman, but I would like to get started.

Before I begin with my opening statement, I want to call attention to the fact that Representative Tim Walz, Representative Jo Ann Davis, and Ms. Leslye Arsht, Deputy Under Secretary of Defense for Military Community and Family Policy for the Department of Defense have asked to submit written statements for the record. If there is no objection, I ask unanimous consent that their statements be entered for the record. Hearing no objection, so entered.

[The prepared statement of Congressman Tim Walz and the written statements of Congresswoman Jo Ann Davis, and Ms. Leslye Arsht appear on pages 49, 90 and 86.]

As some of you may recall, this Subcommittee has held numerous hearings in the prior Congress as well as this one regarding adaptive housing, education assistance, and ensuring that our returning servicemembers and their families have a smooth and effective transition to civilian life.

With an increasing number of disabled veterans returning home from Iraq and Afghanistan, there is an urgent need to review these important pieces of legislation. Today we have 13 bills before us that seek to do a number of things. They seek to protect our Nation's veterans from financial burdens incurred while serving one's

country; expand education programs while meeting the current needs of our economy; provide transition assistance to members of the National Guard and Reserve; strengthen re-employment rights for returning veterans; ensure the vitality of programs that assistant veterans in making the best use of Montgomery GI Bill Education Benefits; and establish an office to promote programs to assist our injured veterans to heal from the wounds they have sustained while in the U.S. Armed Forces.

In addition, I have introduced legislation that will be discussed here today that seeks to address some of the special housing needs of our returning brave men and women in uniform. The first bill is H.R. 1315, which would provide specially adaptive housing assistance to disabled servicemembers residing temporarily in housing owned by a family member. Under current law a temporary grant may be available to veterans who are or will be temporarily residing in a home by a family member, but the assistance provided by this bill allowable up to $14,000 may be used to adapt the family member's home to meet the veteran's special needs at that time.

The second bill, H.R. 675 would increase the amount of assistant available to disabled veterans for specially adaptive housing grants from the current $50,000 to $60,000. I believe these two bills will be critical components in assisting our disabled veterans and servicemembers and expand the resources available to give them a level of independent living they may not otherwise attain.

I look forward to working with the Ranking Member, as well as all members of the Subcommittee to continue to improve the quality of care and services available to our veterans.

As soon as Mr. Boozman arrives, I will want to acknowledge him for an opening statement. So if Mr. Moran would indulge us to move directly to the first panel.

[The prepared statement of Chairwoman Herseth Sandlin appears on p. 48.]

Mr. MORAN. Madam Chairman, to expedite matters I am happy to forgo an opening statement. I look forward to hearing the comments from our colleagues.

Ms. HERSETH SANDLIN. Very good. Joining us on our first panel is the Honorable Albert Wynn; the Honorable Steve Israel; the Honorable Sheila Jackson-Lee; and the Honorable Robert Brady.

All of your written statements will be entered into the record. Mr. Wynn, if you are ready you may start, otherwise I will have Mr. Brady go. You are more than welcome to start out and you are recognized for five minutes.

STATEMENTS OF HON. ALBERT RUSSELL WYNN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MARYLAND; HON. ROBERT A. BRADY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF PENNSYLVANIA; HON. STEVE ISRAEL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK; AND HON. SHEILA JACKSON-LEE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

STATEMENT OF HON. ALBERT RUSSELL WYNN

Mr. WYNN. Thank you very much, Madam Chairwoman. I am also in a markup so with your indulgence I would appreciate it.

Mr. MORAN. Go ahead.

Ms. HERSETH SANDLIN. Very good.

Mr. WYNN. Chairwoman Herseth Sandlin, Ranking Member Boozman, and members of the Subcommittee, thank you for the opportunity to testify today on H.R. 1750 the bill I have offered to extend the protections offered under the Servicemembers Civil Relief Act.

H.R. 1750 would extend the protections to a mortgage property owned by a servicemember or a qualified Reserve or Guard member to one year from the current law which provides for a 90—protection for 90 days.

The bill attempts to address the very real economic and life hardships that active-duty servicemembers and women and their families frequently face and acts to protect the families most treasured and needed possession, their home. The bill is consistent with the requirements and limitations of the Servicemembers Civil Relief Act, originally passed in 1940 and amended in the 108th Congress. The Servicemembers Civil Relief Act is an important safeguard for our Nation's veterans and active-duty servicemembers.

The bill would extend the protections granted to active-duty servicemen and their immediate families by increasing the period in which they are protected against mortgage foreclosure. It gives servicemembers, Guard, and Reserve members returning from active duty time to re-adjust to civilian life while protecting their most valued asset and rebuilding a normal life with their family.

Many combat injuries occurred as a result of active duty both physical and mental can seriously obstruct servicemen and servicewomen from finding and holding down a job. Upon their return due to the operational tempo and intense levels of combat that our troops face in this conflict, more and more returning servicemembers are evidencing signs of serious combat stress and related mental health conditions. Repeated and lengthened employments dramatically affecting the troops—dramatically affect the troops and their families.

A recent study found that those who have served multiple tours are 50 percent more likely to suffer from acute combat stress. The Defense Department Task Force on Mental Health reported in early June that almost 40 percent of the troops have experienced some type of psychological problem. When they come home, these veterans are unable to fully mesh back into normal life. They may lose their job, their home, they may end up on the street, unfortunately.

I received considerable anecdotal evidence of the family distribution that occurs and that is why we believe this bill is very important. There are also economic challenges that the returning members face. And the bottom line is that this bill would allow basically a year to reconnect with your family, re-establish your financial situation, and proceed on with your life while protecting you from the loss of your home due to mortgage foreclosure.

Now this is not a absolute protection. As exist under current law, it is only a protection that says that you are entitled to a court hearing which would allow you to present evidence that your nonpayment of your mortgage is materially affected by conditions relating to your active-duty service.

I think this protection is a practical approach to solving the problem. It also really gives life to the rhetoric that we often espouse of our honoring our veterans by assuring them a reasonable period of time to readjust and protect their home from mortgage foreclosure.

I really thank you for this opportunity and be happy to respond to any questions you might have.

[The prepared statement of Congressman Wynn appears on p. 49.]

Ms. HERSETH SANDLIN. Mr. Wynn, thank you very much. Mr. Brady, we look forward to your testimony. Thank you for being such an early and consistent leader on the issue of credit protection for our servicemembers. You are now recognized for five minutes.

STATEMENT OF HON. ROBERT A. BRADY

Mr. BRADY. Thank you, Madam Chairwoman. I would like to thank you, thank the Committee also for having me testify here. I would like to discuss H.R. 513, the "National Hero's Credit Protection Act."

No military personnel should ever suffer financial hardship for answering the call. This bill will require that credit reporting agencies add a simple note to the credit files of deployed active-duty servicemembers and activated Reservist and National Guard personnel indicating that late and slow payments to existing accounts occurred during the deployment or mobilization.

This bill will make it easier for our troops to protect their credit by requiring them to report their deployment to just one agency instead of to every creditor. But it will not allow anyone to run up new debt or to get out of any debt they already owe. It will not cost the Federal Government anything to implement. There will be no new forms or actions for the Defense Department to use. Troops will be advised of their rights under the servicemembers readiness process that they already go through and it will not impact creditors because their debt will still be paid.

I believe that this a simple cost-effective way to protect our troops during this, the longest deployment in America history.

Real quickly, Madam Chairwoman, I was approached by a sheriff in the city of Philadelphia that was deployed in the first deployment to Iraq. And it was a woman. She was there for 18 months. And she asked me to intervene and help her to straighten out her credit that was ruined by her 18 months that she was over in Iraq.

She said to me she saw many armored tanks, many armored vehicles, military planes, a lot of military equipment, but she didn't see a mail truck. And because of that she could not get her bill for 18 months. She was a single woman and lived at home and mail wasn't being forwarded to her over in Iraq.

When she came back she asked me if I would intervene to try to help her get her credit straightened out, and after being hung up about four or five times with major credit agencies, I was able to get a little bit of help for her, but not the necessary help that now she has credit problems, that her interest is a little high. I am still trying to help her as we speak, six, seven—five, six years from now. I think this bill would help our men and women that are out there protecting myself, yourself, and all of us every single day.

And it is wrong to have their credit ruined while they are protecting the United States of America.

Thank you.

[The prepared statement of Congressman Brady appears on p. 51.]

Ms. HERSETH SANDLIN. Thank you, Mr. Brady. We will look forward to posing a few questions for you.

Mr. BRADY. Sure.

Ms. HERSETH SANDLIN. Mr. Israel, you are now recognized for five minutes. Thank you, for your efforts in this same area.

STATEMENT OF HON. STEVE ISRAEL

Mr. ISRAEL. Thank you very much, Madam Chairwoman and thank you to Mr. Moran and the entire Committee. I am grateful for the opportunity to testify in support of H.R. 1598, which is a bipartisan bill introduced by Mr. Jeff Davis, a gentleman from Kentucky who serves on the Armed Services Committee and myself.

I want to thank Mr. Brady for starting the debate and being the first to respond to the critical issue of servicemembers who are taking bullets and being harassed in the military theater and then have to come back and fight a bureaucracy to try and restore their credit at home.

My legislation is essentially a compliment or supplement to Mr. Brady's and we have had a dialogue on how we can continue to work together. My legislation closes the gap between the protections that the Servicemembers Civil Relief Act provides to people in military theater and the awareness that most servicemembers and many creditors don't have with respect to those protections.

For example, I have a constituent named Carl Botkin who left Long Island to serve as a Naval Reserve Officer in Kuwait from July 2005 to April 2006. Almost as soon as he left, his phone began ringing off the hook at home where his wife was constantly harassed by creditors. She called her auto company because somebody had told her that they weren't allowed to charge her the interest rate that they were charging her and asked whether there was any relief that she could get. And was told over the phone that there is no such law in place that offers that relief and, "If you don't pay we will come and get your car."

She called her credit card company because her credit card debt was growing. And the company continued to charge her with fees and interest and all sorts of penalties in contradiction to the Servicemembers Civil Relief Act. When they called our office, we were able to get many of those fees and penalties waived, but the fact of the matter is that this poor women went through extraordinary distress. And she is not alone.

The New York Times, on March 28, 2005, published a front page story reporting that companies and servicemembers are often unaware of those protections. With a headline, "Creditors Press Troops Despite Relief Act," and I would submit that for the record, Madam Chairwomen.

[The New York Times article appears after Mr. Israel's statement on p. 53.]

Ms. HERSETH SANDLIN. So entered.

Mr. ISRAEL. The article talked about Sergeant John Savage who got a call from his wife on his way to Iraq and was told, "They are foreclosing on our house." At Fort Hood, Texas, a soldier's wife was sued by a creditor trying to collect a debt owed by her husband who was in Baghdad even though default judgments are not permitted against deployed soldiers. Camp Pendleton, California, "A dozen Marines return home from Iraq to find that their cars and possessions were improperly sold while they were in Iraq to cover unpaid storage and towing fees." And in Ordan, Ohio, a young Army couple was served with foreclosure papers.

The problem is that ignorance has been used as an excuse for the law on the Servicemembers Civil Relief Act. Many times deployed personnel are kissing their families goodbye, they are packing up their stuff, they are responding to their orders. They don't have the time to alert their creditors and tell them that they are leaving.

Many of these creditors have said publicly, "We didn't even know this law existed. Of course we wouldn't have harassed and intimidated the families of our servicemembers if we knew this law was the law. We didn't know." And so what my law does basically is this: It was designed in consultation with folks who are active in the consumer credit industry. They consulted with us in designing this bill so that is logistically feasible.

It requires the Department of Defense when adjusting a servicemembers paycheck to receive combat pay, hostile duty pay, to automatically alert the three major credit bureaus that this person is now in a combat environment. That adjustment has to be made anyway on the payroll system. So it now automatically alerts the credit bureaus rather than making it the onus of the deployed personnel to alert the credit bureaus.

The credit bureaus receive that information, they flag that servicemember's file. When somebody tries to call that—contact that credit bureau and report adverse information, that company would be told immediately this person is under the protection of the Servicemembers Civil Relief Act. It doesn't entitle them to not pay their debts, to not pay their loans. It affirmatively indicates to a creditor who may be trying to repossess a car that you can't repossess the car; who may be trying to score against that creditor—that borrower that you can't do it.

It affirmatively says that this person is under the legal protection of Federal law and you have certain obligations and you have certain restrictions. So that nobody could say, "Gee, we didn't know there was such a law." And so that the person who is being deployed doesn't have to be the one to, as they are saying goodbye to their families, and packing up their belongings, and reading their orders, write to every single creditor, terminate their leases, have the obligation of informing their creditors what the law is.

It gets them off the hook. Not to pay their debts, they still have to do those things, but it puts the onus on the Department of Defense in order to make that alert in the credit bureaus and provides those additional protections.

I thank the Chairwoman of the Subcommittee and very much appreciate your consideration of this bill.

[The prepared statement of Congressman Israel appears on p. 51.]

Ms. HERSETH SANDLIN. Thank you, Mr. Israel. We have been joined by the Ranking Member Mr. Boozman. He has indicated he will temporarily waive his opening statement and questions until after we have heard from our final witness.

Ms. Jackson Lee, thank you for being here, you are recognized for five minutes.

STATEMENT OF HON. SHEILA JACKSON-LEE

Ms. JACKSON-LEE. Madam Chairwoman, let me thank you very much. To the Ranking Member, let me thank him for his courtesies. And thank the full Committee and the Subcommittee for the forward thinking leadership of this very important commitment to our veterans in this new Congress, in the 110th Congress.

I want to particularly applaud the work of the Subcommittee on Economic Opportunity, because it is charged with legislative oversight and investigative jurisdiction over education of veterans, employment, training of veterans, vocational rehabilitation, veterans housing programs, and readjustment of servicemembers to civilian life.

I believe there could be no more important aspect than the training and rehabilitation of our veterans. It is the ultimate commitment that after they have been willing to give the ultimate sacrifice, and many of them have come back with any number of injuries no matter what wars they participated in, that we say to them, "You count and you care." And I want, again, to applaud this particular Committee and Subcommittee for that kind of attitude.

My legislation, the Vision Impairment Specialist Training Act or VISTA Act of 2007, H.R. 1240, is to make good on that commitment of training, vocational rehabilitation, and the real answer to a question, "Do I still care?"

I am very proud that this legislation is supported by the Chairman of the Veterans' Affairs Committee. He is one of the original cosponsors, as well as Mr. Michaud, who is the Chair of this Committee's Subcommittee on Health; and the co-Chairs of the Congressional Vision Caucus, my colleague Gene Green of Texas, Ms. Ros-Lehtinen of Florida. It is a bipartisan legislative initiative. And we are very happy to note that a companion bill has been filed today by Senator Hagel and Senator Obama. And so it will be submitted to the Veterans' Affairs Committee there.

We know that, and if I might just lay the ground work for the—for what we are literally facing as it relates to visually impaired veterans. There are 160,000 legally blind veterans in the United States, but only 35,000 are currently enrolled in Veterans Health Administration (VHA) Services. In addition, it is estimated that there are one million low vision veterans in the United States. And incidences of blindness among the total veteran population of 26 million are expected to increase by about 40 percent over the next few years.

I need not frame for you that we know that there are 25,000 injured soldiers coming back from Iraq and Afghanistan and the numbers are mounting. Because the injuries are focused on IEDs, brain injuries or head injuries rather, we know that much of that is impacted, if you will, or does impact sight.

And so my legislation says that we are concerned. And I might add that Tom Zampieri is in the room, the Blind Veterans Association is a strong supporter of this legislation. But what does my the legislation do? And I think it goes to the heart of the matter. How do we help them? We need more trained individuals who know how to work with the visually impaired. We want them back on their feet. And my legislation does just that. It helps to remedy the situation by directing the Secretary of Veterans Affairs to establish a scholarship program for students seeking a degree or certificate in blind rehabilitation, vision impairment, and or orientation and mobility.

The availability of these scholarships will provide an incentive to students considering entry into the field. Additionally, in exchange for the scholarship award, students are required to work for three years in a healthcare facility of the Department of Veterans Affairs (VA) to assure that our veterans are well cared for. Such a facility is in Houston; such facilities are in many of our Congressional districts; more really should be provided for.

And so this legislation clearly says to the veteran, "If you are visually impaired, you still have a future. You still have the ability to work. You still need to have mobility. And we are going to help you." In detail, this legislation will provide financial assistance to students enrolled in a program to study or study leading to a degree or certificate in visual impairment. It also again requires these individuals to be at the sites or to go back and give back to those who are in need.

I do want to add a point about scholarships, because everyone says scholarships how does it work? The scholarship is from the Federal Government. And this debt will be owed to the United States thus a discharge and bankruptcy does not discharge a person from a debt under this legislation. If the discharge order is entered in less than five years after the date of termination of the agreement or the contract.

Let me just simply say that I have seen these veterans. Many of us have been to Walter Reed; many of us have been to our veteran's hospital. And we see the kind of catastrophic injuries and we are grateful for the science of today that allows these young people to live. And I think the value of this legislation by creating more of these medical professionals, is that more and more of these injuries are in younger and younger Americans. Young people who have gone to war, 18, 19, 20, 21 who have their lives before them. This legislation will multiply the number of impaired specialist. So we will give these individuals a new lease on life, if you will, and give them the opportunity to be able to serve their country again in the capacity that they desire to do so.

I ask my colleagues to give this due considerations before this Committee. And I thank the gentle lady and the Ranking Member for their time and this Committee. Thank you very much.

[The prepared statement of Congresswoman Jackson-Lee appears on p. 55.]

Ms. HERSETH SANDLIN. Thank you very much. Thank you to all of you for making time to be here in what we all have our busy schedules. I do hope that you will have time to stay for some ques-

tions. I want to recognize the Ranking Member, Mr. Boozman for any opening statement or questions he may have of our colleagues.

Mr. BOOZMAN. In the interest of time the, and I know you all have got a myriad of things to do. I really don't have any questions, Madam Chairwoman. And we will go ahead and defer to the rest of the panel.

Ms. HERSETH SANDLIN. We have also been joined by Mr. Walz and Mr. Moran. Since the Ranking Member forwent some questions, I am going to recognize Mr. Moran, because he was here at the beginning of the hearing. Mr. Moran.

Mr. MORAN. Madam Chair, thank you very much. I thank you and the Ranking Member for making it possible for us to hear from our colleagues. I don't have any questions of the folks who have testified. I just would commend them for their bringing us creative ideas and approaches as we try to figure out how do we best meet the needs of our veterans, both from the perspective of making certain that we are able to recruit and retain servicemen and women and that our commitments are met to those who do serve.

So I appreciate the interest and intensity with which you look at issues affecting veterans and I look forward to working with you to see that many of your ideas are accomplished in this Congress. I thank the Chair.

Ms. HERSETH SANDLIN. Thank you, Mr. Moran. Mr. Walz?

Mr. WALZ. Well, first of all, thank you Madam Chair for extending me the courtesy of being here today and to the Ranking Member, Mr. Boozman, I thank you.

I don't have any specific questions, but I too would like to echo Mr. Moran's thoughts. I thank you for the passion you bring to these issues and I know as a 24-year veteran of the National Guard and someone who is deployed in these current missions, especially Mr. Israel the issue you bring up, is far more prevalent than anyone who hasn't gone through it knows. And I appreciate your thoughtfulness in that in realizing what a burden that is on the family. And it is easy to set in this setting and for people to say, "Well maybe they just make a couple phone calls you it will be taken care of." It is not quite so simple.

So I truly appreciate your passion. I appreciate the Chairwoman for having you here and bringing these thoughtful suggestions to us and things that I hope would love to see each one enacted. So thank you.

Ms. HERSETH SANDLIN. Thank you, Mr. Walz, and for the valuable perspective you bring having served recently and your years of service in the National Guard. Mr. Boozman?

Mr. BOOZMAN. Mr. Israel, one thing that does come up is, and again I am very supportive of what you are trying to get done, do you have any concern at all that in doing this that it might make it more difficult for those that are serving to actually get credit at a good rate as we start to do some of these things?

Mr. ISRAEL. Thank you, Mr. Boozman. In formulating this legislation we consulted intensely with the consumer credit industry. And in fact they indicated that that would be no problem whatsoever. In fact, they felt that it would—on the other side of the equation, it would strengthen those members credit and protect them

from getting higher interest rates as a result of lower scores that were lowered without their knowledge.

Ms. HERSETH SANDLIN. Mr. Brady, the notation requirement in your bill, do you think that the notation of slow payment due to service should be made for all personnel on active duty, or should it be restricted for those active-duty servicemembers or activated Reservist who are in a combat zone?

Mr. BRADY. My bill states that those that are receiving combat pay. Mobilized, they are in or deployed in the combat zone.

Ms. HERSETH SANDLIN. Can you elaborate on how you think the notation can be of assistance? Does your bill also specify or would you be open to the issue of once there is a notation made for purposes of the servicemember, should there be problems upon his or her return, should there be a preservation of the pre-activation credit score or does the notation actually get transmitted to any entity that is requesting it?

Mr. BRADY. The notation would get put in by the three major credit agencies. And they would be all you have to do is notify one and they will put a little notation in their credit that they were deployed at this certain time and they should not be penalized in any way, shape, or form. Nor should their credit be altered in any way until they are on through their deployment and then they go back and have to pay their bill.

But it freezes that timeframe when they are in combat, that they can't have their credit hurt. And I would be open to any kind of suggestion anybody would make to make this a better and stronger bill for our men and women in harms way.

Ms. HERSETH SANDLIN. Thank you. I just wanted to clarify that once the notation is made, what is the practical effect of that? If it freezes the current credit rating and their score, then we want to make sure that is specified.

Mr. BRADY. Yes. It is incumbent upon the three major credit agencies. When they receive a notation, any one of them have to share with the other two and that notation will be notified any time there is a credit problem or credit inquiry for this person at the time only when they were deployed.

Ms. HERSETH SANDLIN. Mr. Israel, I appreciate the consultation you have described with the credit industry and how this would work. I certainly agree that the duty should be on the U.S. Department of Defense (DoD). We all know individuals who have been activated and they have a lot of things on their mind as they prepare for their deployments. To leave a lot of the financial issues either to a spouse or to parents causes a lot of difficulty and the duty should be on the DoD.

As we know, we have had problems particularly for the selected Reserve as it relates, at least in some early deployments, for TRICARE and the TRICARE coverage for those selected Reserve and their families. Can you elaborate on how we are going to ensure that the DoD is going to effectively and efficiently notify the bureaus and keep track of this within the system? I know you are on the Armed Services Committee, so perhaps there has been some oversight done already to ensure that the problems in TRICARE have been alleviated.

Mr. ISRAEL. Well I, Madam Chairwoman, I used to be on the Armed Services Committee and now I am on the Appropriations Committee. My heart is still with the Armed Services Committee, my wallet is with the Appropriations Committee, however.

I will say that although this is a bipartisan bill cosponsored by Mr. Davis, a Republican member of the Armed Services Committee, I cannot tell you that it is by river, meaning I can't tell you that is the support or the opposition of the Pentagon. So I want to state that for the record.

What we tried to do was find a logistically feasible and practical way for the Pentagon to alert credit bureaus to the change in status, rather than forcing the burden on the servicemember himself or herself. And the simplest way to do it is to take advantage of the fact that when you are deployed into a combat environment, you actually receive a change in your pay check. You receive combat pay, which means that somebody in the Pentagon has to go into the computer program and adjust your record so that you can get that additional pay.

And the idea was, while they are doing that they would just press another send button or another key that would alert the credit bureaus to the fact that this person is now in a combat environment and is under the protection of the Servicemembers Civil Relief Act.

So essentially, it becomes a clerical responsibility by the Department of Defense, which is already engaged in the clerical responsibility of adjusting that person's pay. And then, when the person is deployed out of a combat environment, what happens is that the Pentagon readjusts the pay to the base amount without combat pay and would then notify the credit bureaus that this person is no longer in combat.

And so essentially we just add this one step to the Pentagon which is far better than adding 12 different steps as Mr. Brady says to the servicemember.

Ms. HERSETH SANDLIN. Yes, Mr. Brady.

Mr. BRADY. Not to get into an argument with my dear friend, he only has one step. He only has to call one credit agency. He doesn't have to call all the others. And it's incumbent upon him, because it is his responsibility because it is his credit that is being hurt, rather than having to go to the Defense Department and rely on them pushing the button. I am going to push that button. I don't know whether somebody in the bureaucracy is going to push it, because it affects me.

And what they do when the get orders, their orders say they are deployed for 18 months, 22 months, 12 months. They have to go to other agencies to get their rights. All they got to do is go to one other credit agency, give them a copy of their orders, 18 months they know that their credit will be on hold for 18 months. They do it themselves. No other jurisdiction has to get involved other than yourself.

Ms. HERSETH SANDLIN. I appreciate that. Have either of you heard from any of the veterans service organizations with regard to specific support or specific concerns about either of your bills?

Mr. BRADY. Just applauding us for doing it. Applauding us for doing it.

Mr. ISRAEL. I would echo that. And I just want to state I don't think there is a difference between Mr. Brady and I on this at all. It is kind of a one, two punch. There is under Mr. Brady's bill the servicemember makes one call to a credit bureau, which I support. Under my bill, there would be this additional requirement by the Department of Defense to alert the credit bureaus as well.

And I know that we are have been talking together about combining our efforts. Is that fair to say?

Mr. BRADY. Sure.

Mr. ISRAEL. Okay.

Ms. HERSETH SANDLIN. Okay. Well there may be some other areas that we want to explore. We do have ten minutes left on the vote and I have one quick question for Ms. Jackson-Lee.

But we want to address this issue in the most effective way possible. And that is why we have the third and fourth panels that will be addressing each of the bills and we are wanting to work with you both in having approached this maybe slightly differently and maybe the initial bill and a supplement as you described it, Mr. Israel. We may have some follow up questions for you.

Ms. Jackson-Lee, I commend your efforts in this bill and the importance of this bill. I, too, have looked at the issue specifically for disabled veterans for specially adaptive housing, as I mentioned in my opening statement. I did seek a Congressional Budget Office (CBO) score on mine, which includes from the $50,000 to $60,000 which is $47 million over ten years. Have you similarly sought a score for this bill as it relates to the cost of the scholarship program?

Ms. JACKSON-LEE. We are in the midst of doing that now. I do want to make—I am glad you asked that question and I want to make sure that in the scholarship program only if you serve for a period of time and return your services to the Veterans Affairs Department will the debt be forgiven. So at least there is a component where we are not providing this training and never getting a return in kind.

If you do not perform the commitment, then it as I indicated, it becomes a debt that you are obligated to pay as long as the request is made five years after the—before five years in after the agreement, but we are in the midst of determining that.

I will say that I think that it will equate to a positive off set only because I want to share with you the U.S. Government Accountability Office (GAO) study more out patient rehabilitation services for blind veterans could better meet their needs. And I think the cost of providing services because blind veterans or impaired veterans with impaired eyesight are not able to be mobile, are not able to work. That cost may exponentially be, if you will, less when you equate it to what we would get if we provided these trained individuals who can help them become more able to work or more able to be more mobile in this instance.

So, we will get that number to the Committee, but I believe it will be a number that will show that it is certainly more reasonable to do so in order to provide these services.

And I would like to just certainly give more enthusiastic recognition of the Blind Veterans Association that includes this bill in their legislative update. And rumor has it that the Veterans' Af-

fairs Department is supporting this legislation. And I know that we don't want to dwell on rumor, but I thought I would add that to the statement.

Thank you. We will provide that information to the Committee.

[The 2004 GAO report, entitled *VA Healthcare: More Outpatient Rehabilitation Services for Blind Veterans Could Better Meet Their Needs,* GAO–04–996T, referred to appears on p. 58.]

Ms. HERSETH SANDLIN. Thank you. Hopefully we will have the rumor confirmed on our fourth panel, but thank you. I appreciate your response as it relates to the potential cost estimates and agree with your anticipation of what hopefully the CBO score will show.

Thank you, again, for making the time to take our questions and I do look forward, as I know the Ranking Member does, in working through some of these issues in better meeting the needs of our Nation's veterans.

We will break now for the next series of votes and be back shortly for the second panel.

[Recess.]

Ms. HERSETH SANDLIN. The Subcommittee will come to order. Mr. Boozman and Mr. Reichert are both on their way, but because we are trying to fit in a lot this afternoon and the witnesses on our second panel have other places to be as does Ms. Brown-Waite who has joined us on the Subcommittee for this panel. I would like to go ahead and get started.

Our second panel is comprised of the Honorable Peter Welch; the Honorable Michael Michaud; and the Honorable David Reichert. Mr. Welch, we will start with you. You are recognized for five minutes.

STATEMENTS OF HON. PETER WELCH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF VERMONT; HON. MICHAEL H. MICHAUD, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MAINE; AND HON. DAVID G. REICHERT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON

STATEMENT OF HON. PETER WELCH

Mr. WELCH. Thank you, Ms. Sandlin and the other Members of the Subcommittee. I also want to acknowledge the presence of Mr. Michaud who has been a leader on issues involving veterans and very helpful to me and the veterans in Vermont.

Our bill that I am here today on has to do with the fact that historically, the Guard has been treated differently than the active-duty military. And there may have been reasons for that in the past, but whatever they were, they don't exist any longer, because as this Committee knows, as well as everyone in Congress, members of the National Guard are now frontline troops whose responsibilities are to play a frontline role in combat.

And let me just go through some of the problems that we can solve with the favorable consideration of the legislation before you. A regularly discharged veteran who has some level of disability will typically have to wait about six months before receiving a disability check from the U.S. Department of Veterans Affairs (VA). During that time period, veterans who suffer a disability are at their most

vulnerable for divorce, for dislocation from work, from facing all the challenges of getting re-integrated into civilian life.

Now the Army came up with a pretty good program to help alleviate that, and they call it the Benefits Delivery at Discharge (BDD) program. And what it does is allow a member of the Armed Services to go through the disability determination process about six months before the discharge. And most of the time the situation is not going to change in the next six months. That has been incredibly successful, because what it has meant is that that soldier has had a disability determination before they leave the service and then upon discharge from the service they have got their rating and they are either getting the benefit or they are not, but they know the answer and they are able to move on with life immediately in their new status.

Reservist and Guardsmen, while they comprise now 40 percent of the combat forces in Iraq and Afghanistan, don't have regular access to this benefit discharge program. In my State of Vermont, in fact, we have sent 4,000 soldiers to Iraq and Afghanistan since September of 2001 and nearly half of them are from the Guard and the Reserves.

So all of us, obviously, know that we are asking first class service from our Guard and Reservist and we don't want to give them second class benefits. So in addition to the delay that is disproportionately imposed on applications from Guard and Reservist, there is a denial rate for their applications that is more than twice the denial rate for members of the regular Army. And obviously since they are doing the same thing in the same place facing the same conditions, there are no real explanations other than systemic ones for that.

The denial rate has been documented in a study that was obtained under the Freedom of Information Act, but it was, just to be specific, 7.6 percent; but for National Guard and for the Reserves it was a denial rate of 17.8 percent. So the bottom line here is that we have in place, through the Army, an excellent program, the Benefit Delivery at Discharge. That is not as available to the Reservist and the Guard as it should be, because it works. And the point of this legislation is to establish a degree of cooperation between the Army and the U.S. Department of Veterans Affairs (VA) to have this program be made available to our soldiers who are in the Reserve and in the Guard.

It is simple. It is straight forward. It is fair. There is no reason to deny benefits simply because of administrative burdens as opposed to the merits of the case. So I am pleased also, Madam Chair, to offer at this time with I hope unanimous consent into the record, a letter from the Adjutant General in Vermont, someone we are very proud of, two star General Michael Dubie who is in support of making this program available to the members of the Reserve and the Guard.

And I thank all of you for your excellent work.

[The prepared statement of Congressman Welch, and attached letter from the Adjutant General in Vermont, appear on p. 66 and 68.]

Ms. HERSETH SANDLIN. Without objection, so entered.

We know you have been working closely with the State Adjutant General in Vermont. We appreciate that. Each of us has to work very closely with our State Adjutant Generals because they have a particular and unique perspective and understanding of what the men and women under their charge go through post-deployment. We appreciate that and we will enter that for the record.

Mr. WELCH. Thank you.

Ms. HERSETH SANDLIN. Mr. Michaud, you are recognized.

STATEMENT OF HON. MICHAEL H. MICHAUD

Mr. MICHAUD. Thank you very much, Madam Chairwoman and Ranking Member Boozman. I want to thank the Committee for allowing me testify this afternoon on H.R. 2475, the "Veterans Home Equity Conversion Mortgage Act of 2007." I introduced H.R. 2475 with Congresswoman Brown-Waite of Florida to provide another tool for our aging veterans to help them live out their remaining years comfortably.

Our legislation would allow the VA to offer a home equity conversion mortgage to eligible elderly veteran homeowners aged 62 or older. The Home Equity Conversion Mortgage enables our older homeowners to convert their equity in their homes into tax free income without having to sell the home, give up the title, or take on a new monthly mortgage payment.

Instead of making monthly payments to a lender as with a regular mortgage, a Home Equity Conversion Mortgage converts the equity in the individual's home to cash. The lender makes the payment to the individual veteran. With the rate of American homeownership at an all time high, Home Equity Conversion Mortgage have become a mainstream and highly successful financial planning tool for elderly homeowners.

The Federal Housing Administration (FHA) endorsed 8,041 reverse mortgages during the month of April compared to 6,536 a year earlier. If you take that out to seven months into the current fiscal year, FHA has endorsed 61,101 loans compared to 39,674 during the same period last year, which is a 54 percent increase.

The intent of H.R. 2475 is to allow the VA to offer reverse mortgages in the same way that FHA currently does. Like the FHA program, those interested in obtaining this type of mortgage must receive significant counseling. The veteran must demonstrate a full understanding of the benefits and risk, as well as the consequences of his or her heirs before being deemed eligible for the loan.

While our legislation leaves it to the discretion of the Secretary, if the Secretary follows current VA home loan regulations, veterans would be eligible for higher available loan limits than the Farmers Home Administration Loan program, which means more cash out to the veterans and a savings of roughly 0.5 percent of interest rate, because monthly mortgage interest premiums are not required with VA guaranteed loans.

Elderly veterans should be offered this valuable tool, which allows them to cash out the equity that they have built up in their homes over 20, 30, or 40 years. This would enable them to continue to meet the demand of increasing health, housing, and cost without their risking them losing their homes. There is almost a no risk to veterans and very little risk to the VA. This is truly a win, win op-

portunity. This legislation would allow more veterans to remain in their homes longer without having to take on additional monthly bills or facing the prospect of losing their homes.

It will help them to enjoy the so called golden years of their lives. And I want to thank the Chairwoman, Mr. Ranking Member, and also Congresswoman Brown-Waite for cosponsoring this legislation with me. With that, I yield back.

[The prepared statement of Congressman Michaud appears on p. 70.]

Ms. HERSETH SANDLIN. Thank you, Mr. Michaud, and we appreciate the bipartisan efforts between you and Ms. Brown-Waite in introducing and advancing this legislation.

Mr. Reichert, welcome to the Subcommittee. Thank you for appearing before us today and you are now recognized for five minutes.

STATEMENT OF HON. DAVID G. REICHERT

Mr. REICHERT. Sure I am glad to be there. Madam Chairwoman, Ranking Member Boozman and members of the Subcommittee, thank you for the opportunity to testify in support of H.R. 1632, the "Improving Veterans Re-Employment Act." Congressman Tim Walz, as you know, and I have worked together on this bipartisan legislation to enact an important technical fix to the tracking and reporting of re-employment complaints filed by people in the Guard and in the Reserves.

You will find Congressman Walz's supporting testimony in your hearing documents. So I am grateful that he has joined us here today, knowing that he is on the full Committee. As you know, the Uniform Services Employment and Re-Employment Rights Act is meant to ensure that members of the Guard and Reserve return to the rights, seniority, and benefits of the civilian jobs they put on hold to defend our freedom.

The Departments of Labor and Defense are charged with assisting veterans and employers with this law and mediating disputes with the support of the Department of Justice and the Office of Special Counsel. Labor submits an annual report to Congress on their re-employment complaints filed by veterans. Early in 2005, I learned that Reservists and Guardsmen in my district and across the country were facing difficulties in returning to their civilian jobs. I know from my former career as the Sheriff of King County in the Seattle area of Washington, that the best course of action comes when you collect information first. And so, we went on an information search, gathering intelligence.

We commissioned a GAO study to examine how thousands of members of the Guard and Reserve who are called up to serve in Iraq and Afghanistan were transitioning back into the civilian work force. The study found that the Departments responsible for enforcing the Uniform Services Employment and Re-Employment Rights Act do not coordinate the tracking, sharing, or reporting of the complaint data they receive.

This compromises their ability to swiftly and effectively respond to the veterans' job needs. The GAO study also found that Congress was only receiving information on a very small percentage of the thousands of complaints filed by the Reservists and Guardsmen

each year, hampering our ability to take immediate action to address the concerns of Reservists and Guardsmen.

This bill would enact a simple, straightforward fix to this lack of cohesive information sharing and reporting. It would require that the Departments coordinate the sharing of and reporting on the complaint data filed by Reservists facing difficulties being re-hired. It would require them to use uniform categories in tracking and reporting the data. And it would require the Departments to specifically report on hiring difficulties resulting from service connected disabilities.

These provisions will enable Congress to better identify trends in the re-employment difficulties of our servicemembers and the corrective actions that must be taken to ease their transition back into the civilian work force. Good intelligence generates good action, and informed action leads to positive results. This bill would give those responsible for tending to our veterans re-employment concerns the information needed to best assist them. I am encouraged by the steps the Departments of Labor and Defense have already taken to improve the reporting of Reservists' and Guardsmen hiring difficulties. I appreciate their support of the provisions in this legislation.

The conflicts in Iraq and Afghanistan have presented our Armed Forces with many new challenges, some expected and some unforeseen. As members of the House Veterans' Affairs Committee, you understand as well as anyone in this chamber the importance of providing comprehensive support for all of our servicemembers needs, ensuring that veterans can easily return to civilian life and the work that they left to serve our country.

I respectfully urge you to support H.R. 1632, which will help our veterans return to their civilian jobs and enable us to better serve all of our men and women in uniform. I thank you so much for allowing me the time.

[The prepared statement of Congressman Reichert appears on p. 70.]

Ms. HERSETH SANDLIN. Thank you. Thanks to all three of our panelists. I now would like to recognize Ms. Brown-Waite for any statements or questions she may have.

OPENING STATEMENT OF HON. GINNY BROWN-WAITE

Ms. BROWN-WAITE. I thank the Chairlady and certainly the Ranking Member for allowing me to once again be with this Committee—Subcommittee. I was on it last year.

Ms. HERSETH SANDLIN. We miss you. That is right.

Ms. BROWN-WAITE. And it is good to be back. I was very proud to join with my colleague Congressman Michaud in introducing H.R. 2475. This measure would actually help older veterans utilize a financial instrument that has become very increasingly common. It is the Reverse Home Equity Mortgage. By ensuring the providers of these products against a loss the Department of Veterans Affairs will help improve the lives of those individuals who have served our country.

Millions of those from the greatest generation and soon to be retiring baby boomers have served their country, raised a family, built a career, and are looking forward to spending their golden

years in homes that hold all of these memories. Too often a senior's most valuable asset is his home. His or her home. Before Congress created the Home Equity Convertible Mortgages under the Federal Housing Act, the only way to tap into this asset was for a senior to sell their home, giving up all of their priceless treasurers. However, under the HECM program, seniors are actually paid to stay in their homes and only upon their death or relocation are required to pay the money back.

What started as a pilot program less than a decade ago now provides over 75,000 seniors with piece of mind in the comfort of their own home throughout their retirement. This bill extends this program to those who qualify for services under Veterans Affairs. The legislation is, I believe, a common sense way to thank our Nation's veterans. In fact, such a program should actually raise revenue for the government, for the VA. Other reverse programs that have been implemented by the Federal Government have generated money while benefiting countless number of older consumers.

I ask the Subcommittee to take a closer look at our bill and would be happy to answer any questions. I know that I have held various meetings in my district to help seniors to gather more information about reverse mortgages. They are always very, very well attended. And people come away from there, and I always encourage them, "Talk to your family before you do this. Make sure that this is a good family decision." But it is something that many seniors are taking advantage of, because it helps them, too, to feel as if they have some control over their financial destiny. And I think it is an excellent bill and I am very pleased to work with Representative Michaud on it.

And I yield back the balance of my time.

Ms. HERSETH SANDLIN. Thank you, Ms. Brown-Waite. I would now like to recognize Mr. Walz for any statement or questions he may have.

OPENING STATEMENT OF HON. TIMOTHY J. WALZ

Mr. WALZ. Well thank you once again, Madam Chair, for extending me the courtesy and Mr. Boozman for allowing me to be here. It is a great privilege. Thanks to all my colleagues who are here for offering up great legislation to take care of our veterans. Your passion, your concern and your thoughtfulness is truly appreciated.

And it is a real pleasure for me to be a cosponsor with the gentleman from Washington, Mr. Reichert's legislation. Mr. Reichert is a veteran himself and as a sheriff of a large department hired many National Guard and Reserve soldiers. He understands this issue intimately. He was working on it when I was a member of the Guard and not in Congress. So it is a real privilege for me to join you. You are fighting the good fight and doing the right thing. So I thank my colleague.

What Mr. Reichert and our bill is trying to do is trying to, I think, establish a solid baseline to work from and trying to get an understanding of how we can best use our resources to address this problem of re-employment. And Mr. Reichert and I were just having a conversation on the floor a little while ago about how this issue is kind of the silent one that is out there. And one of the issues is, and I know in my State and I know Mr. Reichert would

agree in Washington, our employers do a fantastic job of doing everything they can to try and help our citizen soldiers.

But the burden is very great and they are unwilling to try and talk about it. So one of the things is that the statistics are hard to get a grasp on and Mr. Reichert is very thoughtful on what he is asking for here.

And I would just like to, from your expertise on this, Mr. Reichert, and you talked a little bit in your opening statement, elaborate a little bit on what you see as a deficiency in a way that you think that we could correct this, where it would make a difference.

Mr. REICHERT. Well it is very simple. In just a couple of minutes, the problem has been that most of the complaints are filed through the Department of Defense. However, Department of Labor has received about 2,400 complaints, and there are 10,000 complaints that have been filed through DoD and those complaints are not brought together. So when we get our report here in Congress, we are only learning about 2,400 complaints and issues, and we are only getting a piece of the picture as to what the real issues and the real problems are.

There are 10,000 other complaints out there that we don't see in the annual report to Congress. And so what this bill does is gather that information together, gather those complaints together, and now we are able to analyze nearly 13,000 complaints to find the true picture of what is really happening when Reservists and Guardsmen come back to their families. And it gives the Department of Labor a better understanding as to how to address each need as they look at the total picture rather than just a very small fraction of the complaints.

Mr. WALZ. Well thank you so much, Mr. Reichert. And I would say that for most of us to understand this, this is about an issue of compassion for our veterans in terms of treating them the way they need to be treated. It is also an issue of national security to make sure that our retention rates stay as high as they possibly can that we can retain these soldiers by them keeping their jobs. And I think Mr. Reichert has got the first step here before we rush head long into how we are going to fix this, it is best that we know the real data.

So it is a pleasure for me to be on this with you Mr. Reichert, and I thank you. I yield back, Madam Chair.

[The prepared statement of Congressman Walz appears on p. 49.]

Ms. HERSETH SANDLIN. Thank you, Mr. Walz. Mr. Boozman?

Mr. BOOZMAN. Thank you, Madam Chairwomen. Again, I agree with what Mr. Walz said. I appreciate all three of you being here, it is so exciting to see people like you that are working so hard. You and your staffs' that are devoting your time trying to sort through all these veteran issues, trying to make life easier for them. And so we really do appreciate it.

So I look forward to moving the process forward, but again just want to commend you for your hard work and again bringing forth some really excellent ideas that we need to look at and hopefully fix. Thank you.

Ms. HERSETH SANDLIN. Well I want to echo Mr. Boozman's sentiments.

[Laughter.]

We have two more panels after you to specifically address their positions on each of your bills.

All three of you have identified by working together with other members of the Subcommittee areas where there is a disconnect between either DoD and the VA; DoD, Department of Labor, and then opportunities for the VA along the lines of what we have pursued in the past, very effective programs. So we appreciate you introducing these bills, bringing them to our attention.

I have worked with others in identifying some of these gaps. As you stated, Mr. Reichert, to have cohesive information sharing and reporting that allows us to do our job better and our oversight to identify the corrective action that may be necessary is very helpful. We look forward to continuing to work with you to advance these bills.

I do have a quick question for Mr. Michaud and Ms. Brown-Waite. Mr. Michaud, you had mentioned that H.R. 2475 would provide almost no risk to the veteran and very little risk to the VA. In either of your opinions, given that the risk is very minimal, what are the risks that are involved and how do we best address those risks? If indeed you feel that they have to be addressed or if, as the program is structured along the lines of other programs that we have had, whether they be revenue generators or not that those risks can be adequately addressed separate from specifying that in the legislation itself.

Mr. MICHAUD. Well I think the risks to the veteran would be if a veteran was to move out of his home before the time was up, then he would have to repay the mortgage. If you look at the benefit of the program, I think the benefit clearly outweighs the risk to the veteran if he has to move out.

And as far as what risk there might be to the VA system, I think there would be very little other than if a veteran tends to live a long, long, long time, which hopefully that is the case, but I can see there is very, very little risk.

And I might also add I want to thank Ms. Brown-Waite. She has definitely been a leader in this particular area and has focused on this issue a lot longer than I have and want to thank her publicly for her leadership. I really enjoyed working with you and your staff on this particular issue.

Ms. BROWN-WAITE. I think that is an excellent question. The risk to the veteran is exactly as Mr. Michaud had said, but think about the benefits. I mean the benefit clearly is people age better in their own home. And they will have spending money as a result of it. And they will be able to draw that equity out.

Many seniors, whether they are veterans or non veterans, at first are a little reluctant to take the money out of their house because initially they want to say, "Oh, I am going to leave to my daughter or my son or my grandchildren." But that is why I always encourage them, "Please talk to your family about it," because most families will say, "You know, if it helps you be more comfortable, go for it."

The VA always has the home as the asset. And so there is little or no risk there for the VA. And then actually, historically, has

been a money generator. I know that with the reverse mortgages elsewhere, it actually has generated money.

Ms. HERSETH SANDLIN. Well, again, thank you both for your responses. And we may be posing some similar questions to other witnesses on the other panels. Thank you once again.

Mr. Welch, thank you for identifying yet another area in which we can identify a gap and better serve our National Guard and Reservist as it relates to the specific program you have identified of the Benefits Delivery at Discharge program. Again identifying mechanisms whereby we can close this gap and have DoD more responsive to this in a systemic way. I don't think there is any intent to dismiss the needs or to be neglectful, but sometimes the systemic issue of the administrative burdens versus the merits as you described in just enhancing the availability of these programs for the selected Reserve.

Thank you all very much. We appreciate your time and the your availability on rather short notice to appear before our Subcommittee.

I would now invite panel three to the witness table. Joining us on our third panel of witnesses we have Mr. Ronald Chamrin, Assistant Director of the Economic Commission for the American Legion; Mr. Brian Lawrence, Assistant National Legislative Director for the Disabled American Veterans; Mr. Ray Kuntz, Chief Executive Officer of Watkins and Shepard Trucking Company and Chairman of the American Trucking Associations; and Charlie Huebner, Chief of U.S. Paralympics for the U.S. Olympic Committee.

Mr. Chamrin, you are recognized for five minutes.

STATEMENTS OF RONALD F. CHAMRIN, ASSISTANT DIRECTOR, ECONOMIC COMMISSION, AMERICAN LEGION; CHARLIE HUEBNER, CHIEF OF U.S. PARALYMPICS, UNITED STATES OLYMPIC COMMITTEE; BRIAN E. LAWRENCE, ASSISTANT NATIONAL LEGISLATIVE DIRECTOR, DISABLED AMERICAN VETERANS; AND RAY KUNTZ, CHIEF EXECUTIVE OFFICER, WATKINS AND SHEPARD TRUCKING COMPANY, HELENA, MT, AND CHAIRMAN, AMERICAN TRUCKING ASSOCIATIONS, INC.

STATEMENT OF RONALD F. CHAMRIN

Mr. CHAMRIN. Madam Chairwoman and Members of the Subcommittee, thank you for this opportunity to present the American Legion's view on several pieces of legislation being considered by the Subcommittee today.

The American Legion commends the Subcommittee for holding a hearing to discuss these very important and timely issues. Madam Chairwoman, I will limit my remarks to a few pieces of legislation.

H.R. 1598, servicemembers Credit Protection Act. American Legion supports Section 801, Notice of Consumer Reporting Agencies, efforts to assist the servicemember and protecting the credit reporting will allow the servicemember to focus on their mission and provide a favorable climate. Mobilizing troops have enormous responsibilities for their mission, their fellow troops, their families, and themselves and may have little time to monitor their credit.

Many servicemembers and veterans are unaware of benefits and protections that are afforded to them. Additionally, the veteran

must perform certain steps and procedures that to receive their maximum benefit and protection afforded by law. Filing, following up and responses to matters while in a combat zone is extremely difficult. Efforts to assist veterans in a transition from civilian life to active duty and back again to civilian life will greatly benefit a veteran.

American Legion supports the addition of Section 605C the Combat Zone Duty Alert to the Fair Credit Reporting Act. This measure aims to protect the credit of servicemembers deployed to an overseas combat zone.

H.R. 1315. The American Legion supports the intent, but strongly objects to the restrictive language ". . . in the line of duty." This would be inconsistent with the current VA policy for awarding of a service connected disability rating for an injury or medical condition incurred or aggravated while on active-duty. American Legion strongly objects to denying veterans severely disabled due to injuries sustained while at off duty status.

Active duty servicemembers in transit to and from the duty station would also be excluded from this benefit if severely injured.

H.R. 1240. The American Legion supports this legislation. servicemembers and returning—servicemembers are returning from the battlefield with vision loss, amputations, TBI, and other injuries. These veterans are young and have their whole lives ahead of them. This bill will help to ensure that in future years these veterans will have the care and improved quality of life that we as a nation should gladly give.

H.R. 513, the National Heroes Credit Protection Act. The American Legion supports the protection of credit ratings of persons activated for military service as stipulated in this provision. Supporting the troops includes ensuring that they are solely focused on their mission at hand while on active duty. A large number of National Guard and Reserve troops that are called to active duty are deployed to a combat zone and have little or no opportunity to review their finances, credit scores, and other matters while deployed.

Additionally, many young servicemembers are unaware of many best financial practices, protections, and benefits afforded to them.

H.R. 2259. American Legion supports this bill to ensure that members of the Reserve components are able to fully participate in the Benefits Delivery at Discharge program. It is extremely important to ensure the financial, psychological, and physical well-being of our Nation's heroes. We do note the absence of any mention of the Department of Labor's Veterans' Employment and Training Service and feel that VETS is an integral member of the transition process. The American Legion strongly supports the Transition Assistance Program.

H.R. 1632. The American Legion supports the Improving Veterans Re-employment Act of 2007. This bill seeks to amend title 38, U.S.C., to improve the annual report required on veterans re-employment rights. The number of cases from each agency that are disability related must also be contained in the report.

The American Legion also supports the strongest veterans preference laws possible at all levels of government. We believe that the evidence compiled in this report will show the current state of

enforcing the Uniformed Services Employment and Reemployment Rights Act and veterans preference laws to our Nation's veterans.

The American Legion is deeply concerned with the protection of the veteran and the prevention of a legal and egregious hiring practices. Currently, veterans are filing claims after the non-compliance employment event occurred, and therefore may become financially disadvantaged. Concurrent measures and continuous oversight must be enforced and in place to protect veterans from unfair hiring practices, not just reactionary investigations.

Many veterans give up or do not file complaints because they must seek employment elsewhere or face serious financial difficulties. We further state that the veteran must be protected at the onset of the hiring process, especially because corrective actions to remedy the veterans plight are not always guaranteed.

H.R. 112. The American Legion agrees with the intent H.R. 112 in that allows for members of the Armed Services and veterans to receive enhanced educational benefits more in line with today's needs. The American Legion feels that a monthly tax-free substance allowance index for inflation must be part of all educational assistance packages.

Furthermore, while this legislation is aimed toward the active-duty force MGI Bill chapter 30, the American Legion supports legislation that will allow Reservists to earn these credits for education just as active duty troops do.

In addition to the positive measures that the bill encompasses, the American Legion feels that all veterans be treated equally regardless of their Reserve/National Guard status in such that an individual who is called to duty and served honorably should not have to remain in the selected Reserve to use their earned benefits.

Finally, and my final bill, H.R. 2579. The American Legion has no official position on the mechanism of funding State Approving Agencies (SAA). However, the American Legion fully supports reauthorization of SAA funding to the current fiscal year 2007 levels.

In conclusion, this legislation discussed today aims to better serve veterans and ultimately assists them in financial stability. American Legion commends the Subcommittee for addressing these important issues and appreciates the opportunity to present this statement for the record.

I would be happy to answer any questions you would have. Thank you.

[The prepared statement of Mr. Chamrin appears on p. 71.]

Ms. HERSETH SANDLIN. Thank you for the views on all of those bills. I know it is hard to get through in five minutes. And with the indulgence of Mr. Lawrence and Mr. Kuntz, Mr. Huebner has a flight to catch. So if you don't mind I am going to recognize him now for five minutes. Thank you both.

Mr. Huebner?

STATEMENT OF CHARLIE HUEBNER

Mr. HUEBNER. Thank you. Thank you, Madam Chairwoman and also Ranking Member Boozman and Members of the Subcommittee. I appreciate the opportunity to testify today on H.R. 1370. I do have a personal message for you Madam Chair. Our CEO, Jim Shear, is the first Olympian to be head of the U.S. Olympic Com-

mittee and also the first South Dakotan to be head of the U.S. Olympic Committee. And he wanted to express to you and to the Committee his thanks for your leadership in support of veterans.

Ms. HERSETH SANDLIN. Well thank you very much for passing that along. We will look forward to seeing him. Always nice when you have a first for South Dakota.

Mr. HUEBNER. He also said he will be at the Mowbridge Rodeo over the 4th of July weekend. So if you are in South Dakota, he would love to have you to Mowbridge.

[Laughter.]

By way of brief background, the USOC, the U.S. Olympic Committee is an organization chartered by Congress to run Olympic and Paralympic programs. Paralympic activity is sports for physically disabled athletes and the Paralympic games are held approximately two weeks after the Olympic games at the same Olympic venues.

The Paralympic movement began shortly after World War II utilizing sports as a form of rehabilitation for injured military personnel returning from combat. The USOC today spends more than $10 million annually on Paralympic programs. All of those funds, of course, are from private sources. We expect our budget to grow to $16 million to support Paralympic program by 2012.

In addition, disabled sports programs from throughout United States are spending an additional $20 million at the local level to provide sports and physical activity programs for person with physical disabilities.

Injured military personnel and veterans are the soul of the Paralympic movement. When I speak of the Paralympic movement, I am not talking about the a small number of persons that will make future Paralympic teams. I am speaking of a movement and individuals with physical disabilities that are using the simple platform of sports to re-enter life. I am talking about a population that is educated, employed, active in their communities, and inspiring Americans to achieve and overcome obstacles.

However, it is likely I am very proud to say, that by 2008 there will be one or more former servicemembers that will represent America for the second time at the Paralympic games in Beijing. That will be a great achievement and story for America and the American people.

Three years ago, recognizing the growing number of U.S. military personnel returning home with physically debilitating injuries, and utilizing our experience, expertise, and understanding of the impact of sport on the physical and mental rehabilitation process for young men and women that are newly disabled, the USOC launched the Paralympic Military program.

Components of the Paralympic Military program include national training of community leaders to implement Paralympic sport at the community level; clinics and mentor visits at military and VA installations; development of local community-based programs in targeted markets that have military or VA installations; and Paralympic military sport camps conducted at our Olympic training centers in Colorado Springs and Chula Vista, California.

The Military Sports Camps provide an introduction to Paralympic sport, but also the introduction of Paralympians that serve

as mentors to newly injured military personnel and veterans. These successes have been told nationally by entities such as USA Today, The New York Times, NBC Sports, and ABC Sports just in the last 30 days.

As successful as the Paralympic Military program has been, we have only scratched the surface and will do more. Currently, there is a significant lack of Paralympic and community-based programs for persons with physical disabilities in the United States. We have been most fortunate in developing a very positive and productive working relationship with the Department of Veterans Affairs and other Paralympic organizations. Since we have collaborated on certain activities, but have been limited financially and programmatically.

We believe that this legislative proposal, H.R. 1370 to establish an Office of National Veterans Sports Programs and Special Events accompanied by supportive funding would serve as a vehicle for the VA and USOC jointly to serve a larger universe of veterans for whom Paralympic sport would serve as a valuable rehabilitation activity, to re-integrate into communities with family members and friends.

We would envision an expansion of community-based programs to target a larger number of veterans and their families and create similar programs at community facilities of some of our Paralympic partners such as the Lakeshore Foundation in Birmingham, Alabama and the City of Colorado Springs, Colorado, the home of Fort Carson where today a community-based programs for persons with physical disabilities does not exist.

These programs would be community extensions of VA programs that are identified in collaboration with our partners at the Veterans Affairs. This legislation in the interest of this Subcommittee that is giving this proposal a hearing is testimony to the need of activities for veterans, programs that enable them to return to a full and active life. We have learned that these various sport rehabilitation programs, whether they be the USOCs, the Department of Veterans' Affairs or those of Disabled Sports USA, Disabled American Veterans (DAV), Paralyzed Veterans of America (PVA) make a positive difference in the lives of those who are being served.

We are confident that the expertise that we have developed in Paralympic programs and the collaborations with the agencies mentioned, including the American Legion at the community level, can and will have a significant impact on veterans that are newly disabled re-entering their communities. Thank you.

[The prepared statement of Mr. Huebner appears on p. 76.]

Ms. HERSETH SANDLIN. Thank you, Mr. Huebner. If you do need to leave prior to the other two witnesses finishing their testimony, we understand. We may be submitting some questions for you as a follow up for the record. Thank you very much for being here and your testimony.

Mr. HUEBNER. My pleasure. Thank you.

Mr. BOOZMAN. Can I just make a comment, Madam Chair?

Ms. HERSETH SANDLIN. Yes, Mr. Boozman.

Mr. BOOZMAN. Now you left out Arkansas, John Register.

Mr. HUEBNER. No. Yeah.

[Laughter.]

I have it here on my notes, sir, but Mr. Register who runs the Paralympic Military program is a proud alumni of the University of Arkansas——

Mr. BOOZMAN. Yes.

Mr. HUEBNER [continuing]. And ran track and field there.

Mr. BOOZMAN. He ran track and field. Was a full time all American, I believe, in one of the great track programs in literally in the world. So we are very proud of him also.

Mr. HUEBNER. Two-time Paralympian and a veteran, sir.

Mr. BOOZMAN. Well be sure and tell him that we said, "Hi," and we are very proud of your and his work.

Mr. HUEBNER. Thank you, sir.

Ms. HERSETH SANDLIN. Whenever small under-represented States, in our opinion, get that kind of recognition we want to make sure it is on the record.

[Laughter.]

Thank you again.

Mr. HUEBNER. My pleasure.

Ms. HERSETH SANDLIN. Mr. Lawrence, you are now recognized.

STATEMENT OF BRIAN E. LAWRENCE

Mr. LAWRENCE. Thank you. Madam Chair, Ranking Member Boozman, and Members of the Subcommittee, on behalf of the 1.3 million members to the Disabled American Veterans, I am pleased to present our views on the bills under consideration today. I will limit my remarks to the measures that address DAV resolutions.

The DAV has a long standing resolution to provide a realistic increase in specially adapted housing grants. It also calls for automatic annual adjustments based on cost of living. Therefore, we hope that the proposals contained in H.R. 675 will be favorably considered.

H.R. 1315 is also a commendable bill that would provide adaptive housing grants to disabled members of the Armed Forces residing with a family member. The DAV supports this measure which addresses the needs of some of our most severely disabled veterans.

The DAV also supports H.R. 1370 to establish a VA Office of National Veterans Sports Programs and Special Events. The VA along with the DAV and other veterans organizations host rehabilitative special event programs for veterans receiving healthcare from VA. These programs showcase the therapeutic value of sports, fitness, and recreation which are profoundly beneficial in helping veterans overcome the impact of severe disabilities.

The DAV has a resolution calling for a separate line item appropriation to ensure the continuance of these worthy programs. So we are pleased with the intent of this legislation and we would recommend that include language to place the office under the Veterans Health Administration.

Currently the programs are under the authority of VA Public Affairs Office and VHA is almost completely removed from the administrative decisions. Though Public Affairs certainly has a role to play, the ultimate purpose of the events is to provide therapy to severely disabled veterans. Since VHA is responsible for providing such care, it should be the designated authority for the programs.

The DAV supports H.R. 1370 and hopes the Subcommittee will consider our suggestions.

Finally, the DAV supports H.R. 2259 to ensure that members of the National Guard and Reserves can utilize the Benefits Delivery at Discharge program. BDD improves service for separating members by eliminating lengthy delays and claims decisions and redundant and an unnecessary physical examinations. Rating decisions adjudicated in the BDD program are generally more accurate and appealed less frequently than those processed via regular claims procedures.

The DAV strongly recommends that BDD be expanded and made available to every person retiring or separating from active duty.

Thank you for the opportunity to state our position on these bills and I will be happy to answer any questions.

[The prepared statement Mr. Lawrence appears on p. 78.]

Ms. HERSETH SANDLIN. Thank you for your testimony once again before the Subcommittee, Mr. Lawrence. Mr. Kuntz, you are now recognized for five minutes.

STATEMENT OF RAY KUNTZ

Mr. KUNTZ. Thank you, Madam Chairman Herseth Sandlin, Ranking Member Boozman, and Members of the Subcommittee. My name is Ray Kuntz, I am a newly installed Chairman of the American Trucking Associations (ATA) and the Chief Executive Officer of Watkins and Shepard Trucking, a Montana based company.

I appreciate the opportunity to appear here before the Subcommittee on behalf of ATA and to voice our continued support on H.R. 1824 to expand the scope of programs of education that are eligible for accelerated benefits under the Montgomery GI Bill.

The ATA commends Representative Michaud for re-introducing this important piece of legislation. The American Trucking Associations is a national trade association for the trucking industry and is a federation of affiliated State trucking associations conferences and organizations that include over 38,000 motor carrier members representing every type and class of motor carrier in the country.

When I appeared before this Subcommittee regarding this legislation two years ago, I stated that the long-haul truckload sector of the truck transportation industry annually experiences critical workforce challenges. This situation has not significantly changed since 2005, although shortages for this particular sector ebb and flow to market demands, the driver shortage for long-haul truckload industry still remains and is expected to worsen in years ahead.

There are a number of factors involved in the driver shortage issue. Stringent government regulations, insurance carrier standards, and standards of carriers themselves that restrict availability of qualified drivers to the commercial vehicle industry. Through my own personal involvement with Watkins and Shepard's Truck Driving School, I can tell you that oftentimes truck driving schools reject more applicants than what they can enroll.

Despite the driver shortage, in the last year my company's truck driving school received around 1,000 applications for truck driving jobs. From that total, we were able to train and hire 58, or in other words, about six percent of those people that applied for the jobs.

An estimated 300,000 servicemen and women annually transition from Operation Enduring Freedom and Operation Iraqi Freedom to the civilian sector. Of this population, approximately 54,000 Army and 24,000 Marine personnel per year transition to civilian life with significant transportation and truck driving experience.

Just like moving armies and fleets, transporting goods across the country requires monumental logistic efforts and excellent driving skills. For transitioning veterans with military occupational specialties into these areas, professional truck driving may be a very natural career path. Although many of these veterans have experienced operating large trucks in the Armed Forces, this experience does not readily translate to a civilian commercial drivers license. Additional education is usually needed to further train these individuals on basic truck operations, Federal Motor Carrier Safety Administration safety regulations, newer onboard technologies, and specific motor carrier State motor carrier testing skills and requirements.

Unfortunately, the traditional Montgomery GI Bill Benefits for former military personnel are inefficient in funding truckdriver training programs. The ATA believes that the expansion of the VA Accelerated Benefits program would go a long way toward fixing this and could potentially add a significant number of qualified veterans to the demand driven labor pool of truckdrivers.

However, according to the Department of Veterans Affairs, expanding the eligibility list include truckdriver training programs would be cost prohibited. I have reviewed the VA's list of approved education programs that are eligible for educated for accelerated benefits.

ATA applauds the VA for encouraging veterans to enter high-technology careers, however, many of the approved courses of study on this list do not accurately reflect today's market driven career demands and opportunities.

This eligibility list was developed in 2002 by the Bureau of Labor Statistics and the National Science Foundation for the VA Department without direction from Congress. Further, many of the educational programs eligible for funding on this list are two to four year programs. Degree courses that can appropriately be funded through traditionally monthly Montgomery GI payment process.

In closing, I would like to reiterate ATA's support for legislative intent of H.R. 1824. However, we believe that in order to move this bill forward, significant changes need to be made to the Montgomery GI Bill's Accelerated Benefits program.

ATA recommends that VA's current list of educational programs eligible for these benefits be replaced or revised to reflect career training opportunities in high-growth industries rather than solely high-technology industries.

Further, to better align the program with the original intent of providing affordable financing for high cost, short-term educational training. The payment of accelerated benefits should be limited to educational opportunities lasting one year or less.

ATA further or looks forward to working with Representative Michaud and the Subcommittee in ways to enhance H.R. 1824 to improve veterans access to educational opportunities in high-growth well paying industries like trucking—the trucking industry.

This concludes my remarks and I would be happy to answer questions. And also if I may, I feel like I should probably comment on the first bill that was testified on today if that would be okay with the Chairman?

[The prepared statement of Mr. Kuntz appears on p. 79.]

Ms. HERSETH SANDLIN. If we can move to questions first and then we will give you an opportunity at the end of questioning to do that. I am going to have to step out for a minute and would want to come back to hear your comments.

Just a couple of quick questions before turning it over to the Ranking Member. Mr. Huebner, again, thank you for your testimony on H.R. 1370. I do have one quick question. As you know, the way the bill is written would authorize up to $2 million annually. Do you feel that is sufficient to meet the needs of the Paralympics program or achieve the expansion that you envision and articulated here today?

Mr. HUEBNER. That is a great question. And when we are looking at the Paralympic program we are looking at multiple organizations beyond that, including programs like DAV and PVA and other organizations.

It is a great start, but no doubt we are investing a significant amount of private dollars that we are going to increase and continue to raise. An investment from this entity will help us expedite the amount of programs that we can deliver immediately. So an increase in that support would be very well received.

Ms. HERSETH SANDLIN. Thank you. And then Mr. Chamrin, on H.R. 1315, the Adaptive Housing Bill that I have introduced. I know that the American Legion has a concern about the definition of, ". . . line of duty." And would you be supportive of the definition, ". . . while on active duty," or ". . . on authorized leave," versus, ". . . in the line of duty?"

Mr. CHAMRIN. Madam Chairman, I would have to get back to you on that one.

Ms. HERSETH SANDLIN. Okay. If you could get back to us on it. If we can work with you and Committee staff to get some clarification on the concern and what would diminish the concern with that actual language.

Mr. CHAMRIN. Absolutely.

Ms. HERSETH SANDLIN. Okay. Mr. Kuntz, you state that many applicants are rejected, what are the main problems? And what can we do to help these applicants?

Mr. KUNTZ. Well the main problems probably relate toward the regulations of our industry. You know, I say a lot of times that if we have four percent unemployment that probably three and a half percent won't pass a drug test. So that limits us to a very small portion, but you know we have aggressive drug testing, aggressive alcohol testing. We have to go back in their driver's records and if they have had a history of DUI's, accidents and it is those issues and their ability to correctly complete the courses.

But it is primarily just the group of people that we get and the history they bring to the table with them that does not allow us to put them in a truck. Most insurance companies won't let someone in that has had like a DUI for six, seven years after that.

So there is a lot of limiting factors. And when you get a lot of—when you see people come out of other careers where they have been unsuccessful sometime their habits take them down those roads.

Ms. HERSETH SANDLIN. Recognizing the objective of Mr. Michaud's bill, which is to assist in expanding the pool of applicants for this high-need, high-growth industry, does the trucking industry or any of the driving training programs actively recruit or advertise to transportation experienced military personnel?

Mr. KUNTZ. Yeah. There are several trucking companies that are very actively advertising and we are reaching out in a variety of ways. But more importantly we recognize that the quality of the individual that we get out of the military tends to fit and be a little higher quality individual than we get out of normal life. It is just the background and the training and the discipline that they have to learn to be a soldier tends to fit real well in the qualifications to be a truckdriver.

Ms. HERSETH SANDLIN. Thank you all for your responses and your testimony. Mr. Boozman.

Mr. BOOZMAN. Thank you, Madam Chairwoman. Mr. Huebner, again just one quick question. With the increased allocation, can you be a little bit more specific about some of the plans that you would have? You mentioned that you would expand programs, can you give an example perhaps of a specifically as to what you are doing?

Mr. HUEBNER. Yes. The two most significant things that we are in the process of doing right now with dollars that we are raising, is the national training of how to implement community-based programs. And that is training community leaders, military, installation personnel, VA personnel on how to implement a community program.

The second component is implementing those community programs and our stated goal to our Board of Directors is to develop 250 new programs by 2012 in 250 American cities. And as mentioned in my testimony, Colorado Springs, Colorado, which is home to, you know, a significant military presence has no program today for persons with physical disabilities. We will have one in that market by the end of this year.

So those are the two most significant things that we are going to be doing. With increased dollars, we can expedite that plan. Right now we have a stage where we are going to launch 20 new programs this year, 60 by the end of 2008. We can expedite that strategy with increased funds.

Mr. BOOZMAN. Very good. Thank you.

Mr. HUEBNER. Does that answer your question?

Mr. BOOZMAN. Yes, sir. Very much so. And again the Chairwoman doesn't have any more questions. I don't have any more questions. If you feel like you need to go.

Mr. HUEBNER. Thank you, sir.

Mr. BOOZMAN. Very good. Mr. Kuntz, I agree with you about the 2002 statistics and the fact that, things get in the world that we live in now things get outdated very quickly, but if you have 2002 when you are doing this, then you know you run the risk of your

data being a little bit old even when you start. And then in the world that we live things doing very quickly.

So I am supportive of what you are trying to get done and the trucking initiative. Why isn't the traditional method of payments provided under the Montgomery GI Bill appropriate for funding truck training school tuition? What we are doing now, why isn't it working?

Mr. KUNTZ. Well the traditional method, as you know, gives around $1,004 I believe a month for training and then a percentage of that sometimes for truck driving training. The average truck driving school is about four to six weeks. And when an applicant applies to a school for Montgomery GI funding, he can get usually one month of it. And in many cases they don't get that $1,000 for two or three months and then the veteran himself receives the check. And in some cases doesn't decide to reimburse it to the school.

So as it is, it covers just a small percentage of the cost of the school. It doesn't get there in time to help the school cover the wages. And most of these are private schools just a small percentage of companies like ours actually have their own schools. Most companies rely on private schools and private schools need the money up front because they got to make payroll and tuition and fuel and gas. And so as a result of that, most of the private schools won't even consider GI funding as an alternative today. And again a lot of these folks get turned away.

And it is really important to remember that not just are we getting people returning from the military today. A lot of the people come in and want truck driving jobs as vets have been out of the service for three, four, five and even 15 years. And unfortunately a lot of these men and women have failed at two or three careers and unfortunately bring a list of bad credit including bankruptcies and other forms of funding are also closed. And so they just get the door slammed in their face. And even though they recognize it, a truck driving career might allow them to make $45,000 a year, get health insurance, have a retirement. They don't have that option because they don't have the financing ability.

Mr. BOOZMAN. No, I agree. I think that is one of the things that we are finding is that many individuals as they start to re-train have been out for a while and under the best of circumstances, you know, financially are not in great shape. And then because of that it really does limit their options when they have to come up with anything up front.

I think, you know, that your feeling is, is that the accelerated benefit should only apply to short-term things of a year or less. Why—what is your reasoning? Why don't you think that the two- to four-year program should be part of the——

Mr. KUNTZ. Well if you look at the list and you see things like mathematical studies, engineering, engineering studies, computer systems networking and I majored in a math background and I wasn't the brightest guy in the room and it took me four years, but the brightest guys in there also took four years.

And so the existing GI funding adequately takes care of those people, but it is the people that if you look at the 80,000 people that are coming out of the service this year that drove truck for a

living in Iraq, I would venture to say that you may not find one of those guys that is going to go into mathematical training, but probably as many 50 percent of them may go into truck driving.

And I believe that with everything that has happened over there, it is very, very important that we get these young men and women into meaningful jobs quickly. You know, I unfortunately have a very tragic story that I will share with you about that.

My stepson, Chris, went into the Guards right out of high school. And the only job he ever had was flipping hamburgers and making hot dogs. And he went in the Guards as a gunner. And think of the tremendous responsibility that a gunner has in protecting everybody in his platoon. And several people in his platoon will tell you that he made some decisions that saved their lives.

A year ago, November, he came back from the Guards and we thought he was doing fine, but he couldn't find a meaningful job. He went back to flipping hamburgers and hot dogs and as time went on you could see almost a depression set in. He started drinking. In September of last year, he quit going to Guards. And unfortunately, the Guards started sending out their little threatening letters. And in November he reached out to my son who tried to help him. In January he quit his job and bought his first gun. And in February shot himself.

And I bring that up because it is so important that we find a way to get these people into meaningful jobs. And there aren't a whole lot of these guys that are going to be mathematicians. Chris was never going to be a mathematician, he was never going to be a computer scientist. He might of been a truckdriver or some other job that would allow short-term accelerated payment. But if you look through the list, the right jobs are not on the list.

Mr. BOOZMAN. No. Very good. And I understand your other—your son also was in the military. Both your stepson and——

Mr. KUNTZ. Yeah.

Mr. BOOZMAN [continuing]. Your son. So——

Mr. KUNTZ. My oldest son is actually the other, you know, our family has experienced both sides of it. My oldest son was a West Point grad and ripped his ankle up very badly during Ranger Training. Went through a year of rehab stationed in Hawaii and got out under disability and very successfully went through——

Mr. BOOZMAN. Right.

Mr. KUNTZ [continuing]. Law school and used the GI Bill under the traditional method to get through law school. And today he is practicing law. And I believe that his being able to find a career quickly led to where he is today and dealt with the depression of getting tore up in the Army.

Mr. BOOZMAN. Right. Well we appreciate the sacrifice of your family very much. Can I ask one more question, Madam Chairman? I'm sorry.

I would like the VSOs to comment regarding Mr. Israel's bill. I guess one of the concerns that we have is giving information on when servicemembers are deployed, when there is really not a whole lot of control over the data, perhaps who might eventually have access.

The other thing is if their credit problems during deployment, the family could always provide that data in a different way. Do

you all have any concerns along that line also or have you thought about that?

Mr. CHAMRIN. We are very concerned with——

Mr. BOOZMAN. Having somebody that the husband is gone or?

Mr. CHAMRIN. Right.

Mr. BOOZMAN. Is really what we are——

Mr. CHAMRIN. We are always concerned with the overseas deployment and the following up with their finances especially identity theft. We want to make sure that they have full coverage. There is, I am fortunate to have a last name that is not very common, but there is Smith, there is Jones. How many Bob Jones, Mike Smiths are there out there?

You know, to have the follow up and someone taking care of them is very important, especially in a situation where they are not able to have access to the Internet, or maybe a phone to call back to their spouse. A lot of young servicemembers, age 20 to 24 are single. Either they don't have a lot of support that are able to help them out.

Mr. LAWRENCE. Mr. Boozman, the DAV doesn't have a position on that bill, but just a personal observation that occurred to me during the testimony that could potentially cause a problem.

The trigger reaction or would notify the credit agencies was the receipt of combat pay. But if people are receiving—you can only—they cap out special pay. So if somebody was receiving dive pay and demolition pay and jump pay, they can't receive combat pay. So the people that were already maxed out on their special pay, there wouldn't be—they wouldn't receive combat pay, so those people would be left out. So it just seems like there has to be some other way of bringing this up. And I just wanted to share that with you.

Mr. BOOZMAN. Okay. Thank you. Thank you, Madam Chairwomen.

Ms. HERSETH SANDLIN. Thank you. That would be true of Mr. Brady's bill as well. I mean separate from the concerns that I have about DoD's ability to manage this and make sure no one falls through the cracks, but also the concern that I think the Pentagon would have about essentially advertising to entities outside of the Pentagon; dates of deployment and everything else.

Mr. Brady's bill also, he testified, would be for those in a combat zone. Would it be geared toward kind of the notation of when the servicemember gets his or her orders, I am fairly certain that he made mention of combat pay there, but your point is well taken, something we will certainly work through to make sure that there is an ability of the individual servicemember regardless of what the orders state or what type of pay classification is the trigger that we avoid, again, people falling through the cracks and the protections that we are trying to offer.

I thank you all again for your testimony, for your dedication and commitment to our Nation's veterans.

Mr. Kuntz, thank you in particular for sharing the tragic experience of your family with us to help shed light on the importance of the flexibility of the benefits that we are offering so that people can transition more effectively into meaningful jobs or access to different benefits.

We have asked Mr. Wilson with the Education Service who will be testifying in the next panel to develop a list for us based on the current list of programs available for accelerated payments to see just how many people are actually signing up for those programs and comparing that to a different set of programs that the President has set forth in a different context to see if we can make some adjustments whether it is specifically to commercial drivers license programs or to other programs as well that will better meet the needs of the young people returning home.

Thank you all. I would now like to invite our final panel to the witness table. We appreciate your patience and welcome back to the Subcommittee.

We have Mr. Keith Pedigo, Director of Loan Guaranty Service for the U.S. Department of Veterans Affairs; Mr. Keith Wilson, Director of Education Service for the U.S. Department of Veterans Affairs; and Mr. Dean Gallin, Deputy Assistant General Counsel for the U.S. Department of Veterans Affairs.

Your written statement will be entered into the record. Again welcome back to the Subcommittee. Mr. Pedigo you are recognized for five minutes.

Could you turn your microphone on, or it is not close enough.

STATEMENT OF KEITH PEDIGO, DIRECTOR OF LOAN GUARANTY SERVICE, VETERANS BENEFITS ADMINISTRATION, U.S. DEPARTMENT OF VETERANS AFFAIRS; ACCOMPANIED BY KEITH M. WILSON, DIRECTOR OF EDUCATION SERVICE, VETERANS BENEFITS ADMINISTRATION, U.S. DEPARTMENT OF VETERANS AFFAIRS; AND DEAN GALLIN, DEPUTY ASSISTANT GENERAL COUNSEL, OFFICE OF GENERAL COUNSEL, U.S. DEPARTMENT OF VETERANS AFFAIRS

Mr. PEDIGO. Madam Chairwoman and Members of the Subcommittee, I am pleased to be here today to discuss 13 bills that would affect a variety of VA benefit programs. Joining me this afternoon is Mr. Keith Wilson, Director of VA's Education Service and Mr. Dean Gallin from our Office of General Counsel.

Madam Chairwoman, we do not yet have cleared positions on three of the bills, H.R. 1824, 1370, and 2259, but we will provide our comments for the record as soon as they are available.

[The VA views for H.R. 1824, and H.R. 2259, were provided in an October 26, 2007, letter from Acting Secretary Gordon H. Mansfield, which appears on p. 95. The VA views for H.R. 1370 were provided in a March 31, 2008, letter from Secretary James B. Peake, which appears on p. 98.]

Madam Chairwoman, H.R. 112 entitled the "GI Advanced Education in Science and Technology Act," would amend chapter 30 of title 38 by adding a new sub-chapter containing provisions through which the Secretary would, subject to the availability of appropriations, be required to pay monthly stipends to eligible doctoral candidates who are pursuing full-time doctoral degrees in sciences of engineering, mathematics, and other technology disciplines.

The bill would limit the number of stipend payments to a total of 60 months. The amount of the stipend would be $1,200 per month. Madam Chairwoman, VA does not support enactment of H.R. 112 for several reasons.

First, this bill represents a departure from the existing chapter 30 Montgomery GI Bill structure, which provides equivalent benefit opportunities to veterans who establish entitlement under Sections 3011, 3012 and certain other provisions of that Chapter.

This measure would restrict eligibility for the proposed doctoral stipend to only those veterans eligible under Section 3011. In the absence of a clearly supportable rationale for this eligibility restriction, we cannot support altering the existing chapter 30 benefit structure by singling out for special treatment one group of entitled veterans from others who have established the same basic program entitlement.

In addition, we have not noted any savings to offset the estimated costs of this bill. We estimate the increase Readjustment Benefit cost would be $25.9 million over a 10-year period. General Operating Expense (GOE) costs were estimated at $3 million for computer system upgrades.

Next I will discuss H.R. 2579. Currently VA is authorized to enter into contracts with State and local agencies known as State Approving Agencies or SAAs to perform services necessary to ascertain the qualifications of educational institutions furnishing courses to veterans and other individuals receiving VA educational assistance. The total amount the VA may pay in any fiscal year may not exceed $13 million and must be paid solely out of amounts available for payment of readjustment benefits.

H.R. 2579 would require that VA make these payments out of the readjustment benefits account and the general operating expense account rather than solely from the readjustment benefits account. The total amount that could be available from the readjustment benefits account would be $13 million. VA does not support this legislation because using two funding sources for this program instead of one dedicated source would make the program more complicated for SSAs and more difficult to administer.

H.R. 675, entitled the "Disabled Veterans Adaptive Housing Act," would increase the maximum dollar amounts available under the Specially Adapted Housing program, as well as provide for additional increases to the grants by tying the maximum dollar amounts to an annual cost of construction index. The VA supports the overall objective of increasing SAH grants, but has two concerns.

First, the existing statutory limit on grants made pursuant to Section 2101(a) is an aggregate that includes temporary residences grants, an authority which is due to expire in 2011. An ambiguity may arise at the time of expiration with regard to the amount of assistance available under Section 2101(a). To avoid this potential situation, VA recommends statutory revisions to eliminate this ambiguity.

Second, in light of cost associated with grant amounts, we would recommend enactment of legislation offsetting the cost associated with grant increases. Section three of the bill would require that VA increase SAH assistance caps except for temporary residence grants every fiscal year starting in October 2007. Such increases would be based on changes and a residential home cost-of-construction index. VA opposes indexing programs such as Specially Adapt-

ed Housing Grants. Instead, we would prefer to provide adjustments on an ad hoc basis.

VA estimates the enactment of Sections two and three of this bill would result in a benefit cost of $68.6 million in the first year and $194.2 million over ten years.

H.R. 1315 would make Specially Adapted Housing Assistance available to disabled, active-duty servicemembers temporarily residing in homes owned by their family. VA supports enactment of this provision. However, VA notes that as drafted, the provision continues to require specific legislation in order to make active-duty members of Armed Forces eligible any time newly enacted assistance may become available.

Insofar as these disabled active-duty servicemembers are already eligible for SAH benefits, there would be no additional cost.

H.R. 513, 1598, and 1750, would amend the Servicemembers Civil Relief Act by expanding and increasing protections afforded servicemembers. Because these bills would not affect the provision of VA benefits, VA defers to the Department of Defense concerning this legislation.

H.R. 1240 would require the Secretary to establish and carry out a scholarship program to provide financial assistance to individuals enrolled in education programs leading to a degree or certificate in visual impairment or orientation and mobility.

In exchange for scholarship assistance, the individual must enter into a written agreement to serve as a full-time VA employee for a period of three years. The maximum amount of financial assistance that could be provided to a participant who is a full-time student would be limited to $15,000 per academic year and up to a maximum of $45,000.

VA supports this scholarship program, but believes it should be authorized under chapter 76 of title 38 U.S. Code not a new chapter 80. We estimate the total cost of H.R. 1240 to be $349,233 in fiscal year 2008 and $3.7 million over a 10-year period.

H.R. 1632 would add informational requirements to the annual report that the Secretary of Labor must submit to Congress concerning employers' compliance with laws governing the re-employment rights of members of the Armed Forces.

Because these bills would not affect the provision of VA benefits or require any reporting by VA, we defer to the Department of Labor concerning this legislation.

H.R. 2475 would authorize VA to guarantee home equity conversion mortgages or HECMs made to elderly veteran homeowners. We cannot support this bill for several reasons.

First, the original intent of the VA loan program was to provide home ownership opportunities for veterans and active-duty servicemembers who forgo such an opportunity in order to serve in the Nation's military.

While the program has been modified by legislation over its 63 year history, all program changes have been designed to enable veterans to purchase and retain homes. In contrast, a HECM program focuses on the ability to extract equity prior to disposal of the property. In addition, the Federal Housing Administration, or FHA, currently has a very active and successful HECM program. We fail

to see what a VA HECM program would have to offer that would not be a duplication of this existing Federal program.

Further, the FHA fully ensures lenders against losses, whereas, by statute, VA is only able to guarantee the lender against a percentage of its potential loss. We do not believe this proposed VA HECM program would be as attractive to the lending community as the FHA program.

Finally, we note that the text of the bill contains certain inconsistencies and ambiguities that would require clarification.

Madam Chairwoman, this concludes my statement. Mr. Wilson and Mr. Gallin and I would be pleased to respond to any questions that you and members of the Subcommittee may have.

[The prepared statement Mr. Pedigo appears on p. 83.]

Ms. HERSETH SANDLIN. We thank you for your testimony. I understand that we will just move directly to questions as Mr. Wilson and Mr. Gallin are here to provide any answers to those questions along with you, Mr. Pedigo.

Mr. Boozman, did you have questions or comments for the panel?

Mr. BOOZMAN. Yes, ma'am. Thank you. On H.R. 2579 on State Approving Agencies, what we are trying to do is not require you to use both those funds, but just to give you some flexibility so that if you have the $13 million and that is not adequate, then you can have some flexibility to do something differently and receive some more funding.

I guess my question is if you only have $13 million to work with, what are you going to do next year? What is that program going to look like? You have a couple different choices. You can cut back over all the States, reduce their funding, or you can get the larger States to continue and cut back, thus making the smaller States disappear and then you can suck that up within the deal.

So, again my concern is, is that through whatever pressures, budgetary or whatever, that we are going to get ourselves in the situation where we have problems along that line. We have all of these subs coming back, and we have to get this stuff done. And again that is the purpose, like I said not requiring you to do that, but giving you the flexibility that if you need that money, that you could do that. It sounds like it would take some effort on your part as far as fiddling with the accounts.

But tell me what, if you are just going to have your $13 million, what is the program going to look like? What are you going to do to make that work?

Mr. WILSON. If we would go down to $13 million we have developed a couple different contingencies. We can look at it basically from the perspectives that you talked about. We can look at spreading the pain evenly among all the SAAs. We can also look at having the larger SAAs perhaps take a larger share of the burden with the idea of trying to keep some SAA presence in as many States as possible.

We have got contingencies both ways. But flexibility, I——

Mr. BOOZMAN. But the questions isn't if. I mean you are going to down to $13 million. So go ahead.

Mr. WILSON. Yeah. Flexibility I believe is the key issue. And creating a mechanism that will potentially require us to fund the ex-

isting dollar amount out of two different pots will be very restrictive.

We cannot take both pools of money and administer them under one contract. We would, in essence, be in a situation where we would have some State contracts out of the $13 million, some out of any other potential money. So if we were in that type of situation, the impact of having less than the current $19 million, say the $13 million, and potentially making other offices or other States wholly out of General Operating Expenses would impact just those States that would be funded out of the GOE.

Mr. BOOZMAN. So I guess what is the answer? I mean we want to help you. You said that mechanism isn't going to work. I am very concerned that we are going to get ourselves into a bind, because I would really like know very quickly what the plan is. I mean we are getting to where we need to address that.

Mr. WILSON. Yes.

Mr. BOOZMAN. So I would like to know what is the plan. Certainly at that point if we don't feel like the plan is workable, or you, as you think it through, you don't think it is workable, then we need to do something different. But I guess what I want to know is if you are opposed to this, then what are you for? What do you want us to do?

Mr. WILSON. We are in support of the funding remaining within the Readjustment Benefits (RB) account, preferably at the level it is now. But it, we believe, is important that the funding be in the RB account as it is now.

Concerning the plan that we have, as I mentioned, we do have contingencies for how we would handle this. We are required by statute to pick up work if a State chooses not to contract with us. We will do that. We will also have issues that may not be addressed, for instance, part of the increase in funding for the SAAs gave them an added role in outreach. It is possible that that additional outreach will be reduced or not occur.

We cannot develop definite contingency plans because contracting with VA is something that would be up to the individual States. We cannot tell what States would or would not contract with us depending on the amount of money that we can offer them.

So concerning specifics, we will have to address the specific States when we find out that information.

Mr. BOOZMAN. And so when would all that go into effect?

Mr. WILSON. October 1.

Mr. BOOZMAN. Okay. So you know we are getting there.

Mr. WILSON. Yes, we are.

Mr. BOOZMAN [continuing]. Madam Chairwoman I would hope that working together that we can kind of figure out what the plan is and then go from there. But as you know, with the budgetary constraints it makes it difficult. I want to help you, but again I would like to know what you are planning on doing. If you pick up the slack, with personnel, what do you do. I know that everybody is working hard now. What are you going to give up when you pick up the slack? See what I am saying? That is the other side.

Mr. WILSON. Yes.

Mr. BOOZMAN. So, again, I would very much like us to be able to address that as soon as we can.

Mr. WILSON. Absolutely. I share the same concerns that you have. I would like to provide more specificity concerning what our contingency plans would be. The decisions that we would make concerning potentially what work would have to be shifted and what work would be not be done, would be dependent on what specific States were impacted.

Mr. BOOZMAN. Okay. And the other thing was, again working with our staffs', I believe this is something we all want to get done. If you have a suggestion that where we can finagle around that would make it easier than what we are trying to do to help you, and we really are trying to help you, then that would be something that we would like to know so that we can move this thing forward. Thank you, Madam Chairwoman.

Ms. HERSETH SANDLIN. Well thank you, Mr. Boozman. It is clear that we both share this as a priority. I appreciate the Ranking Member introducing the bill to try to provide you with the tools to meet what we think are clear needs. The testimony that we took earlier this year as it relates to the role of the SAAs—we are going to look at other alternatives too, but we are just trying to be helpful here in recognizing where the SAAs are serving an important role, and have enhanced that role over time, and now unfortunately we are dealing with a statutory issue that needs to be addressed. We would appreciate ideas and input that you can provide working with us and members of our staff.

I appreciate that you have a contingency plan in place, but with the variables and the uncertainties that poses for the States at this point, we may just need to discuss how we can best go about sharing as much information as possible so that everyone can plan accordingly at least for Fiscal Year 2008 as we try to make changes that will help us further down the line.

Mr. Pedigo, I appreciate the comments that you provided about the Specially Adaptive Housing bills that I have introduced. Recognizing the need for some specific legislation necessary to address active-duty servicemembers as well as the recommendations that you made with regard to the expiration date of the temporary assistance and needing to make some revisions to eliminate ambiguity. So we will take those recommendations and give them further consideration.

Let me move now to the issue of the Home Equity Conversion Mortgage bill that was introduced by Mr. Michaud and Ms. Brown-Waite. Do you think that the Federal Housing Administration program is meeting the home equity conversion mortgage needs of veterans today?

Mr. PEDIGO. As far as we can determine, it is. And I say that based not on any type of formal studies that we have done to make that determination, but based on the fact that we do not receive communications from veterans indicating that they wish that VA had a home equity conversion mortgage or communications indicating that they cannot get a HECM.

And so our conclusion is that they are availing themselves of the FHA HECM program, which has 95 percent of the market share for HECMs in the country.

Ms. HERSETH SANDLIN. I appreciate what you are saying there, but I think Ms. Brown-Waite's comments earlier with regard to the

meetings that she has had, to try to help share information with seniors about different financial tools available to them. This is the kind of outreach that for veterans who are already enrolled and getting benefits and accessing different services from the VA might actually be more likely to get helpful information about those financial tools available to them if it were offered the way it has been introduced by Mr. Michaud and Ms. Brown-Waite separate from the outreach that may or may not available through FHA.

I appreciate what you are saying. I do think there are some opportunities here for us, however, that may not have been identified yet. And as you mention, it is not—your comments are not made from a formal survey that has been done, but we know that there is the 95 percent market share, but you know are there some folks that we may be able to assist within the veterans' community by offering a separate program.

You did state in your testimony that there were inconsistencies and ambiguities in H.R. 2475 that would require clarification. Could you elaborate on that statement and tell us what you think the inconsistencies and ambiguities might be?

Mr. PEDIGO. Well there were several in there. For example, it was not clear in the draft bill how the funding fee would come into play. As you know we charge a funding fee for veterans who are using the home loan program. And the language in the draft was not clear as to whether we would be expected to charge a funding fee. And of course that would play a big part in determining whether, if we got such a program, it would be a negative subsidy or whether it would require appropriated funds.

So that was the biggest issue. There were some other issues in there, for example, counseling. There is a requirement in there that VA make sure that these veterans were able to avail themselves of counseling and it wasn't clear whether VA was going to be expected to provide that counseling or whether the veterans would use the existing counseling infrastructure that exist in the Department of Housing and Urban Development.

And also to what extent the veteran would be required to pay for that counseling. Those were just a couple of the items that were not clear to us. There were a number of others and we would be willing to provide those for the record.

[The following was subsequently received from Mr. Pedigo:]

H.R. 2475

The Veteran Home Equity Conversion Mortgage Act of 2007

H.R. 2475 authorizes the Secretary to guarantee Home Equity Conversion Mortgages (HECMs) for elderly veteran homeowners. VA is opposed to this bill for the reasons described in the testimony delivered, on June 21, 2007, before the Subcommittee on Economic Opportunity, Committee on Veterans' Affairs, United States House of Representatives. From a more technical viewpoint, we note that the text of the bill contains inconsistencies and ambiguities that would require additional legislative direction. The following text provides a detailed list of our technical comments.

Section 1

Please note that the title is misquoted as "the Veteran Home Equity Conversation Mortgage Act of 2007." Instead, the title should read "the Veteran Home Equity Conversion Mortgage Act of 2007."

Section 2

a. Loan Guarantee

- We are concerned with the use of the term "covered mortgagee," especially since there is no definition provided. The use of the term makes the legislation sound more relevant to an insurance program (like HUD's) than to a guaranty program.
- The fact that "the Secretary *may* guarantee any home equity conversion mortgage . . ." (emphasis added) lends a permissive tone to the legislation, which is contrary to the existing statutes for VA guaranteed loans. Our existing statutes are mandatory in nature.

b. Standards for Commitment

- Under the first sentence in this subsection, Congress requires the Secretary to establish standards for guaranteeing HECMs. However, due to the sentence structure, it is unclear at what point Congress expects VA to establish such standards (e.g., 'before the date on which the mortgage is executed' or prior to the Secretary 'committing to guarantee.'). We would appreciate a revision to this sentence.
- As written, the bill requires the VA Secretary to determine that the HECM "is likely to improve the financial situation or otherwise meet the special needs of the elderly veteran homeowner." We believe this language is too vague for VA to conduct such assessments. Furthermore, VA is not in the position to decide whether a HECM is an appropriate choice for improving the veteran's financial situation. The language from HUD's HECM statute seems more appropriate, as it requires a determination that the mortgages "have promise for improving the financial situation" of the borrower.
- We are unclear about what "accepted" means in subparagraph (3), and we would prefer to use HUD's language, which requires mortgages to "have a *potential* for acceptance in the mortgage market" (emphasis added).

c. Mortgage Eligibility

- Subsection (c)(1) outlines the types of allowable properties that can secure a HECM. The language used in this reference appears to conflict with the definitions of "mortgage" and "first mortgage" in subsections (1)(2) and (1)(3), respectively.
- Subsection (c)(2)(A) requires that the elderly veteran homeowner discuss the use of a HECM with a loan counselor. Similarly, subsections (c)(2)(B) and (c)(2)(C) require that the elderly veteran homeowner receive certain disclosures regarding a HECM. We believe the bill is vague about whether VA would be required to procure outside fee services to carry out certain counseling and disclosure requirements; for example, in (c)(2)(B), who will be providing the disclosure to the veteran? Furthermore, it is also unclear whether the veteran or VA is responsible for paying for the costs of such services.
- There is no provision for VA's non-liability for the errors and omissions of third-party counselors.
- Subsection (c)(2)(A)(3) should read be reordered to, "prepayment . . . may be made without penalty at any time during the period of the mortgage."
- Subsection (c)(7) mentions foreclosure proceedings. Is it Congress' intent for HECM default/foreclosure proceedings to be reconciled with § 3732, or are such proceedings to be notwithstanding § 3732? Similarly, this subsection mentions a number of items that are outlined in other areas of our code. To avoid any statutory conflicts, a careful and thorough analysis of chapter 37 is necessary.
- Subsection (c)(8) contains a typo and should read "according to one of the following." Also, we are unclear as to the definition of "tenure" in (D) and (E).
- Subsection (c)(10) requires the Secretary to "ensure that the homeowner does not fund any unnecessary or excessive costs for obtaining the mortgage, including any costs of estate planning, financial advice or other related services." As a housing program, VA is not in the position to limit the costs of such advice to borrowers. Furthermore, as drafted, it is unclear whether costs of estate planning and financial advice would be considered acceptable costs to the veteran (see subsection (c)(10) versus subsection (e)).

d. Information Provided to the Homeowner

- As previously stated, we believe the bill is vague about whether VA would be required to procure outside fee services to carry out certain counseling and disclosure requirements and whether the veteran or VA is responsible for paying for the costs of such services.
- This subsection states "the Secretary shall provide or arrange, before executing on a home equity conversion mortgage under this section. . . ." Under VA's existing programs, lenders execute the mortgages. Consequently, we are unclear about Congress' intent regarding VA's responsibilities for "executing" a HECM in subsection (e)(1).
- Subparagraph (e)(2) contains a typo and should read, ". . . all of the information specified in such paragraphs."

e. Limitation of Amount of Benefit

- Given that FHA insures lenders against all losses, whereas VA is only able to guaranty the lender against a percentage of its potential loss, we do not see how a new VA HECM program would be as attractive to the lending community as the existing FHA program has proven to be.
- In the case where the covered mortgagee becomes VA, we assume that Congress intends to provide the same protection to the eligible veteran homeowner. If so, there appears to be a technical inconsistency between our requirement to continue making payments to the elderly veteran homeowner and subsection (f), Limitation of amount of benefit, which restricts the guarantee of a mortgage under this section to the maximum guarantee amount under Section 3703 of this title.

f. Additional Authority

- Under subsection (g)(1)(A), the bill prescribes that VA provide the veteran with funds to which they are entitled under a HECM if a lender/servicer defaults. Given that HECMs are secured by Ginnie Mae, we assume that Ginnie Mae is responsible for continuing to pay the veteran the necessary payments and that VA would only be responsible for the administration of such payments.
- Subsection (g)(1)(B) should read, "provided under subparagraph (A) to a homeowner."
- Subparagraph (g)(1)(C) makes it appear as if VA is supposed to cover the entire loss, like HUD does. As previously discussed, we believe this presents an inconsistency.
- Subparagraph (g)(2)(A) should be reordered to read, "disbursing funds from the Veterans Housing Benefit program Fund to the elderly veteran homeowner or covered mortgagee."
- Subsection (g)(2)(C) gives the Secretary the authority to "require a subordinate mortgage from the homeowner at any time in order to secure repayments of any funds previously advanced or to be advanced to the homeowner." We are unclear regarding the circumstances under which this would occur.
- Under subsection (g)(2), the bill allows VA to accept an assignment of the mortgage for reasons other than homeowner default. We assume that Congress is providing this authority to allow for VA to continue providing the borrower with payments, similar to HUD's program, once the lender has reached the maximum claim amount. As previously described, there appears to be a technical inconsistency between our requirement to continue making payments to the elderly veteran homeowner and subsection (f), Limitation of amount of benefit, which restricts the guarantee of a mortgage under this section to the maximum guarantee amount under Section 3703 of this title.
- We are unclear as to what subsection (g)(2)(D) requires.
- Subsection (g)(2)(E) allows VA to impose "premium charges." We assume that Congress intended VA to assess a funding fee versus an upfront and annual premium (as charged by HUD). If Congress intended a funding fee, does Congress plan to establish a new rate or apply one of our existing rates?

g. Authority to Guarantee Mortgages for Refinancing

- A loan fee is discussed here, but is it the same as or additional to premium charges previously discussed? The bill prescribes that VA will charge a loan fee "as determined by the Secretary" under Section 3729. However, the Secretary does not have the discretion to determine any other funding fee.
- Is Congress' intent in (i)(3) to consider HECMs functionally equivalent to IRRRLs or Cash-Out Refinances? The entitlement amount differs for each, which would impact the maximum principal loan amount on HECMs in such cases.

h. Origination Fee

- We are unclear about what exactly Congress intended in terms of this fee.
- We are unclear as to the definition of "correspondent mortgagee."
- We are unclear whether "approved by the Secretary" modifies the fees or the correspondent mortgagees.

i. Fee Waiver

- Is it Congress' intent to limit the fee waiver to those cases where ALL funds (versus some funds) provided to a borrower through a HECM are used to fund the cost of a qualified long-term care insurance contract?
- Given the bill's structure, it appears that subsection (k)(2), financing mortgage obligations, only is allowed for situations where the HECM is being obtained to fund the cost of qualified long-term care. We believe the ability to finance mortgage obligations should apply to ALL veterans using a HECM.

j. Definitions

- If "elderly veteran homeowner" is the defined term, we believe Congress should use that term consistently or include a preferred abbreviation in the definition.
- We believe that the use of "real estate" needs to be more clearly defined since it can include many forms of property.

Some overarching considerations:

- Chapter 37 of title 38, United States Code, includes provisions for entitlement, default, and property management, among others, that would not mesh with the provisions of this proposal. To avoid any statutory conflicts, a more careful and thorough analysis of chapter 37 is necessary.
- Any procurement needs, such as procuring counseling services, to expressly and specifically come out of the Housing Benefit Program Fund needs to be articulated in the bill.
- The legislation needs more specific information about HECM lien priority. Also, the difference between obligations and mortgages is not sufficiently clear.
- Given the novelty of this program, it would be helpful to have an expanded definitions section. In addition, we recommend placing this subsection at the beginning of the legislation.
- HUD's statute contains the following language: "The Secretary may enter into such contracts and agreements with Federal, State, and local agencies, public and private entities, and such other persons as the Secretary determines to be necessary or desirable to carry out the purposes of this section." We would like to have similar language in this bill with the Department of Housing and Urban Development named so that we can leverage their expertise in the development of such a program.

Ms. HERSETH SANDLIN. If you could. It would be helpful as we give further consideration to the program that is proposed in that bill. So that if indeed we choose to move forward we have additional perspective and your insight as to based on other programs that you administer, if we do choose to authorize it that we make it as good as possible based on past experience——

Mr. PEDIGO. Certainly.

Ms. HERSETH SANDLIN. I don't think I have any further questions. Mr. Boozman?

Mr. BOOZMAN. Thank you, Madam Chairwoman. The only thing I would say, I have the testimony from the ATA, the American Trucking Associations, again talking about the need for people in that field. And I think the statement that he made was a fair one. You know we have many people in the infantry now, this war is being fought by the infantry that are coming back and you know they are not going to be necessarily scientist. You know they are not necessarily going to be math teachers or whatever.

So I know that there is a difficulty now in the law in trying to fast forward some payments, to some of those fields in the high-tech field. But could you all think about this problem and what VA feels about again maybe going along with that direction perhaps in a little different direction of meeting the needs of the average guy that was the sense of the 2002 law itself. We have a completely different need. The story he told about this stepson. We have a lot of people that are in the field, they have got tremendous amount of responsibility that it is really important that we get them back as soon as we can, get them gainfully employed.

I think also the statement he made about the fact that many of these individuals even at their best, because of the amount of money that they are receiving have problems. The fact that there is some time elapse, they don't have a lot of savings, that it is very difficult.

But I really would like some comments in the future about updating the list even if we stay high tech, the world is a different place now than it was in 2002.

And then, also, if you would have a feeling again in us looking at re-writing that language to make our sphere a larger deal, let us know. We got 30 percent that don't use the GI Bill and I suspect part of it is that. Just the fact that some of the things that they have an interest for would be along that line, but they really can't see a way out.

So that is just kind of for what it is worth, Madam Chairwoman. The other thing, could we have an update briefing on "The Expert Education System" (TEES) program and a staff briefing on last year's education call center and what you might be doing in the future with these projects. Would that be something that we could ask you for, with your permission?

Ms. HERSETH SANDLIN. Most certainly. I think that is a very good idea to get that information on a more regular basis with the briefings between members of our Committee staff and with all of you.

Mr. BOOZMAN. Thank you.

Mr. PEDIGO. Yes.

Mr. BOOZMAN. And again, thank you all for your service.

Mr. PEDIGO. If I could——

Ms. HERSETH SANDLIN. Please.

Mr. PEDIGO [continuing]. If I could address that just very briefly. I agree with the direction the Committee is trying to go with accelerated pay. I have had discussions with the staff of the Subcommittee, hope to have a lot more as we define things.

There is a lot, I believe that we have in common with our desires for accelerated pay much more than I believe that we have opposing views on this. So I believe that there is something that we can work out. We do believe strongly that we can expand the Accelerated Pay program in a manner that will serve a greater veteran population and in a manner that budgetary wise everybody can live with it.

And if I could address the call center just very quickly and our performance, because this is something I am very proud of. We have had a lot of success improving our performance over this last year. We started this fiscal year, October 1st, processing original claims in about 46 days, we are at 24 days right now. And processing supplemental claims in 18 days and we are in 10 days right now.

So we are very pleased. We are obviously happy to provide more details, but I did want to make sure that that was made available.

Ms. HERSETH SANDLIN. Well we appreciate that update and we would like to see the additional details, but that is certainly a trend that any Subcommittee likes to hear as it relates to the progress being made and the processing of the claims.

And Mr. Wilson, if you could also, I know you had testified even previously about the desire to open up to a greater number of programs and to a greater number of veterans the accelerated pay benefit. I think last time we did ask if we could see going back I believe to 2000 maybe, or 2001 the applicants and participants in the list of programs currently available so you can match that with some other areas that the Administration has identified for high-needs areas.

[The following was subsequently received from Mr. Pedigo:]

Accelerated Pay Over the Life of the Program					
	Claims*	**# Payments**	**Denials**	**Total Payments**	**Average Payment**
Dec–02	33	11	22	$33,728	$3,066
Mar–03	170	110	60	$420,734	$3,825
Jun–03	278	224	54	$1,002,518	$4,476
Sep–03	319	277	42	$1,361,259	$4,914
Dec–03	359	320	39	$1,706,292	$5,332
Mar–04	262	245	17	$1,521,458	$6,210
Jun–04	303	286	17	$1,782,844	$6,234
Sep–04	307	268	39	$1,610,469	$6,009
Dec–04	279	233	46	$1,290,063	$5,537
Mar–05	275	249	26	$1,677,826	$6,738
Jan–00	232	195	37	$1,239,901	$6,358
Sep–05	241	209	32	$1,514,553	$7,247
Dec–05	228	192	36	$1,443,920	$7,520
Mar–06	207	180	28	$1,481,055	$8,228
Jun–06	363	270	92	$1,659,400	$6,146
Sep–06	324	246	78	$1,532,265	$6,229
Dec–06	320	274	45	$1,489,352	$5,436
Mar–07	308	257	51	$1,505,798	$5,859

Accelerated Pay Over the Life of the Program					
	Claims*	**# Payments**	**Denials**	**Total Payments**	**Average Payment**
Total:	4,808	4,046	761	$24,273,434	$105,364

*A "claim" doesn't represent one individual. It represents a single educational benefit claim. Therefore, an individual can file more than one claim.

Types of Training Programs for Accelerated Pay for the 4th Qtr. FY 2006		
09.07 Radio, Television, and Digital Communication	**Participants**	**%**
09.0702 Digital Communication and Media/Multimedia	18	13.95%
11. Computer and Information Sciences and Support Services		
11.0101 Computer and Information Sciences, General		
11.0102 Artificial Intelligence and Robotics		
11.0103 Information Technology	11	8.53%
11.0199 Computer and Information Sciences	6	4.64%
11.02 Computer Programming		
11.0201 Computer Programming/Programmer General	8	6.20%
11.0202 Computer Programming Specific Applications	1	0.78%
11.0203 Computer		
11.08 Computer Software and Media Application		
11.0801 Web Page, Digital/Multimedia and Information Resources Design	1	0.78%
11.0802 Data Modeling/Warehousing and Database Administration	1	0.78%
11.0803 Computer Graphics		
11.0899 Computer Software and Media Applications, Other	8	6.20%
11.09 Computer System Networking and Telecommunications	10	7.75%
11.1002 Computer Systems Networking and Telecommunications	3	2.33%
11.0901 Computer Systems Networking and Telecommunications	26	20.16%
***14. Engineering**	34	26.36%
Instructional programs that prepare individuals to apply mathematical and scientific principles		
****15. Engineering Technologies/Technicians**	1	0.78%
Instructional programs that prepare individuals to apply basic engineering principles		
	1	0.78%
26. Biological and Biomedical Sciences		
Instructional programs that focus on the biological sciences and the non-clinical biomedical science		
TOTAL	129	

*On average more Beneficiaries Enroll in Courses of Engineering when a participating in Accelerated Payment programs.

**2nd is for Computer System Networking and Telecommunications 3rd is Radio, Television and Digital Communications.

This chart represents the types of programs as an average based on the 4th quarter FY 2006. After reviewing other quarters during FY 2006, it appears that the percentage is consistent through the entire fiscal year.

Ms. HERSETH SANDLIN. The reason I'm so inclined to move forward with the Commercial Driver's License program is just to see. I mean given what we know the experience and the skills of a number of individuals coming up from transportation companies in the National Guard and Reserve, and others in the infantry as Mr. Boozman mentioned. All the other very important helpful points that he just made to help us at least move forward and then kind of open the flood gates to what we might be able to do with the accelerated payment benefit program.

So if you could get that list to us as quickly as possible and share that with staff, we would appreciate it. And we appreciate our working relationship with you and agree that we are much more on the same page in wanting to adapt this important program for our veterans than any opposition that may exist there.

So thank you all again for your time, for your input and insights. We always appreciate it and we will look forward to following up.

The hearing now stands adjourned.

[Whereupon, at 5:01 p.m., the Subcommittee was adjourned.]

APPENDIX

Prepared Statement of Hon. Stephanie Herseth Sandlin, Chairwoman, Subcommittee on Economic Opportunity

As some of you may recall, this Subcommittee has held hearings on issues such as adaptive housing, education assistance and ensuring that our returning servicemembers and their families have an easy transition to civilian life. With an increasing number of disabled veterans returning home from Iraq and Afghanistan, there is an urgent need to review these important pieces of legislation.

Today we have 13 bills before us that seek to: protect our Nation's veterans from financial burdens incurred while serving one's country; expand education programs while meeting the current needs of our economy; provide transition assistance to members of the National Guard and Reserve; strengthen reemployment rights for returning veterans; ensure the vitality of programs that assist veterans in making the best use of the Montgomery GI Bill education benefits; and establish an office to promote programs to assists our injured veterans to heal from their wounds sustained while in the U.S. Armed Forces.

In addition, I have introduced legislation that will be discussed today that seeks to address some of the needs of our returning brave men and women in uniform.

The first being H.R. 1315, which would provide specially adaptive housing assistance to disabled servicemembers residing temporarily in housing owned by a family member. Under current law, a temporary grant may be available to veterans who are/will be temporarily residing in a home owned by a family member. This assistance, allowable up to $14,000, may be used to adapt the family member's home to meet the veteran's special needs at that time.

The second bill, H.R. 675 would increase the amount of assistance available to disabled veterans for specially adaptive housing grants. Increase the maximum amount from the current $50,000 to $60,000.

I believe that these two bills will be critical components in assisting our disabled veterans and servicemembers, and expand the resources available to give them a level of independent living they may not normally enjoy.

I look forward to working with Ranking Member Boozman and Members of this Subcommittee to continue to improve the quality of care and services available to our veterans.

Prepared Statement of Hon. John Boozman, Ranking Republican Member, Subcommittee on Economic Opportunity

Thank you Madam Chairwoman and good afternoon to everyone, especially those who have joined us to provide their views on the bills before the Subcommittee.

We have lots to do this afternoon, so I will be very brief. The bills before us represent many good ideas and intentions and I look forward to hearing from our witnesses about their positions. I am concerned however, that some initiatives may have unintended consequences that are less than optimal.

I would also ask a favor of our witnesses. Please limit your remarks to your comments on the bills rather than each of you explaining each bill to us. That will give us more time to grill you with highly insightful and probing questions.

Madam Chairwoman, I look forward to a good markup next week to report some solid legislation to the Full Committee. I yield back.

Prepared Statement of Hon. Timothy J. Walz,
a Representative in Congress from the State of Minnesota

Madam Chairwoman and members of the subcommittee, I want to express my strong support for H.R. 1632, the Improving Veterans' Reemployment Act. Congressman Dave Reichert and I introduced this legislation to enact a small, technical fix that will improve the way the federal government deals with National Guard and Reserve reemployment complaints. This legislation is an excellent example of the good work the Congress can do on behalf of our nation's veterans.

My colleague Congressman Reichert realized the crucial role of the National Guard and Reserves early on in the Iraq War. He also understood that long deployments for the Guard and Reserves meant servicemembers would be leaving their civilian jobs for months and years at a time. Congressman Reichert asked the GAO to study this issue in 2005, directing them to report on difficulties Guard and Reserve servicemembers face when returning to their civilian jobs.

Among numerous results, the study found a simple problem in the way the Departments of Labor and Defense deal with complaints Guard and Reserve servicemembers register when they return home and reenter the civilian workforce. These servicemembers can file complaints dealing with the reemployment process with either the Department of Defense or the Department of Labor. However, these two departments are not fully sharing the complaint data as they work to improve the reemployment process and report to Congress. Congressman Reichert and I came up with a legislative fix to this problem. Our bill simply acts on GAO's recommendations by requiring the federal agencies and departments that are involved with veterans' reemployment complaints to fully share their data. The bill also requires that Congress receive all of this data in an aggregate report. Congressman Reichert and I offer a simple fix to a small problem that has a negative effect on thousands of veterans returning home to their civilian jobs.

As a retired Command Sergeant Major in the Army National Guard, I have an intimate understanding of the veterans' reemployment issue. I deployed in support of Operation Enduring Freedom from 2003 to 2004 and was fortunate to have my job as a high school teacher waiting for me when I returned home. Unfortunately, the process was not as simple for every member of my unit and I have heard plenty of horror stories of both Guard members and Reservists who come home to a radically different job situation. Local businesses back home in Minnesota have done a tremendous job supporting the Guard and Reserves and bearing the financial burden of long deployments, but servicemembers can still face problems when they return. Our bill goes a long way to improving the way the federal government deals with reemployment problems. While constituents I served with in the Guard and now represent in Congress may voice their problems and complaints to any number of federal agencies, I need to know that the Congress will get the full story on reemployment problems. Our bill does just that: ensuring that all the data is compiled so that federal agencies and the Congress can better understand reemployment problems and create effective solutions. I urge the Subcommittee to support our legislation for the sake of thousands of Guard and Reserve servicemembers who have served this country exceptionally and who need our help now.

Prepared Statement of Hon. Albert Russell Wynn,
a Representative in Congress from the State of Maryland

Chairwoman Herseth Sandlin, Ranking Member Boozman, and Members of the Subcommittee, thank you for the opportunity to testify before you today on the bill I have offered to extend the protections offered under the *Servicemembers Civil Relief Act* (50 U.S.C. App. 533(c)). I am pleased to join this Subcommittee in discussing the economic challenges that many U.S. military veterans face after honorably serving our Nation.

My bill, H.R. 1750, would extend the protections to mortgaged property owned by a servicemember or qualified Reserve or Guard member to one year following active duty, extending the current protection from 90 days. H.R. 1750 attempts to address the very real economic and life hardships that active duty servicemen and—women, and their families frequently face, and acts to protect a family's most treasured and needed possession—their home.

H.R. 1750 is consistent with all requirements and limitations of the *Servicemembers Civil Relief Act*. Originally passed by Congress in 1940, and amended in the 108th Congress, the *Servicemembers Civil Relief Act* is an important safeguard for our Nation's veterans and active duty servicemembers. It generally protects veterans and servicemembers with honorable service from eviction for nonpayment of

rent, foreclosure on mortgaged properties, and provides a cap on interest rates for those on active duty.

H.R. 1750 extends protections granted to active duty servicemembers and their immediate families to veterans who have served our Nation honorably, by increasing the period in which they are protected from immediate foreclosure on a mortgage from 90 days to one year. H.R. 1750 gives servicemembers, Guard and Reserve members returning from active duty time to readjust to civilian life, while protecting their most valuable and necessary asset for rebuilding a normal life with their family.

Mental Illness, PTSD, and TBI

This Subcommittee knows very well the challenges that returning veterans face. Veterans are at higher risk of mental illness and homelessness than the general population. Many combat injuries incurred as a result of active duty service, both physical and mental, can seriously obstruct servicemen and servicewomen from finding and holding down a job.

As Committee Members know, the War in Iraq and Afghanistan has been especially hard on those who have served. More than one million troops have served in Iraq or Afghanistan since 2001. Due to the operational tempo and intense levels of combat that our troops face in this conflict, more and more returning servicemembers are evincing signs of serious combat stress and related mental health conditions.

Three-quarters of the troops in Iraq have faced life-threatening situations and nearly half have seen dead or severely injured American troops. Repeated and lengthened deployments are dramatically affecting troops and their families. A recent study found that those who have served multiple tours are 50 percent more likely to suffer from acute combat stress.

More than a third of returning servicemembers have symptoms of psychological or neurological injuries such as traumatic brain injuries (TBI) and Post-Traumatic Stress Disorder (PTSD). Onset of both TBI and PTSD may be delayed, and both can take significant time to diagnose. And they can both be suffered without receiving so much as a scratch in combat operations.

The Defense Department Task Force on Mental Health reported in early June that almost 40 percent of the troops have experienced some type of psychological problem. Between 20 and 25 percent of servicemembers returning from Iraq and Afghanistan experience serious mental health problems.

Many believe that mental health conditions such as Post-Traumatic Stress Disorder or Traumatic Brain Injury, since they are not visible to the naked eye, are imaginary, or a weakness in character. I do not, and I am grateful to the Veterans' Committee for acting to address this important issue.

But in the interim, veterans come home, are unable to fully mesh back into normal life, and lose their job, lose their home, and end up on the street. I have received considerable anecdotal evidence of the family disruption that this causes. Extending protection for veterans would not only save their homes, but also relieve the pressure on families already experiencing great stress.

Economic Challenges and Homelessness among Veterans

Many servicemembers on active duty, especially those in the Guard and Reserves, face significantly reduced income when deployed. Although the *Servicemembers Civil Relief Act* protects servicemembers during and immediately following active-duty service, many servicemembers and their families incur significant debt that is difficult to pay off. Combined with common problems in readjusting to civilian life, and mental and physical challenges that many veterans face, these economic challenges can lead to late or missed mortgage payments, eventually triggering foreclosure. 700,000 children in America have at least one parent deployed on active duty today—H.R. 1750 would help provide them with additional stability over the year following active service

Subcommittee Members know the figures better than I do, but they bear repeating. The unemployment rate among veterans is three times the national average. According to a recent article in the Washington Post, the total number of homeless veterans has gone down from about 250,000 10 years ago to about 194,000 this year. We need to help our veterans make the transition back to productive civilian life, help our veterans find and maintain gainful employment, and receive the healthcare they need and deserve. I appreciate all that the Subcommittee has done, and will do, to help our veterans face the challenges of that transition.

H.R. 1750 Protects Veterans in Transition

H.R. 1750 maintains requirements for honorable service under existing law. This bill would maintain requirements that the mortgage have been entered into prior to the period of military service, and would not grant absolute protection, but rather

require a court hearing (as under existing law) prior to mortgage foreclosures. This court hearing would determine if the servicemember or veteran's inability to pay promptly was materially affected by military service, and allow the count to stay foreclosure, adjust the amount of the financial obligation to protect all parties, or to allow the foreclosure of the veteran-owned property.

What H.R. 1750 requires is that all U.S. veterans, for a period of one year after their active duty service, would receive a court hearing prior to foreclosure or sale of their home. What it does not do is protect all veterans from foreclosure, or allow irresponsible financial management by servicemembers to serve as a "get-out-of-jail free card" for mortage foreclosures on their home. It requires that all actions taken by the court take into consideration the servicemember or veteran's honorable service to our Nation, and consider whether their ability to pay has been materially affected by military service.

In the current conflict in Iraq and Afghanistan, with long deployments, multiple tours, and all the pressures that puts on servicemembers and their families, it seems reasonable to extend the protection offered them under existing law. It is a practical and a moral response to honor the service of the men and women in our Nation's military, and I believe that protecting the homes of those who have served is a just and fair proposal.

I look forward to working with the Subcommittee, and the full Committee, to protect our Nation's veterans, and I again thank the Chairwoman for her gracious invitation to offer testimony here today.

Prepared Statement of Hon. Robert A. Brady,
a Representative in Congress from the State of Pennsylvania

Since 1990, reservists have been involuntarily activated by the federal government six times, an average of once every 2½ years. Our nation has called on its armed forces to place themselves at risk in far away places, in furtherance of our national interests. In the tradition of the American citizen soldier, many of our neighbors and loved ones have answered the call and are serving with distinction in Afghanistan, Iraq and other theaters. The post-September 11 mobilization has been the largest since the Gulf War.

According to a Rand study by the Defense Department, 28 percent of activated reservists lost income during their last deployment. These losses occur due to differences between the reservists' military and civilian pay, expenses incurred by reservists because of mobilization, and the decline in business experienced by self-employed reservists during and after release from active duty.

One survey sponsored by the Department of Defense (DoD) indicated that as many as two-thirds of the reservists activated during Operation Desert Shield/Storm suffered economic loss as a result of their deployment. Another DoD sponsored survey indicated that the potential for income loss during activation was a major concern for both officers and enlisted personnel in the Reserves and National Guard.

Recognizing that fact, the House Veterans' Affairs Committee has undertaken a bi-partisan effort to strengthen servicemembers' rights. I am in full support of these efforts, which will go a long way to protecting the rights of active duty and mobilized reserve and guard personnel. But even more can be done. That is why I am introducing the H.R. 513 "National Heroes Credit Protection Act."

This measure will require that credit reporting agencies add notations to the credit files of active duty military personnel, including reserves and guards forces, indicating that late and slow payments to existing accounts occurred during, and because of their mobilization. In the future, creditors would be prohibited from denying or downgrading credit to personnel because of a notated file.

No military personnel should ever suffer financial hardship for answering the call.

Prepared Statement of Hon. Steve Israel,
a Representative in Congress from the State of New York

Madame Chairwoman, Ranking Member Boozman, and Members of the Subcommittee, thank you for the opportunity to testify before you today.

I have always believed in a robust military with the strength to handle threats to our country's security. We need our troops to be well-supplied and well-trained. We need soldiers who can focus on the tasks at hand. Right now, our troops have to worry about roadside bombs, snipers, IEDs, and countless other dangers of combat. The absolute last thing they should be worrying about while in harm's way is whether or not their families are being harassed by creditors and consumer agencies at home.

I recently met with a retired Long Island Naval Reservist who suffered from re-

possession threats, burdensome credit card debt and sky high interest rates during his deployment. Thinking he had taken all the necessary steps to keep his families' financial history in order, Naval reservist Karl Botkin left to serve as a naval reserve officer in Kuwait from July 2005 to April 2006. But while he was deployed, his wife was at home being constantly harassed by creditors. She took it upon herself to call her automobile company to find out about reduced interest rates for deployed soldiers, but was told that there is no such law in place and "if you don't pay we will come and get your car."

Reservist Botkin's wife also tried to call her credit card company but ultimately the debt on their credit cards grew and the creditor following standard procedure increased their interest rates and penalized them. Although, the money was later returned, it still caused distress to the family.

Karl and his family are not alone. This happens time and time again. Many times the creditors have no idea these protections are in place. On March 28, 2005, *The New York Times* reported that creditors and servicemembers were often unaware of the protections.

The New York Times also wrote about Sgt. John J. Savage III, who was an Army reservist on his way to Iraq when he got a call from his wife. They had been advised that their home was being foreclosed, even though the Servicemembers Civil Relief Act limits the ability of mortgage companies and other lenders to foreclose against active duty servicemembers. The problem is that so many lenders either do not know or do not fully understand the law.

Luckily, the foreclosure against Sergeant Savage and his family did not go through but it damaged his credit history. I would also point out that the same *New York Times* article reported that a creditor trying to collect an owed debt sued a soldier's wife while her husband was serving in Baghdad.

The families of deployed soldiers should not have to deal with being harassed by credit card companies while worrying about their loved ones in harm's way. If we are willing to send troops overseas, the least we can do is secure their financial wellbeing upon return from battle.

But among the rushed preparations and farewells, these reservists might not have the time to report to credit bureaus on their change to active status in a combat zone. They may not have time to request a reduction of interest rates in writing, or provide a copy of their orders to prove it. Moreover, they may not have time to request a military termination clause in apartment and car leases, or learn how to precisely navigate countless other loopholes, which cause only financial and logistical headaches and nightmares for the deployed soldier and their families.

Shouldn't the government which is deploying the soldier make this transition easier for them and protect them?

If enacted into law, my bill H.R. 1598 the *Servicemembers Credit Protection Act* would strengthen the existing Servicemembers Civil Relief Act. It would safeguard credit ratings of soldiers deployed to war zones and facilitate awareness of their protected rights to credit bureaus, consumer, and collection agencies. The Department of Defense (DoD) would be required to notify the national credit bureaus within 30 days of deployment of servicemembers. The DoD would also notify those credit bureaus when the soldier returns home. The act would increase penalties for any organization that violates the established rights of the servicemember who is fighting to protect our country.

It is important to note that this bill does not exempt members of the Armed Services from paying their bills. It does not stop information from being obtained from or placed on their credit reports. It simply ensures that every man and woman who is fighting for us overseas does not have to worry about their financial rights being violated back home.

We have a responsibility to fight for their families while they are overseas fighting for us. Instead we dishonor our troops by allowing their families to be hounded by collection agencies, or having their credit rating affected by the absence of their hero.

Supporting our troops begins at home. And it is stories like Karl's that inspired me to write this legislation to protect our troops from financial harassment and foreclosure.

It begins with responsible spending, accountability within leadership, and protecting the families and assets of the brave men and women who are willing to sacrifice everything for our country.

I hope this subcommittee will look favorably on this legislation and I am grateful for the consideration. I hope my bill would help show that our government will go beyond symbols and rhetoric and distribute tangible, practical relief and assistance that honors those who fight for us.

Thank you for your time and consideration.

NEWSPAPER ARTICLE SUBMITTED FOR THE RECORD

Bills in the Napsack: A Law Gets Lost; Creditors Press Troops Despite Relief Act

The New York Times, Late Edition—Final
Monday, March 28, 2005, Section A; Column 3

By Diana B. Henriques

Sgt. John J. Savage III, an Army reservist, was about to climb onto a troop transport plane for a flight to Iraq from Fayetteville, N.C., when his wife called with alarming news: "They're foreclosing on our house."

Sergeant Savage recalled, "There was not a thing I could do; I had to jump on the plane and boil for 22 hours."

He had reason to be angry. A longstanding federal law strictly limits the ability of his mortgage company and other lenders to foreclose against active-duty servicemembers.

But Sergeant Savage's experience was not unusual. Though statistics are scarce, court records and interviews with military and civilian lawyers suggest that Americans heading off to war are sometimes facing distracting and demoralizing demands from financial companies trying to collect on obligations that, by law, they cannot enforce.

Some cases involve nationally prominent companies like Wells Fargo and Citigroup, though both say they are committed to strict compliance with the law.

The problem, most military law specialists say, is that too many lenders, debt collectors, landlords, lawyers and judges are unaware of the federal statute or do not fully understand it.

The law, the Servicemembers Civil Relief Act, protects all active-duty military families from foreclosures, evictions and other financial consequences of military service. The Supreme Court has ruled that its provisions must "be liberally construed to protect those who have been obliged to drop their own affairs to take up the burdens of the nation."

Yet the relief act has not seemed to work in recent cases like these:

At Fort Hood, Tex., a soldier's wife was sued by a creditor trying to collect a debt owed by her and her husband, who was serving in Baghdad at the time. A local judge ruled against her, saying she had defaulted, even though specialists say the relief act forbids default judgments against soldiers serving overseas and protects their spouses as well.

At Camp Pendleton, Calif., more than a dozen marines returned from Iraq to find that their cars and other possessions had been improperly sold to cover unpaid storage and towing fees. The law forbids such seizures without a court order.

In northern Ohio, Wells Fargo served a young Army couple with foreclosure papers despite the wife's repeated efforts to negotiate new repayment terms with the bank. Wells Fargo said later that it had been unaware of the couple's military status. The foreclosure was dropped after a military lawyer intervened.

Little Known Legislation

The relief act provides a broad spectrum of protections to servicemembers, their spouses and their dependents. The interest rate on debts incurred before enlistment, for example, must be capped at 6 percent if military duty has reduced a servicemember's family income.

The law also protects servicemembers from repossession or foreclosure without a court order. It allows them to terminate any real estate lease when their military orders require them to do so. And it forbids judges from holding servicemembers in default on any legal matter unless the court has first appointed a lawyer to protect their interests.

The law is an updated version of the Soldiers' and Sailors' Civil Relief Act, which was adopted on the eve of World War II and remained largely unchanged through the Persian Gulf War 1991. But in July 2001, a federal court ruled that servicemembers could sue violators of the relief act for damages. And the terrorist attacks on Sept. 11 prompted Congress to take up a long-deferred Pentagon proposal to update the old act. The revised statute, clearer and more protective than the old one, was signed into law in December 2003.

But the news was apparently slow in reaching those who would have to interpret and enforce the law.

"There are 50,000 judges in this country and God knows how many lawyers," said Alexander P. White, a county court judge in Chicago and the chairman of one of the American Bar Association's military law Committees. "Are people falling down

on the job—the judges, the bar, the military? Probably." And broad understanding of the law "is not going to happen overnight."

Military lawyers, credit industry organizations and some state courts and bar associations have also tried to spread the word about the new law. But these efforts are not enough, said Col. John S. Odom Jr., retired, of Shreveport, La., who is a specialist on the act. "What we need is a way to reach Joe Bagadoughnuts in Wherever, Louisiana," he said. "Because that's where these cases are turning up."

One reason they are surfacing in unlikely places is the Pentagon's increased reliance on Reserve and National Guard units that do not hail from traditional military towns, said Lt. Col. Barry Bernstein, the judge advocate general for the South Carolina National Guard. When these units are called up, he said, their members find themselves facing creditors and courts that may never have dealt with the relief act.

As a result, some servicemembers heading off to war have confronted exactly the kinds of problems the law was supposed to prevent. The Coast Guard alone handled more than 300 complaints last year; military law specialists say the numbers are probably higher in the branches sending troops abroad.

Financial Difficulties

Sergeant Savage's lender eventually dropped its foreclosure against him after receiving repeated warnings from military lawyers at Fort Bragg, N.C. But damage was done. The foreclosure dispute remained on his credit history, hurting his ability to revive his struggling wireless Internet connection business when he returned home to Asheboro, N.C., he said. By then he had retired on full disability after being seriously injured while working on a sabotaged electrical system at the former Baghdad Convention Center.

Sergeant Savage has not let the matter end. Represented by Colonel Odom, he has filed a lawsuit in federal court in Greensboro, N.C. He says the EverHome Mortgage Company, a unit of the EverBank Financial Corporation in Jacksonville, Fla., violated the relief act by failing to cap his mortgage at 6 percent, wrongfully initiating foreclosure and, after dropping the foreclosure, failing to remove information about it from his credit history.

The mortgage company denied that it violated the act or treated Sergeant Savage unfairly. His case "has unique and extenuating circumstances" that will be raised when the dispute comes to trial, Michael C. Koster, EverHome's president, said in a written statement.

"We are confident that court documents will reveal that EverBank treated Mr. Savage equitably and worked diligently to resolve this matter," Mr. Koster said.

Extent of Coverage

When Sgt. Michael Gaskins of Fort Hood, Tex., was sent to Iraq last April, his wife, Melissa, was left to cope with a dispute over a delinquent loan from the Tallahassee Memorial Hospital credit union; the couple took out the loan just before Sergeant Gaskins enlisted in November 2001. When the credit union took the couple to court in Texas last year, a military lawyer at Fort Hood alerted the local judge that the new relief act required that the case be deferred because Sergeant Gaskins was abroad.

But on Feb. 18, a county court judge in Gatesville, Tex., ruled that Mrs. Gaskins had lost the case by default. She was ordered to pay the credit union more than $6,000 and turn over the family truck, which secured the loan. Colonel Odom, who is also representing the couple, is trying to have the default judgment overturned, in part on the ground that the relief act protects spouses as well as servicemembers.

The credit union in Tallahassee, Fla., disputes that. "It's our position the act does not protect her," said Palmer Williams, a lawyer for the organization. Judge Susan R. Stephens, the county judge who signed the default judgment, said she did not think that Mrs. Gaskins had ever invoked the relief act but said she would review the matter when it came before her. The relief act was also supposed to prevent the kind of situation that the marines returning to Camp Pendleton faced when they discovered that their cars and other possessions had been sold to cover towing and storage fees.

"The Act says you need a court order to do that, and you can't get a court order without notice to the servicemember," said Maj. Michael R. Renz, director of the joint legal assistance office there. "I've got six attorneys here, and each one of us has handled at least two or three of these cases within the last eight months."

'I'm Not Sleeping'

Stephen Lynch, a civilian lawyer for the Coast Guard in Cleveland, said he had stepped in repeatedly over the past year to help servicemembers invoke their rights under the Act.

One of them is a young soldier sent to east Asia, leaving a wife and two children at home in northern Ohio. His periods of unemployment and the death of a newborn daughter last July left the young family struggling financially. Their situation was aggravated by delays in the processing of his first military paychecks, said Mr. Lynch, who asked that the couple's name not be used because their debt problems could hurt the soldier's career.

The soldier's wife said she had tried for months to renegotiate their mortgage with Wells Fargo Home Mortgage. But on March 8, just three weeks after paying the bank $3,000 that the U.S.O. had raised on her behalf, she was served with foreclosure papers.

"I'm having anxiety attacks," the wife said in an interview that night. "I'm not sleeping." She said she was especially worried about how much to tell her husband. "The other military wives I've spoken to all say, 'Don't let them know you're upset; don't let them hear you cry.'"

Kevin Waetke, a spokesman for Wells Fargo, said the foreclosure action was dropped as soon as Mr. Lynch contacted the bank's lawyers. The bank had not known the couple was eligible for relief, he said.

Different Experiences

A Coast Guardsman, Kevin Cornell, was baffled by his experience with Citigroup's credit card unit. When he enlisted, he had a Citibank card and another from Sears, whose credit card operations Citibank acquired in late 2003. When he applied last fall to have the interest rates on both cards capped at 6 percent, Citibank did even better: it cut the rate on his pre-enlistment balance to zero.

But the Sears card was another story; a different Citibank employee refused to make the interest rate cut on that card retroactive to his date of enlistment, as the new relief act requires. Again, Mr. Lynch intervened. But he said he wondered how many other servicemembers had been misinformed.

Janis Tarter, a spokeswoman for the bank, said the company's policy was to go beyond the requirements of the relief Act on all its credit cards. "We regret the difficulty that our customer encountered," Ms. Tarter said. "It is not representative of the level of service we work to provide."

Burden of Enforcement

Some problems that military personnel are confronting suggest that the new law may need more work by Congress. For example, although mandatory arbitration clauses are becoming increasingly common in credit agreements, arbitration is not even mentioned in the relief act.

But the biggest problem, both bankers and military lawyers say, is that the enforcement of the Act rests initially on the shoulders of the servicemembers themselves. They must notify their creditors or landlords of their military status to invoke their rights under the act. It is one more chore for a soldier getting ready for overseas duty, and it often does not get done properly.

And if a landlord or creditor, out of ignorance or intransigence, refuses to comply with the Act, the servicemember may not have the time or money to fight back, said Capt. Kevin P. Flood, a retired Navy lawyer.

"Sure, if you take them to court and win, you can even collect damages," Captain Flood said. "But most of our people are not in that position. They are just regular Joes, and they don't have the money to hire a lawyer."

Prepared Statement of Hon. Sheila Jackson-Lee, a Representative in Congress from the State of Texas

Thank you, Madam Chairwoman Herseth Sandlin for convening this historic hearing. There are few if any higher obligations of the Congress, the President, and the American people than keeping faith with the men and women who have worn the uniform in service to our country.

I applaud the work of the Subcommittee on Economic Opportunity because it is charged with legislative, oversight and investigative jurisdiction over education of veterans, employment and training of veterans, vocational rehabilitation, veterans' housing programs, and readjustment of servicemembers to civilian life. That is the purpose of this hearing is to consider a number of legislative proposals to facilitate the readjustment of veterans to civilian life.

It is for that reason that I am delighted to be here to discuss H.R. 1240, the "Vision Impairment Specialist Training Act," or VISTA Act of 2007. The purpose of my legislation is to help our Nation's blind and low-vision veterans by establishing a scholarship program for students seeking training in blind rehabilitation.

I am proud that the Chairman of the Veterans' Affairs Committee, Mr. Filner, is an original co-sponsor of this legislation, as is Mr. Michaud, the Chair of this Committee's Subcommittee on Health; and the cochairs of the Congressional Vision Caucus, my colleague Mr. Gene Green of Texas and Ms. Ros-Lehtinen of Florida. I am proud to report also that this legislation is strongly supported by the Blind Veterans of America, an organization chartered by Congress in 1958, and which has been for nearly 50 the only veterans service organization exclusively dedicated to serving America's blind and visually impaired veterans.

Madam Chairwoman, there are approximately 160,000 legally blind veterans in the United States, but only 35,000 are currently enrolled in Veterans Health Administration services.

In addition, it is estimated that there are over one million low-vision veterans in the United States, and incidences of blindness among the total veteran population of 26 million are expected to increase by about 40% over the next few years. This is because the most prevalent causes of legal blindness and low vision are age-related, and the average age of the veteran population is increasing; the current average age is about 80 years old.

Members of the Armed Forces are important to our Nation and we show them our appreciation by taking care of them even after they have completed their service. But the fact is that there are not enough blind rehabilitation specialists to serve all legally blind and low-vision veterans in United States.

Blind rehabilitation training helps give these veterans awareness of and functioning in their surroundings and enables them to retain their independence and dignity. Veterans without these services may find it difficult to be self-sufficient, relying on others to perform certain skills or even simple tasks on their behalf.

Madam Chairwoman, Public Law 104–262, the Eligibility Reform Act 1996, requires the Department of Veterans Affairs to maintain its capacity to provide specialized rehabilitative services to disabled veterans, but it cannot do so when there are not enough specialists to address these needs.

Last December, the Veterans Programs Extension Act was passed, which included a provision by Congressman Michael Michaud to increase the number of Blind Rehabilitation Outpatient Specialists serving our Nation's veterans. However, there are currently not enough counselors certified in blind rehabilitation to provide for the growing number of blind or low-vision veterans, let alone the rest of our Nation's elderly population.

My legislation, the VISTA Act, helps to remedy this situation by directing the Secretary of Veterans Affairs to establish a scholarship program for students seeking a degree or certificate in blind rehabilitation (Vision Impairment and/or Orientation and Mobility). The availability of these scholarship opportunities will provide an incentive to students considering entry into the field.

Additionally, in exchange for the scholarship award, students are required to work for three years in a healthcare facility of the Department of Veterans Affairs, to ensure that our veterans are well cared for.

If I might, let me discuss the legislation in more detail.

H.R. 1240 mandates that the Secretary of Veterans Affairs shall provide financial assistance to students enrolled in a program of study leading to a degree or certificate in Visual Impairment and/or Orientation and Mobility at an accredited educational institution in a U.S. State or territory, provided that they agree with applicable requirements.

As I stated earlier, the purpose of the scholarship program is to increase the supply of qualified blind rehabilitation specialists for the Department of Veterans Affairs and the nation.

The legislation requires that the Secretary of Veterans Affairs shall widely publicize this scholarship program to colleges and universities across the nation, especially institutions with large numbers of Hispanic students and HBCUs. This is a particularly salutary provision because African Americans, Hispanics, and other minorities are underrepresented in the field of vision rehabilitation.

To apply and participate in the scholarship program, an applicant shall submit to the Secretary, or his designee, an application and agree to serve a 3 year period of obligated service in the Department of Veterans Affairs. The legislation requires that the Secretary shall include among the application and agreement materials a fair summary of the rights and liabilities of the applicant if accepted into the program.

When the Secretary approves of the applicant's acceptance, the applicant shall be promptly notified and accepted into the program.

The amount of financial assistance provided for an applicant shall be the amount determined by the Secretary as being necessary to pay the tuition and fees of the applicant. If the applicant is enrolled in a dual degree or certification program, the

amount awarded shall not exceed the amounts necessary for the minimum number of credit hours to achieve such dual certification or degree.

Financial assistance provided to an applicant by this scholarship program may supplement other educational assistance, as long as the total award does not exceed the tuition and fees required for an academic year.

The maximum award for any full-time student per academic year may not exceed $15,000. The maximum award for any part-time student should be determined in proportion to the amount that would be the case if the student were full time. For any student, the total amount of assistance may not exceed $45,000.

The maximum duration for financial assistance under this program is six years.

The agreement for participation in this scholarship program shall be signed by both the Secretary and the participant. The Secretary shall agree to provide the participant with the authorized financial assistance and the participant shall agree to:

- accept the assistance
- maintain enrollment and attendance in the appropriate program of study
- maintain an acceptable level of academic standing
- serve as a full-time employee in the Department of Veterans Affairs for three years within the first six years after completing the program and receiving the degree or certificate specified

If the applicant fails to satisfy the requirements of the agreement, the applicant must repay the amount equal to the unearned portion of assistance, except in circumstances authorized by the Secretary. The Secretary shall establish procedures for determining the amount of the repayment required, as well as the circumstances under which an exception to the required repayment may be granted.

The Secretary shall prescribe regulations for the waiver or suspension of an applicant's obligation for service or payment whenever the applicant's noncompliance is due to circumstances beyond his or her control or it is in the best interest of the United States.

Madam Chairwoman, I should point out that an obligation to repay the Secretary under this section is a debt owed the United States. Thus, a discharge in bankruptcy does not discharge a person from a debt under this legislation if the discharge order is entered less than five years after the date of the termination of the agreement or contract.

Madam Chairwoman, every morning when I arrive at my office, I am reminded of how fortunate I am to live in a nation as great as the United States. Outside of my office there is a poster-board with the names and faces of those heroes from Houston, Texas who have lost their lives wearing the uniform of our country. We live in a nation where so many brave young men and women volunteer to the ultimate sacrifice so that their countrymen can enjoy the blessings of liberty. Now is the time to remind our heroes know they have not been, and will never be, forgotten. They deserve honor, they deserve dignity, and they deserve the best care. After all, this is the least we can do for those who have done so much for all of us.

I thank the Committee for allowing me this time to discuss H.R. 1240. I appreciate the support of the members who have cosponsored the bill and invite all other members to join as well. I would be pleased to answer any questions you may have.

Testimony Before the Committee on Veterans' Affairs, House of Representatives, United States Government Accountability Office, Thursday, July 22, 2004

VA HEALTHCARE: MORE OUTPATIENT REHABILITATION SERVICES FOR BLIND VETERANS COULD BETTER MEET THEIR NEEDS

Statement of Cynthia A. Bascetta, Director, Healthcare—Veterans' Health and Benefits Issues

GAO Highlights: *Highlights of GAO–04–996T, a report to the Committee on Veterans' Affairs, House of Representatives:*

Why GAO Did This Study:

In fiscal year 2003, VA estimated that about 157,000 veterans were legally blind, with more than 60 percent age 75 or older. About 44,000 legally blind veterans were enrolled in VA healthcare. VA estimated that through 2022, the number of legally blind veterans would remain stable. (See fig. 1.)

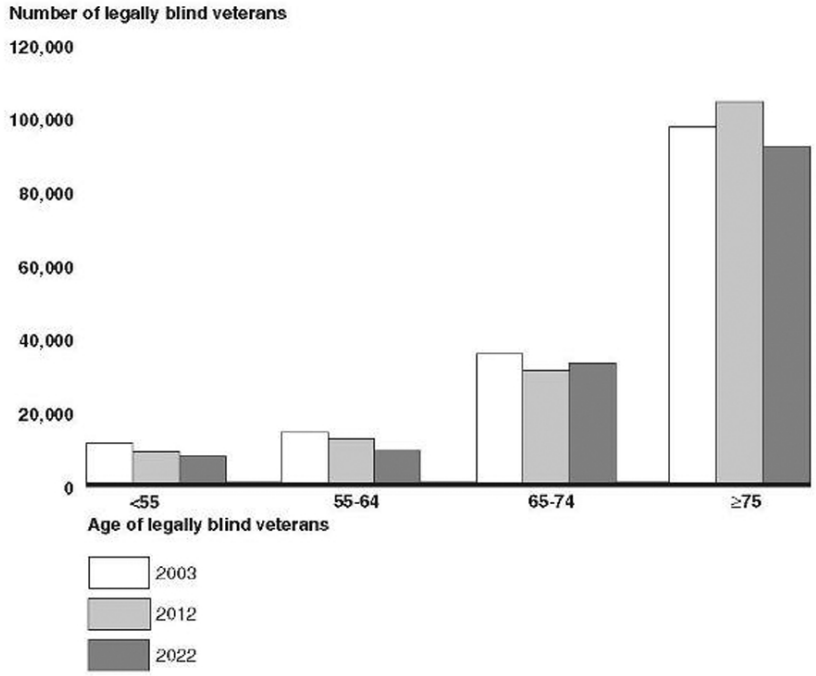
What GAO Recommends:

GAO recommends that the Secretary of Veterans Affairs direct the Under Secretary for Health to issue, as soon as possible in fiscal year 2005, a uniform standard of care policy that ensures that a broad range of inpatient and outpatient blind rehabilitation services are more widely available to legally blind veterans. In commenting on a draft of this testimony, VA concurred with our recommendation.

What GAO Found:

VA provides three types of blind rehabilitation outpatient training services. These services, which are available at a small number of VA locations, range from short-term programs provided in VA facilities to services provided in the veteran's own home. They are Visual Impairment Services Outpatient Rehabilitation, Visual Impairment Center to Optimize Remaining Sight, and Blind Rehabilitation Outpatient Specialists.

Figure 1—Estimated Age Distribution of Legally Blind Veterans, Fiscal Years 2003, 2012, and 2022



Source: Atlanta VA Rehabilitation Research and Development Center.

Locations of VA Outpatient Blind Rehabilitation Services, May 2004

[See Figure 3.]

VA reported to GAO that some legally blind veterans could benefit from increased access to outpatient blind rehabilitation services. When VA reviewed all of the veterans who, as of March 31, 2004, were on the waiting list for admission to the five BRCs GAO visited, VA officials reported that 315 out of 1,501 of them, or 21 percent, could potentially be better served through access to outpatient blind rehabilitation services, if such services were available.

GAO also identified two factors that may affect the expansion of VA's outpatient blind rehabilitation services. The first involves VA's longstanding position that training for legally blind veterans is best provided in a comprehensive inpatient setting. The second reported factor is VA's method of allocating funds for medical care. VA is currently working to develop an allocation amount that would better reflect the cost of providing blind rehabilitation services on an outpatient basis.

Mr. Chairman and Members of the Committee:

I am pleased to be here today to discuss the healthcare rehabilitation services the Department of Veterans Affairs (VA) provides to legally blind veterans. In fiscal year 2003, VA estimated that about 157,000 veterans were legally blind,[1] and about 44,000 of these veterans were enrolled in VA healthcare. Since the forties, the demographics of VA's blind veteran population have changed from young veterans totally blind as a result of traumatic injury to primarily older veterans whose legal blindness is caused by age-related eye diseases.

[1] VA defines "legal blindness" as when the patient's best-corrected central visual acuity, with ordinary glasses or contact lenses, is 20/200 or less in the better eye (measured by the Snellen Visual Acuity Chart), or when the field of useful vision is 20 degrees or less in the better eye. For example, a legally blind person can read only the big "E" on the eye chart or sees as if looking through a paper towel tube.

You expressed concern that VA has not updated its delivery of care options for blind rehabilitation programs by offering, in addition to inpatient services, a range of outpatient services closer to where veterans live.[2] To determine how VA serves the needs of legally blind veterans and what role outpatient training services could play, we reviewed (1) the availability of VA outpatient blind rehabilitation services, (2) whether legally blind veterans benefit from VA and non-VA outpatient services, and (3) what factors affect VA's ability to increase veterans' access to blind rehabilitation outpatient services.

To address these issues, we met with officials from VA's Rehabilitative Strategic Healthcare Group, including the Blind Rehabilitation Service Program Office (program office). We also met with VA's directors for ophthalmology and optometry. We reviewed applicable policies and procedures regarding VA's blind rehabilitation services, its strategic plan for blind rehabilitation, and its planning documents for special disability populations. To determine what blind rehabilitation services were available to veterans, we visited five medical centers offering blind rehabilitation services and met with Blind Rehabilitation Center (BRC) officials as well as case managers and rehabilitation specialists who work with legally blind veterans.[3] We asked BRC officials and case managers to evaluate veterans on the waiting lists for admission to these BRCs as of March 31, 2004, to identify those who could potentially be better served through access to outpatient blind rehabilitation services, if such services were available. We also interviewed case managers who were located at medical centers without a BRC and representatives of the Blinded Veterans Association to gain their perspectives on the types of care that would benefit legally blind veterans. In addition, we met with officials from state and private nonprofit agencies in Arizona, Illinois, and Washington to learn about the blind rehabilitation programs they offer older citizens.[4] Our review was conducted from September 2003 through July 2004 in accordance with generally accepted government auditing standards.

In summary, VA provides three types of blind rehabilitation outpatient training services, but they are available only in a few VA locations. These services range from short-term programs provided in VA facilities to services provided in the veteran's own home. VA also believes that some legally blind veterans could benefit from increased access to outpatient blind rehabilitation services. In fact, VA officials reported to us that 21 percent of veterans on the waiting lists for admission to the five BRCs we visited could potentially be better served through access to outpatient blind rehabilitation services, if such services were available. Finally, two factors affect the expansion of VA's outpatient blind rehabilitation services. The first involves VA's longstanding position that training for legally blind veterans should be provided in a comprehensive inpatient setting. This delivery model has not kept pace with VA's overall healthcare strategy that reduces its reliance on inpatient care and emphasizes more outpatient care. The second reported factor affecting the use of outpatient blind rehabilitation services is its method of allocating funds for medical care. VA's Visual Impairment Advisory Board (VIAB) believes that the funds allocated for basic outpatient care for legally blind veterans do not cover the cost of providing blind rehabilitation outpatient services. The VIAB is currently working with VA's Office of Finance and Allocation Resource Center[5] to develop an allocation amount that would better reflect the cost of providing blind rehabilitation services on an outpatient basis, which could provide an incentive to expand this care. We are recommending that VA take action to ensure that a broad range of inpatient and outpatient blind rehabilitation services is more widely available to legally blind veterans.

Background

In 1944, President Franklin D. Roosevelt made a commitment that no servicemen blinded in combat in World War II would be returned to their homes without adequate training to meet the problems imposed by their blindness, according to VA. From 1944 to 1947, the Army and Navy provided this rehabilitation training. In

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[2] This work was requested by the Chairman, Subcommittee on Health, Committee on Veterans' Affairs, House of Representatives and the Ranking Minority Member, Committee on Veterans' Affairs, United States Senate.

[3] We visited the BRCs located in Tucson, Arizona; West Palm Beach, Florida; Augusta, Georgia; Hines, Illinois; and American Lake, Washington. These BRCs were selected based on differences in geographic location and the number of beds available at the BRC.

[4] We selected these states because they were in the same geographic location as three of the BRCs we visited.

[5] The Allocation Resource Center is responsible for developing, implementing, and maintaining management information systems that provide data for the Veterans Health Administration's budget process.

1947, responsibility for this training was transferred to VA, and in 1948, VA opened its first BRC to provide comprehensive inpatient care to legally blind veterans.

In 1956, blind rehabilitation services were expanded to include veterans whose legal blindness was not service-connected. Because of this expansion, the demographics of VA's blind veteran population shifted toward predominately older veterans whose legal blindness was caused by age-related eye diseases. Expanded eligibility also caused an increase in demand for services. VA responded to this demand by opening 9 additional BRCs in the United States and Puerto Rico for a total of 10 facilities with 241 authorized beds. (See table 1.) As of May 5, 2004, VA reported that there were 2,127 legally blind veterans waiting for admission to BRCs.[6]

Table 1—Location of VA's Blind Rehabilitation Centers, the Year Each Was Opened, and the Number of Authorized and Staffed Beds, as of May 2004

Location	Year Opened	Beds[a]	
		Authorized	Staffed
American Lake, Washington	1971	15	12
August, Georgia	1996	15	15
Birmingham, Alabama	1982	32	32
Hines, Illinois	1948	34	34
Palo Alto, California	1967	32	27
San Juan, Puerto Rico	1986	12	11
Tucson, Arizona	1994	34	27
Waco, Texas	1974	15	15
West Haven, Connecticut	1969	34	27
West Palm Beach, Florida	2000	18	18
Total		**241**	**218**

Source: VA.

[a] Authorized beds are the total bed capacity of the BRC. Staffed beds are the beds available for admission of patients. According to VA's Capacity Report for 2003, the number of staffed beds may be less than authorized beds because the local medical center may have eliminated staff positions, imposed a hiring freeze, or experienced difficulties in recruiting qualified personnel.

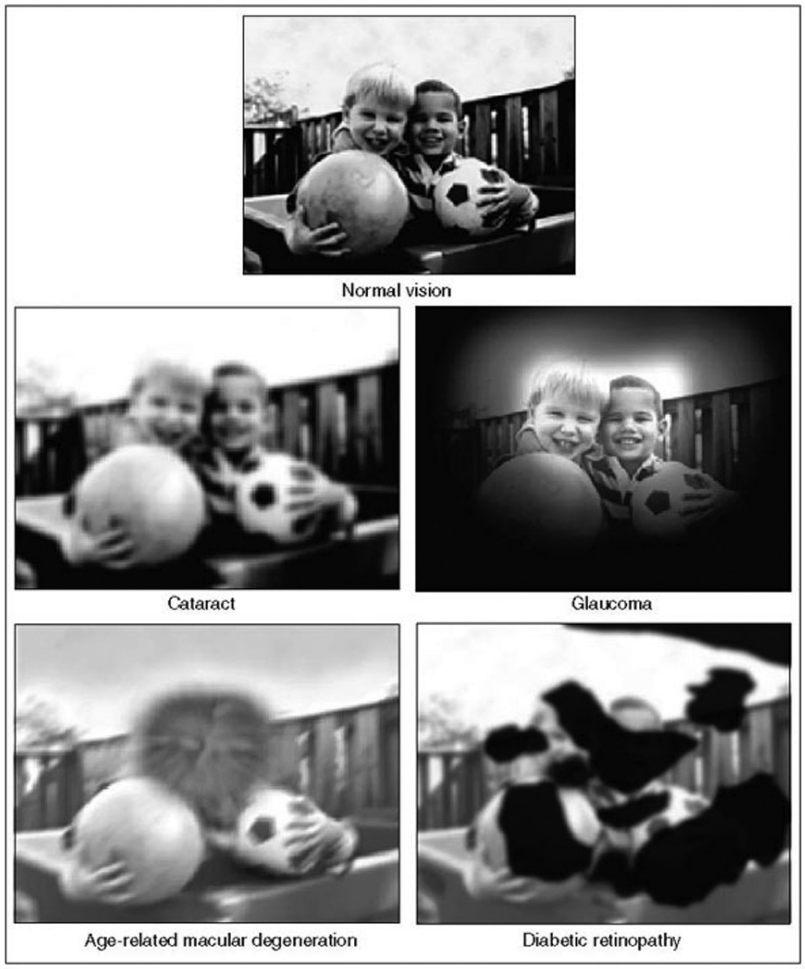
In fiscal year 2003, VA estimated that about 157,000 veterans were legally blind,[7] with more than 60 percent age 75 or older. About 44,000 legally blind veterans were enrolled in VA healthcare. VA estimated that through 2022, the number of legally blind veterans would remain stable. (See fig. 1.)

The National Institutes of Health (NIH) considers the increase in age-related eye diseases to be an emerging major public health problem. According to NIH, the four leading diseases that cause age-related legal blindness are cataract, glaucoma, macular degeneration, and diabetic retinopathy, each affecting vision differently. (See fig. 2 for illustrations of how each disease affects vision.) Cataract is a clouding

[6] See U.S. General Accounting Office, VA Needs to Improve Accuracy of Reported Wait Times for Blind Rehabilitation Services, GAO–04–949 (Washington, D.C.: July 22, 2004).

[7] All legally blind veterans are given priority 4 status and currently are eligible to enroll in VA healthcare.

Figure 2—Vision and Vision Loss Due to Age-Related Eye Diseases



Source: National Eye Institute, U.S. National Institutes of Health.

of the eye's normally clear lens. Most cataracts appear with advancing age, and by age 80, more than half of all Americans develop them. Glaucoma causes gradual damage to the optic nerve—the nerve to the eye—that results in decreasing peripheral vision. It is estimated that as many as 4 million Americans have glaucoma. Macular degeneration results in the loss of central visual clarity and contrast sensitivity. It is the most common cause of legal blindness in older Americans and rarely affects those under the age of 60. Diabetic retinopathy is a common complication of diabetes impairing vision over time. It results in the loss of visual clarity, peripheral vision, and color and contrast sensitivity. It also increases the eye's sensitivity to glare. Nearly half of all diabetics will develop some degree of diabetic retinopathy, and the risk increases with veterans' age and the length of time they have had diabetes.

To assist legally blind veterans, VA established Visual Impairment Services Team (VIST) coordinators who act as case managers and are responsible for coordinating all medical services for these veterans, including obtaining medical examinations and arranging for blind rehabilitation services. There are about 170 VIST coordinators, who are located at VA medical centers that have at least 100 enrolled legally

blind veterans. VIST coordinators are also responsible for certain administrative services such as reviewing the veteran's compensation and pension benefits. Almost all of VA's blind rehabilitation services for veterans are provided through comprehensive inpatient care at BRCs, where veterans are trained to use their remaining vision[8] and other senses, as well as adaptive devices such as canes, to help compensate for impaired vision. VA offers both basic and computer training. (See table 2 for examples of the types of skills taught during basic and computer training.)

Table 2—Examples of Training Courses Offered at Blind Rehabilitation Centers

Basic Training	Examples of skills taught
Visual skills	• Maximizing remaining vision through the use of alternative scanning or viewing techniques • Using magnification devices or close circuit televisions to read or write
Orientation and mobility	• Moving around the home • Traveling through different environments • Using adaptive devices, such as telescopic devices for reading street signs
Living skills	• Cooking and eating • Doing laundry or changing light bulbs • Typing or keyboarding
Manual skills	• Using hand and power tools • Problem solving and organization of work
Leisure skills	• Going to sporting events • Playing golf or fishing • Developing a hobby, such as woodworking
Adjustment counseling	• Using counseling, therapy, and social interaction with others who have similar visual impairments to learn to adjust to blindness

Computer Training	Examples of skills taught
Computer skills	• Operating a computer • Searching the Internet • Sending, receiving, and reading e-mail

Source: VA Blind Rehabilitation Service.

In fiscal years 2002 and 2003, VA spent over $56 million each year for inpatient training at BRCs. During this same time period, VA spent less than $5 million each year to provide outpatient rehabilitation training for legally blind veterans.

Blind Rehabilitation Outpatient Services Are Available in Few VA Locations

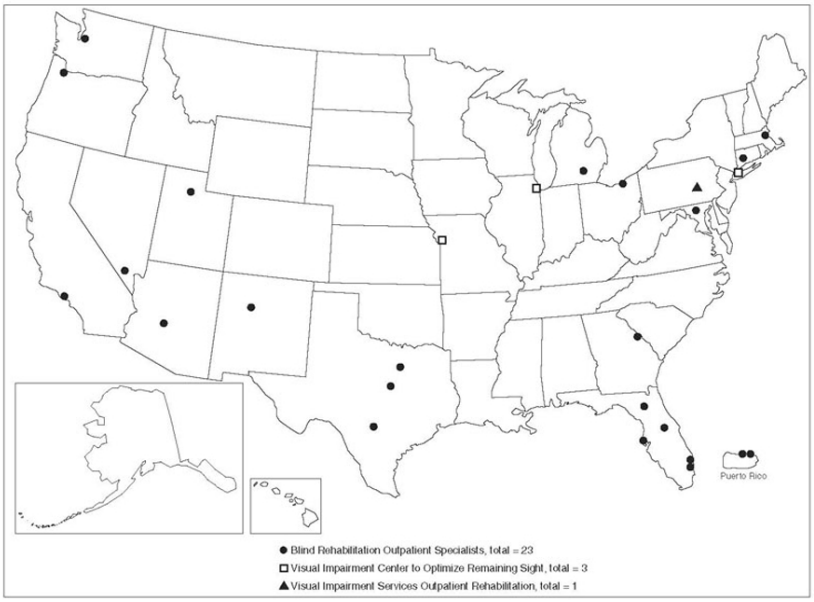
VA offers three types of blind rehabilitation outpatient services to legally blind veterans,[9] but these services are available in few VA locations. The three types of services include Visual Impairment Services Outpatient Rehabilitation (VISOR), Visual Impairment Center to Optimize Remaining Sight (VICTORS), and Blind Rehabilitation Outpatient Specialists (BROS). The services range from short-term outpatient programs provided in VA facilities to home-based services. Figure 3 identifies the locations throughout the United States and Puerto Rico where these services are offered.[10]

[8] About 85 percent of those who are legally blind have some usable vision.

[9] Some VA low vision eye clinics also provide limited outpatient rehabilitation training to legally blind veterans whose remaining vision can be enhanced through the use of magnification devices. However, while VA has overall workload data for its eye clinics, it cannot disaggregate the data to identify how much low vision training is provided to legally blind veterans.

[10] All of VA's outpatient programs also treat low vision veterans in addition to those veterans who are legally blind. VA defines low vision as when the patient has significant uncorrectable visual impairments of 20/70 up to, but not including, 20/200.

Figure 3—Locations of VA Outpatient Blind Rehabilitation Services, May 2004



VISOR

VISOR is a 10-day outpatient program located at the VA medical center in Lebanon, Pennsylvania, that offers training in the use of low vision equipment, basic orientation and mobility, and living skills. Serving veterans in the surrounding 13-county area, it is primarily for veterans who can independently perform activities of daily living and who require only limited training in visual skills and orientation and mobility, such as traveling within and outside their homes. According to a VISOR official, the program is meant to provide training to veterans while they wait for admission to a BRC or to veterans who do not want to attend a BRC. Veterans who participate in this program are housed in hoptel beds[11] within the medical facility. In fiscal year 2003, 54 veterans attended the VISOR program; about 20 to 30 percent of these veterans were legally blind. According to a VISOR official, there is no waiting list for this program and the local medical center provides the necessary funding for it.

VICTORS Services

VICTORS is a 3- to 7-day outpatient program for veterans in good health whose vision loss affects their ability to perform activities of daily living, such as personal grooming and reading mail. The program provides the veterans with a specialized low vision eye examination, prescriptions for and training in the use of low vision equipment, and counseling. There are three VICTORS programs located in VA medical centers in Kansas City, Missouri; Chicago, Illinois; and Northport, New York. Veterans are housed in hoptel beds within the medical facility or in nearby hotels. In fiscal year 2003, VICTORS served over 900 veterans; about 25 to 30 percent of these veterans were legally blind. According to VICTORS officials, the wait time for admission to VICTORS varied from about 55 to about 170 days. The medical center where the program is located funds the services.

BROS Services

BROS are blind rehabilitation outpatient instructors who provide a variety of short-term services to veterans in their homes and at VA facilities. BROS train veterans prior to and following their participation in BRC programs, as well as veterans who cannot or do not choose to attend a BRC. BROS training addresses vet-

[11] A hoptel is temporary lodging where no medical care is provided.

erans' immediate needs, especially those involving safety issues such as reading prescriptions or simple cooking. There are 23 BROS throughout VA's healthcare system, with 7 located in the VA network that covers Florida and Puerto Rico. In fiscal year 2003, BROS trained about 2,700 veterans, almost all of whom were legally blind. Wait time for BROS services varied from about 14 to 28 days according to the BROS we interviewed. BROS are funded by the medical centers where they are located.[12]

Outpatient Services Provide Opportunities to Benefit Veterans

VA officials who provide services to legally blind veterans told us that some veterans could benefit from increased access to outpatient blind rehabilitation services. We obtained this information by asking VA to review all of the veterans who, as of March 31, 2004, were on the waiting lists for admission to the five BRCs we visited and to determine whether outpatient services could meet their needs. VA officials reported that 315 out of 1,501 of these veterans, or 21 percent, could potentially be better served through access to outpatient blind rehabilitation services, if such services were available. The types of veterans VA believes could potentially benefit from outpatient services include those who are very elderly or lack the physical stamina to participate in a comprehensive 28- to 42-day BRC program and those who have medical needs that cannot be provided by the BRC. For example, some BRCs are unable to accept patients requiring kidney dialysis. In addition, some veterans do not want to leave their families for long periods of time[13] and some legally blind veterans are primary caretakers for their spouses and are unable to leave their homes. VA officials also told us that veterans in good health who can independently perform activities of daily living and require only limited or specialized training could also be served effectively on an outpatient basis.

A VA study concluded that there is a need for increased outpatient services for legally blind veterans. In 1999, VA convened a Blind Rehabilitation Gold Ribbon Panel to study concerns about the growing number of legally blind veterans. The panel examined how VA historically provided blind rehabilitation services and recommended that VA transition from its primarily inpatient model of care to one that included both inpatient and outpatient services. In 2000, VA established the VIAB to implement the panel's recommendations. The VIAB drafted guidance for a uniform standard of care policy for visually impaired veterans throughout VA's healthcare system. This guidance outlined a continuum of care to provide a range of services from basic low vision to comprehensive inpatient rehabilitation training, including use of more outpatient services from both VA and non-VA sources. In January 2004, a final draft of the uniform standard of care policy was forwarded to VA's Health Systems Committee for approval. The Committee believed additional information was needed for its approval and requested additional analysis that compared currently available blind rehabilitation services with anticipated needs. VA plans to complete this analysis in the first quarter of fiscal year 2005 and then resubmit the uniform standard of care policy and the additional analysis to the Health Systems Committee. VA officials were unable to provide a timeframe for the Health Systems Committee's approval.

Some VIST coordinators have already provided outpatient services to legally blind veterans by referring them to state and private blind rehabilitation services. For example, in Florida a VIST coordinator referred veterans to the Lighthouse for the Blind for computer training at its outpatient facility if they did not live near and did not want to travel to the BRC. A VIST coordinator in Oklahoma arranged contractor-provided computer training in the veteran's home for veterans with a 20 percent or more service-connected disability. The coordinator issued the computer equipment to a local contractor; the contractor then set up the equipment in the veteran's home and provided the training. Another VIST coordinator in North Carolina referred all legally blind veterans to state service agencies, including veterans waiting for admission to a BRC. Each county in that state had a social worker for the

[12] In connection with VA's fiscal year appropriations for 1995, the Senate Committee on Appropriations had recommended including $5 million for blind rehabilitation services to alleviate the lengthy waiting lists for such services. The conference Committee agreed. See S. Rep. No. 103–311 (1994), H. Conf. Rep. No. 103–715 (1994). In addition to the BROS, these funds were also used to establish a BRC in Augusta, Georgia, and additional staff positions for VIST coordinators and computer specialists.

[13] A 2003 study of 150 veterans located in the southeastern United States who were recommended for BRC training by their VIST coordinators but who did not attend, found that 59 percent cited a reluctance to leave home for an extended period as an important reason for nonparticipation. Williams, M., Help-Seeking Behavior as a Predictor of Participation in Department of Veterans Affairs-Sponsored Visual Impairment Rehabilitation. A Dissertation (Decatur, GA; 2003).

blind that referred its citizens to independent living programs for in-home training in orientation and mobility and living skills. The state provided this training at no charge to the veteran and VA paid for the equipment.

Recently, VA has begun to shift computer training from inpatient settings at BRCs to private sector outpatient settings. VA's goal was to remove from the BRC waiting list by July 30, 2004, those veterans seeking admission to a BRC only for computer training. In spring 2004, VA issued instructions stating that the prosthetic budget of each medical center, which already paid for computer equipment for legally blind veterans, would now pay for computer training.[14] Additionally, the Blind Rehabilitation Service Program Office asked BRCs to identify all the veterans waiting for admission for computer training and refer them back to their VIST coordinator for local computer training. If BRC and VIST coordinator staff determined that local computer training was not available or appropriate for a veteran, they were to provide an explanation to the program office. On May 5, 2004, 674 veterans were waiting for admission to a BRC for computer training. As of July 1, 2004, 520 veterans were removed from the BRC waiting list because arrangements were made for them to receive computer training from non-VA sources or they no longer wanted the training.

Factors that Affect Expansion of Blind Rehabilitation Outpatient Services: There are two factors that affect VA's expansion of outpatient services systemwide. One factor is the agency's longstanding belief that rehabilitation training for legally blind veterans can be best provided in a comprehensive inpatient setting. The second reported factor is VA's method of allocating funds for blind rehabilitation outpatient services, which provides local medical center management discretion to provide funds for them.

Some VA officials told us that one factor affecting veterans' access to outpatient care has been the agency's traditional focus on providing comprehensive inpatient training at BRCs. VA has historically considered the BRCs to be an exemplary model of care, and since 1948 BRCs have been the primary source of care for legally blind veterans. However, this delivery model has not kept pace with VA's overall healthcare strategy that reduces reliance on inpatient care and emphasizes outpatient care. VA's continued reliance on inpatient blind rehabilitation care is evident in its recent decision to build two additional BRCs in Long Beach, California, and Biloxi, Mississippi.[15] We have, however, observed some recent changes that may affect this reliance on inpatient services. For example, VA has new leadership in its blind rehabilitation program that has expressed an interest in providing a broad range of inpatient and outpatient services to meet the training needs of legally blind veterans. Further, as previously discussed, the VIAB's draft continuum of care policy recommends a full range of blind rehabilitation services, emphasizing more outpatient care, including VICTORS, VISOR, and BROS.

VA blind rehabilitation officials also told us that they believe changes to VA's resource allocation method could provide an incentive to expand blind rehabilitation services on an outpatient basis. The VIAB believes that the funds allocated for basic outpatient care for legally blind veterans do not cover the cost of providing blind rehabilitation services. Veterans Integrated Service Networks (networks)[16] are allocated funds to provide basic outpatient care for veterans, which they then allocate to the medical centers in their regions. Both the networks and the medical centers have the discretion to prioritize the use of these funds for blind rehabilitation services or any other medical care. Some networks and medical centers have made outpatient blind rehabilitation training a priority and use these funds to provide outpatient services. For example, the network that covers Florida and Puerto Rico has used its allocations to fund seven BROS that are located throughout the region to provide outpatient blind rehabilitation services to legally blind veterans in their own homes or at VA facilities. Currently, the VIAB is working with VA's Office of Finance and Allocation Resource Center to develop an allocation amount that would better reflect the cost of providing blind rehabilitation services on an outpatient basis, which could in turn, provide an incentive for networks and medical centers to expand outpatient rehabilitation services for legally blind veterans.

Conclusions

Many legally blind veterans have some vision, which frequently can be enhanced with optical low vision devices and training that includes learning to perform every-

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[14] According to VA officials, the funds allocated for prosthetics maybe used only for prosthetic care—e.g. purchase of prosthetic items and veteran training in the use of these items.

[15] See Department of Veterans Affairs Capital Asset Realignment for Enhanced Services (CARES): Secretary of Veterans Affairs CARES Decisions. (Washington D.C; May 2004).

[16] VA has organized its medical facilities into 21 regional healthcare networks.

day activities such as cooking, reading prescription bottles, doing laundry, and paying bills. Since the forties, VA's preferred method of providing training to these veterans has been through inpatient services offered by BRCs. Because of its predisposition toward inpatient care, VA has developed little capacity to provide this care on an outpatient basis uniformly throughout the country. For the last 10 years, VA has been transitioning its overall healthcare system from a delivery model based primarily on inpatient care to one incorporating more outpatient care. Outpatient services for legally blind veterans, however, have lagged behind this trend. Recently, VA drafted a uniform standard of care policy that recommends a full range of blind rehabilitation services, emphasizing more outpatient care, including more services provided by VISOR, VICTORS, and BROS type programs. Making inpatient and outpatient blind rehabilitation training services available to meet the needs of legally blind veterans will help ensure that these veterans are provided with options to receive the right type of care, at the right time, in the right place.

Recommendations

We are recommending that the Secretary of Veterans Affairs direct the Under Secretary for Health to issue, as soon as possible in fiscal year 2005, a uniform standard of care policy that ensures that a broad range of inpatient and outpatient blind rehabilitation services are more widely available to legally blind veterans. Agency Comments:

We provided a draft of this testimony to VA for comment. In oral comments, an official in VA's Office of the Deputy Under Secretary for Health informed us that VA concurred with our recommendation.

Mr. Chairman, this concludes my prepared remarks. I will be glad to answer any questions you or other Members of the Committee may have.

Contact and Acknowledgments

For further information regarding this testimony, please contact Cynthia A. Bascetta at (202) 512–7101. Michael T. Blair, Jr., Cherie Starck, Cynthia Forbes, and Janet Overton also contributed to this statement.

Prepared Statement of Hon. Peter Welch, a Representative in Congress from the State of Vermont

Thank you Chairwoman Herseth Sandlin, Ranking Member Boozman, and members of the Subcommittee for the opportunity to testify on behalf of H.R. 2259, legislation that would permit members of the National Guard and Reservists to participate in the successful Benefits Delivery at Discharge (BDD) program, which is currently available only to Active Duty soldiers.

I recently had the opportunity to visit Iraq and Afghanistan. That trip gave me an even greater appreciation for the significant sacrifices our soldiers, including the members of our National Guard, must make and must cope with for the rest of their lives.

It isn't just the soldier who makes the sacrifice, their families do as well: their parents, their spouses, their children, girlfriends and boyfriends, and their siblings. They give up so much in defense of our country.

It is our job, as Members of Congress, to make sure that our Nation lives up to its commitment to our veterans. It is a simple pact we have made with our troops—and one we are obligated to fulfill: after they have sacrificed to serve our country on the battlefield, we must do all we can to serve them here at home. The cost of any war must include caring for the warrior.

Like all Americans, I was stunned by the recent exposure of substandard outpatient care at the Walter Reed Army Medical Center. It was unimaginable to me that our Nation could treat our veterans with such neglect. My legislation takes an important step toward ensuring all of our brave veterans are treated better.

A regularly discharged veteran, who has some level of disability, will typically have to wait 6 months before receiving his or her disability check from the VA. This is wrong. During this time period, veterans, particularly those in a state of mental distress, are most at risk for serious problems, including suicide, substance abuse, divorce, unemployment or even homelessness.

To alleviate this problem, soldiers can access a program called "Benefits Delivery at Discharge" (BDD). This successful program allows soldiers to process their disability claims up to six months prior to discharge, so they can begin receiving benefits as soon as they leave the military. VA representatives begin to process the disability claims from military personnel prior to their separation/retirement from active duty, by developing claims and conducting physical rating examinations. By

getting a head start on the claims process, VA representatives may be able to review proposed disability rating decisions with participants prior to their separation/retirement from service. By comparison, VA's national average processing time is about 6 months for claims requiring a disability rating conducted outside the BDD process.

While Reservists and Guardsmen comprise up to 40% of the combat forces in Iraq and Afghanistan, this efficient and successful program is not readily available to these men and women fighting on our frontlines. My state of Vermont has sent about 3,995 soldiers to Iraq and Afghanistan since September of 2001. Of that number, 1,976, nearly half, are from the Guard and Reserves.

As this country has asked first class service from our Guard and Reservists, we must be sure they are not thanked with second class benefits.

In addition, the veterans benefits claim denial rate is twice as high for Reserve and Guard veterans than it is for active duty soldiers. A recent document entitled "Compensation and Benefit Activity among veterans deployed to the GWOT" obtained by the George Washington University under the Freedom of Information Act (FOIA) details that the Active Duty benefits claims denial rate is 7.6 percent compared with National Guard and Reserve denial rate of 17.8 percent.

Harvard University Professor Linda Bilmes, who has been studying the Administration's ability to handle the influx of returning veterans and has recently testified before a number of Congressional Committees, proposes that one possible explanation for the fact that the Veterans benefits claim denial rate is twice as high for Reserve and Guard veterans is their lack of access to the BDD program.

My legislation lifts the impediment on Reserve and Guard veterans and allows them to access BDD. Specifically, the bill requires the Secretary of Defense and the Secretary of the VA to work together to develop a plan that facilitates the use of the BDD program by Reserve and Guard veterans. The plan must be submitted to Congress within 6 months of enactment and must include a description of efforts to ensure that services under BDD are provided to the maximum extent possible. All veterans, including veterans from all seven reserve components (Army National Guard of the United States, Army Reserve, Navy Reserve, Marine Corps Reserve, Air National Guard of the United States, Air Force Reserve, Coast Guard Reserve), would be able to begin receiving benefits as soon as they are eligible upon leaving the military.

In addition, expanding access to the BDD program further encourages the Department of Defense to work with the VA, which is crucial as this Congress continues to explore innovative ways to provide a seamless transition for our veterans as they move from the DoD to the VA medical systems.

The National Guard has played a vital role in the defense and security of the United States under the federal component of its mission. They have become integral forces in the Global War On Terrorism (GWOT) and Operation Iraqi Freedom (OIF). As I stated earlier, the Guard and Reserves comprise up to 40% of the total U.S. forces in Iraq and Afghanistan.

Also due to the war in Iraq and Afghanistan, the Guard and Reserve have also shouldered an enormous burden in equipment shortages. A USA TODAY report from last Friday found that National Guard units in 31 States say four years of war in Iraq and Afghanistan have left them with 60% or less of their vehicles, aircraft, radios, weapons and other equipment they are authorized to have for home-front uses. 49% of the Vermont National Guard's equipment, mostly Humvees and M35 trucks, are being used overseas. This lack of equipment could affect the Vermont Guard's ability to respond to a natural disaster, such as flooding which is a big problem for my state. And this is a problem that affects more than just my home state. As we saw just last month, horrible tornados that ripped through Kansas prompted pleas from the Governor to replenish the missing equipment and well-trained personnel.

Madam Chairwoman, the human cost of the wars in Iraq and Afghanistan has been high. More than 1½ million soldiers have been deployed since 2001, more than 3,000 soldiers have died and more than 50,000 have sustained non-fatal injuries. My state of Vermont has borne a disproportionate share of this burden, losing more soldiers per capita than any other state. As I have traveled around my state, I have talked extensively with our soldiers, our veterans and their families. No matter how you feel about this war, we must care for those called on to serve.

For every soldier killed in Iraq and Afghanistan, 16 are wounded, the highest wounded-to-fatality ratio for any war in our nation's history.

We can thank the great advances in battlefield medicine for the thousands of lives saved, but we must now be prepared to care for recovering veterans. This legislation would do just that.

Again and again throughout our nation's history, we have asked the members of the Armed Forces to step forward and serve their country, and again and again they

have responded with valor. To each of them we, as a nation, owe an enormous debt of gratitude. We would not be here today, enjoying the freedoms that we now enjoy, if not for their courage and sacrifice. I thank them all, on behalf of our great nation, for answering the call to duty.

I thank the Subcommittee for your consideration of this important legislation.

State of Vermont, Office of the Adjutant General
Colchester, Vermont 05446–3099
June 19, 2007

The Honorable Stephanie Herseth Sandlin, Chairwoman
Subcommittee on Economic Opportunity Committee on Veterans' Affairs
335 Cannon House Office Building
Washington, D.C. 20515

Dear Chairwoman Herseth Sandlin:

I am responding to a specific request for information from Representative Peter Welch regarding the need for equal accessibility to the Benefits Delivery at Discharge (BDD) program for members of the National Guard and Reserves. This topic will be the subject of a legislative hearing on Thursday, June 21, 2007.

As the Adjutant General for the State of Vermont, I strongly support initiatives that help provide better services and benefits for all members of the Reserve Component (RC) as they transition from the Department of Defense (DoD) to the Department of Veterans Affairs (VA) medical systems. Considering that members of the RC are exposed to the same missions and associated risks while fighting for their country, it is only fair that these same veterans should be treated equally with access to benefits when compared to their active duty counterparts. While we in Vermont have been successful in working with the local VA to help returning members of the RC access VA benefits quickly, this efficient and successful BDD program is not universally available to all Guard and Reserve members around the country on a timely basis. The lack of accessibility can result in significant hardship while some members wait up to six months to receive a benefit that is readily available to the members of the active duty.

Any changes that can be made to remove impediments imposed on RC members and provide equal access to the BDD program would help mitigate some significant stress on our affected veterans. Our country continues to ask a great deal from our Reservists and making the BDD readily available will assist in facilitating a more seamless transition back to civilian life.

Many thanks to the Subcommittee on Economic Opportunity for taking a strong interest in ensuring equal benefits and equal accessibility to benefits for all of our returning warriors and for helping to facilitate a seamless transition when they return home.

Sincerely,

Michael D. Dubie
Major General, The Adjutant General
House Committee on Veterans' Affairs

Prepared Statement of Hon. Michael H. Michaud, a Representative in Congress from the State of Maine

Good morning Chairwoman Herseth-Sandlin, Ranking Member Boozman. Thank you for allowing me to testify before the Economic Opportunity subcommittee on H.R. 2475, the Veteran Home Equity Conversation Mortgage Act of 2007.

I introduced H.R. 2475 with Congresswomen Brown-Waite of Florida to provide another tool to our aging veterans to help them live out their lives in comfort and security. Our legislation would allow the VA to offer home equity conversion mortgages to eligible elderly veteran homeowners, age 62 or older.

A home equity conversion mortgage enables older homeowners to convert the equity in their homes into tax-free income without having to sell the home, give up title, or take on a new monthly mortgage payment. Instead of making monthly payments to a lender, as with a regular mortgage, a home equity conversion mortgage converts the equity in an individual's home to cash. In other words, the lender makes payments to you.

With the rate of American home ownership at an all-time high, home equity conversion mortgages have become a mainstream and highly successful financial planning tool for elderly homeowners.

The Federal Housing Administration (FHA) endorsed 8,041 reverse mortgages during the month of April, compared to 6,536 a year earlier. Seven months into the current federal fiscal year, FHA has endorsed 61,101 loans, compared to 39,674 during the same period last year, a 54 percent increase.

The intention of H.R. 2475 is to allow the VA to offer reverse mortgages in the same way that FHA currently does. Like the FHA program, those interested in obtaining this type of mortgage must receive significant counseling. The veteran must demonstrate a full understanding of the benefits and risks as well as the consequences for his or her heirs before being deemed eligible for the loan.

While our legislation leaves it to the discretion of the Secretary, if the Secretary follows current VA home loan regulations, veterans would be eligible for a higher available loan limit than the FHA HECM loan program, which means more cash to the veteran; and a savings of roughly 0.5% in interest rate, because monthly mortgage insurance premiums are not required with VA-guaranteed loans.

Elderly veterans should be offered this valuable tool, which allows them to cash-out the equity that they have built-up in their homes over 20, 30 or 40 years. This will enable them to continue to meet the demands of increasing health, housing, and sustenance costs, without the risk of losing their home.

There is almost no risk to the veteran and very little risk for the VA. It is truly a win-win opportunity. This legislation will allow more veterans to remain in their homes longer without having to take on additional monthly bills or face the prospect of losing their home. It will help them to enjoy the golden years of their lives.

Thank again Chairwoman Herseth-Sandlin and Ranking Member Boozman. I look forward to working with you on this issue.

Prepared Statement of Hon. David G. Reichert, a Representative in Congress from the State of Washington

Madame Chairwoman, Ranking Member Boozman, and Members of the Subcommittee—thank you for the opportunity to testify today in support of H.R. 1632, the Improving Veterans' Reemployment Act. Congressman Tim Walz (D–MN) and I introduced this bipartisan legislation to enact an important technical fix to the tracking and reporting of reemployment complaints filed by Guardsmen and Reservists. Congressman Walz is a 24-year veteran of the Army National Guard, and has more first-hand knowledge of this issue than perhaps any other Member of Congress. You will find his supporting testimony in your hearing documents.

As you know, the Uniformed Services Employment and Reemployment Rights Act (USERRA) is meant to ensure that Guardsmen and Reservists return to the rights, seniority, and benefits of the civilian jobs they put on hold to defend our freedom. After several of my constituents informed me of the difficulties they faced in returning to work, I wanted to first gather more intelligence on this issue, and then take immediate action. I commissioned a GAO study in the FY06 National Defense Authorization [1] to examine how the thousands of Guardsmen and Reservists called up to serve in Iraq and Afghanistan were transitioning back into the civilian workforce. In conducting the study, the GAO reviewed volumes of employer data, assessed cur-

[1] PL 109–163, Sec. 517.

rent agency policies, interviewed department officials, and met with groups of officers, enlisted personnel, and veterans. They found that a lack of coordination in the reporting of reemployment difficulties is hampering our Reservists' seamless transition from active duty back to civilian work.

The study revealed that the Departments of Labor and Defense[2]—who are responsible for tracking the hiring complaints filed by Reservists—currently do not coordinate the sharing of this complaint data with each other, compromising their ability to swiftly and effectively respond to veterans' job needs. Between Fiscal Years 2004 and 2006, the departments addressed nearly 16,000 formal and informal complaints filed by Guardsmen and Reservists, but the lack of information sharing between the departments led to a very small percentage of these complaints actually being reported to Congress.[3] This lack of information sharing and coordination prevents Congress from receiving the complete, accurate picture of Reservists' hiring difficulties that we need in order to best address them.

Our bill is straightforward: it would require the Departments of Labor and Defense to coordinate their sharing of and reporting on the complaint data filed by Reservists facing difficulties being rehired. It would require them to use uniform categories in tracking and reporting the data. And it would require the departments to specifically report on hiring difficulties resulting from service-connected disabilities. These provisions will enable Congress to better identify trends in the reemployment difficulties Reservists face and the corrective actions we need to take to ease their transition back into the civilian workforce.

I am encouraged by the steps the Departments of Labor and Defense have already taken to improve the reporting of Reservists' hiring difficulties, and this legislation is intended to facilitate that process. While DoD now mandates the collection of all Reservists' employment data, the Department of Labor is enhancing its information systems to better manage the data it receives. I am pleased that both departments agree with the information tracking and sharing provisions that our bill would implement.

The conflicts in Iraq and Afghanistan have presented our Armed Forces with many new challenges, some expected and some unforeseen. As Members of the House Veterans' Affairs Committee, you understand the importance of providing comprehensive support for all of our servicemembers' needs as well as anyone in this chamber. Ensuring that our Reservists can easily return to civilian work after their tours of duty is one such need. I respectfully urge you to support H.R. 1632, which will help our Reservists return to their civilian jobs and enable us to better serve all of our men and women in uniform.

Thank you. I welcome any questions that you have about our legislation.

Prepared Statement of Ronald F. Chamrin, Assistant Director, Economic Commission, American Legion

Madam Chairwoman and Members of the Subcommittee:

Thank you for this opportunity to present The American Legion's view on the several pieces of legislation being considered by the Subcommittee today. The American Legion commends the Subcommittee for holding a hearing to discuss these very important and timely issues.

H.R. 1750, A bill to amend the Servicemembers Civil Relief Act to extend from 90 days to one year after release of a member of the Armed Forces from active duty during which the member is protected from mortgage foreclosure.

The American Legion supports this legislation. This legislation would greatly assist those veterans that were deployed to a combat zone and had little time to transition from active duty to the civilian sector. Members of the Reserve components would be the largest benefactors of an extension from 90 days to 1 year. Enactment of this legislation will allow the veteran an extended period of time to correct all their finances and assist them in the transition process.

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[2] The Department of Labor's Veterans' Employment Training Service (V.E.T.S.) receives formal reports of USERRA complaints. The Department of Defense assigns representatives to assist servicemembers with job complaints through its National Committee for Employer Support of the Guard and Reserve (E.S.G.R.). The Department of Justice and the Office of Special Counsel also have jurisdiction in responding to servicemembers complaints, but Labor is charged with submitting the annual report to Congress.

[3] "Military Personnel: Additional Actions Needed to Improve Oversight of Reserve Employment Issues." GAO 07–259, p. 4. February 2007.

H.R. 1824, A bill to amend title 38, United States Code (U.S.C.), to expand the scope of programs of education for which accelerated payments of educational assistance under the Montgomery GI Bill (MGIB) may be used.

Section 1

This bill would enable accelerated payments to be used for courses that would lead to employment as an operator of a commercial motor vehicle.

The American Legion supports this provision however, we support granting veterans the option to request an accelerated payment of all monthly educational benefits upon meeting the criteria for eligibility for Montgomery GI Bill (MGIB) financial payments. The selection of courses veterans undergo remains exclusively the decision of the individual veteran, and all earned veterans' education benefits should be made available to veterans in support of their endeavors. Accelerated education payments allow veterans to achieve education goals in the manner that they decide. Binding the timeframe of an education payout may restrict educational options for some veterans.

In addition to the traditional institutions for higher learning, MGIB benefits can be used for training at Non-College-Degree Institutions, On-the-Job or Apprenticeship Training, Independent, and Distance or Internet training. MGIB also allows the Department of Veterans Affairs (VA) to reimburse veterans for the fees charged for national tests for admission to institutions of higher learning and national tests providing an opportunity for course credit at institutions of higher learning. Examples of tests covered are SAT, GRE, CLEP, GMAT, LSAT, and so forth. MGIB for veterans, and not those eligible under Survivors and Dependents Educational Assistance (DEA), is available for Flight Training and Correspondence Training.

The significance of expanding the scope of accelerated education payments is that the preceding categories are eligible for MGIB payments, yet *excluded* from accelerated education payments. The American Legion recommends that all MGIB-approved courses, including the On-The-Job training (OJT) and Apprenticeship courses, become eligible for accelerated education payments.

The American Legion supports the expansion of Public Law 107–103 to include but not limited to:

1. Survivors and Dependents Educational Assistance (DEA, or chapter 35)
2. Post-Vietnam Era Veterans' Educational Assistance program (VEAP, or chapter 32)
3. Reserve Educational Assistance program (REAP, or chapter 1607)

Section 2

The exclusion of Benefit Payments under the MGIB from income for eligibility determinations for Federal education loans would be implemented if this bill were enacted into law.

The American Legion supports this provision. Enactment of this legislation will increase the total amount of federal student aid a veteran may receive while concurrently receiving MGIB benefits. This will in effect raise the overall potential education benefits.

H.R. 1598, Servicemembers Credit Protection Act

Section 2

TITLE VIII NOTICE OF DEPLOYMENT

- **Section 801. Notice of Consumer Reporting Agencies**
  This section would require the Secretary of Veterans Affairs to notify the deployment of the servicemember within 30 days after the deployment and within 30 days after the end of the deployment to each consumer-reporting agency that complies and maintains files on consumers on a nationwide basis. Furthermore, the Secretary will ensure compliance in the timeliness of reporting such required information to the consumer reporting agencies.

The American Legion supports this provision. Efforts to assist the servicemember and protecting their credit reporting will allow the servicemember to focus on their mission and provide a climate that is favorable to the servicemember. Mobilizing Reservists and National Guard members have enormous responsibilities for their mission, their fellow troops, their families and themselves.

Many servicemembers and veterans are unaware of benefits and protections that are afforded to them. Additionally, the veteran must perform certain steps and procedures to receive their maximum benefit and protection afforded by law. Filing, following up and responses to matters while in a combat zone is extremely difficult. Efforts to assist veterans in the transition from civilian life to active duty and back again to civilian life will greatly benefit a veteran.

- **Section 802. Increase in Penalties for Certain Violations Involving Servicemembers Deployed to an Overseas Combat Zone**

The American Legion has no official position on this provision.

Section 3

NOTIFICATION IN CONSUMER FILES OF SERVICEMEMBERS

- **Section 605C Combat Zone Duty Alert**
  Each consumer agency that receives a report that a servicemember is deployed in a combat zone will include a combat zone duty alert in the file, provide that alert along with a credit score, and exclude the consumer from any list of consumers prepared by the consumer reporting agency and provided to any third party. Furthermore, a combat zone duty alert will require a summary of the rights of the Servicemembers Civil Relief Act and the duties of creditors and other persons to be delivered to the consumer. If a person or another consumer files adverse information to a consumer reporting agency, and the individual is in a combat zone, the reporting agency shall notify the adverse reporter of the combat zone duty alert.

The American Legion supports this provision. This measure aims to protect the credit of servicemembers deployed to an overseas combat zone by amending The Fair Credit Reporting Act. Identity theft is an ever-increasing reality that can damage ones credit unnecessarily. Servicemembers who are fighting overseas usually do not have the time or resources to track all of their finances and could therefore be victimized more easily by identity theft. Payments on mortgages, cars, utilities, credit cards, and so forth. may also be hard for a servicemember to keep track of while fighting overseas.

H.R. 1315, a bill to amend title 38, U.S.C., to provide specially adaptive housing assistance to certain disabled members of the Armed Forces residing temporarily in housing owned by a family member.

This bill seeks to amend title 38, U.S.C., Section 2102 A, by adding a section that would give the Secretary of VA the authority to provide specially adaptive housing assistance to members of the Armed Forces serving on active duty who are suffering from a disability described in subsection (a)(2) or (b)(2) of Section 2101 if the disability is a result of injury incurred or disease contracted in or aggravated in the line of duty while serving on active duty.

The American Legion supports the intent, but strongly objects to the restrictive language "in the line of duty." This would be inconsistent with the current VA policy for awarding of a service-connected disability rating for an injury or medical condition incurred or aggravated while on active duty. The American Legion strongly objects to denying veterans severely disabled due to injuries sustained while in "off-duty" status.

In the Kobar Towers disaster, the only people "on-duty" were those servicemembers on the barrack's duty roster as "CQ" (in charge of quarters). Those asleep were "off-duty," but were injured just the same.

Active-duty servicemembers in transit to and from their duty station would also be excluded from this benefit if severely injured.

H.R. 1240, a bill to direct the Secretary of Veterans Affairs to establish a scholarship program for students seeking a degree or certificate in the areas of visual impairment and orientation and mobility.

The American Legion supports this legislation. Servicemembers are returning from the battlefield with vision loss, amputations and Traumatic Brain Injury. These veterans are young and have their whole lives ahead of them. This bill will help to ensure, that in future years, these veterans will have the care and improved quality of life that we as a nation should gladly give.

H.R. 675, Disabled Veterans Adaptive Housing Improvement Act

The Disabled Veterans Adaptive Housing Improvement Act seeks to increase the amount of assistance available to disabled veterans for specially adapted housing and to provide for annual increases in the amount to reflect the increase in cost of residential home construction.

The Specially Adapted Housing Grant is available for disabled veterans who are entitled to a wheelchair accessible home especially adapted for their needs. These veterans are service connected for total and permanent disabilities that include: loss

or loss of use of both lower extremities; blindness in both eyes and loss or loss of use of one lower extremity; loss or loss of use of one extremity and residuals of organic disease or injury; and loss or loss of use of both upper extremities at or above the elbow. Many of the injured servicemembers may temporarily reside for extended periods of time with family members providing assistance during rehabilitation after combat-related injuries that result in permanent and total service-connected disabilities.

The American Legion supports the provisions of this bill and strongly recommends that the current maximum for this program be increased to reflect the increase in the residential cost of construction index. Currently, the program authorized a maximum amount of $50,000 for this grant—which can be used up to three times. A temporary grant of $14,000 for veterans residing temporarily in a home owned by a family member is also available. The cost of construction material and labor will increase and the grants should be adjusted regularly to reflect the increase.

H.R. 513, National Heroes Credit Protection Act

This bill would create a protection of Credit Ratings of Persons Activated for Military Service and provide a protection of negative reporting while they are on active duty. A negative report of nonpayment or late payment will have a notation that the account is delinquent or paid slowly due to military service. Furthermore, a future potential creditor shall disregard any negative information so noted in the credit report that is due to military service.

The American Legion supports this provision. Supporting the troops includes ensuring that they are solely focused on their mission at hand while on active duty. The majority of National Guard and Reserve troops that are called to active duty are deployed to a combat zone such as Iraq or Afghanistan and have little or no opportunity to review their finances, credit scores, and other matters while deployed. Additionally, many young servicemembers are unaware of many best financial practices, protections, and benefits afforded to them. Enactment of this legislation will be beneficial to servicemembers and veterans.

H.R. 2259, a bill to ensure that members of the National Guard and Reserves are able to fully participate in the benefits delivery at discharge program is extremely important to ensure the financial, psychological, and physical well-being of our Nations heroes. We do note the absence of any mention of the Department of Labor's Veterans' Employment and Training Service (DOL–VETS) and feel that it is an integral member of the transition process. This legislation would require the Secretaries of the VA and Department of Defense (DoD) to jointly submit to Congress a plan to maximize access to the benefits delivery at discharge.

The American Legion supports this bill.

The American Legion strongly supports the Transition Assistance Program and Disabled Transition Assistance Program. Additionally, The American Legion supports that DoD require all separating, active-duty servicemembers, including those from Reserve and National Guard units, be given an opportunity to participate in Transition Assistance Program and Disabled Transition Assistance Program training not more than 180 days prior to their separation or retirement from the Armed Forces.

H.R. 2475, Veteran Home Equity Conversion Mortgage Act of 2007

A bill to amend title 38, U.S.C., to authorize the Secretary of Veterans Affairs (VA) to guarantee home equity conversion mortgages for elderly veteran homeowners.

The American Legion has no official position on this bill.

H.R. 1632, Improving Veterans' Reemployment Act of 2007

A bill to amend title 38, U.S.C., to improve the annual report required on veterans' reemployment rights by requiring a report by the Labor Secretary of the number of cases reviewed by the Department of Labor, cases referred to the Attorney General, and complaints filed by the Attorney General. It also requires a report of the number of cases reviewed by the Secretary of Defense under the National Committee for Employer Support of the Guard and Reserve of the Department of Defense (ESGR). Of all these reports, the number of cases that are disability-related must also be filed.

The American Legion supports these provisions. The American Legion also supports the strongest veterans' preference laws possible at all levels of government. We believe that the evidence compiled in this report will show the current state of enforcing the Uniformed Services Employment and Reemployment Rights Act (USERRA) and Veterans' Preference laws to the nation's veterans.

The American Legion is deeply concerned with the protection of the veteran and the prevention of illegal and egregious hiring practices. Currently, veterans are filing claims after the non-compliance employment event occurred and therefore may become financially disadvantaged. Concurrent measures and continuous oversight must be emplaced to protect veterans from unfair hiring practices, not just reactionary investigations.

The following paragraphs are the perceived steps taken by the Federal government to protect veterans' employment and it demonstrates reactionary measures to assist veterans that may take months to resolve. Many veterans give up or do not file complaints because they must seek employment elsewhere or face serious financial difficulties.

The Office of Personnel Management (OPM) administers entitlement to *veterans' preference* in employment. The Department of Labor, through the Veterans' Employment and Training Service (VETS), provides assistance to all persons having claims under USERRA. The Department of Labor is the enforcement authority for USERRA, and it processes all formal complaints of violations of the law. The veteran may then request that the Department of Justice litigate on their behalf but only after a certain period has passed.

The following excerpt is from the Department of Justice website:

> "If VETS is unsuccessful in resolving the complaint, the claimant may request that VETS refer the complaint to Office of Special Counsel (OSC). If the Special Counsel believes there is merit to the complaint, OSC will initiate an action before the Merit Systems Protection Board (MSPB) and appear on behalf of the claimant.
>
> "The DOJ is responsible for enforcing the provisions of the USERRA against state and local government employers and private employers. If the Department of Justice takes your case, it will serve as your attorney if you work for a private employer or a local government. If you work for a state government, the Department of Justice may bring a lawsuit in the name of the United States."

The Department of Justice website continues to state:

> "USERRA authorizes the Department of Justice Office of Special Counsel (OSC) to investigate alleged violations of the act by Federal Executive Agencies, and to prosecute meritorious claims before the Merit Systems Protection Board on behalf of the aggrieved person. Under the Veterans Employment Opportunities Act 1998 (VEOA), in order to seek corrective action, a preference eligible [veteran] is to file a written complaint with the U.S. Department of Labor, Veterans Employment and Training Service (VETS), within 60 days of the alleged violation. If the Secretary is unable to resolve a complaint within 60 days, the Secretary is to provide notification of an unsuccessful effort to resolve the complaint to the complainant." (Department of Justice, www.usdoj.gov)

The American Legion reiterates our position that protection of veterans' employment rights should be concurrent and continuous oversight must be emplaced to protect veterans from unfair hiring practices, not just reactionary investigations and lawsuits. We further state that the veteran must be protected at the onset of the hiring process, especially because corrective actions to remedy the veteran's plight is not guaranteed.

Finally, we recommend to this Subcommittee that the Department of Justice provide a detailed description of their veterans' employment activities.

H.R. 112, G.I. Advanced Education in Science and Technology Act

A bill to amend title 38, U.S.C., to provide for the payment of stipends to veterans who pursue doctoral degrees in science and technology.

The American Legion supports this provision, however, we feel that a monthly tax-free subsistence allowance indexed for inflation must be part of all educational assistance packages.

The American Legion agrees with the intent of H.R. 112 in that it allows for members of the Armed Services and veterans to receive enhanced educational benefits more in line with today's needs. While this legislation is aimed toward the active duty force (MGIB chapter 30), The American Legion supports legislation that will allow Reservists to earn credits for education while mobilized, just as active-duty troops do, and then use them after they leave the military service.

In addition to the positive measures that the bill encompasses, The American Legion feels that all veterans be treated equally regardless of their Reserve/National

Guard status in such that an individual who was called to duty and served honorably should not have to remain in the selected reserve to use their earned benefits. We support a Total Force GI Bill and major enhancements to the current MGIB that would entail, amongst other items, that all Reservists and National Guard members are able to use their MGIB benefits for up to ten years after separation regardless of disability status and if their enlistment contract expires.

H.R. 2579, a bill to amend title 38, U.S.C., to authorize the use of funds in the VA readjustment benefits account and funds appropriated for such purpose to provide funding for State Approving Agencies (SAA).

The American Legion has no official position on the mechanism of funding State Approving Agencies. However, The American Legion fully supports reauthorization of SAA funding.

Section 301 of Public Law 107–330 created increases in the aggregate annual amount available for state approving agencies for administrative expenses from FY 2003–FY 2007 to the current funding level of $19 million. The American Legion believes this is totally inadequate, especially for a nation at war, and strongly recommends keeping SAA funding at $19 million in FY 2008 to assure current staffing and activities.

H.R. 1370, a bill to amend title 38, U.S.C., to establish in the Department of Veterans Affairs an Office of National Veterans Sports Programs and Special Events.

The American Legion fully supports this legislation. Returning servicemembers, particularly those who incur service-related disabilities, are already benefiting from participating in sporting activities as they readjust to civilian life. This can be most readily seen in the area of adaptive sports therapy for the severely wounded. Whether it has been kayaking, horse riding or adaptive cycling or skiing, sports programs are making an immeasurably positive impact in how they improve the quality of life for returning servicemembers and veterans.

CONCLUSION

Historically, The American Legion has encouraged the development of essential benefits to help attract and retain servicemembers into the Armed Services, as well as to assist them in making the best possible transition back to the civilian community. The Servicemen's Readjustment Act 1944, the "GI Bill of Rights" is a historic piece of legislation, authored by Harry W. Colmery, Past National Commander of The American Legion, that enabled millions of veterans to purchase their first homes, attend college, obtain vocational training, and start private businesses.

The legislation discussed today aims to better serve veterans and ultimately assists them in financial stability. The American Legion commends the Subcommittee for addressing these important issues.

The American Legion appreciates the opportunity to present this statement for the record.

Prepared Statement of Charles Huebner, Chief, U.S. Paralympics, United States Olympic Committee

Good afternoon Madam Chairwoman and members of the subcommittee. My name is Charles Huebner and I am the Chief of U.S. Paralympics, a division of the United States Olympic Committee which is headquartered in Colorado Springs, Colorado. I appreciate the opportunity to testify on H.R. 1370, the bill that would establish within the Department of Veteran's Affairs an Office of National Veterans Sports program and Special Events that would work with the United States Olympic Committee in support of certain programs directed at disabled veterans.

By way of a brief background, the USOC is an organization chartered by Congress through what was is now known as the Ted Stevens Olympic and Amateur Sports Act. In 1998, Paralympic terminology was added to the Act, giving the USOC the additional mandate by Congress to implement a Paralympic program for the United States. Paralympic activity is sports for physically disabled athletes, and the Paralympic Games are held approximately two weeks after the Olympic Games and at the same Olympic venues. The Paralympic Movement began shortly after World War II utilizing sports as a form of rehabilitation for injured military personnel returning from combat. The Paralympic Games have become the second largest global sporting event behind the Olympic Games with more than 130 Countries and 4,000 physically disabled athletes expected to participate in the 2008 Paralympic Games.

Because this new Congressional mandate to implement a Paralympic program for the United States was not funded, it took some time to build an effective Paralympic organization. The USOC has now, however, built an organization that employs over twenty people operating with a budget of more than $10 million annually, all of these funds, of course, from private sources.

Three years ago, recognizing the growing number of U.S. military personnel returning home with physically debilitating injuries, and utilizing our experience and expertise with sport for the physically disabled, we launched the USOC Paralympic Military program that introduced Paralympic sport to these men and women as a tool for their rehabilitation and a vehicle for their return to an active lifestyle. Components of the Paralympic Military program include national training of community leaders to implement Paralympic sport; clinics and mentor visits at military and VA installations; development of local community-based programs in targeted markets that have military or VA installations, and; "Paralympic Military Sports Camps," conducted at our Olympic Training Centers in Colorado Springs and Chula Vista, California. The Military Sports Camps provide an introduction to Paralympic Sport, but also the introduction of Paralympians that serve as mentors to injured military personnel and veterans. Each of these camps has involved more than three dozen active duty and veteran military personnel, and their success is attested to by the participants as well as various media outlets including USA Today and the New York Times, which have published major features on them.

Despite the success of this and similar programs directed at wounded and disabled active duty and veteran military personnel, we recognize that there is much more that we can and should do. I want to emphasize that we are and will continue to engage in these activities because injured military personnel are the soul of the Paralympic movement. And when I speak of the Paralympic movement, I am not talking about an exclusive number of persons that will make future Paralympic teams, I am speaking of a movement and individuals with physical disabilities that are educated, employed, active in their communities, promote excellence, ability and inspire Americans to achieve and overcome obstacles. However, it is likely that by 2008, there will be one or more former servicemembers that will qualify to represent their country again at the Paralympic Games. And that will be a great achievement and story for America, and the American people.

As successful as the Paralympic Military Sports Camps have been we have only scratched the surface and want to do more. Currently there is a significant lack of Paralympic Community-based programs throughout the United States. We have been most fortunate in developing a very positive and productive working relationship with the Department of Veterans Affairs with which we concluded a Memorandum of Understanding in November 2005. Since then we have collaborated on certain activities but have been limited financially and programmatically. We believe that this legislative proposal to establish an Office of National Veterans Sports Programs and Special Events, accompanied by supportive funding, would serve as a vehicle for the VA and USOC jointly to serve a larger universe of veterans for whom Paralympic sport would serve as a valuable rehabilitation activity to reintegrate into communities with family members and friends. We would envision an expansion of Paralympic Community-Based programs to target a larger number of veterans and their families, and create similar programs at community facilities of some of our Paralympic partners such as the Lakeshore Foundation in Birmingham, Alabama, and in the City of Colorado Springs, Colorado, the home of Fort Carson, where a Paralympic Community-based programs does not exist currently. These programs would be community extensions at various VA facilities that are identified in collaboration with our partners at the Veterans Administration.

This legislation, and the interest of this Subcommittee that is giving this proposal a hearing, is testimony to the need of veterans for activities and programs that enable them to return to a full and active life. The United States Olympic Committee, through its Paralympic Division, wants to be an active participant in serving a most deserving segment of our population. We have learned that these various Paralympic sport programs, whether they be the USOC's, the Department of Veterans Affairs', or those of Disabled Sport USA which is ably led by Kirk Bauer, make a positive difference in the lives of those who are being served. We are confident that the expertise that we have developed in Paralympic sport can be a valuable component in an effort in which there are many different parts, and believe that the proposal contained in this legislation will better enable us to be of meaningful service.

Prepared Statement of Brian E. Lawrence,
Assistant National Legislative Director,
Disabled American Veterans

Madame Chair and Members of the Subcommittee:

I am happy to appear before you to present the views of the Disabled American Veterans (DAV) on the various bills under consideration today. In accordance with its congressional charter, the DAV legislative mission is focused on benefits and services provided to veterans on account of their service-connected disabilities. We are therefore pleased to support the bills insofar as they fall within that scope. The DAV has no mandate from its membership on issues addressed within H.R.112, H.R. 513, H.R. 1240, H.R. 1598, H.R. 1632, H.R. 1750, H.R. 1824, H.R. 2475, and H.R. 2579, but we have no objection to their favorable consideration.

H.R. 675

The Disabled Veterans Adaptive Housing Improvement Act would amend Section 2101 of title 38, United States Code, to increase the specially adapted housing grant from $50,000 grant to $60,000, and increase the $10,000 grant to $12,000. Additionally, the bill would provide for automatic annual adjustments based on the national average increase in the cost of residential home construction. The purpose of this grant is to enable severely disabled veterans to construct, purchase, or remodel homes with structural features to accommodate special needs. The grant was last increased by Public Law 108–183, enacted December 16, 2003. Because the cost of construction has risen over the past 4½ years, the current $50,000 maximum amount is insufficient to allow severely disabled veterans to make all necessary adaptations and modifications.

During the most recent DAV National Convention, our members voted to again adopt a long standing resolution calling for legislation which would provide a realistic increase in the specially adapted housing grants, and would provide for automatic annual adjustments based on increases in the cost of living. Our resolution coincides with the recommendations of *The Independent Budget* (IB), which is a budget and policy document that sets forth the collective views of the DAV, AMVETS, the Paralyzed Veterans of America, and the Veterans of Foreign Wars of the United States. Therefore, we urge that the proposals contained in H.R.675 be favorably acted upon by the Subcommittee.

H.R. 1315

This bill would amend Section 2102A of title 38, United States Code, to provide specially adaptive housing grants to disabled members of the Armed Forces residing temporarily in housing owned by a family member. Public Law 108–454, enacted December 10, 2004, authorized VA to provide specially adapted housing grants of up to $10,000 to eligible disabled veterans residing temporarily in housing owned by a family member. H.R. 1315 extends eligibility to members of the Armed Forces.

The DAV supports this measure; however, we recommend that the amount used in the adaptation of the family member's residence should be added to the aggregate amount to which the veteran is entitled. In most instances, severely disabled veterans residing with a family member will eventually seek to establish his or her own permanent residence. In such instances, the maximum amount should be available to the veteran regardless of whether he or she received a previous grant for the alteration of a family member's home.

H. R. 1370

The Disabled Veterans Sports and Special Events Promotion Act of 2007 would establish a Department of Veterans Affairs (VA) Office of National Veterans Sports Programs and Special Events, to carry out and promote programs for the participation of disabled veterans in approved sporting and other events. The bill would authorize VA to provide a monthly assistance allowance to service-connected disabled veterans participating in an event sanctioned by the U.S. Olympic Committee (USOC) or residing at a USOC training center. The amount of the monthly assistance would be equal to the monthly amount of subsistence allowance that would be payable to the veteran under chapter 31 of title 38, United States Code. The bill would require VA to establish a memorandum of understanding (MOU) with the USOC under which the VA would provide support and reimbursement for USOC expenditures for the military paralympic program. Additionally, the bill would authorize an appropriation of $2 million each fiscal year to carry out the activities of the Office of National Veterans Sports Programs and Special Events.

The VA, along with the DAV and several other veterans' service organizations as cosponsors, hosts annual national rehabilitative special event programs for veterans receiving healthcare from VA medical facilities. These four programs, which include

the National Disabled Veterans Winter Sports Clinic, National Veterans Wheelchair Games, National Veterans Golden Age Games, and the National Creative Arts Festival, focus on rehabilitation and enhancement of the physical, social, and emotional well-being of many severely disabled veterans. These programs showcase the therapeutic value of sports, fitness, and recreation, which are key factors in VA's extensive rehabilitation programs, and are profoundly beneficial in helping veterans overcome or mitigate the physical and emotional impact of severe disabilities.

In addition to supporting rehabilitative events through cosponsorship, the membership of the DAV has adopted a resolution calling on Congress to provide a separate line-item appropriation in the VA budget to ensure the continuance of these worthy programs. Therefore, we are pleased with the comparative intent of this legislation. Adequate resources designated specifically for the special events office would eliminate the VA's need to raise funds and allow it to focus exclusively on rehabilitation and therapy for disabled veterans. The responsibility for raising additional funds can and should be left to the co-sponsors.

Along with our support of this draft bill, we encourage the Subcommittee to include language to place the special events office under the Veterans' Health Administration (VHA). Currently, the programs are under the authority of the VA Office of Public Affairs and the VHA is almost completely removed from administrative decisions. Though the Public Affairs Office certainly has a role to play, the ultimate purpose of these special events is to provide rehabilitative therapy to severely disabled veterans. Since VHA is the department responsible for providing such care, it should be the designated controlling authority for the four rehabilitative programs mentioned above. As the administrative authority, the VHA should be required to develop a comprehensive MOU with cosponsors, and to provide detailed accountability for all special events office funds, including cosponsorship fees. Without such financial support from the DAV and other cosponsors, substantially fewer disabled veterans would benefit from these uplifting special events. Therefore, cosponsors should be allowed at least some level of input regarding the programs.

The DAV applauds the Subcommittee for recognizing the value and importance of National Disabled Veterans Sports Programs and Special Events, and for having the foresight to ensure they are available to severely disabled veterans in the future. The DAV supports this commendable bill and hopes the Subcommittee will consider our suggestions for improvement.

H.R. 2259

This bill would ensure that members of the National Guard and Reserves are able to fully participate in the benefits delivery at discharge (BDD) program administered jointly by the Department of Defense and the VA to provide information and assistance on available benefits and other transition assistance to members of the Armed Forces who are separating from the Armed Forces. BDD improves service for separating servicemembers by eliminating lengthy delays in claims decisions and redundant and unnecessary physical examinations. BDD takes pressure off overly burdened VA Regional Offices that already face backlog problems. Rating decisions adjudicated via the BDD program are generally more accurate and appealed less frequently than those processed via regular claims procedures. The DAV strongly recommends that BDD be expanded and made available to every person retiring or separating from active duty.

Madame Chair and Members of the Subcommittee, the DAV appreciates the opportunity to present our views on these bills. We look forward to our continued work with the Subcommittee to serve our Nation's disabled veterans and their families.

Prepared Statement of Ray Kuntz, Chairman, American Trucking Association, and Chief Executive Officer, Watkins and Shepard Trucking, Inc., Helena, Montana

INTRODUCTION

Good afternoon Madame Chairwoman Herseth-Sandlin, Ranking Member Boozman and members of the Subcommittee. My name is Ray Kuntz, Chairman of the American Trucking Associations, Inc. and CEO of Watkins & Shepard Trucking, Inc. I appreciate the opportunity to appear here again before the Subcommittee on behalf of ATA to voice our continued support for the intent of H.R. 1824: to expand the scope of programs of education eligible for accelerated payments under the Montgomery GI Bill. ATA commends Representative Michaud for re-introducing this important piece of legislation. We look forward to working with Mr. Michaud, and the Subcommittee to explore ways to enhance the bill so as to realize its goal of im-

proving veterans' access to the accelerated benefit payment program, particularly as it relates to training U.S. veterans to driver commercial vehicles.

As a matter of background, the American Trucking Associations Inc., the national trade association for the trucking industry, is a federation of affiliated state trucking associations, conferences and organizations that include nearly 38,000 motor carrier members representing every type and class of motor carrier in the country.

TRUCKLOAD DRIVER SHORTAGE ISSUE

Madame Chairwoman, when I appeared before this Subcommittee regarding this legislation two years ago I stated that the long-haul truckload sector of the truck transportation industry annually experiences critical workforce challenges. I would submit here today that this situation has not significantly changed since 2005. Although shortages for this particular sector ebb and flow according to market demands, the driver shortage for the long-haul truckload industry segment still remains and is expected to worsen in the years ahead.

In the next ten years, ATA expects the economy *and* trucking to grow by 30%.[1] As a result, the demand for long-haul, heavy-truckload services will increase—with the long-haul truckload sector expected to transport 3.3 billion more freight tonnage over this ten year time span than it does today.[2]

Over the same period, economic growth will give rise to a need for a 2.2% average annual increase in the number of long-haul truckload drivers, or the creation of 320,000 additional jobs overall.[3] At least another 219,000 new truckdrivers must be found to replace drivers currently of ages 55 and older who will retire over the next 10 years. Combining these two figures places total expansion and replacement hiring needs of the heavy-truckload sector at 539,000 or an average of about 54,000 drivers per year through 2014.[4]

CHALLENGES TO RECRUITING QUALIFIED TRUCKDRIVERS

As I have testified previously, there are several challenges to recruiting long-haul truckload drivers. One particular challenge is the fact that the truck driving industry is heavily regulated by the Department of Transportation, through the Federal Motor Carrier Safety Administration. For safety reasons, which we support, the Agency places many restrictions on motor carriers regarding the type of individual that they can and cannot hire to drive a truck. Additionally, the insurance companies that underwrite carriers, can place even more restraints on a company regarding who they can hire as a truckdriver. Through my own personal involvement with Watkins & Shepard's truck driving school, I can tell you that often times, truck driving schools have to reject more applicants than they can actually enroll, despite the driver shortage.

For example, my company's trucking school, in the last year, received 1000 applications for truck driving jobs. From that total we were able to train and/or hire 58 qualified individuals. Put another way, last year, we were only able to train and/or hire less than 6% of the individuals who applied.

ATA & INDUSTRY EFFORTS TO ADDRESS THE LONG-HAUL TRUCKLOAD DRIVER SHORTAGE

ATA, its member motor carriers and its state trucking associations have been proactive on several fronts to address these recruiting and training challenges. In the 2005 highway re-authorization bill, ATA actively sought and gained funding for a new FMCSA grant program to specifically train more commercial motor vehicle drivers. The grant program, funded at $5 million over the five years subsequent to the highway bill's enactment, is administered and awarded by the FMCSA on a competitive basis. Public, private and motor carrier training schools are eligible to apply for the grant for purposes of making driver training more affordable to more students.

To more effectively assist in the driver recruitment effort, ATA's Board of Directors allocated $700,000 in October, 2005 for the development of the association's National Truckdriver Recruiting Campaign. The campaign, which was launched in early 2007, is a nationwide effort to promote positive images of truck driving and to recruit long haul truckdrivers for ATA's 50 state associations and their member motor carriers. ATA made matching funds available to interested state associations for them to purchase driver recruitment advertising media. Television, radio, outdoor advertising and decal programs are examples of what some states are using to serve as vehicles to promote www.GetTrucking.com. The advertising campaign di-

[1] ATA, Economic & Statistics Group, *U.S. Freight Transportation Forecast to . . . 2017, 2006.*
[2] Ibid
[3] Global Insights: *U.S. Truckdriver Shortage: Analysis and Forecast*, May, 2005
[4] Ibid

rects new candidates, current truckdrivers, motor carriers and trucking schools to the website. GetTrucking.com's website has two functions: the first is to match new candidates with motor carriers or truck schools, and the second is to provide a job board for current CDL holders and motor carriers.

In efforts to make tuition more affordable for students, motor carrier schools often subsidize or even pay the total amount of a student's truckdriver training. In turn, the student agrees to work for the carrier for a specified time. Others agree to work for the carrier and repay all of or a portion of the tuition. Several ATA carriers, including my own, operate their own driver training and driver finishing schools. However, according to a recent ATA poll of the membership, fewer than 15 of our member companies currently operate their own truckdriver training schools. As a result, our remaining carriers *without* their own driver training schools, rely exclusively on public and private truckdriver training schools for entry-level training of new, qualified commercial vehicle drivers.

Commercial vehicle driver training is essential and must be taught by a reputable truck driving school in order for the driver to obtain the knowledge and skills to successfully pass both the written and road-testing requirements of the commercial drivers licensing test. A company will not hire a driver, nor are any civilian individuals legally able to drive a commercial motor vehicle without a valid, state-issued CDL.

CONGRESS NEEDS TO EXPAND THE SCOPE OF EDUCATIONAL PROGRAMS ELIGIBLE FOR MGIB CHAPTER 30 ACCELERATED PAYMENT BENEFITS

Madame Chairwoman and members of the Subcommittee, for the past six years, an estimated 300,000 service men and women annually transition from Operation Enduring Freedom and Operation Iraqi Freedom to the civilian sector.[5] Of this population, the Department of Defense[6] statistics indicate that 54,000 Army and 24,000 Marine military personnel per year transition out of the military with significant transportation experience.

Just like moving armies and fleets, transporting goods across the country requires monumental logistical efforts and excellent driving skills. For transitioning veterans with military occupational specialties in these areas, professional truck driving may be a natural career path. Although many of these veterans may have experience operating large trucks in the Armed Forces, this experience does not readily translate to a civilian CDL. Additional education is usually needed to further train these individuals on: basic civilian truck operations, FMCSA regulations; newer, onboard truck technologies; and, on specific state and motor carrier road skills testing and requirements.

As ATA has previously testified, the current MGIB system of educational assistance for transitioning military personnel and veterans is an inefficient funding mechanism for truckdriver training programs. ATA believes that H.R. 1824, if enacted, would go a long way toward fixing this particular funding problem and could potentially add a significant number of qualified veterans to the demand-driven, labor pool of commercial vehicle truckdrivers. As currently written, this legislation would add commercial truck driving schools to the list of educational/training institutions eligible for the accelerated payment program under chapter 30 of the Montgomery GI Bill. However, according to the Department of Veterans Affairs, adding truckdriver training school to the MGIB's list of educational programs eligible for accelerated benefits would be cost-prohibitive.[7]

Madame Chairwoman, I have reviewed the VA's list of approved educational programs that are eligible for accelerated benefits payment assistance. ATA applauds the VA for encouraging veterans to enter high-technology career. We believe, however, that many of the approved courses of study on this list do not accurately reflect today's market-driven career demands and/or opportunities. We would also like to point out that this eligibility list, developed in 2002 by the Bureau of Labor Statistics and the National Science Foundation for the VA Department, was done absent any specificity or direction from Congress. Further, ATA contends that many of the educational programs on the VA's accelerated benefit payment's eligibility list are two to four year degree courses that can be appropriately funded through the traditional monthly MGIB educational benefit payment process.

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[5] American Legion, *Testimony on H.R. 1824*, May 3, 2007

[6] DoD, *Department of the Army, 2006, Department of the Marines, 2006.*

[7] Daniel Cooper, Undersecretary for Veterans' Affairs Benefits, *Prepared Testimony before the Senate Oversight Hearing on VA Benefits*, May 9, 2007.

ATA RECOMMENDATIONS FOR ENHANCING H.R. 1824

ATA believes that returning service men and women should be encouraged to pursue careers in well-paying occupations that will contribute most to the U.S. economy. The Department of Labor has identified 14 industry sectors that are expected to add large numbers of new jobs or require new job training to meet the demands of the 21st century's economy which include transportation, hospitality, financial services and homeland security. Many training programs in these high-growth industry sectors are short term and high-cost in nature, like truckdriver training schools. However, truckdriver training and these other high-growth industry training programs, are excluded from receiving MGIB accelerated benefit payments because they do not qualify under the VA's definition of "high technology" educational programs.

ATA recommends that Congress consider amending P.L. 107–103, which authorizes accelerated benefit payments, to refocus the program and better define its scope.

Due to the cost of expanding the accelerated benefit payment list beyond what is currently prescribed by the VA, ATA suggests that the VA-approved list of programs eligible for educational assistance either be replaced or revised. Subsequently, any newly developed list should be an accurate reflection of jobs in industry sectors, such as truck driving, that: (1) are expected to add large numbers of new, well-paying jobs to the U.S. economy and (2) require educational career training that is truly high-cost and short term in nature.

If further cost-savings must be realized, ATA recommends that Congress limit the length of training eligible for funding through the MGIB accelerated benefit payment program to one year or less. Most two year or four year degree educational programs may not fall within the original intent of the MGIB accelerated benefit program—to improve the affordability of relatively high cost, *short term* programs.

Madame Chairwoman and members of the Subcommittee, not all veterans are college-bound. Accelerating the educational benefits available through the MGIB for a high-growth industry training program, such as truck driving, would allow veterans to complete an educational program with immediate employment results, without incurring short-term debt. Such a move would also make it possible for veterans, transitioning from the military or otherwise, to more readily support a family than if they were to enroll in a two-four year educational course.

For those individuals, like our Nation's veterans who are willing to work, are careful, safe and responsible, the trucking industry offers them a wonderful opportunity. In as little as two to three months, upon completion of truck driver training and by successfully passing a state commercial drivers' license test, a veteran can be gainfully employed as a long haul truckload driver with a high quality trucking company, making an entry-level salary of approximately $40,000 a year, with benefits. This figure does not include potential "sign-on" or other bonuses that some trucking companies use to attract and recruit new drivers. Additionally, as truck transportation is the lifeblood of our Nation's economy, truck driving jobs are not likely to experience "downsizing" nor will they be "outsourced."

CONCLUSION

In closing Madame Chair, I would like to reiterate ATA's support for the legislative intent of H.R. 1824. However, we believe that, in order to move this bill forward, substantive changes need to be made to the MGIB's accelerated payment benefits program. First, the VA's current list of educational programs eligible for payment assistance should either be replaced or revised to reflect eligibility for training in HIGH-GROWTH industries rather than solely in HIGH-TECHNOLOGY industries. Further, in order to better align the accelerated benefits program with its original intent of providing affordable financing for *high-cost*, *short term* educational training, the program should be limited to fields of study that are one year or less in duration.

ATA looks forward to working with Representative Michaud and the Subcommittee on ways to enhance H.R. 1824 to improve veterans' access to educational opportunities in high-growth, well-paying industry sectors, like truck transportation. This concludes my remarks Madame Chairwoman. I would be happy to answer any further questions.

Thank you.

Prepared Statement of Keith Pedigo, Director, Loan Guaranty Service, Veterans Benefits Administration, U.S. Department of Veterans Affairs

Madam Chairwoman and distinguished members of the Subcommittee, I am pleased to be here today to discuss 13 bills that would affect a variety of VA's benefit programs, including educational assistance, housing, and employment, as well as statutory provisions providing civil and economic relief and protection for servicemembers, and certain other miscellaneous matters affecting veterans and servicemembers alike. Joining me this morning is Mr. Keith Wilson, Director of VA's Education Service.

Madam Chairwoman, we do not yet have cleared positions on three of the bills, H.R. 1824, H.R. 1370, and H.R. 2259, but we will provide them for the record.

Education Program Amendments

H.R. 112

Madam Chairwoman, H.R. 112, entitled the "G.I. Advanced Education in Science and Technology Act," would amend Chapter 30 of title 38, United States Code, by adding a new subchapter containing provisions through which the Secretary would, subject to the availability of appropriations, be required to pay monthly stipends to eligible doctoral candidates who are pursuing full-time doctoral degrees in the sciences of engineering, mathematics, or other technology disciplines.

For purposes of the new subchapter, the term "eligible doctoral candidate" would mean an individual who meets the requirements for Montgomery GI Bill (MGIB) entitlement under Section 3011 of Chapter 30 (other than the requirements relating to the reduction in basic military pay otherwise applicable under the program) and who is pursuing a full-time a doctoral degree in the sciences of engineering, mathematics, or technology disciplines, after having completed a bachelor's degree in any academic discipline at an institution of higher learning.

The bill would limit the number of stipend payments to a total of 60 months. The amount of the stipend would be $1,200 per month, subject to annual adjustments for inflation and would be in addition to MGIB basic educational assistance allowances. Payment of the stipend would be conditioned on the eligible doctoral candidate's: (1) acceptance into an accredited doctoral program at an institution of higher learning; (2) providing annual documentation to VA of full-time matriculation in the program; and (3) maintaining good academic standing.

Finally, the bill would provide that an eligible doctoral candidate's entitlement to the stipend would end 10 years after the date on which the candidate is discharged or released from active duty in the Armed Forces.

Madam Chairwoman, for a number of reasons, VA does not support enactment of H.R. 112. In terms of equity among veterans receiving chapter 30 education benefits, VA has not seen evidence that veterans who choose to pursue doctoral candidates in engineering, mathematics, and technology must have a greater benefit than other veterans using their education benefits. This bill represents a departure from the existing chapter 30 MGIB structure, which provides equivalent benefit opportunities to veterans who establish an entitlement.

In the absence of a clearly supportable rationale, we cannot support altering the existing chapter 30 benefit structure by singling out for special treatment one group of entitled veterans from others who established the same basic program entitlement.

In addition, we have not noted any savings to offset the estimated costs of this bill. We estimate the increased Readjustment Benefit (RB) cost would be $25.9 million over a 10-year period. General Operating Expenses (GOE) costs were estimated at $3 million for computer system upgrades.

H.R. 2579

Section 3674(a) of title 38, United States Code, authorizes VA to enter into contracts with State approving agencies (SAAs) to perform services necessary to ascertain the qualifications of educational institutions furnishing courses to veterans and other individuals receiving VA educational assistance. Section 3674(a)(2)(A) specifies that VA shall make payments to the SAAs out of the amounts available for the payment of readjustment benefits. The total amount made available for any fiscal year may not exceed $13 million, as outlined in Section 3674(a)(4).

H.R. 2579 bill would amend Section 3674(a)(2)(A) to direct VA to make SAA payments out of amounts in the RB account and amounts appropriated to VA. Essentially, SAA payments would come from both the RB and GOE accounts, rather than solely from the RB account, as is presently done. The total amount that could be available from the RB account would be $13 million.

VA does not support this legislation as written because utilizing two funding sources for this program (both GOE and RB Accounts) would create numerous complications in administering the program. SAAs are critical players in the readjustment process, and it is necessary to maintain a stable funding source and working relationship between VA and the SAAs.

This proposal would allow the GOE appropriation to pay for SAA contracts. In 2007, the RB account is authorized to pay up to $19 million for SAA contracts. In 2008 and subsequent years, the RB is authorized to pay $13 million per year for SAA contracts. This bill would allow for payment of up to $13 million for SAA contracts from RB, with any remaining funds to be paid out of GOE. Increasing funding in 2008 and the out years to the 2007 level of $19 million would cost $6 million per year.

Specially Adapted Housing Program Amendments

H.R. 675

H.R. 675, entitled the "Disabled Veterans Adaptive Housing Act," would increase the maximum dollar amounts available under the Specially Adapted Housing (SAH) program, as well as provide for additional increases to the grants by tying the maximum dollar amounts to an annual cost-of-construction index. VA supports the overall objective of increasing the SAH grants subject to Congress' enactment of legislation offsetting the costs associated with the increases and with the following clarifications.

Section 2 would adjust the maximum dollar amounts available under the SAH program. First, it would increase from $50,000 to $60,000 the aggregate dollar amount for grants authorized under sections 2101(a) and 2102A, leaving unchanged the $14,000 cap on a single Section 2102A grant. Next, it would raise from $10,000 to $12,000 the maximum amount of assistance available for grants authorized under Section 2101(b). Finally, it would increase from $10,000 to $12,000 the aggregate dollar amount for grants authorized under sections 2101(b) and 2102A, but would leave unchanged the $2,000 cap on a single Section 2102A grant. These amounts would be effective immediately upon enactment.

Madam Chairwoman, VA supports enactment of Section 2, with the following clarification and subject to Congress' enactment of legislation offsetting the costs associated with the increases. VA notes that, since the existing statutory limit on grants made pursuant to Section 2101(a) is an aggregate that includes grants made under Section 2102A, an authority which is due to expire June 14, 2011, an ambiguity may arise at the time of expiration with regard to the amount of assistance available under Section 2101(a). To avoid such an effect, VA recommends amending the introductory paragraph of Section 2102(a) by adding a maximum dollar amount allowable for grants authorized under Section 2101(a).

Section 3 of this bill would mandate that the Secretary increase the SAH assistance caps (except for grants made under Section 2102A) each fiscal year, commencing October 1, 2007. Such increases would be based on the percentage by which the residential home cost-of-construction index for the preceding calendar year exceeds the index for the year immediately preceding that calendar year. As with similar provisions offered in other legislation, VA adamantly opposes indexing programs such as the Specially Adapted Housing grants. As VA closely monitors the sufficiency of grants provided under this program, and as it will be very difficult to find a suitable index which adequately captures the unique nature of SAH, it is best to provide adjustments on an ad hoc basis.

VA estimates that enactment of sections 2 and 3 of this bill would result in a benefit cost of $68.6 million in the first year and $194.2 million over 10 years.

H.R. 1315

H.R.1315 would make Specially Adapted Housing (SAH) assistance available to disabled, active-duty members of the Armed Forces residing temporarily in housing owned by a family member. VA supports enactment of this technical correction. However, VA would like to point out that, as drafted, this provision would continue to require specific legislation in order to make active-duty members of the Armed Forces eligible any time newly enacted assistance may become available.

Insofar as these disabled active-duty servicemembers are already eligible for SAH benefits, there would be no additional cost. Any amounts received as part of a temporary grant would be deducted from the total amount of SAH grants for which recipients might be eligible.

Servicemembers Civil Relief Act Amendments

H.R. 513

H.R. 513, entitled the "National Heroes Credit Protection Act," would add to the Servicemembers Civil Relief Act a provision to protect the credit rating of "a person in military service." This bill would require a person or entity who is engaged in the practice of assembling or evaluating consumer credit information, and who receives from a creditor a negative report of a servicemember's nonpayment or late payment on an account, to annotate the negative report that the account is delinquent or paid slowly due to military service. It would also require that any future potential creditor of the servicemember who receives such an annotated credit report to disregard that negative information. Because this bill would not affect the provision of VA benefits, VA defers to the Department of Defense (DoD) concerning this bill.

H.R. 1598

H.R. 1598, entitled the "Servicemembers Credit Protection Act," would also add to the Servicemembers Civil Relief Act (SCRA) provisions to protect the consumer credit of servicemembers. The new provisions would: (1) require that the Secretary of Defense notify the major consumer credit reporting agencies of a servicemember's deployment from his or her usual duty station to a combat zone and return from such a deployment; and (2) increase the penalties for violations of the SCRA in cases where the consumer report contains a combat zone duty alert. This bill would also make various amendments to the Fair Credit Reporting Act to accommodate these changes. Because this bill would not affect the provision of VA benefits, VA defers to DoD and the Federal Trade Commission concerning this bill.

H.R. 1750

H.R. 1750 would amend the Servicemembers Civil Relief Act to expand the law's protection against mortgage foreclosure when active military service has contributed to the borrower's inability to repay the obligation. Under current law, such protection is limited to 90 days; under the proposed legislation, this period would be extended to 12 months. Because the legislation would not affect the provision of VA benefits, VA believes that substantive views on the merits of this proposal should be presented by DoD.

Miscellaneous Proposals

H.R. 1240

H.R. 1240 would require the Secretary, subject to the availability of appropriations, to establish and carry out a scholarship program to provide financial assistance to an individual who is enrolled in an education program leading to a degree or certificate in visual impairment or orientation and mobility, or a dual degree or certification in both such areas at an accredited educational institution. We note this program would be established apart from the Employee Incentive Scholarship Program (EISP) for VHA employees, which is authorized by 38 U.S.C. §§ 7671, et seq.

H.R. 1240 would require that in exchange for scholarship assistance the individual must, among other things, enter into a written agreement to serve as a full-time VA employee for a period of three years. This service obligation would have to be completed within the first six years after the individual has completed the VA-sponsored degree and received a degree or certificate. H.R. 1240 would also require the Secretary to publicize this scholarship program throughout the country, with an emphasis on disseminating information to institutions with high numbers of Hispanic students and to Historically Black Colleges and Universities.

Additionally, this bill would establish detailed application requirements and require the Secretary to include specified information with each application. It would also require certain information to be incorporated into the written agreements used in the program. H.R. 1240 would also authorize the Secretary to determine the funding amount necessary to pay the tuition and fees of an individual participating in the program. However, if the individual is enrolled in a dual degree or certification program, the bill would limit the amount that could be awarded to that which is needed to obtain the minimum number of credit hours to achieve the approved dual degree or certification. Financial assistance awarded under this program could be supplemented by other educational assistance, as long as the total amount of educational assistance received by a participant in an academic year does not exceed the total tuition and fees for that academic year.

H.R. 1240 would limit the maximum amount of financial assistance that could be provided to a participant who is a full-time student to $15,000 per academic year. (Such amount would be pro-rated for participants who are part-time students.) The

maximum dollar amount that could be awarded to a participant in the program would be $45,000, and the bill would limit the duration of scholarship assistance that could be provided to a participant to six years.

The measure would also identify information that must be included in the written agreement entered into by VA and the participant. A participant's breach of an obligation under the agreement would require the participant to repay the Department an amount equal to the unearned portion of such assistance, except in circumstances authorized by the Secretary. The Secretary would be required to establish, by regulation, the procedures to be used in determining the amount of repayment required in the case of breach as well as the circumstances under which an exception could be granted. Further, the Secretary would be required to prescribe regulations providing for the waiver or suspension of any service or payment obligation whenever noncompliance by the individual is due to circumstances beyond the control of the individual, or whenever the Secretary determines that the waiver or suspension of compliance would be in the best interest of the United States. A payment obligation that is not waived or suspended under the program would be considered, for all purposes, a debt owed the United States. Such a debt could not be discharged in bankruptcy under title 11 if the discharge order is entered less than five years after the date of the termination of the agreement on which the debt is based. Finally, H.R. 1240 would require the Secretary to implement this scholarship program no later than six months after the date of enactment.

VA supports this legislation. However, we would note that this scholarship program should be authorized under Chapter 76 of title 38, United States Code ("Health Professional Educational Assistance Program"), rather than under a new Chapter 80.

We estimate the total cost of S. 1240 to be $349,233 for FY 2008, and $3.7 million over a 10-year period.

H.R. 1632

H.R. 1632 would add informational requirements to the annual report that the Secretary of Labor must submit to Congress concerning employers' compliance with the laws governing the reemployment rights of members of the Armed Forces. Given that this reporting requirement applies only to the Department of Labor, we defer to the Secretary of Labor on the merits of this bill.

H.R. 2475

H.R. 2475 would authorize VA to guarantee Home Equity Conversion Mortgages (HECMs) made to elderly veteran homeowners. We are opposed to the bill, as written, for several reasons.

First, the original intent of the VA home loan program was to provide home ownership opportunities for veterans and active duty servicemembers who forego such an opportunity in order to serve the nation's Armed Forces. While the program has been modified over the course of 60 years of legislation, all program changes have been designed to enable veterans to acquire and retain homes. In contrast, the proposed VA HECM program centers on the ability to extract equity prior to disposal of the property.

In addition, FHA currently has a very active and successful HECM program. We fail to see what a VA HECM program would have to offer that would not be a duplication of this existing federal loan program. Further, FHA fully insures its lenders against all losses; whereas, by statute, VA is only able to guaranty the lender against a percentage of its potential loss. As a result, we do not believe this proposed VA HECM program would be as attractive to the lending community as the existing FHA program.

Finally, we note that the text of the bill contains certain inconsistencies and ambiguities that would require clarification.

We are unable to provide a cost estimate for this proposal at this time. Given that this bill would create a new mortgage product for VA, and one that is very distinct from existing products in our portfolio, we will need to collect data from HUD and the conventional market to adequately project costs. Further, this proposal has many undefined variables, such as administrative costs and the funding fee structure to be charged veterans under this program, which will require additional analysis. Once we have prepared a cost estimate, we will be pleased to submit it for the record.

Madam Chairwoman, this concludes my statement. Mr. Wilson and I would be pleased to respond to any questions you or other members of the Subcommittee may have.

Prepared Statement of Leslye A. Arsht, Deputy Under Secretary of Defense (Military Community and Family Policy), U.S. Department of Defense

Mr. Chairman and distinguished members of the committee, thank you for the opportunity to discuss issues relating to H.R. 2259, a bill to ensure that members of the National Guard and Reserves are able to fully participate in the Benefits Delivery at Discharge program administered jointly by the Secretary of Defense and the Secretary of Veterans Affairs.

We require a great deal from our Armed Forces and I want to affirm the Department's commitment to all our servicemembers—Active, National Guard and Reserves and their families.

VIEWS on H.R. 2259

Returning to private life after serving in the military is a very complex undertaking. To assist them in doing so, we must empower servicemembers with the tools and information they need to fashion individual solutions to the challenges they will face as they return to civilian life. To that extent, the Department supports the intent of H.R. 2259, which is to inform National Guard and Reserve members of the rights and benefits available to them as a result of their military service. Transition programs are currently conducted at demobilization and other out-processing sites. Further, because the members of the Guard and Reserve are so geographically dispersed, the Department has just launched a new web portal at www.TurboTAP.org, which provides comprehensive information to Guard and Reserve members about their rights and benefits and enables them to build individual transition plans.

The Department has also formed the special working group with the Departments of Veterans Affairs and Labor—as required by Section 676 of the John Warner National Defense Authorization Act for Fiscal Year 2007—to identify and assess the needs of National Guard and Reserve members returning to civilian employment following deployment in Operation Iraqi Freedom and Operation Enduring Freedom. Additionally, Section 515 of the House-passed Defense Authorization Act for Fiscal Year 2008 would require the Department to establish another working group to identify, catalog and analyze the various existing programs currently being operated by different services, states, and commands—such as the programs in Minnesota, New Hampshire, Oregon, and Washington—to help returning Reserve component members make the transition back to civilian life. This working group will identify best practices and develop plans to incorporate the best practices across the services to meet the needs of Reserve component members, who are reintegrating following return from overseas operational deployment.

While well intended, H.R. 2259 is overly broad in its scope. H.R. 2259 would require DoD to develop a plan to provide every Reserve component member who has served on active duty since September 11, 2001—regardless of the length or purpose of the period of active duty—with the information contained in the Benefits Delivery at Discharge program. Nearly all members of the Selected Reserve perform annual training. Therefore, to meet the requirements of this Bill, the Department would have to develop the means of informing each member of their rights and benefits at least annually. Moreover, many active duty members transferred to the Individual Ready Reserve (IRR) upon completion of their active duty service obligation, in order to complete their total military service obligation. At the time of their release from active duty, they completed a transition course. However, this Bill would require that DoD develop a plan to once again inform every active-duty member transferred to the IRR after September 11, 2001, of their rights and benefits, even though they many not have performed any duty while in the IRR, and the service has had only periodic contact with the member since being released from active duty.

For these reasons, the Department does not support H.R. 2259.

TURBOTAP

Because TurboTAP is available on the World Wide Web, complete transition information is already available at every military installation, armory, military family support center and activity conducting disability evaluations. TurboTAP will better meet the needs of the National Guard, Reserves and Active Component servicemembers and their families because it gives them the tools to connect and access the information to meet their needs when they are ready—present or future. This portal architecture will be the backbone of the updated DoD Transition Assistance Program (TAP) process for National Guard and Reserve servicemembers. Each Reservist and Guardsman will be able to create a lifelong account to which he/she or his/her spouse can refer, at any time during his/her life. Usability, flexibility, adaptability, and individual customization are the keys to successful implementation of this new technology-enabled process. TurboTAP allows an individual to develop and

print out his or her own individual transition plan. The goal for this system is to increase servicemember participation and satisfaction.

Some of the features of TurboTAP are:

- A comprehensive Transition Guide for the Guard and Reserves, as well as a comprehensive Preseparation Guide for Active Component servicemembers. These guides provide information on benefits and services available to transitioning servicemembers, as well as contact points for further assistance.
- Life long account for National Guard, Reserves and Active Component servicemembers, which allows them to use the system indefinitely;
- A personal profile that can be updated anytime;
- A customized, Individual Transition Plan;
- Transition information that can be accessed anytime, anywhere;
- An Employment Hub containing job searches, resume builder and military occupational translator using the O*NET to convert to civilian occupational skills;
- A VA Benefits Hub providing information on VA benefits, services and programs and, finally,
- "Helpful checklists" to remind servicemembers about key things they should do before separating or being released from active duty.

TurboTAP allows servicemembers, veterans, retirees, and demobilizing members of the Reserve Components to locate and find the nearest DOL One-Stop Career Center, VA Regional Office, VA Vet Center, VA Medical Center, and military installation to where they live.

We have high expectations for this being a 21st century approach to delivering individualized information and benefits to servicemembers and families. With the expected success, we further plan to make transition an online transaction much like banking and bill paying have become. The success and accountability of transition will be managed online versus a form being hand carried to a personnel file. As we move down this road, we will solicit your approval and legislative support.

I now want to share with you some on-going transition initiatives in DoD as they relate to our severely injured servicemembers.

SUPPORT FOR SEVERELY INJURED

As you are aware, DoD and VA established task forces to review how wounded servicemembers are served and how to better collaborate to meet the needs of the members and their families. The bipartisan Presidential Committee led by Senator Dole and Secretary Shalala is also addressing this issue. However, today, the Office of Seamless Transition program, established by VA, in coordination with the Military Services, also facilitates a more timely receipt of benefits for severely injured servicemembers. VA Veteran Benefits Administration (VBA) counselors visit all severely injured patients and inform them of the full range of VA services, including readjustment programs, employment programs, and information on educational and housing benefits.

Seamless Transition helps these personnel touch base with vocational rehabilitation and employment services, and assists in putting them in contact with other employment resources available through DoL, the Military Services, the Joint Seamless Transition Office, DoD and the Military Services severely injured and wounded programs, including DoL's special "Recovery and Employment Assistance Lifelines" or REALifelines. All of these are available to help servicemembers and their families connect with the employment assistance they need.

To expand employment assistance to our severely injured and wounded, the Office of the Deputy Under Secretary of Defense, Civilian Personnel Management Service, has undertaken a broad outreach program called "Hiring Heroes Career Fairs" to assist severely injured Servicemembers and their families in finding employment opportunities in the DoD, other Federal agencies, and the private sector.

Career fairs that support the Department's "Hiring Heroes" program have been offered at the following locations: Walter Reed Army Medical Center, DC; Fort Sam Houston, TX; Womack Army Medical Center, Fort Bragg, NC; Eisenhower Army Medical Center, Fort Gordon, GA; and Walson Army Medical Center, Fort Dix, NJ. Three career fairs have been conducted in partnership with the Coalition to Salute America's Heroes, a non-profit organization. Over 2,000 servicemembers and their family members have attended these career fairs and several more are planned well into the future.

Corporate America has responded to the call; many Fortune 500 companies and small businesses are recruiting injured and wounded veterans for their skills, experience, maturity, and work ethic. Many of these companies are creating special programs geared specifically toward finding employment in their respective companies for these veterans and their family members.

It's important to note that DoD, along with DoL and the VA, has worked to provide separating servicemembers with a variety of tools. Examples of our collaborative efforts include the Transition Assistance Program (TAP) Steering Committee and the Secretary of Labor's Advisory Committee on Veterans' Employment, Training, and Employer Outreach (ACVETEO). DoD and VA also partner extensively though the VA/DoD Joint Executive Council (JEC), the Benefits Executive Council (BEC), and the Health Executive Council (HEC)

OTHER BILLS

We acknowledge that the Department of Veterans' Affairs defers to DoD on H.R. 513, H.R. 1598, and H.R. 1750, which are three bills related to the Servicemembers Civil Relief Act. We do not yet have cleared positions on those bills, but will provide them for the record.

CONCLUSION

Mr. Chairman, this concludes my statement. On behalf of the men and women in the military today and their families, I thank you and the members of the Subcommittee for your steadfast support during these demanding times.

Prepared Statement of Hon. Charles S. Ciccolella, Assistant Secretary, Veterans' Employment and Training Service, U.S. Department of Labor

Madam Chairwoman and distinguished members of the Subcommittee.

On behalf of the Department of Labor's Veterans' Employment and Training Service (VETS) I am pleased to provide you our views on H.R. 1632, the "Improving Veterans' Re-employment Act of 2007." The bill expands and enhances the annual report produced by VETS regarding complaints made under the Uniformed Services Employment and Reemployment Rights Act (USERRA).

We support the provisions of the bill that provide an opportunity to collaborate with other Departments and agencies. H.R. 1632 would, among other things, require VETS to report, "The number of cases reviewed by the Secretary of Defense under the National Committee for Employer Support of the Guard and Reserve of the Department of Defense during the fiscal year for which the report is made." These data are to be collected by the National Committee for Employer Support of the Guard and Reserve (ESGR) for the Department of Defense (DoD).

We also agree with the concept of uniform categories for reporting. VETS and the ESGR already have a very positive working relationship. Should H.R. 1632 become law, VETS will work with ESGR to establish procedures as well as to develop a common understanding of the term "cases" so that ESGR will be able to provide VETS with the required data in the appropriate format for inclusion in our annual USERRA report to Congress. VETS will include any formatted data that ESGR provides in a timely manner to our future annual reports.

Another provision of H.R. 1632 would require VETS and ESGR to identify and report "which of the cases reported on pursuant to paragraphs (1), (2), (3), and (4) are disability-related." VETS currently tracks and reports complaints involving "disabilities" if the USERRA complaint is based on a reasonable accommodation issue. We plan to meet with ESGR, and look forward to working with the Committee, to identify the data requirements needed to address your concerns.

Thank you again for the opportunity to provide our comments on this legislation.

Prepared Statement of Thomas Zampieri, Ph.D., Director of Government Relations, Blinded Veterans Association

INTRODUCTION

Madame Chairwoman and members of the House Veterans' Affairs Subcommittee on Economic Opportunity, on behalf of the Blinded Veterans Association (BVA), thank you for this opportunity to submit for the record our strong legislative support for the "Vision Impairment Specialists Training Act" (VISTA), H.R. 1240. BVA is the only congressionally chartered Veterans Service Organization exclusively dedicated to serving the needs of our Nation's blinded veterans and their families. BVA has worked with VA Blind Service in improving the VA ability to provide the necessary blind outpatient mobility and orientation training for blinded veterans for years and this legislation will help ensure that this will continue to occur. With the growing numbers of wounded in both Operation Iraq Freedom (OIF) and Operation

Enduring Freedom (OEF) who are entering the VA healthcare and benefits system today, with direct eye trauma history and over 30% of Traumatic Brain Injury (TBI), having Post Trauma Vision Syndrome (PTVS), more of these highly skilled professionals are necessary and critical for VA.

As of May 22 of this year there were 25,549 traumatic combat injuries, of which 7,267 required air medical evacuation from Iraq and another 6,991 military personnel have been injured in non-hostile action have also been evacuated from OIF and OEF operations. Such numbers reflect the probability that an ever increasing number of future veterans will depend on VA Blind and Low Vision Services in order to live independently in their own homes. More than 1,886 of the total TBI-injured have sustained moderate enough injuries that they are experiencing neurosensory complications. Epidemiological TBI studies find that about 30 percent have associated neurological visual disorders of diplopia, convergence disorder, photophobia, ocular-motor dysfunction, and an inability to interpret print. Some TBIs result in visual field loss or even legal blindness and other manifestations. Like other generations of disabled veterans who have desired to continue living independently, the current generation of OIF and OEF veterans deserves the same opportunity.

BVA would like to stress again to this Committee that data compiled between March 2003 and April 2005 found that **16 percent of all causalities evacuated from Iraq were due directly to eye injuries**. Walter Reed Army Medical Center has surgically treated approximately 700 soldiers with moderate to severe visual injuries while the National Naval Medical Center has had 450 individuals with eye injuries requiring surgery. VA reports that 46 such servicemembers have attended one of the ten VA Blind Rehabilitation Centers (BRCs), 89 are enrolled in local VA Blind Visual Impairment Service Teams (VISTs), and others are in the process of being referred. It should be very obvious to members of this Committee that a new generation of blinded or impaired low vision veterans will require lifetime specialized programs to meet their needs. Such rehabilitation programs must be very individualized for such veterans and their family members, as has been the case for an older generation of veterans who have recently suffered from age-related degenerative blindness.

The Vision Impairment Specialist Training Act (VISTA), H.R. 1240, will help our Nation's blind and low-vision veterans by establishing a scholarship program for students seeking training in blind rehabilitation. There are 167,000 legally blind veterans in the United States, and 47,450 are currently enrolled in Veterans Health Administration services. In addition, it is estimated that there are over 1 million low-vision veterans in the United States, and incidences of blindness among the total veteran population of 24 million are expected to increase over the next two decades. This is because the most prevalent causes of legal blindness and low vision are age-related diseases like glaucoma, macular degeneration, diabetic retinopathy, cataracts, and the veteran population is increasing in age, the current average age is about 80 years old.

Members of the armed forces are important to our nation and we show them our appreciation by taking care of them after they no longer serve. But the fact is that there are not enough blind rehabilitation specialists to serve all legally blind and low-vision veterans in the VA currently there are only 33 of these critical Blind Rehabilitative Outpatient Specialists (BROS). Two of the VA Poly Trauma Centers had difficulty for over a year in finding certified blind instructors at those centers. Blind rehabilitation training helps give these veterans awareness of and mobility functioning in their surroundings and enables them to retain their independence and dignity. Veterans without these services may find it difficult to be self-sufficient, relying on others to perform certain skills or even simple tasks on their behalf. Research on blind and low vision Americans show they are at high risk of falls, or making medication mistakes, resulting in costly hospital admissions every year, and of losing their independence to live at home. Falls are the sixth leading cause of death in senior citizens and a contributing factor to 40% of all nursing home admissions with annual federal costs over $45,000 for each nursing home bed. According to Framingham Eye Study, 18% of all hip fractures among senior citizens—about 63,000 hip fractures a year—are attributable to vision impairment. The cost of medical-surgical treatment for every hip fracture is over $39,000, if outpatient rehabilitation services prevented even 20% of these hip fractures, the annual federal savings in healthcare costs would be over $441 million. Essential outpatient, cost effective services that would allow blind veterans to safely live independently at home should be supported by this Congress and the Administration from a healthcare policy stand point. Research has found that 25% of all falls resulting in hip fractures result in nursing home admissions with chronic disability; it is **seven times more**

expensive to care for a disabled nursing home resident, than a healthy independent American over age 65.

Public Law 104–262, The Eligibility Reform Act 1996, requires the Department of Veterans Affairs to maintain its capacity to provide specialized rehabilitative services to disabled veterans, but it cannot do so when there are not enough specialists to address these needs. Last December, the Veterans Programs Extension Act was passed, which included a provision by Congressman Michael Michaud to increase the number of Blind Rehabilitation Outpatient Specialists by thirty-five new positions over the next thirty months serving our Nation's veterans. However, there are currently not enough counselors certified in blind rehabilitation to provide for the growing number of blind or low-vision veterans, let alone the rest of our nation's elderly population. According to National Council of Private Agencies for the Blind and Visually Impaired today there are only approximately 3,000 certified in the field in the entire country. Because of this shortage, some of the ten VA Blind Centers have had longer waiting times for admissions.

The Vision Impairment Specialists Training Act H.R. 1240 helps remedy this situation by directing the Secretary of Veterans Affairs to establish a scholarship program for students seeking a degree or certificate in blind rehabilitation (Vision Impairment and/or Orientation and Mobility). This will provide an incentive to students considering entry into the field to consider a VA career in return for this scholarship funding. In addition, in exchange for the scholarship award, students are required to work for three years in a healthcare facility of the Department of Veterans Affairs, to ensure that our veterans are well cared for.

RECOMMENDATIONS

BVA supports including this occupational specialty in the current VA educational program and provide for the aging population of visually impaired and blinded veterans the rehabilitative specialized staffing needed. BVA requests the Committee pass this VISTA act. Chairwoman Herseth-Sandlin and Ranking Member Boozman, BVA expresses thanks to both of you for this opportunity to present our statement for the record. The current lack of access in many networks of VA will continue unless changes are made by enacting this legislation. The future strength of our Nation depends on the willingness of young men and women to serve in our military. This willingness depends, in turn and at least in part, on the willingness of our government to meet its full obligation to them as veterans.

Prepared Statement of Hon. Jo Ann Davis,
a Representative in Congress from the State of Virginia

Chairwoman Herseth Sandlin, Ranking Member Boozman, I thank you for the opportunity to testify on H.R. 112 and I appreciate the Subcommittee's interest in this legislation. Your strong support for those who have worn the uniform of our country is appreciated, and I am grateful to be here with you this morning.

I am pleased to offer a brief statement on H.R. 112, the GI Advanced Education in Science and Technology Act of 2007, and I would ask for the full text of my written statement to be entered into the record.

I represent Virginia's First Congressional District, which is home to almost 100,000 active duty servicemembers and veterans, one of the highest concentrations of active and former military personnel and their families in the country. Thousands of my constituents have taken advantage of the GI Bill as a result of their service to our country, and I am extremely supportive of this worthwhile veteran's educational assistance program. I also believe that modifications and amendments to the GI Bill are appropriate, especially given the nature of the Global War on Terror and the increased operational tempo of our Reserve Component.

Additionally, I believe that we are facing serious challenges in our Nation's ability to retain its technological edge in the 21st Century. Our country is not producing enough graduates in the Science, Technology, Engineering, and Mathematics, or STEM, fields, and the forces of globalization are enabling recent graduates in the science, technology, engineering, and mathematics fields to leave the United States and pursue work elsewhere.

I am concerned about this shortage because our economy has dramatically benefited from the innovation of such highly talented individuals. We simply must do whatever we can to ensure a future workforce of trained American scientists and engineers, and H.R. 112 will provide a critical additional incentive for transitioning servicemembers to pursue "hard" science doctoral degrees. I believe one of the keys to reducing this shortage is education, and our Nation's GI Bill recipients are espe-

cially deserving of increased assistance to help defray the rising costs of doctoral education in science and technology.

Since the enactment of the Servicemen's Readjustment Act 1944, when the first GI Bill began, more than 21.3 million veterans, servicemembers and family members have received $72.8 billion in GI Bill benefits for education and training. This includes 7.8 million veterans from World War II, 2.4 million from the Korean War and 8.2 million post-Korean and Vietnam era veterans, plus active duty personnel. Over the last 60 plus years, this legislation and its subsequent amendments have had an enormous social and economic impact on our Nation, and I believe H.R. 112 will continue this tradition.

Since coming to Congress in 2001, I have observed some disturbing trends in the number of American graduates in the science, technology, engineering, and mathematics, or STEM, fields. Simply put, there are a decreasing number of American graduates in these hard sciences, yet our future economic competitiveness and perhaps our National security could be in jeopardy if we do not act positively.

Because of my Committee assignments on Armed Services and Foreign Affairs and previous service on the Intelligence Committee, I realize that our Nation relies on scientists and engineers now more than ever to ensure that our military remains strong and our country remains free. The Department of Defense and the Intelligence Community must have the technological advantages that come from technological development, and I believe that our transitioning veterans can help to fill the coming shortages in these key fields of innovation.

If a former servicemember who is eligible for the GI Bill would like to pursue a full-time doctoral degree in the sciences of engineering, mathematics, or technology disciplines, I believe that this choice deserves recognition. By expanding provisions of the existing chapter 38 program under the Montgomery GI Bill, H.R. 112 would provide an inflation adjusted, monthly stipend of $1200 for up to 60 months to each individual who is entitled to veterans' basic educational assistance and is pursuing full-time a doctoral degree in the sciences of engineering, mathematics, or other technology disciplines, in addition to any other authorized Montgomery GI Bill educational assistance.

The requirements for payment include: (1) acceptance into a full time course of study leading to a doctorate into an accredited college or university, (2) an annual certification of enrollment by the veteran to the VA and (3) maintaining good academic standing throughout the course of study.

This legislation is a positive step for both our transitioning veterans and our future scientific workforce. The GI Bill continues to provide educational opportunities for those who have served our country, and H.R. 112 would provide a special incentive to help fill a coming critical shortage in our workforce.

Madam Chairwoman, I appreciate the opportunity to present this statement before the Subcommittee. Thank you for holding this hearing.

Prepared Statement of Harry H. Dinham, President, National Association of Mortgage Brokers

Chairwoman Herseth-Sandlin, Ranking Member Boozman, and members of the Subcommittee, thank you for permitting the National Association of Mortgage Brokers ("NAMB") to submit this written testimony on the Veteran Home Equity Conversion Mortgage Act of 2007 ("H.R. 2475"). We are confident that this important piece of legislation will help elderly veterans stay in their homes longer, improve their quality of life, and satisfy increased financial obligations.

NAMB is the only national trade association exclusively devoted to representing the mortgage brokerage industry, and as the voice of the mortgage brokers, NAMB speaks on behalf of more than 25,000 members in all 50 states and the District of Columbia. NAMB members are typically small business men and women, who act as independent contractors and serve as a principal conduit for delivering loan products, developed by state and federally-regulated lenders, directly to consumers. Mortgage brokers play a critical role in helping the American economy and in making the dream of home ownership a reality for America's veterans.

Today, mortgage brokers originate a majority of all home loans, and remain a key distribution channel for U.S. Department of Veterans Affairs ("VA") guaranteed home loans. As such, mortgage brokers are familiar with veterans' needs when it comes to buying or refinancing a home. Over the years, Congress, the VA, and other entities have worked to break-down barriers and make it easier for veterans to become homeowners. NAMB applauds these efforts, and today we urge Congress to work to break-down another barrier, and make it easier for elderly veterans to re-

main in their home while continuing to meet the financial burden of steadily increasing medical and home ownership costs.

Roughly one quarter of the nation's population—about 70 million people—are potentially eligible for benefits and services through the VA. These benefits and services have been earned through the great sacrifices made to provide for our freedom and our security. We believe extending the VA home loan benefits to include home equity conversion mortgages ("HECMs") is a small, but meaningful way to acknowledge that we have not forgotten the service our elderly veterans have given to this country.

With the rate of American homeownership at a near-record high, HECMs have become a mainstream and highly successful financial planning tool for elderly homeowners. In the most recent fiscal year, ending September 30, 2006, the Federal Housing Administration ("FHA") insured 76,351 HECM loans. That number is up from 43,131 the previous year.

Elderly veterans represent a large and growing market for HECM loans. Elderly veterans should be offered this valuable product, which will allow them to cash-out the equity that they have built-up in their homes over 20, 30 or 40 years in order to meet the demands of increasing health, housing, and sustenance costs, without the risk of losing their home. A VA HECM loan program will provide elderly veteran homeowners with:

1. A higher available loan limit than the FHA HECM loan program, which means more cash out to the veteran;
2. A loan product that meets a Veterans needs better than existing HECM programs;
3. An effective savings of roughly 0.5% in interest rate, because monthly mortgage insurance premiums are not required with VA-guaranteed loans;
4. Greater access to HECM loans, since the VA does not impose burdensome audit and net worth requirements on originators wishing to participate in the program;
5. An opportunity for Veterans to remain in their homes longer, without incurring additional monthly expenses;
6. An opportunity for Veterans to choose in-home care, as opposed to the often more costly option of long-term care at a VA Hospital or other facility; and
7. Zero chance of default.

Some have expressed concern that this proposed legislation does not fit the mission of the VA program. We believe it does. This program would help Veterans retain their home and would allow Veterans to take equity out of their home, as they can do currently with a VA refinance. Additionally, a VA HECM loan would be viable loan product to the secondary market, as the VA guarantee of the HECM loan would be the same as it is for VA loans that are currently purchased by the secondary market. Another positive point is that the program would not incur any additional cost. Currently, the VA funding fee charged on VA home loans not only covers the cost to administer the program, but also generates excess revenue. As currently drafted, this proposed VA HECM legislation would grant the Secretary of the VA discretion to establish the funding fee at an amount that would cover the cost of administering this new loan product.

NAMB sincerely appreciates the opportunity to share its position with this Subcommittee. We commend Chairwoman Herseth-Sandlin and Ranking Member Boozman for taking the time to convene a hearing on this very important issue. It is imperative that we seek out ways to sustain this country's near-record rate of home ownership, and authorizing the VA to guarantee HECM loans to eligible elderly veterans is a noble start. We urge the Committee to support H.R. 2475 and greatly improve the home loan benefits earned by our veterans.

Respectfully submitted,

Harry H. Dinham
President

COMMITTEE ON VETERANS' AFFAIRS

Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
October 23, 2007

Leslye A. Arsht, Deputy Under Secretary of Defense
(Military Community and Family Policy)
U.S. Department of Defense
4000 Defense Pentagon
Suite 5A726
Washington, DC 20301

Dear Ms. Arsht:

In reference to the Subcommittee on Economic Opportunity hearing on Pending Legislation on June 21, 2007, you stated the U.S. Department of Defense did not have a clear position on H.R. 513, H.R. 1598, and H.R. 1750 at the time. I am requesting for the DoD to provide a clear position on these four bills.

In an effort to reduce printing costs, the Committee on Veteran's Affairs, in cooperation with the Joint Committee on Printing, in implementing some formatting changes for materials for all Full Committee and Subcommittee hearings. Therefore, it would be appreciated if you could provide answers consecutively on letter size paper, single spaced. In addition, please restate the question in its entirety before the answer.

Please provide your response to Orfa Torres and fax at 202–225–2034, no later than November 23, 2007. If you have any questions please call 202–225–9756.

Sincerely,

Stephanie Herseth Sandlin
Chairwoman

Hearing Date: June 21, 2007
Committee: HVA
Member: Congressman Herseth
Witness: Ms. Arsht

Pending Legislation

Question: Please provide Department's position on H.R. 513, H.R. 1598, and H.R. 1750.

Answer: Following are the Department of Defense (DoD) positions on H.R. 513, H.R. 1598, and H.R. 1750:

The Department opposes H.R. 513, which requires credit reporting agencies (CRA) that receive negative credit information concerning a servicemember with respect to a financial obligation incurred prior to active duty to annotate the credit report that the negative information was due to military service. It would also require that the potential creditor disregard any adverse information containing the military service annotation.

Although this bill provides some potential benefits to servicemembers, we have practical concerns about its implementation and about its impact on other protections the Servicemembers Civil Relief Act (SCRA), Public Law 108–189, codified at 50 United States Code (U.S.C.) App. §§ 501 currently provides:

- Section 108 of the SCRA states that a servicemember's exercise of the protections of the SCRA cannot provide the basis for the annotation of a servicemember's credit records identifying the servicemember as a member of the National Guard or a Reserve component. The proposed bill would undercut this important provision, which helps prevent a creditor from refusing to extend credit to Reservists who might assert SCRA protections in the future.
- The legislation does not specify how the CRA would determine whether a delinquent account is owned by a military member or whether the obligation was incurred prior to military service. No mechanism or process addresses how to determine this information or who would be responsible for providing it. One possibility would be that creditors would request the DoD to provide service data to comply with the statute. This would be an administrative burden and

raise privacy and security concerns about active duty and mobilizing servicemembers.

- The military service annotation called for in proposed Section 110(a) assumes, without requiring any evidence, that any adverse credit information is the result of military service. A fundamental tenet of the existing provisions of the SCRA is the requirement to establish that the service materially affected the servicemember's ability to discharge his or her legal obligations. Thus, the current bill undermines a fundamental principle of the SCRA.
- Section 110 (b) requires creditors to "disregard any negative information" containing notations required by subsection (a). Once negative information is put in a record, it would be nearly impossible to demonstrate that the negative information is not used for impermissible purposes.
- The amendment applies to all active duty military personnel. The obligations placed on credit reporting agencies by this amendment could create a situation in which they (or creditors) would be liable for violations of the act. The unintended consequence of this amendment could be that creditors refuse or limit credit to servicemembers to avoid the risk of liability.

The DoD recognizes that the intent of the proposed amendment is to benefit servicemembers. It may provide some helpful provisions, but potentially at the risk of undermining other protections already in the SCRA, as well as undermining the cornerstone of the SCRA; the requirement to show material effect. Furthermore, the bill does not say who has the responsibility for providing basic service data. Additional study is needed to maximize the protections that the proposed bill offers while ensuring that other key provisions of the SCRA are not undercut.

One possible approach would be to establish a workable and expedited mechanism that would allow servicemember to challenge and remove unfavorable information from credit reports when the underlying obligation was materially affected by their military service.

The Department also opposes H.R. 1598, which would amend the SCRA and the Fair Credit Reporting Act (FCRA), Public Law No. 91–508, as amended by the Consumer Credit Reporting Reform Act 1996, Public Law 104–208, codified at 15 U.S.C. §§ 1681–1681x. The bill requires the Secretary of Defense (SECDEF) to notify CRAs of a servicemember's deployment within 30 days after the beginning and end of a deployment. The CRA must then provide a "combat zone duty alert" along with the credit score in a report involving the deployed member or when furnishing adverse information. Additionally, the CRA must exclude the servicemember from lists provided to third parties for the purposes of providing unsolicited offers of credit or insurance.

Although this bill provides some potential benefits to servicemembers, it raises force protection concerns and practical concerns about the responsibilities it places on the SECDEF. We are also concerned about its impact on other protections the SCRA currently provides:

- This nation's enemies could learn about and exploit the absences of deployed servicemembers based on information provided by this bill. The DoD has nondisclosure policies regarding the numbers and locations of deployed personnel that could be violated by this bill.
- Information concerning the deployed status of a servicemember disclosed to third parties could be used to commit fraud or harass family members. Furthermore, the servicemember would be away from his family and less likely to detect and react to a financial misuse of the information.
- The bill places a significant administrative burden on the SECDEF to notify each CRA of the deployment status of potentially hundreds of thousands of servicemembers within 30 days after the deployment begins and ends. The protections of the section would continue to apply until the Secretary notifies the CRA of the termination of the deployment status. A failure to properly notify the CRA could give rise to claims from the servicemember against both the DoD and the CRAs. A potential creditor provided a combat zone duty alert might improperly use that information in the opposite way intended to deny credit to servicemembers or to their families.
- Section 518 of the SCRA states that a servicemember's exercise of the protections of the SCRA cannot provide the basis for the annotation of a servicemember's credit records identifying the servicemember as a member of the National Guard or a reserve component. This important provision, which helps prevent a creditor from refusing to extend credit to Reservists who might assert SCRA protections in the future, would be undercut by the proposed bill.
- This amendment singles out active duty servicemembers deployed to a combat zone for additional protection. There is no other provision in the SCRA that ties

SCRA entitlement to deployment to a combat zone. This creates a dangerous precedent of not providing uniform protection to all qualifying servicemembers. If a Reservist gets mobilized and suffers a decrease in pay (material effect) there is a similar harm, regardless of where the Reservist is stationed.

Although the Department recognizes that the intent of the proposed amendment is to benefit servicemembers, its minimal protections are outweighed by force protection concerns, the enormous administrative burden that would fall to the DoD, and the impact on other provisions of the SCRA.

An alternate approach could be to more easily (and without cost) allow servicemembers to place a freeze on their account while deployed. Additionally, mechanisms allowing servicemembers to challenge an adverse credit entry as a matter of right upon a showing that the adverse entry was materially affected by military service would be beneficial.

The Department supports H.R. 1750, which would amend the SCRA to extend mortgage foreclosure protection from 90 days to one year.

U.S. Department of Veterans Affairs
Washington, DC.
October 26, 2007

Hon. Bob Filner, Chairman
Committee on Veterans' Affairs
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

I am pleased to provide the views of the Department of Veterans Affairs (VA) on the following three bills: H.R. 704, H.R. 2259, and H.R. 1824, 110th Congress. These bills were on the schedules of the Disability Assistance and Memorial Affairs and Economic Opportunity Subcommittees' hearings of June 19 and June 21, respectively. At the hearing, the Department stated that we were not able to comment on all of the bills on the agenda because we did not have enough time to coordinate the Administration's views and estimate costs. We can now do so for the introduced version of these bills.

H.R. 704

Section 1(a) of H.R. 704 would reduce from 57 to 55 the age after which a surviving spouse may remarry without losing eligibility for dependency and indemnity compensation (DIC), educational assistance and housing loans. Section 1(b) would specify that this amendment will take effect on the later of the first day of the first month that begins after the date of enactment of this bill or the first day of the fiscal year that begins in the calendar year of enactment of the amendment. Section 1(c) would prohibit the payment of any benefit based on the amendment for any period before the effective date of the amendment. Section 1(d) would permit an individual who remarried before the bill's enactment and after age 57 to apply for reinstatement of benefits before the end of the 1-year period beginning on the date of enactment.

Under current law, a surviving spouse who remarries is not eligible for DIC benefits, medical care, educational assistance, or housing loans based on a prior marriage to a deceased veteran, unless the surviving spouse remarries after age 57 (after age 55 in the case of medical care).

Because the mandatory costs of the bill are not included in the President's fiscal year (FY) 2008 Budget, we cannot support enactment. VA estimates that enactment of H.R. 704 would result in a benefit cost of $23 million in FY 2008 and $723.2 million over the 10-year period from FY 2008 through FY 2017.

H.R. 2259

H.R. 2259 would require the Secretary of Defense and the Secretary of Veterans Affairs to jointly submit to Congress a plan to maximize access to the benefits delivery at discharge (BDD) program for members of the Armed Forces reserve components who have been called or ordered to active duty since September 11, 2001. The bill would require a description of the efforts that would be taken to ensure that services under this program are provided at specified locations, including locations where servicemembers are separated or discharged from the Armed Forces.

VA believes that this bill is not necessary for a number of reasons. First, VA is already committed to working with DoD to produce a plan to improve transition assistance for personnel in the National Guard and Reserves.

Also, it is not feasible to offer the BDD program to most National Guard and Reserve members. The BDD program is a joint VA and DoD program that provides information, benefits and services to servicemembers who are within 60 to 180 days of separation from service and who wish to file a claim for VA benefits. At least 60 days of remaining active-duty time is needed to process a servicemember for effective BDD. Major requirements of the program, such as the physical examination necessary to determine entitlement to VA pension or compensation, present significant logistical difficulties if sufficient time is not available. Although the BDD program is available to all servicemembers on active duty, including National Guard or Reserve members, as well as servicemembers undergoing medical evaluation board of physical evaluation board proceedings, most mobilized National Guard and Reserve members are released from active duty shortly after they return from deployment. Because such members are eager to return to their families and civilian lives, they are quickly processed through demobilization sites, released from active duty, and returned to their respective Reserve or National Guard command. Thus, there is not sufficient time to accomplish BDD processing before they are released from active duty.

In addition, all benefits claims from servicemembers who have participated in the Global War on Terrorism, to include Operation Enduring Freedom and Operation Iraqi Freedom, receive priority handling. This includes servicemembers from the Guard and Reserve. These cases are permanently tagged to reflect priority status and are processed expeditiously. However, veterans who require case management, such as those who have sustained a serious injury or illness or have lost a body part, do not participate in the BDD program.

There are no costs associated with this bill because National Guard and Reserve members are already provided services at demobilization.

H.R. 1824

Section 1 of H.R. 1824 would amend title 38, United States Code, to expand the scope of programs of education for which accelerated payments of Montgomery GI Bill (MGIB) educational assistance may be used, to include programs that lead to employment as an operator of a commercial motor vehicle (as defined in Section 31301 of title 49, United States Code).

Under current Section 3014A of title 38, an MGIB–Active Duty participant pursuing high-cost courses leading to employment in a high technology occupation in a high technology industry has the option of receiving an accelerated benefit payment. This optional lump-sum accelerated benefit payment covers up to 60 percent of tuition and fees. Enactment of H.R. 1824 would lead to a slight increase in the number of trainees enrolled in courses within the Heavy Equipment Operation industry, which includes commercial driver training.

Section 2 of the bill would amend Section 3015 of title 38 by adding a new subsection (h), to provide specifically that benefit payments received by an individual under the MGIB–Active Duty program shall not be considered as income for purposes of determining eligibility of that individual for education grants or loans under any other provision of Federal law.

The purpose of the existing accelerated payment authority is to facilitate training and promote employment in high technology occupations in high technology industry based on a demonstrated national need for a highly trained and highly skilled workforce in that sector of the economy. This bill would constitute a departure from that purpose. We are not aware, however, that a similar need exists for providing accelerated payment for the proposed commercial driver training or that a basis exists to do so to the exclusion of other non-high technology, high-cost programs. Absent such a demonstrated need, as well as identification of cost savings to offset the cost of the proposed accelerated payment provision expansion, we cannot support H.R. 1824. Further, we note that this bill's provision excluding benefits payable under the MGIB from consideration as income for purposes of determining eligibility for education grants or loans is unnecessary since these benefits are not currently counted as income for such purposes.

We estimate that enactment of the H.R. 1824 provisions expanding accelerated payment entitlement would result in a benefit cost increase of $578,000 in the first year and approximately $6.1 million over 10 years.

The Office of Management and Budget has advised that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely yours,

Gordon H. Mansfield
Acting Secretary

U.S. Department of Veterans Affairs
Washington, DC.
March 31, 2008

Hon. Bob Filner, Chairman
Committee on Veterans' Affairs
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

This letter transmits the views of the Department of Veterans Affairs (VA) on H.R. 1370, the "Disabled Veterans Sports and Special Events Promotion Act of 2007," introduced in the House on March 7, 2007. This bill seeks to establish a new office within VA that would carry out programs and events for participation by disabled veterans and require the office to cooperate with the U.S. Olympic Committee (USOC) and its subsidiaries to promote the participation of disabled veterans in USOC sporting events. VA believes this legislation is unnecessary because it duplicates existing offices and programs.

VA has an established Office of National Programs and Special Events (ONPSE) that oversees highly successful and well-attended national rehabilitative programs for disabled veterans. This office already works with the USOC to help elite-level athletes compete in their paralympic programs. ONPSE currently oversees four National events—the National Disabled Veterans Winter Sports Clinic, National Veterans Wheelchair Games, National Veterans Golden Age Games, and National Veterans Creative Arts Festival, with a fifth pilot summer sports clinic currently being developed for veterans with amputations, traumatic brain injuries and burn injuries. The goals of these events are to reach disabled veterans during their recovery from traumatic injury or disease, introduce them to adaptive recreational activities, and challenge them with activities that give them a sense of accomplishment and enable them to redefine their capabilities. These events are supported by veterans service organizations, and although they are open to all disabled veterans who meet the eligibility criteria, they are particularly geared toward first-time participants. Each year, thousands of disabled veterans have the opportunity for self-development through participation in these events.

By contrast, H.R. 1370 would require VA to enter into an agreement with the USOC to provide support, including direct support, and reimbursement (up to $2 million per fiscal year), for a program that would benefit a small number of elite athletes. We estimate the costs associated with enactment of this bill to be $2,250,000 for FY 2008 and $22,500,000 over 10 years.

While we applaud the USOC 's efforts to bring more veterans into their elite athlete competitions, that is not the primary purpose of VA's rehabilitative events. For example, last year, 28 veterans participated in USOC programs as opposed to over 1,500 veterans who participated in VA National Rehabilitation Special Events. VA's programs are designed to include veterans of all ages and levels of impairment and aimed primarily at medical rehabilitation.

VA's goal is to introduce sports and recreation to disabled veterans and make it a part of their daily lives. For those who rise to elite athletic performance, our existing partnership with the USOC allows them to take their training to the next level through the USOC paralympic program. For the above reasons, VA opposes enactment of H.R. 1370.

The Office of Management and Budget advises that the transmission of this views letter is in accord with the President's program.

Sincerely yours,

James B. Peake, M.D.
Secretary

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