Pending Legislation

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Statement of

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Veterans of Foreign Wars of the United States

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Committee on Veterans' Affairs
Subcommittee on Economic Opportunity

With Respect To

"Pending Legislation"

WASHINGTON, D.C.

Chairman Levin, Ranking Member Bilirakis, and members of the Subcommittee, on behalf of the men and women of the Veterans of Foreign Wars of the United States (VFW) and its Auxiliary, thank you for the opportunity to present our views on these important pieces of legislation.

H.R. 716, Homeless Veterans Legal Services Act

This legislation would require the Department of Veterans Affairs (VA) to enter into partnerships with public and private entities that provide legal services to homeless veterans. The VFW agrees with the intent of this bill, but cannot offer its support at this time.

While the VFW recognizes that legal issues are often a significant barrier to homeless reintegration and must be addressed, we are concerned that some for-profit legal entities would view this program as an opportunity to exploit the availability of government

resources in exchange for poor or inadequate services. For this reason, we suggest that the language in this section be changed to allow VA to enter into partnerships with only public or nonprofit private legal entities that provide services to homeless veterans.

Furthermore, this initiative would be duplicative of other federally funded programs. The AmeriCorps Equal Justice Works program, funded by the Corporation for National and Community Service, provides legal services to low-income and homeless veterans across the United States. Equal Justice Works has partnered with numerous nonprofit organizations and educational institutions that provide these legal services. The VFW urges Congress to increase funding for AmeriCorps legal services programs that specifically benefit homeless veterans, and to require coordination between VA and AmeriCorps to improve outreach to homeless veterans.

H.R. 1615, Verification Alignment and Service-Disabled Business Adjustment Act

This legislation would transfer the responsibility of certifying veteran-owned small businesses from VA to the Small Business Administration (SBA). The VFW supports this legislation and has a recommendation to improve it.

Currently, Service-Disabled Veteran-Owned Small Businesses (SDVOSB) are subject to two different certification procedures, depending on the agency with which they contract. To qualify for contracts with VA, SDVOSB must first be verified by VA, which requires a rigorous verification process that has placed onerous regulatory burdens on SDVOSB. However, for the SBA contracts with all other federal agencies, SDVOSB are allowed to self-certify. Self-certification has permitted businesses not owned by service-disabled veterans to fraudulently receive federal contracts, which reduces the number of contracts available to bona fide SDVOSB. The *Verification Alignment-Service-Disabled Business Adjustment Act* would require SBA to certify all SDVOSB applications, which would alleviate regulatory burdens for contracts with VA and help preserve SDVOSB preference for contracts with all federal agencies.

The verification of service-disabled veteran status by VA required by this bill is unnecessary and could result in delay. It would require VA to first verify an individual's status as a veteran or service-disabled veteran before the SBA can certify a small business. The SBA would then have access to such verifications in a system created by VA. The creation of this system could require costly technology upgrades to permit communication between these agencies. Furthermore, similar existing inter-agency verification systems have proven unwieldy and cause unreasonable delay for veterans seeking to use VA benefits. Instead of requiring VA to verify an individual's veteran or service-disabled veteran status, applicants seeking small business certification should be permitted to provide SBA with a copy of their Certificate of Release from Active Duty (DD Form 214) and/or VA Benefits Award Summary

letter.

H.R. 2924, Housing for Women Veterans Act

The VFW supports reauthorizing the Supportive Services for Veteran Families Grant Program (SSVF). The SSVF program is an incredibly valuable tool in helping veterans get off the streets and stay off the streets. Providing these services is an important way to make sure veterans are afforded the opportunity to maintain a healthy and productive life after service. Reauthorizing the SSVF through 2022 is a common-sense proposal that the VFW wholeheartedly endorses.

H.R. 2227, Gold Star Spouses and Spouses of Injured Servicemembers Leasing Relief Expansion Act of 2019

The VFW supports H.R. 2227 to improve benefits for spouses of injured and fallen service members. This bill would extend home and automobile leasing protections in the Servicemembers Civil Relief Act to ensure spouses of service members who are catastrophically injured or killed in the line of duty are able to terminate their residential, property, and automotive leases without penalty. This bill gives Gold Star spouses and spouses of injured service members the flexibility to move and be with their family members, and reduces the financial burden when a catastrophic event occurs.

H.R. 2618, Portable Certification of Spouses (PCS) Act of 2019

A consistent problem facing military spouses is the recertification for occupational licenses, which can be a lengthy and expensive process. Every two to three years military spouses move to different states and have to be recertified. This has detrimental effects on their promotions, 401Ks, and careers. More than 34 percent of military spouses work in occupations that require state licenses in order to practice. Of those, 56 percent are in health-related occupations, and another 29 percent are in education. The VFW supports this proposal which would amend the Servicemembers Civil Relief Act to provide a guarantee of residency for registration of businesses, improve occupational license portability for military spouses through interstate compacts, and allow the Department of Defense (DOD) to use federal funds to assist states in generating new universal standards for occupational licenses.

H.R. 561, Protecting Business Opportunities for Veterans Act of 2019

The VFW supports this legislation, which would place certain restrictions on the use of subcontractors by veteran-owned small businesses for procurement contracts with VA. This legislation would merely create parity between veteran-owned small businesses and other small businesses that enter into procurement contracts with the federal government.

Draft Bill to Amend the Period to Elect to Participate in Chapter 30 Benefits

The VFW supports this proposal to move back the timeline for enrollment in the Montgomery GI Bill. The first few days of recruit training is a chaotic period, and it is not the time to discuss the specific differences between education benefits. According to the DOD, approximately 80 percent of all new service members paid into the Montgomery GI Bill program in 2018. Of those service members, only a fraction utilize the benefit they pay into. The Forever GI Bill is earned through time in service and does not require any money to be paid out of pocket to receive this incredible benefit. While the Montgomery GI Bill can be beneficial to some veterans, it requires a $1,200 buy-in and in many cases is not nearly as robust a benefit as the Forever GI Bill. Many VFW members have stated if they knew more about the Montgomery GI Bill they may not have opted to pay $1,200 for a program they would never use. This proposal would allow service members additional time to understand the nuances between the two chapters of the GI Bill, and if they should opt in for both.

Draft Bill to Authorize the Secretary of Veterans Affairs to Collect Overpayments of Specially Adapted Housing Assistance

The VFW understands this proposal to allow for the collection of overpayments made for the Specially Adapted Housing Assistance (SAH) program, if overpayments are made due to breach of contract. The government should be able to recoup the overpaid funds due to breach of contract in the same manner as any other debt due to the United States. However, we oppose the idea of collecting from veterans due to VA administrative errors. If VA is responsible for the error, then veterans should not be penalized for its mistakes.

Draft Bill to Increase the Housing Stipend for Online Students

The VFW supports the intent of this bill and does not think online students should receive only half of the Basic Allowance for Housing (BAH) stipend. However, while we agree with the problem, we do not think this is the best solution. Once the final changes for the Forever GI Bill are implemented, housing stipends will be calculated based on the facility codes for each institution. This proposal could lead to institutions with higher BAH rates targeting military members, veterans, and their families with the offer of more money rather than better instruction. Predatory institutions could set up locations in major cities with the intent of continuing deceptive practices with an offer of higher housing stipends.

We agree that online students only receiving half the housing stipend is arbitrary and unfair, and we have a suggested alternative. The VFW proposes an option to raise the rates for online students that would be a standard rate based on the national average BAH. This would provide a more standardized rate, and work toward parity for all student veterans.

Draft Bill, GI Bill Access to Career Credentials Act

The VFW supports expanding eligibility of the GI Bill for licensing and credential courses. Tests and preparatory courses to attain certain licenses or credits should be covered under GI Bill eligibility just the same as other vocational or specialty courses.

Draft Bill to Grant Authority of State Approving Agencies to Carry Out Outreach Activities

The VFW supports this proposal to grant the State Approving Agencies (SAA) authority to conduct outreach. The SAAs play a vital role in ensuring compliance and integrity for institutions providing education and instruction to veterans. The SAAs conduct quality checks of programs for usage of veteran benefits, and stay vigilant that institutions continue to provide quality instruction.

Outreach by the SAAs is incredibly important as it informs institutions about the eligibility of VA beneficiaries to attend their programs. We feel SAAs should be able to conduct outreach and bill VA for these efforts. However, while we support allowing SAAs to conduct outreach, we do not feel this goes far enough. We feel there should be a dedicated effort within VA and the SAAs to make this a priority, so individual SAAs can still perform their day-to-day tasks and build up a standing office to conduct outreach and be the liaison between VA and the SAAs.

Draft Bill to Require Educational Institutions to Abide by Principles of Excellence

The VFW supports many provisions within the Principles of Excellence, however, we cannot support this bill as written. This proposal would force underperforming schools to increase their support of student veterans and improve their curriculums. It would also put restrictions on recruiting and false advertising toward service members, veterans, and their families. The VFW encourages every single institution to adopt the Principles of Excellence, but making it a requirement could have unintended consequences. Major institutions that have not adopted these principles, such as Harvard University, University of Florida, Louisiana State University, and others, would lose the ability to enroll GI Bill beneficiaries. The thousands of students enrolled at these high-quality institutions would suddenly not be able to use their benefits to attend school. The Principles of Excellence is something schools should strive toward, but not be mandated.

Draft Bill to Require Certain Educational Institutions Have Letters of Credit

The VFW supports requiring educational institutions facing financial instability to provide letters of credit for Title 38 students. In the past few years, multiple schools attended by

thousands of student veterans closed due to financial instability. Institutions deemed financially instable shall provide letters of credit for Title 4, but not Title 38. The VFW believes there should be parity for students attending institutions at risk of closure. It should not be the sole job of VA and the tax payers to make whole students who were failed by their institutions. The burden should also be placed upon the institution itself.

Draft Bill to Revise Federal Revenue Limits for Proprietary For-Profit Institutions

The VFW supports this proposal to set limits on federal funds allowed to be received by for-profit institutions. The 90/10 loophole has existed for years, and the VFW believes closing this loophole is a great step in the right direction to help protect service members, veterans, and their families. Currently, schools accepting Title 4 Pell Grants have to abide by the 90/10 ratio of funding from students using federal funds versus students paying on their own. This bill would close the 90/10 loophole by defining federal funds to include payments from the GI Bill. The VFW believes this is a straight forward change that aligns all federal funding for the purpose of the 90/10 ratio.

Draft Bill, Student Veteran Empowerment Act of 2019

The VFW supports sections 2, 4, and 5 of this draft bill, but cannot support section 3.

Section 2 would provide restoration of any months of eligibility lost at an institution that closed if the student cannot transfer credits to another school. A similar measure was included in the Forever GI Bill, but it covered only a certain time period and does not cover current and future students. The VFW supports making this a permanent protection for all student veterans and their families who face school closures.

Section 3 would mandate schools adhere to the Principles of Excellence, and we do not support making that a requirement. At a minimum, we would suggest allowing some lead time for schools to come into compliance, rather than making this requirement effective as of the date of enactment.

Section 4 would require additional oversight of educational institutions placed on heightened cash monitoring status. Requiring the SAAs to perform risk-based investigations would help determine the potential vulnerabilities that student veterans may face while attending these institutions. The VFW thinks this is a good addition to the roles and responsibilities performed by the SAAs, and we support this proposal.

Section 5 would require monthly verification of enrollment for students using Chapter 38 benefits. This would prevent overpayments of BAH and hopefully limit the amount of debt incurred by student veterans. The VFW supports this section of this proposal.

Draft Bill, VA Economic Hardship Report Act

The VFW supports this legislation to require VA to report on economic factors that contribute to veteran suicides. We all must do what is necessary to save the 20 veterans who die by suicide every day. Economic insecurity is a leading cause of suicide among service members and veterans. It is important to review and address such economic factors.

Draft Bill, Forever GI Bill Class Evaluation Act

The VFW supports this proposal to prevent overpayments to schools. Currently, if the school receives payment and a student drops classes, the student is responsible for making sure VA recoups the extra tuition and fees. This proposal would help mitigate that problem by establishing payment schedules and verification dates, and cease payments to students who withdraw.

Mr. Chairman, this concludes my testimony. Again, the VFW thanks you and the Ranking Member for the opportunity to testify on these important issues before this subcommittee. I am prepared to take any questions you or the subcommittee members may have.