

STATEMENT OF
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BEFORE THE
VETERANS' AFFAIRS SUBCOMMITTEE
ON ECONOMIC OPPORTUNITY
UNITED STATES HOUSE OF REPRESENTATIVES

WITH RESPECT TO

**H.R. 456, H.R. 473, H.R. 474, H.R. 475, H.R. 476, H.R. 643, H.R. 1038, H.R. 1141,
H.R. 1187, and Draft Legislation**

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Chairman Wenstrup, Ranking Member Takano and members of the Subcommittee, on behalf of the men and women of the Veterans of Foreign Wars of the United States (VFW) and our Auxiliaries, I would like to thank you for the opportunity to testify on today's pending legislation.

H.R. 456, the "Reducing Barriers for Veterans Education Act of 2015"

The VFW supports this legislation which would authorize the Department of Veterans Affairs (VA) to cover the cost of application fees to institutions of higher learning under the Post-9/11 GI Bill, up to \$750. With nearly 40 schools now charging over \$75 to apply to undergraduate programs, and applications to graduate programs often costing significantly more, the cost of applying to multiple schools begins to add up quickly. For recently separated veterans, this cost could easily become prohibitive. The VFW believes that veterans should not face any unnecessary barriers when accessing their education benefits and that allowing them to use a small portion of their entitlement to defray college application costs is fully consistent with the intent of the Post-9/11 GI Bill.

H.R. 473, the “Increasing the Department of Veterans Affairs Accountability to Veterans Act of 2015”

One of the greatest needs within the Department of Veterans Affairs is culture change. Like most places, VA employees work in an environment that rewards employees for achieving performance standards. Unfortunately, over time, these outcomes have become unattainable. But instead of evaluating why standards could no longer be met, VA leadership put pressure on employees to achieve the unattainable. This left employees with two options – be a poor performer or find a way to do the impossible. All too often, doing the impossible was the wrong thing to do.

To change this paradigm, VA needs the authority to take quick and decisive actions against those senior managers who perpetuate doing wrong and ensure they have proper training so they will be the leaders VA needs them to be. H.R. 473 takes steps to do both.

Section 2 will allow the Secretary to reduce a Senior Executive Service retiree’s annuity payment when the SES employee is found guilty of a felony, for the period of time the felony occurred. Simply put, if an SES employee is under investigation for a felony, and they choose to retire, VA will be able to reduce that employee’s retirement annuity by the number of months or years that employee was in commission of the felony, if they are found guilty.

Veterans can’t understand and they should not have to accept that a VA executive can commit a crime and opt to retire without any consequence. The VFW supports Section 2.

Section 3 redefines the SES performance appraisal system and ensures SES employees have quality training. Accountability goes much further than firing employees. Quality training and job performance evaluations provide employees with a clear understanding of their job expectations and how to best execute their duties, as well an annual opportunity to honestly review that performance. Section 3 limits the number of SES employees who can receive “outstanding” level to 10 percent of employees and allows 20 percent to receive “exceeds fully successful” level evaluation. This will prevent the practice of making every employee outstanding; leaving the employee to believe there is no room for improvement. The second part of this section establishes a review of the current SES training program, ending with a report on any areas that need to be improved. The VFW supports Section 3.

Section 4 limits the period of time VA can place an SES employee on administrative leave, but provides VA the ability to extend that period of time if they report to Congress why that employee’s administrative leave lasts longer than 14 days.

The VFW sees this provision as more of a congressional oversight role than a disciplinary tactic. Congress should know why executives are on extended administrative leave and what VA is doing to either bring those employees back to work or remove them from service. The VFW supports Section 4 of this legislation.

H.R. 474, the “Homeless Veterans’ Reintegration Program Reauthorization Act of 2015”

H.R. 474 extends the authorization of VA’s Homeless Veterans Reintegration program by five years. Any goal less than ending veteran homelessness is insufficient. VA has taken great strides in achieving that goal, but for it to be realized, VA’s homeless programs must continue. This bill extends VA’s current authorization by five years.

This legislation also redefines eligibility for services under the program to ensure a broader scope of homeless and at-risk of homelessness veterans have access to the program. The VFW fully supports this legislation.

H.R. 475, the “GI Bill Processing Improvement Act of 2015”

The VFW supports most sections of this legislation which offers a variety of enhancements to the way GI Bill benefits are processed.

The VFW supports section 2, which would ensure that VA prioritizes the completion of its information technology (IT) solution for processing VA education claims. The VFW acknowledges the significant progress VA has made in the timeliness and accuracy of its GI Bill benefit processing. However, we are concerned that the Veterans Benefits Administration has shifted resources to focus solely on the disability claims backlog. The VFW understands VBA’s urgency in seeking to resolve the backlog, but they must not neglect the mission to properly serve student veterans. Completing the IT solution will ensure that education benefits can continue to be processed in a timely, accurate manner.

Section 3 would delay the implementation of section 702 of the Veterans Access, Choice and Accountability Act, which provides in-state tuition protections to recently separated veterans, by one year. The VFW was initially concerned that the implementation timeline created by the law may have been too fast for some states, given that it required the action of state legislatures. Since then, we have become more confident that most states should be able to meet the July 1, 2015 deadline. We also note that VA has the authority to grant waivers to individual states with legitimate reasons for needing more time. Considering these factors, we now believe that the original implementation date should remain in effect in order to encourage all states to continue to make progress toward full implementation as quickly as possible.

Section 4 would streamline how VA approves initial claims for Post-9/11 GI Bill (Chapter 33) beneficiaries. Although improvements have been made in recent years, we remain concerned that it still takes too long to approve initial claims, due to outdated business practices. Currently, claims processors must go through a time-intensive back-and-forth with potential student-veterans who accidentally revoke the wrong GI Bill benefit before they can properly enroll them in Chapter 33. This bill would allow VA to make a reasonable effort to contact the veteran to enroll them in the most advantageous benefit.

The section also adjusts how VA reimburses veterans eligible for the Montgomery GI Bill (Chapter 30) and who have paid into the benefit, but elect to use Chapter 33 instead. Currently, Chapter 30-eligible veterans who elect to use Chapter 33 must wait until they have finished using their benefits before VA can repay them for their Chapter 30 contribution. Under this legislation, the Chapter 30 contribution would be prorated and added into living stipend payments while veterans are enrolled in Chapter 33, granting them a faster return on their investment while they are still in school and need it most. The VFW fully supports this section.

Section 5 would allow educational institutions to report enrollments to VA as groups, districts or consortiums. The VFW supports this, believing it will bring consistency across the different chapters of GI Bill benefits, making it easier for VA to determine beneficiary status and track student-veterans as they seek to accomplish their academic goals.

The VFW also supports section 6, which would require VA to make available to institutions of higher learning, by internet website, information on the amount of remaining education benefits each student veteran has.

H.R. 476, the “GI Bill Education Quality Enhancement Act of 2015”

The VFW supports this legislation which would make important reforms to the way State Approving Agencies (SAA) and VA approve courses of education under VA education programs. This bill contains several provisions that are consistent with VFW recommendations from previous hearings, and we thank Chairman Wenstrup for its introduction.

Section 2 would codify the authority of SAAs to inspect and approve non-college degree (NCD) programs at not-for-profit institutions of higher learning to validate their quality. This is an authority previously held by SAAs, but rescinded by the Post-9/11 Veterans Educational Assistance Improvements Act of 2010. As a result, some not-for-profit schools developed NCD programs of questionable value. Although the VA Office of Economic Opportunity issued guidance allowing the SAAs inspect NCD programs in subsequent years, the VFW still believes that this policy should be strengthened by statute.

Section 3 would require VA to apply the same reasonable criteria standard when approving education programs across all types of institutions of higher learning: public, private, and proprietary for-profit. The VFW believes this is equitable and supports this section.

Section 4 places reasonable caps on the amount of tuition and fees that may be paid for flight training under the GI Bill programs. Last year, it was discovered that some public institutions of higher learning commissioned flight training programs or free electives specifically targeting

veterans for enrollment. According to the SAAs, the reason schools are adding these programs is because of the uncapped reimbursement offered by VA for flight programs at public institutions through the Post-9/11 GI Bill. The VFW feels that this represents a clear abuse of the intent of Chapter 33, and that the cap created by this section is warranted.

Section 5 makes changes to the way VA and the SAAs must conduct compliance surveys every year. Under current law, VA must conduct compliance surveys annually on all facilities reporting at least 300 enrolled GI Bill recipients. The VFW believes that this is an impossible mission, which will cause some smaller schools to go years without a compliance survey, as VA and the SAAs struggle to satisfy the requirement to survey schools with large veteran populations. Such a requirement can hinder both VA's and the SAAs' response to at-risk programs that may enroll far fewer veterans, while wasting significant time and resources inspecting perennial top performers who happen to have large student veteran populations. This section would correct that problem by requiring that compliance surveys be conducted once every two years at each educational institution or training establishment that enrolls at least 20 GI Bill recipients.

H.R. 643, the “Veterans Education Survey Act of 2015”

The VFW supports this legislation to commission a survey of student veterans currently using their earned GI Bill benefits. Without statistically valid information on the student veteran experience or student veteran outcomes, some groups in higher education have been able to make vague assertions about the student veteran population based off of assumptions drawn from incomplete Department of Education data. While the VFW can only speculate as to their motives, we believe this false narrative does a disservice to the beneficiaries currently enrolled in VA education benefit programs and threatens the long-term viability of programs like the Post-9/11 GI Bill.

For example, groups that oppose non-traditional education point to low graduation rates among student veterans at schools with high military populations like American Military University and University of Maryland University College as indications that these schools fail to properly serve their student veterans. What is missing from this narrative is that the graduation rate reported by these schools to the Department of Education likely includes very few, if any, veterans, since the Department of Education historically counted only first time, full time students.

Student veterans – particularly student veterans who enroll in non-traditional programs like those offered by AMU or UMUC – usually start their studies on a part-time basis while serving in the military, or they bring significant transfer credits into their programs after completing military service, meaning they are never considered first time, full time students, and thus are never tracked by the Department of Education.

Moreover, when the Department of Veterans Affairs launched its comparison tool last year and the raw data used to compile it, the VFW was surprised to learn of all the programs across higher education that reported abysmally low graduation rates. The VFW took a closer look at many of the schools who reported graduation rates of five percent or lower, only to realize on the Department of Education's College Navigator website that each of these schools were likely comprised of non-traditional students, like student veterans.

The original GI Bill returned \$7 to the American economy for every dollar spent on a veteran. Historians credit the original GI Bill for building the American middle class as we know it. The VFW believes that the Post-9/11 GI Bill has the potential to be a similarly transformative benefit for today's college-bound veterans, but in times of fiscal uncertainty, we have to be able to demonstrate this to the American public. We encourage Congress to quickly pass this legislation to better quantify the experiences of veterans in higher education.

H.R. 1038, the "Ensuring VA Employee Accountability Act"

This legislation mandates that all reprimands and admonishments of employees are retained in their permanent records for the duration of their employment at VA. Currently, an employee who is reprimanded and is granted a transfer will start their new position with a clean slate. This allows the bad mark to go unrecognized on their next evaluation, which inhibits accountability and passively condones poor performance. Employees must be held accountable for their actions, and this legislation goes a long way in enforcing accountability. The VFW fully supports this legislation.

H.R. 1141, the "G.I. Bill Fairness Act of 2015"

The VFW supports legislation VA to consider time spent by members of the reserve components while receiving medical care for service-connected injuries for purposes the of determining eligibility for the Post-9/11 GI Bill. In 2002, the Assistant Secretary of Defense for Reserve Affairs accurately stated, "the current reserve component status system is a complex, aligns poorly to current training and operational support requirements, fosters inconsistencies in compensation and complicates rather than supports effective budgeting." There is no better illustration of this statement than the fact that recovering Guardsmen and reservists are ineligible for the same GI Bill benefits as their active duty counterparts. We urge Congress to act swiftly to end this unequal treatment by passing H.R. 1141.

Furthermore, we urge Congress to draft legislation that addresses additional GI Bill benefits inequities between war veterans from the reserve component, non-wartime veterans, and dependents. Currently, a Marine reservist could potentially deploy to a combat zone, receive a Purple Heart and still only receive 60 percent of his or her GI Bill. Similarly, a Guardsman, who deploys twice to a combat zone, may only receive 80 percent of his or her GI Bill. Meanwhile, a

dependent of an active duty veteran who never served during wartime, would receive 100 percent of their GI Bill, regardless of the dependent's affiliation with the military in their adult life. The eligibility requirement for reserve component members is inherently unjust, and Congress should work to increase the percentage of the GI Bill that reserve component members who serve in a combat zone, especially for those wounded in action.

H.R. 1187, to amend title 38, United States Code, to adjust certain limits on the guaranteed amount of a home loan under the home loan Program of the Department of Veterans Affairs.

The VFW supports this legislation which would completely and permanently remove the \$625,000 cap on the amount guaranteed by VA under the home loan program. Although the capped amount is sufficient to purchase a home in many parts of the country, it greatly limits the options of veteran borrowers in high cost of living areas, including parts of New York, California and the greater Washington, DC area. The cap was temporarily raised by the Veterans' Benefits Improvement Act of 2008; however, the most recent extension of that provision expired at the end of 2014.

The VFW believes that veterans should not be limited by arbitrary caps when selecting a location to purchase a home. Since the rate of default on VA backed home loans is significantly lower than the national average, approving mortgages for higher amounts will not adversely affect veterans or financial institutions, but will help veterans secure home loans in all geographic areas. Furthermore, permanently eliminating the cap will eliminate the need to periodically reauthorize the increase.

Draft Bill, the "Service Disabled Veteran Owned Small Business Relief Act"

The VFW supports this legislation, which would allow the surviving spouse of a deceased veteran business owner to continue operating the business as a service-disabled veteran-owned small business (SDVOSB) for a period of three years following the veteran's death. Current law only allows a surviving spouse to do so if the veteran was 100 percent disabled or died from a service connected disability. This is a necessary protection that allows for a transition period for the bereaved spouse to restructure the business as necessary. The VFW believes that this protection should be extended to all surviving spouses under the SDVOSB program.

Draft Bill, to amend title 38, United States Code, to authorize the Secretary of Veterans Affairs, in awarding a contract for the procurement of goods and services, to give a preference to offerors that employ veterans.

The VFW supports this legislation, which would allow VA to give preference to prospective contractors based on the percentage of veterans their companies employ. Businesses that are owned by veterans are already given preference in the contracting process, providing a well-deserved advantage to veteran entrepreneurs. The VFW believes, however, that companies that

employ veterans should also have a competitive advantage against those who don't. Such a policy would potentially incentivize companies to hire more veterans. The VFW believes that such incentives are still necessary, in light of the fact that the unemployment rate for current era veterans continues to outpace that of the nation at large.

Chairman Wenstrup, Ranking Member Takano, this concludes my testimony and I am happy to answer any questions you may have.