

1 HEARING ON PENDING BENEFITS LEGISLATION

2 - - -

3 WEDNESDAY, JUNE 12, 2013

4 United States Senate,
5 Committee on Veterans' Affairs,
6 Washington, D.C.

7 The committee met, pursuant to notice, at 10:02 a.m.,
8 in Room 418, Russell Senate Office Building, Hon. Bernard
9 Sanders, chairman of the committee, presiding.

10 Present: Senators Sanders, Tester, Begich, Blumenthal,
11 Boozman and Heller.

12 Chairman Sanders. Good morning, and we are going to
13 begin this important hearing dealing with legislation for
14 benefits for our veterans, and we are going to be hearing, I
15 suspect, from a number of members of the Committee during
16 this morning, but we are very pleased to have a number of
17 Senators who are not on this Committee who understand the
18 importance of the issues that we are dealing with and have
19 brought forth their own legislation that we are very
20 delighted that they are here as well.

21 So, without further ado, we want to welcome Senator
22 Schatz, Senator Murkowski and Senator Franken and Senator
23 Wyden. Senator Schatz, why do we not we begin with you?

1 STATEMENT OF THE HONORABLE BRIAN SCHATZ, A UNITED
2 STATES SENATOR FROM THE HAWAII

3 Senator Schatz. Thank you, Mr. Chairman and Senator
4 Tester, for this opportunity to speak in support of S. 690,
5 the Filipino Veterans Fairness Act of 2013, which I
6 introduced on the anniversary of the Bataan Death March. I
7 want to thank Senators Murkowski, Begich and Hirono for co-
8 sponsoring this critical legislation.

9 I want to especially acknowledge the Justice for
10 Filipino American Veterans, the Japanese American Citizens
11 League, the American Coalition for Filipino Veterans and the
12 Lao veterans of America for their support of this vital
13 legislation.

14 It is important because it would provide the Filipino
15 soldiers who fought with the American Army during World War
16 II with the full veterans benefits that they rightfully
17 deserve and it will send a clear message to all veterans
18 that Americans will not forget their service once they
19 return from combat.

20 More than 200,000 soldiers fought in the Pacific
21 theater of Filipino descent and more than half of them were
22 killed while they served under the command of United States
23 Armed Forces.

24 The Philippines was a United States territory before
25 and during World War II, and President Roosevelt issued an

1 executive order to call into service Filipino soldiers to
2 defend American territory and military basis.

3 These soldiers served our Nation so we owe them not
4 being less bad honoring that service with the full benefits
5 that they were promised and deserved.

6 This Act would do four things. First, under current
7 law, there are four different categories of Filipino
8 soldiers who fought with the United States Army. This bill
9 will eliminate these categories and treat everyone equally.

10 After the war, Congress passed a series of laws that
11 became known as the Recession Acts of 1946 and they stripped
12 many of these Filipino soldiers of the benefits that they
13 had earned. Instead, these Filipino soldiers were split
14 into four different administrative categories, each group
15 being awarded different benefits.

16 While all four groups served in the same war and under
17 the same American flag, one of the groups gets full
18 veterans' status and benefits while the other three groups
19 were denied some of these same benefits.

20 Second, it expands veteran benefits eligibility to
21 Filipino veterans who received payment from the Filipino
22 Veterans Equity Compensation Fund, which was created in the
23 2009 American Recovery and Reinvestment Act.

24 Third, the bill directs the Veterans' Administration to
25 allow the use of alternative documentation when determining

1 eligibility to ensure that all Filipino veterans are
2 recognized for their service.

3 Under the current law, in order for Filipino veterans
4 to be eligible for benefits, they must be on the approved,
5 revised, reconstructed guerrilla roster of 1948 known as the
6 Missouri List. This list is critical for determining
7 benefits eligibility; but even if there are other forms of
8 documentation, Filipino veterans not on this list will not
9 be recognized for their service.

10 But, this list does not include every Filipino veterans
11 because it was damaged in a fire in 1973 and the
12 reconstructed list is being currently used to determine
13 benefits eligibility.

14 In addition, because the Filipino Veterans Equity
15 Compensation Fund used to the Missouri List as the sole
16 basis for eligibility determination, 24,000 Filipino
17 veterans were denied compensation.

18 Finally, this bill would allow widows and dependents to
19 be eligible for dependency and indemnity compensation that
20 would eliminate the differences in payment given to veterans
21 based on whether a Filipino veteran lived in the United
22 States or in the Philippines.

23 It has been more than 50 years and yet many Filipino
24 veterans have not been recognized as veterans and have been
25 denied their basic rights. Unfortunately, many Filipino

1 veterans are in their 90s and are passing away rapidly; and
2 so, we must act now.

3 Thank you, Chairman Sanders, for taking up this
4 legislation. I look forward to working with everyone on the
5 Committee to give the Filipino veterans their full
6 recognition for their service and their sacrifice.

7 [The prepared statement of Senator Schatz follows:]

8 / COMMITTEE INSERT

- 1 Chairman Sanders. Senator Schatz, thank you very much.
- 2 Senator Murkowski.

1 STATEMENT OF THE HONORABLE LISA MURKOWSKI, A
2 UNITED STATES SENATOR FROM THE STATE OF ALASKA

3 Senator Murkowski. Mr. Chairman, thank you. Thank you
4 for your leadership on veterans issues and particularly
5 ensuring that our veterans receive those benefits that they
6 so clearly deserve. We honor them by keeping our
7 commitments. So, your hearing today is very important.

8 To you and the members of the Committee, thank you for
9 the opportunity to present my bill this morning which would
10 authorize the internment of Hmong veterans in national
11 cemeteries.

12 Across our Nation thousands and thousands of U.S.
13 citizens that fought for our country during Vietnam are not
14 officially recognized for their service. Members of the
15 Hmong community that fought under the CIA during Vietnam
16 currently enjoyed no rights as veterans. They are
17 requesting to be buried in our national cemeteries, simply
18 requesting to be buried and recognized in the national
19 cemeteries. This bill would authorize those heroes to rest
20 alongside their brothers in arms on our Nation's most
21 hallowed grounds.

22 A little bit of background here. Responding to a
23 secretive call to arms during the Vietnam war, Hmong
24 soldiers aided U.S. Special Forces and CIA operatives. They
25 guarded bases that no one was supposed to know was there.

1 They rescued downed a U.S. airman who also were not supposed
2 to be there.

3 Americans who served and fought and put their lives on
4 the line received a resting place in our national cemeteries
5 and the men who saved American lives deserve the same honor.

6 The Hmong people were a social minority being
7 persecuted by communists within Laos. President Kennedy
8 first initiated the U.S. alliance with Laos and the Hmong
9 people in defense of the Kingdom of Laos and the U.S.
10 national security interests in Vietnam and Southeast Asia.

11 During the Vietnam War, Hmong soldiers served in what
12 was called the U.S. secret Army. The Hmong the fighters
13 were led by General Vang Pao during the secret war which
14 interrupted operations under the Ho Chi Minh Trail and
15 conducted downed aircraft recovery operations of American
16 airman within Laos.

17 Over the course of the war, the CIA employed tens of
18 thousands of these volunteers. In all, over 100,000 Hmong
19 lost their lives by the end of the U.S. involvement in
20 Vietnam.

21 According to a recently declassified CIA report, the
22 Hmong became a core of an irregular force that fought the
23 North Vietnamese Army. Hmong soldiers served thousands of
24 American soldiers, saved thousands of American soldiers from
25 being attacked and killed in South Vietnam by engaging

1 numerous North Vietnamese army units in combat.

2 Two years after the withdrawal of American forces, the
3 Kingdom of Laos was overthrown by communist troops supported
4 by North Vietnamese. Hmong were forced into re-education
5 camps. Many fled into hiding in the mountains or to refugee
6 camps in Thailand. Several thousand sought asylum
7 internationally with thousands making their way here to the
8 United States. Senator Franken and I were just discussing
9 that in Minnesota there is a large Hmong population, in
10 Alaska as well.

11 Many soldiers who fought for the CIA and their families
12 were among the refugees that became U.S. citizens. There
13 are currently over 260,000 Hmong people in America. In
14 Anchorage, Alaska, we have about 5000 Hmong refugees here.
15 Senator Begich clearly knows the importance of them as an
16 addition to our community. Of the Hmong who became U.S.
17 citizens, there are approximately 6900 veterans that are
18 still with us today. The number, of course, is dwindling by
19 the day. The Hmong fighters' sacrifice on the half of
20 America calls for reciprocal honor paid during the latter
21 years of these veterans' lives. Hmong veterans fought for
22 America and deserve the choice to be buried in national
23 cemeteries.

24 Mr. Chairman, this concept is not unprecedented. Just
25 as the Hmong responded to the call to arms and paid the

1 ultimate sacrifice, so did the Filipino soldiers as my
2 friend Senator Schatz said. Our country has long been
3 grateful for their service, their sacrifice, and they passed
4 legislation to honor those veterans providing burial rites
5 and compensation.

6 The Hmong Veterans Naturalization Act of 2000 did
7 provided naturalization benefits for Hmong veterans. It was
8 designed to be easy path to naturalization in various ways
9 for the Hmong. Ultimately, immigration and naturalization
10 provided multiple avenues through which Hmong the veterans
11 could prove their service. We have got about 6000 Hmong
12 self-identified as veterans by providing original documents,
13 an affidavit of the serving persons superior officer or two
14 affidavits from other individuals who were also serving with
15 a special guerrilla unit.

16 For years Congress has publicly recognized the
17 thousands of Hmongs that fought and died for our country. I
18 believe that providing burial rights to the small number of
19 Hmong veterans remaining that fought for America is the
20 least that we can do to honor their service.

21 I thank you, Mr. Chairman.

22 [The prepared statement of Senator Murkowski follows:]

23 / COMMITTEE INSERT

1 Chairman Sanders. Thank you very much Senator
2 Murkowski.
3 Senator Franken.

1 STATEMENT OF THE HONORABLE AL FRANKEN, A UNITED
2 STATES SENATOR FROM THE STATE OF MINNESOTA

3 Senator Franken. Mr. Chairman and members of the
4 Committee, I would like today to talk briefly about my new
5 legislation. I would like to say something about the Hmong
6 who fought with us in Laos.

7 I went to Laos in July of 2010. It was on the trip
8 that the Chairman and I took with Senator Harkin to Vietnam.
9 I took a little side trip to Laos because some Hmong
10 refugees had been illegally repatriated to Laos from
11 Thailand.

12 But, you know, as Sheldon Whitehouse, the Senator from
13 Rhode Island, often says, and his father was ambassador to
14 Laos, that there is a few thousand fewer American names on
15 that wall on the Mall, the Vietnam War Memorial, because of
16 the Hmong.

17 But I am here to talk about my new legislation, the
18 Quicker Benefits Delivery Act. This piece of legislation
19 has one simple purpose, to enable VA to get benefits to
20 veterans more quickly.

21 We are all concerned about the claims backlog, and VA
22 is working hard to address it. The fundamental issue is
23 that we need to make sure veterans are getting the benefits
24 to which they are entitled as quickly as possible. This is
25 especially important when it comes to our newest veterans

1 who are still in the process of transitioning back to
2 civilian life. That is what my legislation will do.

3 It is a pragmatic effort to make sure that VA has the
4 tools to get benefits into the hands of veterans as quickly
5 as possible and uses those tools most effectively.

6 I am very pleased that Congressman Tim Walz, who is
7 also from Minnesota and is a member of the House Veterans'
8 Affairs Committee, has introduced companion legislation on
9 the House side. He and I have heard from veterans in
10 Minnesota about these issues and we owe several of the
11 proposed solutions to suggestions from VSOs, from Veterans
12 Service Organizations, including in testimony before your
13 Committee.

14 My bill would get benefits into the hands of veterans
15 more quickly in three ways. First, my bill would expand
16 VA's use of non-VA medical evidence, medical examinations,
17 and medical opinions in the claims process. That private
18 medical evidence could only be used where it is competent,
19 credible, and a probative, in other words, fully adequate
20 for helping to decide a veteran's claim.

21 VA is already making use of non-VA medical evidence,
22 but my legislation would shift the burden alone bit more to
23 VA so that VA has to make the case for why it would not use
24 a non-VA medical examination to access a veteran's claim.

25 Not only would veterans who submit such evidence

1 receive their benefits more quickly under my bill, it would
2 also free up VA resources so that more veterans who do need
3 VA medical examinations would also get their claims decided
4 on more quickly.

5 Second, my bill would expand VA's authorities to
6 rapidly provide a veteran with provisional benefits when
7 there is enough evidence to warrant it even in VA has not
8 yet made the final determination about the veterans
9 disability and compensation. This would be done through
10 what are called pre-stabilization ratings which are for our
11 newest veterans who may not yet have fully recovered from
12 their injuries.

13 My bill would also expand VA's ability and its
14 responsibility to give out a temporary minimum disability
15 rating to a veteran where that is appropriate but where VA
16 has not yet been able to make a final determination about
17 all of the veterans claims. In fact, the VA recently
18 announced that it was going to do just that with respect to
19 the oldest claims in the backlog.

20 The purpose here is to make sure that veterans and
21 their families can start getting benefits as soon as it is
22 clear they are entitled to. Those veterans are then
23 effectively not part of the backlog since they are getting
24 benefits, and my legislation would clarify that.

25 Finally, my legislation addresses an issue we hear a

1 lot about from veterans who have become students and are
2 making use of the GI Bill benefits. Those student veterans
3 have to wait until the first of a given month to receive
4 their housing benefits for the previous month. That does
5 not make a whole lot of sense to me, but my understanding is
6 that VA needs the explicit authority to provide such
7 benefits before the first day of the month, and my
8 legislation makes that clarification.

9 Of course, my legislation by itself will not solve the
10 claims backlog issue; but in significant ways, it will
11 provide the VA with some tools to help it address this
12 fundamental issue of making sure our veterans get in the
13 benefits that they have earned as quickly as possible.

14 As this legislation moves forward, I continue to
15 welcome any and all suggestions for how it might be refined
16 and improved to accomplish this important purpose.

17 Thank you for your consideration. I am sorry but now I
18 have to excuse myself because I need to go to the Health
19 Committee where we are doing the markup of the ESCA bill,
20 and I see Senator Murkowski has preceded me in leaving for
21 that room.

22 So, I appreciate your attention and hope you have a
23 good hearing. Thank you.

24 [The prepared statement of Senator Franken follows:]

25 / COMMITTEE INSERT

- 1 Chairman Sanders. Thank you very much Senator Franken.
- 2 Senator Wyden.

1 STATEMENT OF THE HONORABLE RON WYDEN, A UNITED
2 STATES SENATOR FROM THE STATE OF OREGON

3 Senator Wyden. Thank you very much, Chairman Sanders
4 and Senator Heller, for having me today. I can see you have
5 GOT lots of colleagues. I would ask that my full statement
6 could be part of the record and maybe just highlight a
7 couple of key points.

8 The bill that I am going to discuss today is S. 748 and
9 it is the product of a long-standing and bipartisan
10 partnership that this Committee has had with the Special
11 Committee on Aging, particularly on issues relating to the
12 rights of older veterans.

13 And, the legislation that I offer today with Senator
14 Burr, we have worked on this for many, many months, revolves
15 around the fact that last June the Senate Special Committee
16 on Aging held an investigative hearing on scams that target
17 the older veteran using a specific VA pension, in effect to
18 lure in the veteran.

19 What the Aging Committee found, and we actually had an
20 undercover investigation that was again at the request of a
21 bipartisan group of Senators, what we found is that there
22 are a number of financial planners, lawyers, and others who
23 use the VA's enhanced pension; and this is the pension for
24 the most vulnerable of our older veterans, the most
25 vulnerable of the low-income veterans.

1 It is called the enhanced pension with aide and
2 attendance, and they essentially use this pension to kind of
3 lure the older veteran into a variety of arrangements with
4 trusts and annuities; and the poacher gets these, you know,
5 large fees and very often the older veteran and up with
6 virtually nothing. They do not have their aide and
7 attendance and they are just completely ripped off.

8 So, the General Accounting Office, after the undercover
9 investigation, recommended to the Congress that there be a
10 look-back period similar to Medicare and Medicaid so that we
11 could achieve two objectives.

12 One, take away the ability of these ripoff artists, the
13 pension poster, to target the low income, older veteran and
14 then make sure that we preserve this critical benefit for
15 the many veterans who need it.

16 So, Senator Burr and I have worked with the advocacy
17 groups for veterans, with the VA itself; and the heart of
18 the legislation is to offer this kind of look-back. I think
19 with the bipartisan support we have, we worked with the VA
20 to make sure this would not contribute to the backlog
21 question. We now have legislation that we believe is ready
22 for the Committee's consideration.

23 I am also appreciative of the Assisted Living
24 Federation of America writing to the Committee supporting
25 the legislation and pledging that their industry wants to

1 also figure out a way to drain the swamp.

2 Mr. Chairman, you and I have talked about this back in
3 the days when I had a full head of hair and rugged good
4 looks. I was the co-director of the Gray Panthers.

5 Chairman Sanders. I would not go that far.

6 Senator Wyden. All right. Fair enough.

7 [Laughter.]

8 Senator Wyden. I have seen a lot of scams and this
9 Committee has as well. This is one of the most outrageous,
10 and Senator Burr and I hope that we can move forward
11 expeditiously, and we very much appreciate your
12 consideration.

13 I too am going to have to go but I am very grateful to
14 be able to work with the Committee.

15 [The prepared statement of Senator Wyden follows:]

16 / COMMITTEE INSERT

- 1 Chairman Sanders. Senator Wyden, thanks very much.
- 2 Senator Merkley.

1 STATEMENT OF THE HONORABLE JEFF MERKLEY, A UNITED
2 STATES SENATOR FROM THE STATE OF OREGON

3 Senator Merkley. Thank you very much, Chairman Sanders
4 and members of the Committee. I appreciate the opportunity
5 to introduce you to Senate Bill 1039, the Spouses of Heroes
6 Education Act of 2013

7 This bill is co-sponsored by Senator Heller. Senator,
8 thank you very much. It addresses the needs of spouses of
9 our fallen heroes in the armed services. The Spouses of
10 Heroes Education Act would grant post-9/11 era widows and
11 widowers the same educational benefits that Congress has
12 authorized for their children under the Gunnery Sergeant
13 John D. Fry Scholarship Program through the post-9/11 GI
14 Bill. At age 18, these children can attend any public
15 college tuition free and receive a housing allowance and an
16 annual book stipend.

17 Surviving spouses of the current conflicts, however,
18 are left with far less generous benefits. They have access
19 only to the limited Survivors and Dependents Educational
20 Assistance, DEA benefits. DEA pays only \$987 per month for
21 full-time study with no support for housing or books; and it
22 is very difficult for surviving spouses, especially those
23 with children, to afford college or job training under the
24 DEA program.

25 I want to thank veteran Robert Thornhill of Central

1 Oregon, who came to one of my town halls and pointed this
2 out. Quite frankly, I was surprised to find that we did not
3 treat spouses in the same way as the children.

4 And a special thanks to Army Colonel retired Bob Norton
5 of the Military Officers Association of America, who has
6 helped to give feedback and thoughts and circulation to this
7 legislation.

8 This bill would provide the new GI Bill benefits to the
9 spouses of those service members who made the ultimate
10 sacrifice to their Nation. By opting to receive the Fry
11 Scholarship, spouses would forgo other GI Bill benefits
12 related to education such as DEA. The scholarship benefits
13 would expire after a period of 15 years.

14 We must remember that the spouses of our fallen heroes
15 were often left to raise young children as a single parent.
16 These children may not be eligible to use the Fry
17 Scholarship to help with college expenses for many years'
18 but in the meantime, the parents should have the opportunity
19 to go back to school and prepare for a well-paying job that
20 can support his or her family.

21 The bill is endorsed by the Military Officers
22 Association of America, the Veterans of Foreign Wars, the
23 National Guard Association of the United States, Vietnam
24 Veterans of America, the American Legion, and Iraqi and
25 Afghanistan Veterans of America. It is endorsed by the Air

1 Force Sergeants Association, the Military Order of the
2 Purple Heart, AMVETS, and Student Veterans of America.

3 In addition, the Veterans Legislative Committee of the
4 Military Coalition, a group comprised of 33 organizations
5 representing more than 5.5 million members of the uniform
6 services and their families have endorsed this goal of
7 providing surviving spouses with the same educational
8 benefits to which the children are entitled.

9 Our Nation owes an enormous debt of gratitude to our
10 fallen and their family members. Our service members have
11 made extraordinary sacrifices, and we must never forget that
12 their families have sacrificed alongside them. We can never
13 repay the sacrificed to a fallen hero's spouse but we can
14 honor them by ensuring they have the tools they need to go
15 back to school and provide a foundation for their family.

16 Our veterans and our veterans' families have stood up
17 for our Nation abroad and we need to stand up for them here
18 at home. I look forward to working with Senator Heller and
19 the Committee to move this bill forward.

20 Thank you.

21 [The prepared statement of Senator Merkley follows:]

22 / COMMITTEE INSERT

1 Chairman Sanders. Senator Merkley, thank you very
2 much.

3 Senator Shaheen.

1 STATEMENT OF THE HONORABLE JEANNE SHAHEEN, A
2 UNITED STATES SENATOR FROM THE STATE OF NEW
3 HAMPSHIRE

4 Senator Shaheen. Thank you very much, Mr. Chairman,
5 Senator Heller, Senators Tester and Begich. I very much
6 appreciate the opportunity to appear before you to talk
7 about two pieces of legislation that I have introduced.

8 The first is the Charlie Morgan Military Spouses Equal
9 Treatment Act, which I introduced along with Senator
10 Gillibrand back in February. This bill would address
11 ongoing discrimination against gay and lesbian members of
12 the military and their families.

13 In particular, it would make a number of critical
14 benefits including Tricare Access, VA survivor benefits, and
15 travel and transportation allowances available to all
16 military spouses regardless of sexual orientation. That is
17 not the case now despite the repeal of "Don't Ask Don't
18 Tell".

19 Even if the Defense of Marriage Act is overturned by
20 the Supreme Court, legislation like the Charlie Morgan
21 Military Spouses Act would likely still be necessary to help
22 ensure equality in military and veterans' benefits for all
23 of our Nation's military spouses.

24 Now, I am not going to go into the details of this
25 legislation because I know you will do that in Committee but

1 I did want to just say a few words about the women who the
2 bill is named after, Charlie Morgan.

3 She was a New Hampshire National Guard chief warrant
4 officer who very sadly passed away earlier this year after a
5 courageous battle with breast cancer.

6 Charlie enlisted in the Army in 1982 in Kentucky. She
7 served in the regular army. After getting out, rejoined the
8 New Hampshire National Guard after September 11 because she
9 was so moved by the need to again serve this country after
10 those terrorist attacks.

11 She served a year in deployment in Kuwait and served
12 very honorably despite having to keep her personal life
13 secret from all of her fellow soldiers.

14 Charlie and her wife Karen were not able to take
15 advantage of many of the support programs that were so
16 essential and are so essential to the health and well-being
17 of our military families.

18 After she was diagnosed with breast cancer, the issue
19 of benefits for her family became very personal, and
20 unfortunately she is not going to be able to see their final
21 day in court despite having joined the challenge to the
22 Defense of Marriage Act, but I introduced this bill to honor
23 her memory and because every individual, regardless of their
24 sexual orientation, who provides for our defense deserves
25 the peace of mind that comes with knowing that their family

1 is going to be taken care of when something happens to them.

2 Now, the second piece of legislation is the Veteran
3 Legal Services Act, and I introduced this with Senator
4 Klobuchar and Murphy. I know that you all have been working
5 very hard to address the backlog in our VA benefits, that
6 goes without saying. It is a national disgrace that we have
7 so many veterans waiting so long to get the benefits that
8 are due them.

9 This bill, I think, addresses one of the programs that,
10 as we have looked at it, seems to be the most effective in
11 helping to deal with the backlog, and that is to help the
12 help that our Nation's law schools and their student
13 volunteers are currently provided to veterans.

14 By counseling veterans with their disabilities claims,
15 law students are turning incredibly complex stories and
16 injuries into organized benefit applications that are
17 exponentially reducing the VA's processing time for the most
18 complicated cases in the backlog.

19 There are a number of states that have legal clinics
20 that are working with veterans--North Carolina, West
21 Virginia, Connecticut, Georgia, Ohio to name a few of those.

22 What this bill would do is authorize the VA to
23 coordinate more closely with these programs to ensure that
24 they are as productive as possible.

25 Again, I think it is one way to address the backlog

1 that does not involve a lot of federal dollars but gets the
2 work done for our veterans.

3 So again, thank you all very much for the work that you
4 are doing and the opportunity to appear before you this
5 morning.

6 [The prepared statement of Senator Shaheen follows:]

7 / COMMITTEE INSERT

1 Chairman Sanders. Senator Shaheen, thank you very
2 much.

3 As I understand it, Senator Tester, you are going to
4 have to make a quick exit, is that correct?

5 Senator Tester. That is correct.

6 Chairman Sanders. And you would like to say a few
7 words on a piece of legislation.

8 OPENING STATEMENT OF SENATOR TESTER

9 Senator Tester. If I might, Mr. Chairman, first of
10 all, I just thank the Chairman and, Senator Heller, you look
11 good in that position, for having this hearing.

12 I want to thank the VSOs participation in the Ruth
13 Moore Act. The Ruth Moore Act deals with military sexual
14 trauma and how the VA deals with it. In that regard, Mr.
15 McCoy, I appreciate the VA's recent efforts to better
16 adjudicate claims based on military sexual trauma and your
17 willingness to work with me and the Committee on this very
18 important issue.

19 As we address sexual assault in the military, we must
20 do everything we can to support the survivors of service-
21 related trauma. A recent Pentagon data estimate that
22 reported the number of sexual assaults in the military has
23 increased by 35 percent over the last two years.

24 Tragically, these assaults have lasting consequences
25 for the survivors, including PTSD, anxiety, depression, and

1 various physical disabilities. Moreover, the female service
2 members who are sexually assaulted are more likely to
3 develop PTSD than their male counterparts who have
4 experienced combat.

5 Establishing proof of military sexual assault, however,
6 is very difficult in the current system and the vast
7 majority of these assaults go unreported as high as 85
8 percent according to some reports.

9 Subsequently, the veterans have a hard time meeting the
10 burden of proof when applying for VA benefits for
11 disabilities linked to military sexual trauma. The Ruth
12 Moore Act of 2013 would bring fairness to the VA claims
13 process for victims of the service-related trauma by
14 relaxing the evidentiary area standards for MST survivors.

15 Now, while I acknowledge the VA's recent efforts to
16 improve adjudication of claims related to military sexual
17 trauma, I think further action is necessary. The current
18 standards are difficult, if not impossible, to meet; and
19 they do an injustice to veterans who have honorably served
20 their Nation yet suffer terrific trauma.

21 Now, combating sexual assaults in the military will
22 require a multipronged approach. No single law or policy
23 will do this. A culture change is needed.

24 But as long as we work together to prevent these
25 atrocities from happening, we cannot forget the thousands of

1 survivors who have summoned up the courage and turned for
2 help to the government. So, we need to act on their behalf.

3 And, I just want to once again thank the Chairman for
4 the courtesy and look forward to further debating this bill.

5 OPENING STATEMENT OF CHAIRMAN SANDERS

6 Chairman Sanders. Senator Tester, thanks very much,
7 and I recognize that today is a really busy day. There are
8 Committee hearings all over the place so people are going to
9 be coming and going.

10 What I would like to do now is get back to regular
11 order. I want to say a few words. I will give the mic over
12 to Senator Heller and then we will hear from Senator Begich
13 and then we will bring in our next panel.

14 As I think everybody will recall, earlier in the
15 session we had the opportunity along with the House
16 Veterans' Committee to hear from all of the service
17 organizations; and I found those hearings extraordinarily
18 helpful because we heard from veterans from all walks of
19 life, from different wars; and we had a very broad
20 understanding of the needs of our veterans.

21 What I pledge to do with my staff is to listen very
22 carefully to what the veterans organizations had to say to
23 do our best to kind of respond to all of the legitimate
24 concerns that they raised, and that is what we are in the
25 process of doing.

1 As members will remember, a month or so ago we had what
2 I thought was an excellent hearing focusing on health care
3 issues similar to this hearing but focusing on health care
4 issues. The bottom line there is that I believe we have a
5 strong health care system within the VA.

6 But, with 152 medical centers and 900 CBOCs and Vet
7 Centers all over this country, there is no question that we
8 can make improvements and we intend to focus on VA health
9 care very carefully and make those improvements.

10 Today, what we are focusing on are benefits issues and
11 I thought we heard some excellent testimony from our
12 colleagues who are not on this Committee. We will hear
13 testimony and comments from members of this Committee who
14 have introduced important legislation.

15 Let me just take a moment to give a brief overview of
16 some of the legislation that I will be introducing. One of
17 the issues clearly that the veterans community and the
18 American people are concerned about is making sure that when
19 young men and women return from Iraq and Afghanistan and
20 from the armed forces in general, they are able to return to
21 civilian life and get decent jobs.

22 We are recovering from a very serious recession. The
23 economy is better than it was but unemployment remains much,
24 much too high. So, I have introduced legislation called the
25 Veterans Equipped for Success Act of 2013, which I think

1 will go a significant way forward in providing good jobs for
2 those men and women who have returned from Iraq and
3 Afghanistan, who have been discharged from the armed forces.

4 We have heard today, and we have heard for many, many
5 months, probably the major issue that veterans'
6 organizations and I think the American people are concerned
7 about as Senator Shaheen just mentioned, it is to make
8 absolutely sure that when a veteran files a claim for
9 benefits that that claim is processed in a reasonable period
10 of time.

11 We are all appalled that in some cases it is taking
12 years for these claims to be adjudicated. I personally
13 believe that Secretary Shinseki has brought forth a goal to
14 make sure that every claim is processed within 125 days and
15 will do that by the end of 2015.

16 I think, as we all know, five years ago there was
17 limited discussion about the need to do what every major
18 corporation in America had done, other government agencies
19 had done, and that is go from paper to a digital system.
20 The VA is now in the process of making that huge
21 transformation. We think they are making some progress but
22 obviously they have a long way to go.

23 We have legislation to make sure that that goal, that
24 very ambitious goal of making sure that every claim is
25 processed with 125 days and to have that done by the end of

1 2015, in fact, takes place when it is supposed to. So, we
2 are going to be watching that and we have legislation that
3 will monitor that very, very closely.

4 There is another piece of legislation that we are
5 introducing called the Survivor Benefits Improvement Act of
6 2013. As we all know, a decade of war has had a major
7 impact on our military families. Over 6600 service members
8 have died in operations on Iraqi Freedom and Enduring
9 Freedom, leaving behind spouses and children who relied on
10 them.

11 Earlier this year, this Committee heard from the gold
12 star wives of America about the significant challenges that
13 survivors continue to face such as the need to improve the
14 dependency and indemnity compensation benefits and
15 qualification requirements.

16 The Survivor Benefits Improvement Act of 2013 would
17 address many of these challenges, and I think to the
18 survivors we certainly owe that to them.

19 One of the ongoing concerns that I have had and one of
20 the hearings that we had deals with the fact that no matter
21 how strong the benefits are or the health care it is that we
22 provide veterans does not do anybody any good unless
23 veterans and their families understand the benefits to which
24 they are entitled.

25 I have fought for a long time that while the VA does a

1 lot of things very, very well, one of the things that they
2 do not do well is outreach. I think the last couple of
3 months, by the way, I think we have seen a turnaround on
4 that. I think they are doing a better job.

5 It is not unimpressive that over 50 percent of the
6 service members who are leaving the armed forces now are, in
7 fact, enrolled in the VA. That is an historically high
8 level of outreach in bringing people into the system.

9 Our legislation is called the Veterans Outreach Act of
10 2013 and it deals with the fact that if the veterans are
11 unaware of their benefits, then nothing we discuss here
12 today will help them when they need assistance.

13 So, we have the Veterans Outreach Act of 2013 which, in
14 a number of ways, works with community organizations to make
15 sure that every veteran in this country is entitled to the
16 benefits to which he or she, understands the benefits to
17 which he or she is entitled.

18 So, those are some of the issues that I will be working
19 on. Now, let me give the mic over to Senator Heller.

20 OPENING STATEMENT OF SENATOR HELLER

21 Senator Heller. Mr. Chairman, Thank you and thank you
22 for your leadership on this issue and holding today's
23 hearing and I want to thank my colleagues who were here
24 earlier. And, you can tell that when it comes to these
25 veterans issues it is very bipartisan, and it is good to

1 have and to see that kind of support for our veterans here
2 in this country.

3 I want to thank those that are here as witnesses that
4 will testify, and I also want to thank those that are in the
5 audience for taking time from your busy schedule to show
6 support on these bills.

7 I have a number of bills that will be discussed today
8 that I have written or co-sponsored, and I would like to
9 touch on a few of them, if I may, Mr. Chairman.

10 First, I would like to discuss the Accountability for
11 Veterans Act. It is no secret this community has been
12 holding vigorous oversight of the backlog at the VA for
13 disabilities and benefits claims. To say that patience, to
14 say the patience on this is thinning is probably an
15 understatement.

16 In Las Vegas and in Reno, there are more than 10,000
17 pending claims. Las Vegas veterans have been hit
18 particularly hard by the economic downturn and these
19 disability payments are critical to these veterans who are
20 trying to make ends meet.

21 I know there is not one solution that will solve this
22 issue but one problem seems to be coordination between VBA
23 and other government agencies.

24 When the VA was here testifying on the backlog, we were
25 told that the employees at the VA were required to fax

1 requests for files to the Department of Defense, Social
2 Security Administration, the National Archive and then wait
3 60 days.

4 Then when they did not get a response, they were to e-
5 mail those agencies and then wait another 30 days. This
6 process is outdated. The fax machine is irrelevant. VA
7 should modernize its procedure, and that is why I have
8 introduced the Accountability for Veterans Act.

9 This bill requires DOD, the Social Security
10 Administration, and the National Archives to respond to a VA
11 requests for veterans files within 30 days with either the
12 file or an explanation why the file was not available and
13 when the VA can expect this file. This bill also calls for
14 a biannual report to Congress on the time it takes for these
15 agencies to respond to the VA requests.

16 The measure has the support of the American Legion,
17 Disabled American Veterans, the Military Officers
18 Association of America, and the Veterans of Foreign Wars
19 because we must hold these agencies accountable if they are
20 not providing information in a timely manner.

21 I have another measure that I would like to address and
22 that is the Filipino Veterans Promise Act. Before I do
23 that, I want to recognize someone in our audience, Mr.
24 Almato, and I want to thank you for being here today and
25 thank you for your service.

1 [Applause.]

2 Senator Heller. The Filipino Veterans Promise Act is
3 bipartisan and bicameral. It fulfills the obligation that
4 the United States makes every effort to ensure that
5 individuals who served in our Nation are properly recognized
6 for their contributions to our Nation.

7 There is no doubt that the Filipino soldiers served
8 honorably in the Commonwealth Army of the Philippines,
9 recognized guerrilla forces, and the knew Philippine Scouts
10 alongside U.S. troops during World War II.

11 Today, many Filipino veterans are not able to have
12 their service of World War II verified by the Army's
13 National Personnel Records Center. The NPRC uses only
14 evidence that is approved by the U.S. Army and does not have
15 access to a consolidated personal file for most of the
16 individuals who served in the Philippine army or guerrilla
17 unit.

18 The Filipino Veterans Promise Act would mandate that
19 the Department of Defense in coordination with military
20 historians establish a process to open the approved revised
21 reconstructed guerrilla roster of 1948, also known as the
22 Missouri List, to give Filipinos the opportunity to prove
23 their service during World War II.

24 I was proud to introduce this bill in the United States
25 Senate and work with Representative Hanabusa in the House of

1 Representatives because Filipino veterans deserve a better
2 process to adjudicate their claims than currently exists.

3 It is important to note that this bill works at length
4 to ensure that we are arming those who served and not
5 providing benefits for any person that did not. This is why
6 this bill calls for the Army to verify service. It is an
7 added protection to ensure that hard earned benefits are
8 going to those who earned them.

9 I think we can all agree that if any person served our
10 country in battle and is not receiving benefits they earned,
11 this should be an outrage. Las Vegas, in particular, has a
12 large Filipino population and a number of Filipinos there
13 are still seeking recognition as veterans. They are a
14 respected part of the community and they deserve a fair and
15 complete examination of their record.

16 I have also introduced two bills that will help
17 military families who have lost a loved one in the line of
18 duty, the Veteran Small Business Opportunity and Protection
19 Act as well as a bipartisan bill, the Spouses of Heroes
20 Education Act that Senator Merkley testified earlier today.

21 Lastly, I introduced a bill with my fellow Committee
22 member, Senator Murray, the Care for Veterans' Dependents
23 Act.

24 I appreciate the consideration given to all these
25 measures and the time today to discuss them. As this

1 Committee further discusses my and my colleagues proposals
2 to help America's veterans receive the benefits that they
3 have earned, it is my hope that we will remember our
4 commitments to caring for those brave heroes who sacrificed
5 greatly to serve this country.

6 Thank you, Mr. Chairman.

7 Chairman Sanders. Thank you very much, Senator Heller.
8 Senator Begich.

9 OPENING STATEMENT OF SENATOR BEGICH

10 Senator Begich. Thank you very much, Mr. Chairman.
11 Thank you again for having this meeting today. I just want
12 to speak about one bill. I am on several others which I
13 appreciate my colleagues on both sides of the aisle.

14 There is no question in Alaska. We have the highest
15 per capita of veterans in the Nation; and everywhere and any
16 time I am in Alaska, the issues of veterans come up on
17 small-scale and large-scale. So again, thank you for having
18 the list of legislation to go over today.

19 I want to just talk about one specific one which is
20 Senate Bill 932 which is Putting Veterans Funding First Act.
21 This is actually a continuation. As you know, we have
22 advanced appropriations on the health care end, and what I
23 am trying to do here is just do the second part which is a
24 VA discretionary accounts including the National Cemetery
25 Administration, the Veterans Benefits Administration, the

1 Native American Veterans Housing Loan Program.

2 It would also authorize advance appropriations for the
3 following discretionary administration accounts--general
4 operating expenses, information technology systems, Office
5 of the Inspector General, construction for both major and
6 minor projects, and grants for construction of state
7 extended care facilities and the veterans cemeteries.

8 Mr. Chairman, this has been something that I have
9 believed in ever since I was back in local government, and
10 that is, trying to get more and more governments to two-year
11 cycles on funding because it gives more stability for the
12 agencies.

13 We did this for part of the VA in regard to their
14 health care section where they have advance funding. It
15 makes a big difference for them to hire nurses, hire medical
16 technicians, and others and it just seems that we should
17 complete the circle and finish out the VA in giving them
18 advance appropriation for all of their operations.

19 This would make a huge difference for management of the
20 VA. You know, they spend more time it seems, I know this as
21 a mayor and a former mayor. I know you were a former mayor.
22 Every time we dealt with our budget folks, we spent months
23 doing in the preparation for the budget. Then we got the
24 budget done. Then we had a few months to manage it. Then
25 we were back into preparation again. It made no sense.

1 So, with the VA with so much need that is going to grow
2 very significantly over the next several years, it just
3 seems logical that we get them on a cycle of more certainty
4 and also to ensure that veterans know that certain programs
5 as I just mentioned would have the long-term certainty and
6 funding mechanism they need to hire the people, to let the
7 contracts, to move forward on construction and other things
8 that are necessary for our veterans.

9 So, it is a simple bill but a continuation of advance
10 appropriations that we have already done.

11 So, Mr. Chairman, I will leave it at that. I have
12 several others that I have co-sponsored. I am very excited
13 about several of these other bills but I know we want to get
14 to the panel. I have to step out for a few minutes but I
15 will be back because, as you said, a lot of ideas we get
16 from the veterans' organizations are incredible for us and
17 we should be listening carefully to hear those ideas.

18 Thank you, Mr. Chairman.

19 Chairman Sanders. Senator Begich, thank you very much.

20 Senator Boozman.

21 OPENING STATEMENT OF SENATOR BOOZMAN

22 Senator Boozman. Thank you, Mr. Chair, and thank you
23 so much for having this very, very important hearing as we
24 evaluate proposals to improve the quality of delivery of
25 care for our Nation's veterans that have served our country

1 And really trying to continue as a Committee and as Senators
2 to uphold all of the promises that we made to their
3 families.

4 I appreciate the Senator from Alaska's leadership on
5 the bill that he just mentioned. We are the lead Republican
6 co-sponsor on that, and to me it is just good governance.
7 It makes all the sense in the world, and I hope that we can
8 get that done in the sense that I think it is so important
9 that we move government, you know, into this century. I
10 think that is one of the ways that we do it.

11 You know, this is something that would not cost us any
12 money. It would save us a lot of money, and to create
13 tremendous efficiencies. So again, thank you very much for
14 your work on that.

15 I am also pleased that we have three other legislative
16 proposals that we are working with and looking forward with
17 my colleagues to try to get signed into law.

18 S. 257, the GI Bill Tuition Fairness Act would protect
19 our veterans ability to use their GI benefit at the school
20 of their choice without facing the liability of having to
21 offset out-of-state tuition fees by paying out of their own
22 pocket.

23 I know that there have been other proposals on how to
24 accomplish the underlying principle of this legislation
25 which is to protect choice for our veterans when utilizing

1 one of their most important economic opportunity benefits,
2 and I look forward to working with my colleagues to
3 accomplish this worthy goal.

4 This legislation is supported by many VSOs including
5 some here today. I believe that it would very much be a
6 step in the right direction in expanding educational
7 opportunities for veterans and would actually save the
8 federal government money.

9 S. 695, the Veterans Paralympic Act of 2013 seeks to
10 reauthorize the paralympic integrated adaptive sports
11 program for disabled veterans. The modest investment that
12 we make in this program improves the physical and mental
13 health of so many of our disabled veterans.

14 This program has reached more than 5000 participants in
15 more than 150 communities in 46 states. It has successfully
16 collaborated with 85 VA medical centers in 39 states to
17 provide an adaptive sports program to veterans in their
18 communities.

19 Extending this program I think is a common sense step
20 to empower our disabled veterans through sport and benefits
21 the physical and mental health of the disabled veteran
22 community.

23 S. 889, the Service Members Choice in Transition Act,
24 is another bill that we have been working on. The
25 Department of Defense is redesigning and updating TAP to

1 make it more interactive and it offers, this makes it such
2 that it offers on a non-mandatory basis specialized tracks
3 for service members that fit their transition goals.

4 The legislation would mandate that service members be
5 given a choice to take one of the tracks as part of the
6 mandatory portion of TAP and will assist them in meeting the
7 specific transition goal.

8 This goal oriented structure helps our transitioning
9 veterans identify and pursue specific goals early which
10 means that they will be more likely to use their hard-earned
11 benefits wisely.

12 And again, I think this is so important. If we can
13 through TAP and every other device that we have, if we can
14 make it such that we can get our veterans employed, get them
15 where they are able to support their families, take care of
16 themselves, then it is not only the right thing to do but it
17 is something that saves tremendous amounts of money long
18 term in trying to deal with the problems of not being able
19 to do that.

20 All of these bills I have just mentioned are
21 reasonable, bipartisan proposals to improve the lives and
22 opportunities of our veterans and their families, and I
23 appreciate their consideration here today.

24 With that, I would like to include the rest of my
25 statement for the record and get on to our witnesses.

1 Chairman Sanders. Without objection.

2 [The prepared statement of Senator Boozman follows:]

3 / COMMITTEE INSERT

1 Chairman Sanders. Very good. Senator Boozman, thanks
2 very much, and I want to thank all of the Senators who have
3 spoken about their important legislation and we look forward
4 to working with all of them.

5 Now, we are ready for our second panel. We welcome
6 representatives of the VA.

7 Senator Boozman, did you want to come up here?

8 Senator Boozman. I think Senator Heller is about to
9 join us.

10 Chairman Sanders. Okay. We are pleased to have with
11 us Curtis L. Coy, who is the Deputy Undersecretary for
12 Economic Opportunity of the Veterans Benefits
13 Administration, Department of Veterans' Affairs. He is
14 accompanied by Thomas Murphy, Director of Compensation
15 Service; Richard Hipolit, Assistant General Counsel; and
16 John Brizzi, Deputy Assistant General Counsel.

17 Gentlemen, thanks very much for being with us. Mr.
18 Coy, I think we begin with you.

1 STATEMENT OF CURTIS L. COY, DEPUTY UNDER SECRETARY
2 FOR ECONOMIC OPPORTUNITY, VETERANS' BENEFITS
3 ADMINISTRATION, DEPARTMENT OF VETERANS' AFFAIRS;
4 ACCOMPANIED BY: THOMAS MURPHY, DIRECTOR OF
5 COMPENSATION SERVICE; RICHARD HIPOLIT, ASSISTANT
6 GENERAL COUNSEL; AND JOHN BRIZZI, DEPUTY ASSISTANT
7 GENERAL COUNSEL

8 Mr. Coy. Thank you, Mr. Chairman, and good morning to
9 you, Mr. Chairman and members of the Committee. I am
10 pleased to be here today to provide the views of the
11 Department of Veterans' Affairs on pending legislation
12 affecting VA's programs.

13 We are encouraged seeing so many legislative proposals
14 aimed at improving benefits and services for our Nation's
15 veterans. We are particularly glad to see the inclusion of
16 some of the concepts VA put forth in April in its 2014
17 budget as well as significant legislation aimed at
18 addressing claims backlog.

19 As we have been reporting regularly to the Committee,
20 VA has been able to do much in the areas of people, process,
21 and technology under the authorities it has now but there
22 are systemic changes that could be done only by legislation.

23 We are happy to discuss these bills that are aimed at
24 giving veterans better tools to further their education and
25 employment, extend certain work-study activities, and

1 improve our programs that benefit veteran-owned small
2 businesses.

3 Accompanying me this morning are my colleagues are
4 Thomas Murphy, Director, Compensation Service at Veterans
5 Benefits Administration; Richard Hipolit, Assistant General
6 Counsel; and John Brizzi, Deputy Assistant General Counsel.

7 Given the number of bills under consideration today and
8 in the interest of time, I will focus my statement this
9 morning on legislation impacting several broad areas. There
10 are also significant bills on the subject of outreach,
11 benefits for survivors, and mental health programs. For
12 several bills we provided our views and costs for the
13 record. Similar to the members of this Committee, VA is
14 always seeking new ways to improve benefits for those who
15 have served.

16 I am a 24-year veteran of the United States Navy and,
17 like you and your staff, work hard to ensure that we honor
18 those who have served and sacrificed for our country.

19 With respect to those bills that affect education and
20 employment of veterans, the VA supports any effort that
21 would end those opportunities. We support extending the
22 veterans are retraining and assistance program but we
23 suggest additional changes to the program to improve the
24 administration of the program and give veterans more
25 choices.

1 The VA also supports the veterans internship pilot but
2 again recommends several ambiguities and resource issues be
3 addressed before moving the bill for word.

4 While we are sympathetic to the issue of rising tuition
5 costs, it is difficult to endorse any legislation that might
6 impact or limit choices of veterans that they may have were
7 a school not to offer in-state tuition for veterans.

8 Similarly, changing the way we currently calculate
9 tuition and fees in the post-9/11 GI Bill would be a
10 challenge to both implement and understand. We look forward
11 to working with the Committee to address these challenges.

12 The VA strongly supports those bills that propose to
13 extend existing programs such as portions of the vocational
14 rehabilitation and employment, the paralympics, and VA's
15 work-study program and we would suggest making some of those
16 extensions permanent.

17 Finally, we appreciate the Committee's interest in
18 legislation intended to reduce the disability claims
19 backlog. We support many provisions of the claims process
20 improvement act of 2013 which hold promise to take a
21 significant bite out of the backlog without prejudicing
22 veterans and we look forward to commenting shortly on other
23 significant provisions of that bill. We want to work with
24 you and other stakeholders here today to have a
25 collaborative dialogue about all of the proposals on the

1 agenda today.

2 Mr. Chairman, this concludes my statement. Thank you
3 for the opportunity to appear before you today. We would be
4 pleased to respond to any questions you or other members of
5 the Committee may have about any of these bills or other
6 legislation discussed in our written testimony.

7 Thank you, sir.

8 [The prepared statement of Mr. Coy follows:]

1 Chairman Sanders. Thank you very much, Mr. Coy. Thank
2 you all for being here. Before I get to my written
3 questions, let me just ask anyone who wants to respond.

4 As you know, probably the major issue of concern for
5 the veterans' community and to this Committee has been the
6 backlog. So, my question is a simple one. As we transform
7 the entire system, and I think that was long overdue. I
8 think it should have been done years before we began this.
9 But be that as it may, as we make that transformation from
10 paper to paperless, in your judgment are we making progress?

11 Mr. Coy. Sir, I will defer that question to my
12 colleague, Tom Murphy. He is very well vested in that
13 process.

14 Mr. Murphy. Yes, Mr. Chairman, we are. We are making
15 significant progress. We, for the first time, have VBMS
16 fielded in all regional offices in the country.

17 It is generation one software, but we are seeing more
18 rapid development, improvements in performance of
19 individuals and their ability to process claims and move
20 them through. We are seeing the savings in time from not
21 literally shipping as many boxes of files back and forth
22 across the country. So, just those shipping days are now
23 taken out of the process.

24 So, we are starting to see the leverage from moving to
25 the paperless system that we are seeing; and as that

1 transition continues over the next year plus, we will see
2 more benefits of that.

3 Chairman Sanders. In your judgment, do you think we
4 will reach the goal, the very ambitious goal established by
5 the Secretary?

6 Mr. Murphy. Yes, sir, I do.

7 Chairman Sanders. Okay. Thank you very much.

8 Mr. Coy, let me begin with you. Although I believe
9 this question may be best answered by Mr. Murphy, and that
10 deals with the Claims Processing Improvement Act which I
11 have introduced, and there are a number of important
12 provisions in that legislation and I am pleased to see VA
13 indicating support for some of them. I would like to
14 discuss a couple of the provisions for which VA did not
15 provide views.

16 First, this Committee has a responsibility to exercise
17 aggressive oversight of VA's efforts to address the backlog.
18 In other words, once again it is beyond my comprehension why
19 it took so long for VA to move from paper to paperless. I
20 applaud the Secretary for finally undertaking that very
21 ambitious goal; but the job of this Committee is to make
22 sure that that goal is achieved.

23 So, my question to you, Mr. Murphy, is: Do you agree
24 that this Committee and the public needs to be able to
25 measure VA's progress? In other words, the Secretary, to

1 his credit, did what very few people do. He put it right
2 out there on the table, and correct me if I am wrong, but he
3 said, by the end of 2015 all claims would be processed
4 within 125 days with 98 percent accuracy. Is that what he
5 stated?

6 Mr. Murphy. That is correct, sir.

7 Chairman Sanders. Okay, and what I just heard you say
8 a moment ago is you believe that we are on target to reach
9 that very ambitious goal.

10 Mr. Murphy. Yes, I do, Mr. Chairman.

11 Chairman Sanders. Okay. So, what I want this
12 Committee to be able to do is to make sure that we are
13 monitoring effectively, and on a periodic basis, our
14 progress toward reaching that goal.

15 Do you agree that that is a reasonable thing for the
16 American people to be doing?

17 Mr. Murphy. Yes, I do, Mr. Chairman, and you point out
18 there are some provisions of the bill that we have not put
19 official testimony on, but I can speak to that in a very
20 general sense.

21 What we are talking about here is specific publicly
22 posted performance for all to see and understand exactly
23 what VA is doing and the progress we are making towards the
24 Secretary's goals of 125 days, 98 percent.

25 We have been reporting publicly for sometime now all of

1 the performance that we have on our ASPIRE website available
2 to anybody, and we would be interested in discussing with
3 yourself and the Committee on any further reportings that
4 you would be locking about and talking about some of the
5 details in your bill.

6 Chairman Sanders. Good. That is what we are talking
7 about. I personally believe that visibility into actual
8 production when measured against projected workload and
9 production will allow stakeholders to see what benchmarks VA
10 must hit in order to reach the Secretary's goals.

11 In other words, here is what we want. We do not want
12 in late 2015 for you to come in here and say, you know, we
13 hoped that we would be able to do that but it turns out we
14 cannot.

15 We want to be monitoring you at least on a quarterly
16 basis to see what your goals are, where you think you should
17 be, and in fact, where you are. Does that make sense to
18 you?

19 Mr. Murphy. Yes, it does, Mr. Chairman, and I have got
20 to point out some numbers showing that we are making
21 progress in that regard. The backlog reduction of
22 approximate 74,000 cases in our overall inventory reduction
23 is 44,000 cases just in the last 45 days.

24 What is significant about those numbers when we are
25 talking about such a large volume of cases, it is not, well,

1 that is the game changer; but it does indicate that we are
2 at tipping point. In order to break the backlog, you need
3 to be putting more work out the door that is coming and we
4 are their solidly month after month consistent now.

5 Chairman Sanders. So, what you are telling us--and by
6 the way, this is very good news for the American people--is
7 that you think right now the backlog is decreasing. You
8 think as the transformation of the system becomes firmer and
9 we are more and more into digital rather than paper, you are
10 going to see that backlog go down. Is that what you are
11 saying, telling us?

12 Mr. Murphy. I am saying that the backlog, we can
13 expect the backlog to continue to decrease going forward.

14 Chairman Sanders. That it is decreasing and that it
15 will continue to decrease?

16 Mr. Murphy. The last 45 days it has decreased by over
17 44,000 cases, excuse me, 44,000 inventory, 74,000 backlog.
18 They are two different numbers.

19 Chairman Sanders. Okay. Senator Boozman, did you have
20 some questions?

21 Senator Boozman. Yes, sir, I do. If you would like,
22 you can to Senator Blumenthal.

23 Chairman Sanders. That is kind of you.

24 Senator Blumenthal.

25 Senator Boozman. Since I did my opening statement and

1 stuff. Go ahead, sir.

2 Senator Blumenthal. Thank you. Thank you, Mr.
3 Chairman. I thank you all for being here and thank you for
4 your continued work on a number of these areas including the
5 claims backlog which is vexing not only to us but obviously
6 to questions across the country, and I wondered if you could
7 distinguish, you mentioned 74,000 and 44,000. 74,000 is the
8 reduction in?

9 Mr. Murphy. Total inventory in the VA.

10 Senator Blumenthal. And 44,000?

11 Mr. Murphy. Claims that are less than 125 days plus
12 claims that are over 125 days comprise the total inventory.
13 74,000 reduction in that number.

14 Senator Blumenthal. And rather than quizzing you now,
15 could you get us a report in writing with the numbers
16 showing when the backlog began to decrease, in other words,
17 when the tide turned; and what your projections are for
18 coming months let us say until the end of the year and as
19 far beyond as you can project?

20 Mr. Murphy. Yes, I understand what you are looking
21 for, Senator, and I can get you the numbers showing the
22 performance up to where we are today, and we will have some
23 discussions about what the future looks like for the rest of
24 the fiscal year.

25 Senator Blumenthal. Well, when you say "you will

1 have", "we will have some discussions", you mean you and we
2 members of the Senate or internally we will have?

3 Mr. Murphy. We internally delivered to you members of
4 the Senate.

5 Senator Blumenthal. Okay. Do you have numbers for
6 Connecticut?

7 Mr. Murphy. I do not, not offhand with me today.

8 Senator Blumenthal. Could you get those numbers to me?

9 Mr. Murphy. Yes, Senator, I would be happy to.

10 Senator Blumenthal. Thank you. You know, I want to
11 join my colleagues in expressing a sense of urgency. We
12 said on a number of occasions how important it is to reduce
13 this backlog, and I know you share the view that the numbers
14 right now are unacceptable. We have heard that from
15 veterans but you have heard it from us, and I appreciate
16 your cooperation.

17 Let me ask you on one of the issues that concerns me,
18 the interoperability of the medical records system or the
19 merger of the two, DOD and VA. Could you tell us what the
20 status of that effort is today?

21 Mr. Murphy. I can address it from the standpoint of
22 processing compensation claims and what it is that I need in
23 order to process claims efficiently and quickly, and that is
24 tied back to the electronic delivery from the Department of
25 Defense to the VA of electronic copies of their service

1 treatment records.

2 There are two key things that have happened recently.
3 The first one is the delivery by the Department of Defense
4 of a certified complete record which relieves me of the
5 responsibility to continue to search for federal records
6 that is required by the statute.

7 In the last, since the beginning of June, it has been
8 about three weeks now with full implementation of Department
9 of Defense, 97 percent of those records are being delivered
10 with a certified complete statement on top. Great progress
11 forward with us working together with our DOD partners.

12 Senator Blumenthal. And of those records are
13 automatically delivered seamlessly, interoperability
14 without, in effect as part of the same system, is that what
15 you are saying?

16 Mr. Murphy. I think the answer to that is going to
17 come in the second part of this, Senator.

18 Senator Blumenthal. Sorry.

19 Mr. Murphy. Today, I will take it in any form DOD can
20 give it to me as quickly as they are. The DOD has committed
21 that by the end of the calendar year they will deliver all
22 of their medical records, certified complete like that, to
23 us in an electronic format.

24 Senator Blumenthal. By the end of the year, did you
25 say?

1 Mr. Murphy. This calendar year.

2 Senator Blumenthal. This calendar year.

3 Mr. Murphy. Yes.

4 Senator Blumenthal. So, I apologize for interrupting.
5 In effect, DOD has committed to you that by the end of the
6 year the two systems will fit together seamlessly and they
7 will become part of the same system. I am trying to put it
8 in layman's language because I do not know how technically
9 to describe it but, you know, I welcome what ever comment
10 you have.

11 Mr. Murphy. Senator, you scare me with the "get
12 together seamlessly" portion of that. I will receive that
13 in a format that I can ingest--

14 Senator Blumenthal. Was that not the goal of Secretary
15 Panetta--

16 Mr. Murphy. Yes. Absolutely.

17 Senator Blumenthal. And Secretary--

18 Mr. Murphy. The key is they will give it to me in any
19 format that I can receive into VBMS electronically, call it
20 up at the raters desk without additional effort, see those
21 records, search those records in a format that is usable to
22 us, and yes, that is the commitment.

23 Senator Blumenthal. And that is by the end of the
24 year?

25 Mr. Murphy. That is by the end of this calendar year,

1 correct.

2 Senator Blumenthal. Great. Because my time is
3 limited, I am going to jump to another topic. I have
4 sponsored a measure called the Veterans Back to School Act
5 that would, in effect, eliminate the 10-year limit on GI
6 benefits. As you know right now, GI benefits are limited to
7 10 years after separation from the service.

8 In today's economy, 10 years is, in my view, no longer
9 an acceptable limit because people change careers. They
10 need new training. Veterans may simply be as much in need
11 of these benefits after 10 years as they are 10 years
12 before.

13 Could I ask you for a position on that measure?

14 Mr. Murphy. I think we are in Mr. Coy's territory now,
15 Senator.

16 Mr. Coy. Thank you, Senator, for that question. S.
17 863 essentially, as you indicated, takes away the time
18 limit; and instead of from separation, it makes it from the
19 time that you start using those benefits.

20 We do not have yet cleared positions on that, and so,
21 we are working through that. Some of this is the devil is
22 in the details, if you will.

23 So, we want to make sure we give you a good, complete
24 answer for the record rather than make the effort to try and
25 do that very quickly, and we hope to have those cleared

1 views to you very shortly.

2 Senator Blumenthal. Thank you.

3 Thank you, Mr. Chairman.

4 Chairman Sanders. Thank you, Senator Blumenthal.

5 Senator Boozman.

6 Senator Boozman. Thank you, Mr. Chair.

7 Again, I appreciate the fact that it seems like we are
8 getting good news, you know, regarding the claims process.
9 I know you all are working very, very hard, the entire
10 system, to get that resolved.

11 As you know, when I visit was veterans and the mail
12 that we received, that really is the overwhelming concern
13 right now. Not only with veterans but just the public in
14 general, you know, feeling like people that have served
15 deserve the opportunity in a somewhat timely fashion at
16 least, you know, to get the answer, you know, one way or
17 another so that they can move on.

18 So again, I appreciate your efforts and I appreciate
19 the fact that we seem to be seeing some improvement. That
20 is very positive. So, we will be able to pass that along.

21 I would just like to ask a little bit to help me
22 understand a little bit about the fiduciary issue that has
23 come up and has for a long time. If VA finds that veterans
24 or other VA beneficiaries need help with their finances, and
25 you can correct me, but my understanding is the VA assigns a

1 fiduciary to help them and also sends their names to be
2 included in the National Instant Criminal Background Check
3 System or the NICS list. That prevents them from purchasing
4 or owning firearms. In some cases that might impact the
5 ability of their families to possess firearms.

6 So, I guess the questions I would have is: Does VA look
7 at whether a beneficiary is in any way dangerous when
8 assigning the fiduciary?

9 Mr. Murphy. Can I ask a clarifying question there,
10 Senator?

11 Senator Boozman. Yes.

12 Mr. Murphy. Is the fiduciary being appointed
13 dangerous, is that what you are asking?

14 Senator Boozman. Yes--no, no, the veteran.

15 Mr. Murphy. The veteran themselves?

16 Senator Boozman. Yes.

17 Mr. Murphy. The veteran is through the fiduciary
18 process deemed not capable of managing their own finances;
19 and by virtue of that, they are added to the NICS database
20 which restricts them from being able to own and purchase
21 firearms.

22 Senator Boozman. Is there--

23 Mr. Murphy. There is also a relief process in place.
24 If a veteran thinks that they should not be on that list,
25 they can file an appeal to us. There is an active, ongoing

1 process where that is happening, and veterans gun ownership
2 rights are being restored.

3 Senator Boozman. Is there any correlation with not
4 being able to manage your finances with committing a violent
5 crime?

6 Mr. Murphy. I do not know the answer to that question,
7 Senator.

8 Senator Boozman. But we should know the answer in the
9 sense that that is why we are doing it.

10 Mr. Hipolit. If I could address that, there was a
11 determination made by public safety authorities essentially
12 at the Department of Justice. When they set up the NICS
13 program, they determined that, you know, who would be placed
14 on the list; and one of the categories they chose was people
15 who were unable to handle their finances essentially which
16 tie aid VA's incompetence determinations into that process.

17 So, because that is how the Justice Department set it
18 up, we are required to report that information.

19 Senator Boozman. So, Social Security does the same
20 thing.

21 Mr. Hipolit. They fall within the same requirements I
22 believe.

23 Senator Boozman. Is that correct?

24 Mr. Hipolit. That is my understanding.

25 Senator Boozman. Social Security, my understanding

1 was, and was confirmed, does not send names.

2 Mr. Hipolit. Okay. Now, they may not. I think in
3 some cases Social Security appoints fiduciaries without
4 making a determination of incompetency, and it is our
5 determination of incompetency is what kicks in the reporting
6 requirements.

7 Senator Boozman. Could it be a physical disability
8 rather than a mental impairment that requires the assignment
9 of a fiduciary?

10 Mr. Hipolit. Yes, that is correct. It could be an
11 injury or whatever.

12 Senator Boozman. So, an individual like that would go
13 on the NICS list also?

14 Mr. Hipolit. Yes, if they are unable to handle their
15 financial affairs.

16 Senator Boozman. But that makes no sense if they have
17 a physical impairment that would not allow them to do that.

18 Mr. Hipolit. There is a relief program in place that
19 Mr. Murphy mentioned which, if a person is not a threat to
20 public safety, they can be relieved from the reporting
21 requirement.

22 Senator Boozman. No, I understand but it should not be
23 that the onus is on them when we are putting them in a
24 situation in that case with a physical impairment, it does
25 not make any sense at all in regard to their wanting to

1 commit or any, you know, any correlation with violent crime
2 in that regard.

3 Who at VA makes the decisions about whether someone
4 should have a fiduciary and do they have any law enforcement
5 training or legal training? Or what is their training?

6 Mr. Murphy. There are pension veteran service
7 representatives that make these determinations and their
8 determinations are based not from a law enforcement
9 perspective but from the standpoint of is the veteran
10 capable of managing their financial affairs.

11 Senator Boozman. Okay. How many individuals have
12 their names on the NICS list as a result of the current
13 policy?

14 Mr. Murphy. That I do not have a number in front of
15 me. I can tell you how many have been added to the list and
16 have applied to be relieved. That number is 236.

17 Senator Boozman. Okay. Have you got a guess as to how
18 many?

19 Mr. Murphy. I do not. If you would like that number,
20 I would be happy to take that for the record and provide you
21 with the detailed numbers.

22 Senator Boozman. Do you have any idea how many are
23 children? How many are being added to the NICS list that
24 are children?

25 Mr. Murphy. No, I do not, Senator.

1 Senator Boozman. Okay. Elderly dependent parents?
2 That would be something else we would be interested in.

3 Again, like I said, to me it makes no sense when you
4 have no correlation to violent crime that these individuals,
5 I understand if we are picking out people who are mentally
6 impaired and we need to get much more aggressive in that
7 regard, not only in this situation but with others.

8 But, somebody that is physically impaired, there are
9 all kinds of categories that I think we would both agree
10 that there is no correlation at all.

11 I am sorry, Mr. Chairman.

12 So again, yeah, I would like the answers in writing.
13 Thank you.

14 Thank you, Mr. Chair, for your indulgence.

15 Chairman Sanders. Thank you, Senator Boozman.

16 Senator Begich.

17 Senator Begich. Thank you very much, Mr. Chairman.

18 Actually, I want to follow-up. It was not my intent to
19 follow-up on your question but I know, Senator Boozman, you
20 and I have done several pieces of legislation together and
21 this one I have a piece of legislation pending with Senator
22 Pryor, Flake, and Graham on this specific issue because
23 there has not been proven any correlation between financial
24 affairs and someone committing or could potentially commit
25 an act of violence.

1 There is no evidence, unless you have some; and I get
2 what you are saying. I feel some uncomfortable conversation
3 coming at me because you are kind of responding to the
4 Justice Department's decision.

5 So, here is what I would like to get if I can from
6 you,. I would like to get from you whatever the public
7 safety authority, Justice Department, issued to you to give
8 you this as an added item, whatever documentation they
9 created this, because there is no connection.

10 And, there are many veterans that are denied their
11 Second Amendment rights because they are unable to do their
12 financial affairs but they are not violence, they are not
13 potentially violent, they are not at risk to themselves or
14 others.

15 And so, could you provide us that? I sense, and you do
16 not have to answer this but I sense some uncomfortable
17 positioning by you all in your response to Senator Boozman
18 and I get where this came from, and you are responding to
19 that.

20 Mr. Hipolit. Yes, Senator, there were Justice
21 Department regulations that set that up and we would be
22 pleased to provide you with background information on that.

23 Senator Begich. We would like that, and again, our
24 bill is to try to rectify this problem because it just seems
25 unfair. We have to take and weigh someone's constitutional

1 right, whatever that right is, is something we need to be
2 very careful about.

3 At the same time, we need to recognize there are
4 individuals that are at risk and we need to balance that.
5 So, if you could supply that.

6 Also if you can supply some of the data that you are
7 about to, you do not have to do it now. I know, Mr. Murphy,
8 you had some information regarding how many have been
9 accepted into that system, how many are appealing, and then
10 also what the timetable is from their initial appeal, or
11 relief I guess is the word to use. I should use the right
12 words here. And then what the outcome of that was.

13 Would you mind giving us something on that?

14 Mr. Murphy. We would be happy to, Senator.

15 Senator Begich. Okay. Thank you.

16 Let me move on to the subject matter and again actually
17 Senator Boozman and I have a bill and it is Putting Veterans
18 Funding First Act, S. 932, which again, as you know, we gave
19 advance appropriations for part of the VA but not all of it
20 and this bill would now advance that--I guess that is a good
21 word to use here--advance the final completion of fully
22 giving advance appropriations to the VA.

23 But I noted that--tell me what you think of this and
24 would you be supportive of this legislation. Again, it just
25 seems logical from a standpoint of saving money, saving time

1 and creating opportunity for the VA to do their work rather
2 than processing paper all the time.

3 Who would like to?

4 Mr. Coy. I will take that, Senator.

5 Unfortunately, the short answer is is we are still
6 putting together our cleared of views on this.

7 Senator Begich. Can I interrupt you for just one
8 second.

9 Mr. Coy. Yes.

10 Senator Begich. And I do not mean to be negative, only
11 because of our time here. But, are you putting that
12 together? Is OMB influencing that outcome of what you are
13 putting together?

14 The reason I ask is that. OMB will always sanitize the
15 heck out of everything. So, I am looking for what you all
16 will do as the department that has to run an agency of the
17 magnitude that you have to run it.

18 So, you do not have to answer. I do not mean to be--I
19 just get frustrated with OMB sanitizing everything before
20 you come in front of a Committee.

21 Mr. Coy. I will take your advice and not insert that,
22 Sir.

23 [Laughter.]

24 Senator Begich. Okay. Your answer is an answer but go
25 ahead. I did not mean to--

1 Mr. Coy. We have seen where it has been very useful
2 for our colleagues at VHA.

3 Senator Begich. Right.

4 Mr. Coy. But again we do not have our cleared position
5 put forth yet.

6 Senator Begich. Understood. Okay.

7 Mr. Coy. We are looking at it very vigorously and it
8 is within VA at this point to put together those cleared
9 views.

10 Senator Begich. Fantastic. I would look forward and
11 maybe we can ask the other side of VA at one point kind of
12 what they saw as their savings and opportunity. That might
13 help us convince, and I say "us", OMB to think about the
14 right decision here.

15 Mr. Coy. Aye, aye.

16 Senator Begich. I leave it at that.

17 Let me go on to one last quick thing. There is a bill
18 that I co-sponsored with Senator Burr but I do not see and I
19 may be wrong. You did not have a view on it, and this is
20 where we would issue cards to veterans that identify
21 themselves as veterans so then they can benefit from
22 community benefits that are available.

23 It would not be used to determine their--it would not
24 be used to go into the VA as it were but it would be their
25 card to say, I am a veteran and therefore I might get

1 certain benefits out in the community.

2 You did not have a view on that. So, I am wondering if
3 you are reviewing that or you are just going to keep neutral
4 on it or help me out there.

5 Mr. Coy. Right now, again my short answer is we do not
6 have cleared views on that yet.

7 Senator Begich. Okay.

8 Mr. Coy. What we have seen is is that, we have seen
9 about 50 percent of the states now have a driver's license
10 where they have identified veterans on there as well.

11 Senator Begich. Right.

12 Mr. Coy. And we have seen that as a pretty useful
13 tool. We are also looking at a number of things through our
14 eBenefits portal where veterans can quickly get the
15 information necessary to identify them as a veteran.

16 But with respect to physically issuing ID cards, we are
17 putting together those costs and views to be able to figure
18 out what our official position is on that and we will get
19 that to you, sir, as soon as we can.

20 Senator Begich. Very good. Thank you very much.

21 Thank you, Mr. Chairman for the time.

22 Chairman Sanders. Thank you, Senator Begich.

23 We are going to hear from the VSOs in one second but
24 before we do I want to go back to Mr. Murphy because you are
25 dealing with what is the most contentious issue facing the

1 VA right now.

2 What I want you to do in a very brief period of time is
3 to tell this Committee how we got to where we are today in
4 terms of the backlog, what the VA is doing to transform the
5 system, where you think we are today, and where we are going
6 to be by the end of 2015. You got all of a minute to do
7 that.

8 Mr. Murphy. A minute. Well, let us start at the end.
9 The Secretary has put out a rather aggressive goal, 2015, 98
10 percent 125 days. You asked me previously are we going to
11 hit that goal. The answer is yes.

12 Chairman Sanders. So, let me stop here. What you are
13 saying again for the public record is that you believe by
14 the end of 2015 every benefit filed by a veteran will be
15 processed within 125 days with 98 percent accuracy.

16 Am I hearing you correctly?

17 Mr. Murphy. You are hearing me correctly.

18 Chairman Sanders. Okay.

19 Mr. Murphy. It gives me chills. It is a very
20 aggressive goal.

21 Chairman Sanders. It is an aggressive goal.

22 Mr. Murphy. But, I honestly believe we are going to
23 hit that number and I am not doing that as an uneducated
24 individual. You are asking me what are the things that we
25 are doing, and you have heard Under Secretary Hickey many

1 times talk about people processing technology.

2 That truly is the things that all together are going to
3 solve this. There is no single system that is going to come
4 in that is going to be a silver bullet, VBMS, and make
5 everything work. VBMS if left alone without other change
6 will just make a bad system worse.

7 So, there are other things that have to go on here in
8 terms of training, education, the quality of hiring, the
9 processes that we are doing, the legislative proposals that
10 you are bringing be for us and have done so over the last
11 couple of years are bearing fruit and helping us develop
12 this as well.

13 You asked how did we get here? We are at the end of in
14 excess of 10 years of war and still going. There is a very
15 large number of veterans returning from conflict and they
16 are filing claims when they do. These veterans have had
17 injuries and conditions and it is taking its effect on VA.

18 If you look at the number of claims that we are
19 getting, you look at not just the number of claims but the
20 complexity and the number of issues that are in those
21 claims, just to say that we have got 25, 50, 100 percent
22 more claims does not begin to address the workload that has
23 really increase.

24 A claim that came in with three contentions it is now
25 coming in with 12 to 15. That is three to four to five

1 times the work to complete that same claim. But, we have
2 not seen the same level of increase in resources in terms of
3 personnel in order to do that.

4 On top of that, there are presumptive conditions that
5 were right decisions on the part of the Secretary that were
6 put in place to take care of the veterans from previous
7 conflicts

8 Chairman Sanders. Agent orange.

9 Mr. Murphy. Agent orange specifically. There is a
10 peripheral neuropathy one that we are going to see here
11 shortly. Several other areas in there that have been right
12 decisions, right things to do for veterans that did not stop
13 us from making those decisions but we are seeing the
14 consequences of those today.

15 On the other side of that is we are at that turning
16 point where we are starting to see the work go the opposite
17 direction in terms of volume that we have and the work
18 coming through the door faster with the number of resources
19 that we have.

20 When you take all of those and put them in place, I
21 think that adds to success at the end of 2015.

22 Chairman Sanders. Okay. Thanks very much.

23 Gentlemen, thank you very, very much.

24 Now, we would like to hear from the veterans service
25 organizations.

1 [Pause.]

2 Chairman Sanders. I want to thank the service
3 organizations, all of them, including those that are not
4 here this morning for the help that they have given us in
5 trying to assess the problems they have seen in the veterans
6 community as well as their very specific thoughts on
7 legislation and how we can address some of those problems.

8 We are delighted this morning to have with us Jeffrey
9 Hall, who is the Assistant National Legislative Director for
10 the Disabled American Veterans.

11 Ian de Planque, who is the Deputy Legislative Director
12 for the American Legion.

13 Colonel Robert F. Norton, who is the Deputy Director,
14 Government Relations, Military Officers Association of
15 America.

16 And, Ryan Gallucci, who is the Deputy Director,
17 National Legislative Service for the Veterans of Foreign
18 Wars.

19 We thank you all for being here this morning.

20 Mr. Hall.

1 STATEMENT OF JEFFREY HALL, ASSISTANT NATIONAL
2 LEGISLATIVE DIRECTOR DISABLED AMERICAN VETERANS

3 Mr. Hall. Thank you, Mr. Chairman. Good morning to
4 you and members of the Committee.

5 On behalf of the DAV and our membership of 1.2 million
6 war time service-disabled veterans, we appreciate the
7 opportunity to offer our views regarding the legislation
8 being considered by this Committee. My full written
9 statement has been submitted for the record so I will limit
10 my oral remarks today to only just a few of those bills.

11 Mr. Chairman, as you know as well as the members of the
12 Committee are well aware, the VA is currently in the process
13 of comprehensively transforming its claims processing system
14 to address the unacceptably large backlog of claims.

15 DAV has and will continue to urge that the focus of all
16 claims process reform efforts be centered on quality and
17 accuracy to ensure that every veteran's claim is done right
18 the first time.

19 Regarding S. 928, the Claims Processing Improvement Act
20 of 2013, it contains numerous provisions to help reform the
21 current system but I am just going to highlight a few
22 seconds here.

23 With respect to Section 101, DAV has long supported
24 calls for scientifically studying how VBA determines its
25 resource needs which must be based on a true measure of how

1 much work can be done accurately by its employees.

2 While we support the general intent of the working
3 group proposed by this section, we offer the following
4 recommendations, Mr. Chairman.

5 First, the working group must expand its focus beyond
6 to just a work credit system to developing a data driven
7 model for determining VBA's total resources needs now and
8 into the future.

9 Second, the working group should not study the VBA's
10 work management system at a time when VBA is in the middle
11 of changing it. Doing so would be premature in light of the
12 VBA's new organizational model and the VBMS system being
13 implemented.

14 We suggest waiting until a time after the new system
15 has been working and in place for a while in order to
16 determine whether these changes are or will be successful.

17 Finally, because Section 101 mandates that the
18 Secretary shall implement the recommendations of this
19 working group, DAV is concerned about the lack of details on
20 the membership of the working group, its operating rules of
21 the group, how decisions will be made and votes taken, and
22 how recommendations will be presented by the working group.

23 Section 201 would reduce the filing period of a notice
24 of disagreement from the current one-year period to 180 days
25 from the date of the decision. The DAV is opposed to this

1 measure as we do not see any positive effect resulting from
2 this change towards the backlog of claims.

3 DAV supports Section 202 to improve the appeals process
4 by allowing the Board of Veterans Appeals to use
5 videoconferencing hearings as a default hearing while
6 allowing the claimant to retain the absolute right to appear
7 in person before the board.

8 We do, however, recommend that this is clearly
9 explained and outlined in the notice of appeal rights and
10 appeals form which the veteran receives.

11 Regarding S. 819, the Veterans Mental Health Treatment
12 First Act of 2013, this creates a new early intervention and
13 treatment program for veterans suffering from PTSD,
14 depression, anxiety disorder, or related substance abuse
15 disorder.

16 The DAV strongly supports early intervention and mental
17 health treatment, prevention of chronic disability, and
18 promotion of recovery. Likewise, we are generally
19 supportive of providing financial support such as a wellness
20 stipend to veterans who are willing to commit to this
21 program of treatment as it would provide a means of income
22 while undergoing treatment itself.

23 However, we cannot support the bill in its current form
24 because it constrains disabled veterans from applying for
25 service-connected disability compensation or an increased

1 rating for these covered conditions simply in order to gain
2 the full amount of the wellness stipend.

3 We believe that early treatment provisions and wellness
4 stipend payments must be decoupled from any proposal which
5 would have any adverse impact on a veteran applying for
6 disability compensation or claim for an increased rating.

7 Furthermore, such programs should begin as a pilot
8 program to help determine the level of interest and whether
9 or not it is likely to achieve its intended purpose.
10 However, we would be pleased to work with the Committee to
11 possibly find a workable solution on this matter.

12 DAV strongly supports S. 893, the Veterans Compensation
13 Cost of Living Adjustment Act of 2013, to increase
14 compensation and DIC rates effective December 1 of 2013.

15 Mr. Chairman, the DAV applauds you and Ranking Member
16 Burr for not mandating that the COLA be rounded down to the
17 next low whole dollar amount. DAV has a long-standing
18 resolution to discontinue this unfair practice and we are
19 very pleased that it was not included in the bill.

20 The DAV also applauds you, Mr. Chairman, for your
21 stalwart leadership and efforts opposing the changed
22 consumer price index which we too oppose.

23 Finally, the DAV strongly supports S. 932, the Putting
24 Veterans Funding First Act of 2013. In the same way that
25 advance appropriations for VA health care have helped

1 insulate and protect VHA from the disruptive budget fights
2 each year, we believe that expanding advance appropriations
3 to the VA's remaining discretionary programs including VBA
4 could have similar positive affects on helping to address
5 the backlog of pending claims.

6 Mr. Chairman, the DAV thanks for the Committee for
7 their tireless efforts towards improving the lives of
8 service disabled veterans and their families.

9 This concludes my remarks. I will be happy to answer
10 any questions.

11 [The prepared statement of Mr. Hall follows:]

- 1 Chairman Sanders. Thank you very much, Mr. Hall.
- 2 Mr. de Planque.

1 STATEMENT OF IAN DE PLANQUE, DEPUTY LEGISLATIVE
2 DIRECTOR, THE AMERICAN LEGION

3 Mr. de Planque Good morning, Mr. Chairman and other
4 members of the Committee. I want to thank you on behalf of
5 the American Legion for having us here, and I want to thank
6 you especially for the large slate of bills that are being
7 considered and the dedicated and tireless work of your
8 staffs and the members to bring such an ambitious slate to
9 the forefront.

10 I just want to touch on a couple of the things. One of
11 which deals with the in-state tuition rates for veterans
12 using the GI Bill benefits.

13 As you know, the American Legion has a long-standing
14 history with the GI Bill. We helped craft of the original
15 GI Bill. We have been working tirelessly on this issue for
16 a long time.

17 We have a strong support for S. 257 because it supports
18 the widest number of veterans getting access to the in-state
19 tuition, and this is very important. We feel it is the one
20 that puts the veterans first, not the states necessarily,
21 not the schools necessarily. It is the one that has the
22 interest of the veterans at heart.

23 It is a difficult issue. There has been a lot of
24 criticism of a variety of things regarding it. Using
25 military tuition assistance at public schools has already

1 been recognized at the Higher Education Opportunity Act of
2 2008. This is something that has already been agreed to.

3 If you look at veterans, if you look at the service
4 members, they are a very small group of people, the only
5 group of people who really have trouble maintaining the
6 residency requirements to get these in-state tuition rates.

7 We have already recognized that for active-duty service
8 members it needs to apply across all the veterans. When
9 they stood there, when they took that oath, when they went
10 to serve, they did not serve to defend Virginia, they did
11 not serve to defend North Carolina, they served it to defend
12 the entire country.

13 The entire country owe that back. All Americans in
14 every state owe a debt of gratitude to the men and women who
15 served in the armed forces.

16 In addition, public universities are nonprofit
17 institutions that get special privileges such as massive
18 federal and state government subsidies and tax exemptions
19 based on the assumption that they are good stewards of the
20 public trust.

21 Granting in-state rates should be seen as part of that
22 exercise of trust. Student veterans face many challenges in
23 pursuing higher education. There is no reason why obtaining
24 in-state tuition rates should be one of them.

25 We have seen with the original GI Bill what the

1 dividend paid back to the country was. That is why we
2 passed the new GI Bill for the veterans of the current wars;
3 and to get that dividend, to get the maximum return on that
4 dividend, we need to make sure that we are extending this
5 benefit and making sure there is fairness there.

6 Regarding fairness, I also want to talk about the Ruth
7 Moore Act, S. 294, because it is essentially an issue of
8 fairness. We have recognized already within the disability
9 claims system that there are difficulties for combat
10 veterans proving posttraumatic stress disorder, stressors,
11 issues of that nature. The reason they recognize it was
12 because they knew in combat it is hard to keep records.

13 There are very incomplete records. There are very in
14 accurate records. When you are sitting there engaging,
15 fixing, destroying the enemy, you do not stop to take notes
16 of every single thing that goes on. There was a recognition
17 of this and so they came up with relaxed evidence standards.

18 Well, we heard Senator Tester talking this morning
19 about how as many as 85 percent of military sexual trauma
20 crimes can go unreported. We know that in the past records
21 of these incidents have been thrown out after a year or
22 three years by mandatory regulations. We know this is
23 something where the same condition exists.

24 There is poor record-keeping and these victims of these
25 terrible, terrible crimes that happen in the service are

1 having to suffer again because we will not relax the
2 evidence standards.

3 The Ruth Moore Act would fix that. It will help bring
4 them to the same standard that we treat the heroes of
5 combat. We need to treat all of our heroes in the same way,
6 and this is very important to us.

7 I also want to take a moment to thank you especially
8 but the Committee as a whole for working to help fight
9 chained CPI for veterans with the cost of living increase.
10 This is something that we cannot afford to take these most
11 vulnerable people, our disabled veterans, elderly veterans,
12 and make them bear the brunt.

13 Everybody always talks about we are not going to
14 balance the budget on the backs of our veterans. Well, that
15 is what the chained CPI is doing. And so, we want to thank
16 you for continuing your flight on that, and the American
17 Legion is happy to answer any questions that you have.
18 Thank you.

19 [The prepared statement of Ian de Planque follows:]

- 1 Chairman Sanders. Thank you very much, Mr. de Planque.
- 2 Colonel Norton.

1 STATEMENT OF COLONEL ROBERT F. NORTON, USA (RET.),
2 DEPUTY DIRECTOR, GOVERNMENT RELATIONS, MILITARY
3 OFFICERS ASSOCIATION OF AMERICA

4 Colonel Norton. Thank you, Mr. Chairman. Good morning.

5 First, I want to join with my colleagues in thanking
6 you and all the members of the Committee and your staffs for
7 the great work that went into putting together is very
8 ambitious slate of bills, most of which we strongly support.

9 Mr. Chairman, on behalf of the 380,000 members of the
10 Military Officers Association of America, it is an honor for
11 me to be here today to present our views on some of the
12 bills before you. My statement addresses almost all of
13 them, and I will limit my remarks to just a few of these
14 measures.

15 First, S. 6, Putting Our Veterans Back to Work Act.
16 The bill would extend transition services deadlines under
17 the VOW to Hire Heroes Act and for other purposes. We
18 strongly support the bill.

19 As of May 1, almost 45,000 older veterans were being
20 trained in a career field under VRAP program of the VOW Act.
21 We commend the Committee and the VA for launching the
22 program and strongly support extending the deadlines in the
23 legislation.

24 We also recommend a grandfathering provision to allow
25 veterans who cannot finish a licensing requirement within

1 the one-year period required to be allowed to complete that
2 licensure or certification program, and we also suggest that
3 four-year colleges that offer licensing and certification
4 programs be allowed to participate in the VRAP.

5 MOAA supports S. 430, the Veteran Small Business
6 Opportunity and Protection Act. It would allow a surviving
7 spouse of a service-disabled veteran to acquire the
8 ownership interest in a small business of the deceased
9 veteran for purposes of eligibility for VA service-disabled,
10 small business contracting goals and preferences.

11 The Careers for Veterans Act, S. 495, helps our
12 transitioning veterans by requiring states to recognize the
13 exceptional training and experience provided in military
14 service toward the award of a civilian license or
15 certification in a comparable field. MOAA strongly supports
16 S. 495.

17 S. 629, the Honor America's Guard and Reserve Retirees
18 Act. Its sole purpose is honor, to honor certain career
19 reservists who have served their Nation faithfully for more
20 than 20 years but during that service did not perform any
21 duty on formal active duty orders.

22 On Veterans' Day, Memorial Day, and other days
23 celebrating our national heritage and honoring all those who
24 served and sacrificed on behalf of our country, there are
25 tens of thousands of career National Guard and Reserve

1 members who cannot stand up to be recognized as veterans of
2 the armed forces along with their colleagues.

3 S. 629 specifically prohibits the award of any veterans
4 benefits. It is only and exclusive purpose is honor. I
5 think the best way to sum up this bill is from the letter of
6 a retired New York Army National Guard master sergeant who
7 wrote recently, and I quote, "I served for two weeks at
8 Ground Zero in Manhattan after the attacks on our homeland
9 on September 11, 2001. Later I served in Germany supporting
10 the deployment of our forces for operations in Iraq but I am
11 not a veteran of the Armed Forces of the United States."

12 On his behalf and on the behalf of tens of thousands of
13 other career reservists MOAA strongly supports S. 629.

14 S. 735, the Survivor Benefits Improvement Act,
15 addresses a long-standing MOAA goal to allow surviving
16 military spouses to retain their dependency and indemnity
17 compensation payments if they remarry after age 55, and that
18 would make it consistent with all other federal survivor
19 programs. Along with the other provisions in this bill, we
20 strongly support your bill, the Survivor Benefits
21 Improvement Act.

22 We also support S. 928, your bill, Mr. Chairman, the
23 Claims Processing Improvement Act. The bill requires the VA
24 to report on progress toward achieving its goal of
25 eliminating the claims backlog by 2015 and for other

1 purposes.

2 Finally, I would like to be in the Greek chorus to
3 Senator Merkley and Senator Heller and thank them for their
4 leadership in introducing S. 1039, the Spouses of Heroes
5 Education Act.

6 S. 1039 would authorize the Gunnery Sergeant John David
7 Fry Scholarships to spouses of members of the armed forces
8 who died in the line of duty after September 10, 2001.

9 As Senator Merkley and Senator Heller pointed out, the
10 Fry Scholarships provide post-9/11 GI Bill benefits for the
11 children of fallen members of our armed forces who died in
12 the line of duty.

13 But unfortunately, their parents, the surviving
14 spouses, are not eligible for them. Instead, they are left
15 with an inferior educational assistance benefit, DEA.

16 Under DEA, a survivor receives only \$987 per month for
17 full-time study, no housing allowance and no book stipend.
18 Without access to the Fry Scholarships, surviving spouses of
19 the Afghanistan and Iraq conflicts will have difficulty
20 paying for the cost of an education and better preparing
21 their skill children to use the Fry Scholarship when they
22 are of age. MOAA strongly supports this bill, S. 1039, the
23 Spouses of Heroes Education Act.

24 Mr. Chairman, thank you again for your leadership on
25 these benefit issues and I look forward to your questions.

1 [The prepared statement of Colonel Norton follows:]

- 1 Chairman Sanders. Colonel, thank you very much.
- 2 Mr. Gallucci.

1 STATEMENT OF RYAN GALLUCCI, DEPUTY DIRECTOR,
2 NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN
3 WARS

4 Mr. Gallucci. Thank you, Mr. Chairman.

5 On behalf of the VFW, the Nation's largest and oldest
6 organization of combat veterans, I want to thank you and
7 members of the Committee for the opportunity to present our
8 thoughts on today's bills.

9 With the wars drawing down, the active duty force sets
10 to contract and more than one million veterans expected to
11 enter the workforce soon, the VFW believes the Senate must
12 do all it can to ensure our veterans are prepared to compete
13 in an ever-changing civilian marketplace.

14 We thank the Committee for its efforts last Congress to
15 prepare our veterans through reforms like the VOW to Hire
16 Heroes Act and the Improving Transparency and Education
17 Opportunities for Veterans Act, and we look forward to
18 working with this Committee this session to build on those
19 initiatives.

20 For that VFW's views on each of the benefits bill on
21 our ambitious agenda, I refer you to my prepared remarks.
22 For the balance of my time, I will focus on several
23 initiatives to protect our student veterans.

24 First on S. 257, the GI Bill Tuition Fairness Act. The
25 post-9/11 GI Bill was designed to offer a free public

1 education to eligible veterans allowing them to treat
2 college as a full-time job without worrying about financial
3 stability.

4 Unfortunately, Student Veterans of America reports that
5 only one out of every five veterans attending a public
6 school can attend at the in-state rate.

7 Currently, the VA can only reimburse veterans at public
8 schools for the cost of an in-state education, meaning
9 veterans who do not qualify as in-state received meager
10 reimbursement for college.

11 As a result, veterans either drop out or find other
12 ways to pay for college through federal financial aid, full-
13 time employment, or student loans even if they make a good
14 faith effort to legally reside in the state and attend a
15 public school.

16 Recently separated veterans may be legal residents in
17 one state as my colleague Ian pointed out but military duty
18 took them to another state, they will not qualify for in-
19 state tuition because they have not been physically present
20 in their home state long enough.

21 Furthermore, many states require students to establish
22 in-state eligibility prior to enrollment, meaning current
23 students can never qualify regardless of their legal
24 residency or where they have established domicile.

25 Critics have said that S. 257 sets a dangerous

1 precedent for other nonresident students utilizing federal
2 aid programs. The VFW disagrees. Service members and
3 veterans are the only cohort of Americans who cannot satisfy
4 in-state tuition requirements because of circumstances
5 beyond their control.

6 As a result, service members are already offered in-
7 state tuition when using military tuition assistance at
8 public schools. However, once a service member leaves the
9 military, that protection goes away.

10 Post-9/11 GI Bill recipients should not be penalized
11 for their honorable service when they cannot satisfy in-
12 state tuition requirements. The VFW believes that Congress
13 must allow these are veterans to attend at the in-state rate
14 which is why we proudly support S. 257.

15 Next on S. 262, the Veterans Education Equity Act, the
16 VFW understands that the goal of this bill is similar to S.
17 257, and we thank Senator Durbin for his attention to this
18 issue. The VFW supported a similar bill last Congress but
19 we have withdrawn our support this term because we believe
20 we have better identified the problem.

21 The problem is that recently separated veterans cannot
22 meet stringent in-state tuition requirements because of
23 their military service and in many cases can never attend at
24 the in-state rate because they are already enrolled.

25 S. 262 seeks to increase compensation for nonresidents,

1 but the VFW believes that offering veterans more money only
2 puts a Band-Aid on the problem. In-state tuition fixes it.

3 The VFW recently learned that higher education interest
4 groups have rallied in support of S. 262 in lieu of offering
5 in-state tuition. To the VFW, these groups only see
6 veterans as dollar signs in uniform.

7 We believe it would be irresponsible to put the VA and
8 the American taxpayers on the hook for more money when we
9 know that these schools can and should deliver a quality
10 education to our veterans at the in-state rate.

11 The last Congress this bill was a good stopgap measure
12 that would have lessened the financial burden on out-of-
13 state veterans attending public schools. Unfortunately,
14 this bill does not solve the inherent problem.

15 While we cannot support S. 262, we sincerely appreciate
16 Senator Durbin's leadership on this issue, and we look
17 forward to working with all stakeholders on a fair solution
18 for student veterans.

19 Finally, we come to your bill, S. 944, the Veterans
20 Educational Transition Act. As we state in our written
21 testimony, the VFW consistently hears from veterans who say
22 that financial uncertainty is a critical barrier to
23 finishing college, and we thank you, Mr. Chairman, and
24 Ranking Member Burr for your attention to this issue by
25 seeking to offer in-state tuition to recently separated

1 veterans.

2 While S. 944 offers some clarification on beneficiaries
3 eligible for in-state tuition, the VFW is concerned about
4 how some of the restrictions will be interpreted by states,
5 and we oppose allowing the Secretary to waive compliance.

6 This is why the VFW prefers the protections offered by
7 S. 267 but I must clarify. We believe this is a very
8 serious issue that demands attention and we are willing to
9 come to the table with all stakeholders to craft a quality
10 bill that protects our student veterans and offers
11 reasonable compliance standards for schools.

12 I also wanted to echo my colleagues since I have 20
13 seconds left and thank you for your support to killing the
14 chained CPI idea. We all agree that this is a reduction in
15 benefits to our veterans and something that we absolutely
16 will not support.

17 Chairman Sanders, Ranking Member Burr, members of the
18 Committee, this concludes my testimony and I am happy to
19 answer any questions you may have on any of the bills on
20 consideration.

21 [The prepared statement of Mr. Galucci follows:]

1 Chairman Sanders. Well, let me begin by thanking you
2 all not only for your excellent testimony this morning but
3 for your years of service for veterans in this country.

4 What I have believed from day one when I assumed this
5 position is that we cannot make success unless we fully
6 understand the problems and that we work with the service
7 organizations who represent millions of veterans to try to
8 find solutions for the problems, and that is what we are
9 going to do, and that is what we are going to continue to
10 do.

11 So, we may not be able to do everything everybody wants
12 but I think, as I have heard this morning, you are aware
13 that we are working on a very ambitious set of legislation
14 and we are going to continue to do that.

15 We are holding a markup in about a month to try to go
16 over some of these issues. We will be continuing our
17 progress into next year. But, at the end of the day, I want
18 to do my best with this Committee to make sure that as best
19 we can, and as you all know there are limited financial
20 resources, we cannot do everything we want to do.

21 We are going to have a long list of every one of the
22 issues that are of concern to the veterans community and do
23 our best to address them all, health care benefits, et
24 cetera.

25 Let me start off by touching on an issue that some of

1 you have touched on. I know you have gone on to other
2 areas, important areas as well whether it is education, et
3 cetera. But, I want to get back to perhaps the issue that
4 we have heard most about in the last year and that is the
5 backlog of claims.

6 My question is very simple. Do you believe the VA is
7 making progress in addressing this very serious problem?

8 Mr. Hall, why do you not begin.

9 Mr. Hall. We believe that the VA is making progress
10 but we simply cannot ascertain the amount of progress that
11 they have made because we have not been provided any type of
12 milestone data.

13 Chairman Sanders. As you know, that is exactly what we
14 want to be able to do.

15 Mr. de Planque.

16 Mr. de Planque. I would absolutely like to associate
17 myself with that. The famous expression, in God we trust,
18 all others we verify. I mean I think there has been a very
19 strong good faith effort by the VA. I think they are
20 working very hard. We have had excellent discussions with
21 some of the people in this room. The dialogue--

22 Chairman Sanders. Sorry to interrupt you. Do you feel
23 you have access to the VA? Have you been able to give your
24 views about where we should be going to the VA?

25 Mr. de Planque. Our staff has been able to communicate

1 very well generally with the VA. However, in terms of
2 having bench stones, milestones, are we meeting markers,
3 what is the plan, what is the plan if we are going to get
4 down to this 125 days and 98 percent accuracy.

5 If we are here, where do we need to be in three months
6 from now, where do we need to be six months from now, where
7 do we need to be a year from their? Those sorts of things
8 we have not seen but in terms of when we have a question and
9 we try to raise it and speak to the VA, it would be wrong to
10 say that they are not communicative. They have been very
11 communicative and they have tried to work with us.

12 The American Legion worked closely with VA and other
13 groups who have worked with them on the fully developed
14 claims process which has made an impact in processing time
15 on some of the claims.

16 So, there are definitely ways that they are
17 communicating with us. They are taking input. We would
18 like to see more in terms of putting out benchmarks showing
19 that they are reaching those errors and that some of the
20 errors of the past are not made.

21 Chairman Sanders. You know, that is exactly what our
22 legislation proposes to do.

23 Colonel Norton, are we making progress or not?

24 Colonel Norton. Yes, we are making progress. They are
25 making progress, Mr. Chairman, but we continue to point out

1 that the long pole in the tent is the electronic medical
2 record or the lack thereof. We still need that. It is not
3 there yet.

4 I would point out in commenting on the VA panel earlier
5 that four out of every 10 of initial claims that are coming
6 into the VA today are from members of the National Guard and
7 the Reserve.

8 In a recent hearing, General Hickey, in response to a
9 question from Senator Tester, pointed out that there were,
10 in her words, complications with getting National Guard and
11 Reserve records.

12 So, we would like more information about the so-called
13 DOD guarantee that by the end of this calendar year the
14 records, the medical records, will be certified complete and
15 available for adjudication.

16 We want to see that for the entire force, not just for
17 the active duty force because so many of our National Guard
18 and reserve members, tens of thousands of them, have served
19 two, three, and even for tours of active duty. They deserve
20 the same speedy treatment as everybody else in the total
21 force team.

22 Chairman Sanders. How has your relationship been with
23 the VA? Are they listening to what you have to say?

24 Colonel Norton. Yes, they are listening. We have, I
25 would say, a very good relationship. There are regular

1 meetings with senior VA officials. They welcome us in.
2 They listen to our thoughts. They provide good information.
3 We support the team that is in place.

4 But we do, and I join with my colleagues, we want to
5 see specific measurements set out to meet production and
6 quality goals month to month as we move towards 2015.

7 Chairman Sanders. We agree with you.

8 Mr. Gallucci.

9 Mr. Gallucci. Thank you, Chairman Sanders.

10 The VFW agrees with our partner organizations here at
11 the table that the situation is improving. We also echo
12 calls for specific benchmarks for how VA intends to meet its
13 2015 goal.

14 Specifically, we also support improving the information
15 flow from the Department of Defense. One of our concerns
16 was the announcement from DOD that they are going to once
17 again solicit a new integrated health care record.

18 Our concern is also that their guaranteed to deliver
19 electronically by the end of the year certified complete
20 healthcare records. Our concern is if you deliver this
21 electronically is it in PDF format or is it in a format that
22 VA can easily read through its Vista system.

23 This seems to be a major problem for the military. I
24 have seen it with colleagues of mine who served in Iraq and
25 Afghanistan when their files go missing or when they cannot

1 acquire them from DOD in a timely manner.

2 Chairman Sanders. During your testimony, Mr. Gallucci,
3 you and others touched on the higher education problems that
4 we are having with tuition issues so I do not want to get
5 into that now. We take what you have said seriously.

6 Let me go to employment which is a big issue. The
7 bottom line is briefly, starting with Mr. Hall, what would
8 you like to see us do to make sure that we improve our
9 capabilities in terms of getting jobs for returning service
10 members?

11 Mr. Hall. Well, I think there is a lot of pretty good
12 legislation that is geared at that and we would like to see
13 that, you know, continue in that way; but I think the one
14 thing that I would like to comment on specifically is the
15 Transition Assistance Program in the military because that
16 is where it starts. That would be the first leg of many
17 steps that they have to do.

18 Chairman Sanders. Are we making progress through that
19 program? Is it an improved program?

20 Mr. Hall. According to our transition service officers
21 that are there at military installations, there are
22 improvements that are made but I think there is still a lot
23 of work left to do in that regard.

24 Chairman Sanders. Mr. de Planque.

25 Mr. de Planque. In terms of is the transition program

1 better than the one I went through in 2005, it is head and
2 shoulders better.

3 Is there still room for improvement? Absolutely, but I
4 think that is an area that is being worked on and I think
5 that is something essential in terms of that hand off, and I
6 think that is one of the reasons a lot of us have spoken
7 about with the GI Bill and the tuition and the fact that
8 that protection of the in-state tuition rates goes away the
9 second you step out of these service and that is kind of
10 critical and we have seen a lot of examples with that.

11 Making more on-the-job training robust would be another
12 thing, you know, that we like to see improvements towards.
13 I think that there are a lot of efforts towards that. I
14 think managing that transition handoff is very important but
15 also not forgetting those service members who transitioned
16 two years ago and are still looking for work.

17 You know, we have to find ways to double back and make
18 sure that we are not missing those people as they slip off
19 of the statistics because obviously the longer you stay
20 unemployed the more difficult it is to get back into the
21 workforce.

22 It is a terribly difficult thing to go through and I
23 know a number of people who have gone through it,
24 particularly people who have served in the Guard and
25 Reserve. We have talked about the Guard and the Reserve and

1 having to keep one foot in the civilian world and one foot
2 in the military world and constantly get jerked back and
3 forth between those two things.

4 It is difficult to find employers who are going to
5 stick with you through that. They are not going to say it
6 up front that they are not hiring you because they are not
7 happy about the possibility of losing an employee for a year
8 but that certainly exists out there and so we need to look
9 into more of those aspects as well.

10 Chairman Sanders. Thanks.

11 Colonel Norton.

12 Colonel Norton. Thank you, Mr. Chairman. Let me
13 preface my comment on the employment situation by saying
14 that we have had in MOAA a very robust career transition
15 services capability for many, many years.

16 Last year, we conducted hundreds of workshops for all
17 grades, not just officers, around the country and we
18 provided counseling for about 10,000 military men and women.

19 One of the things we emphasize that it is not just
20 about converting the military skill equally into some
21 civilian skill. It is also about acquiring broader skills
22 that help you transition into the civilian work force.

23 That is why we believe that your bill, S. 922, has
24 potential. We do believe that it would have to be closely
25 monitored. The pilot programs that are being set up

1 certainly offer a great opportunity for our young veterans
2 and our older veterans as well to gain or regain exposure
3 and experience in the civilian workplace.

4 It is a different environment all together than what
5 they have experienced on active duty. Many of these young
6 men and women enter the armed forces at age 18. They have
7 never had civilian work experience.

8 So, at the end of the day, it is about gaining a whole
9 range of civilian-related skills and exposure that will then
10 help to enable them to move forward.

11 We would like to see your bill used in conjunction with
12 the VOW to Hire Heroes Act and the GI Bill, in other words,
13 basically making it a work-study program. But we think you
14 are headed in the right direction on that legislation.

15 Chairman Sanders. Colonel, thank very much.

16 Mr. Gallucci.

17 Mr. Gallucci. Thank you, Mr. Chairman.

18 There are a few points that we consistently hit on. We
19 touched on many of them in our testimony on ways to improve
20 the employment situation for veterans. One would be to
21 extend and improve the VRAP program.

22 As my colleague, Colonel Norton, said improving it to
23 open access to four-year institutions and also allowing
24 eligible veterans to use it for certain kinds of
25 remediation.

1 We have heard a number of great success stories of
2 veterans who have taken advantage of the VRAP but we have
3 also heard stories of veterans who have hit bumps in the
4 road in accessing their benefits.

5 An example that I used in my testimony was in Erie,
6 Pennsylvania, where the University of Pennsylvania, Erie
7 Campus serves as a de facto community college. There are no
8 community colleges in the area so VRAP eligible veterans are
9 fairly limited in the kinds of programs that they can
10 access.

11 In addition to that, examining VA's on-the-job training
12 and apprenticeship program in addressing your bill S. 922,
13 we did have some disagreement on the approach that it took.

14 Our main concern is the duplicity in a pilot program
15 for on-the-job training and apprenticeships with what
16 already exists at VA. But, that being said, it has come to
17 our attention that in states like home State, Vermont, there
18 is one person responsible for at proving education programs
19 who also has the collateral duty of approving on-the-job
20 training and apprenticeship programs which means that their
21 reach is very limited. Their capacity to approve those
22 programs is also very limited so it does warrant looking at
23 other options to make sure that veterans have those kind of
24 opportunities.

25 Next, I want to build on what my colleague Jeff said

1 about the Transition Assistance Program. It has certainly
2 improved but our main concern is access to those resources
3 once a service member has left active duty.

4 We know that the Committee managed to move a pilot
5 program to offer those resources to veterans after they
6 leave the military last session. But, we want to make sure
7 when we are talking about the transition GPS and the
8 military life cycle of transition that we also take into
9 account that many service members do not know the kinds of
10 problems they are going to face until they physically leave
11 the military. You cannot anticipate all the challenges that
12 you will face.

13 So, our recommendation has consistently been to the
14 Department of Defense, VA, Labor, and the other relevant
15 agencies is to ensure that the veterans can access these
16 resources whether it is the TAP briefings or the TAP modules
17 after service even if it is through something as simple as
18 the eBenefits portal.

19 Finally, ease of access to the tax credits and
20 consistently working to build a career-ready force as my
21 colleague Colonel Norton said in making sure that service
22 members can acquire skills that will translate once they
23 leave the military.

24 Chairman Sanders. Gentlemen, thank you very much for
25 your testimony and your response to the questions. I do not

1 need you to answer this publicly but as a favor I want you
2 to be thinking about if we are going to improve and expand
3 existing programs, we need money to do that; and one of the
4 ways that I hope to look for money is I need your help in
5 telling us what programs, in your judgment, are no longer
6 working at the VA, no longer efficient.

7 I need your help basically to tell us where there is
8 waste. We are looking at a budget of all most \$150 billion.
9 Not every nickel there is spent as effectively as it can.

10 So as the world changes, we want the VA to change and
11 become more efficient but I need your help to identify those
12 areas as well. Okay.

13 Gentlemen, thank you very much for being here today.

14 This meeting is now adjourned.

15 [Whereupon, at 12:01 p.m., the Committee was
16 adjourned.]