

CURTIS L. COY, DEPUTY UNDER SECRETARY FOR ECONOMIC OPPORTUNITY,
VETERANS BENEFITS ADMINISTRATION (VBA), DEPARTMENT OF VETERANS
AFFAIRS (VA)

STATEMENT OF
CURTIS L. COY
DEPUTY UNDER SECRETARY FOR ECONOMIC OPPORTUNITY
VETERANS BENEFITS ADMINISTRATION (VBA)
DEPARTMENT OF VETERANS AFFAIRS (VA)
BEFORE THE
SENATE COMMITTEE ON VETERANS' AFFAIRS
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Chairman Murray, Ranking Member Burr, and other Members of the Committee, I am pleased to provide the views of the Department of Veterans Affairs (VA) on pending legislation. Joining me today is Robert M. Worley II, Director of Education Service, VBA, Ruth A. Fanning, Director, Vocational Rehabilitation and Employment Service, VBA, and John Brizzi, Deputy Assistant General Counsel.

VA is pleased to provide our insight on several bills on today's agenda that would affect programs we administer. Other bills under discussion today would affect programs or laws administered by the Department of Labor (DOL), the Federal Aviation Administration (FAA) of the Department of Transportation (DOT), the Transportation Security Administration (TSA) of the Department of Homeland Security (DHS), the Department of Defense (DoD), the Department of Justice (DOJ), the Office of Personnel Management (OPM), and the Office of Federal Procurement Policy in the Office of Management and Budget (OMB). Respectfully, we defer to those agencies' views with regard to the following bills, with supplemental comments on two of the bills as noted below:

- S. 1314 (requiring the establishment of minimum funding levels for States for the support of disabled veterans' outreach program specialist and local veterans' employment representatives – DOL);
- S. 1859 (including specific agencies for purposes of federal employment provisions relating to administrative and judicial redress for Veteran preference eligibles – DHS and DOT);
- S. 2246 (providing for off-base transition training – DOL), with information regarding cost impact on VA; .
- S. 2299 (improving civil relief and employment and reemployment rights of Servicemembers – DoD, DOL, and DOJ);
- S. 3233 (improving the enforcement of employment and reemployment rights of Servicemembers – DOL, OPM, and OMB);
- S. 3235 (conditioning receipt of certain funds by a State on that State considering a veteran's active-duty training in granting specific certificates – DOL);
- S. 3236 (improving the protection and enforcement of employment and reemployment rights of Servicemembers -- DOL, OPM, and OMB).

We regret we did not have sufficient time to formulate costs for six measures: S. 1634; S. 1852; S. 2179; S. 2206; S. 2241; and S. 3179. We will provide cost estimates for these bills at a later date. We also regret we did not have sufficient time to formulate costs and views on S. 3210, which would modify the treatment, under contracting goals and preferences of the Department, of small businesses owned by surviving spouses following the death of a disabled Veteran-owner. We will be pleased to provide written views and costs on this bill for the record.

EDUCATION AND TRAINING MATTERS

Before addressing individual bills, VA wants to thank the Committee and the sponsors of legislation aimed at ensuring Veterans have the information they need to make the most informed educational choices they can, so that the benefits they have earned will help them reach their highest potential.

The Administration has joined this effort by issuance on April 27 of Executive Order 13607-- Establishing Principles of Excellence for Educational Institutions Serving Servicemembers, Veterans, Spouses, and Other Family Members. This Executive Order will:

- **Help Ensure Military and Veteran Students Have the Information They Need:** The Executive Order requires that colleges provide more transparent information about their outcomes and financial aid options for students, which will help ensure that students are aware of the true cost and likelihood of completion prior to enrolling. The Executive Order requires that the Know Before You Owe financial aid form, developed by the Consumer Financial Protection Bureau (CFPB) and the Department of Education (ED), is made available to every college student that participates in DoD's Tuition Assistance program (nearly 2,000 schools). The Executive Order also directs VA to encourage all schools—roughly 6,000 in total—participating in the GI Bill program to provide the Know Before You Owe form. This form provides students with critical information on tuition and fees, the availability of federal financial aid, estimated student loan debt upon graduation, and information about student outcomes like graduation rates. Further, the Executive Order requires that students are provided additional critical information, including school performance information over time, consumer protection information, and key financial aid documents, prior to the use of their benefits through the eBenefits portal. VA will publically identify on its website the schools receiving GI Bill benefits that agree to adhere to the Executive Order.
- **Keep Bad Actors Off of Military Installations:** There have been numerous reports of institutions of higher education aggressively and inappropriately targeting military students. The Executive Order will require DoD to set forth rules for how educational institutions gain access to military installations in the first place, so that Servicemembers are not targeted by institutions known for a history of poor behavior in recruiting and marketing practices.
- **Crack Down on Improper Online Recruiting Practices:** The Executive Order directs VA to initiate a process to register the term “GI Bill,” so that external websites and programs are not deceptively and fraudulently marketing educational services and benefits to program beneficiaries. For instance, some companies have set up websites that suggest that Veterans’ benefits are only available at a subset of schools. The websites are also set up to resemble official government sites, and are marketed heavily at military installations and at separating Servicemembers.
- **Provide Veterans with a Complaint System:** The Executive Order requires VA, DoD, and ED, in consultation with the CFPB and DOJ, to create a centralized complaint system for students

receiving military and Veterans' educational benefits. Currently, when military and Veteran students feel that their school has acted fraudulently, they have no centralized system to file complaints, and federal agencies often lack access to information that will allow for follow-up enforcement or regulatory actions.

- **Improve Support Services for Servicemembers and Veterans:** The Executive Order requires that colleges participating in the military and Veterans education benefit programs do more to meet the needs of military and Veteran students by providing clear educational plans for students, academic and financial aid counseling services with staff that are familiar with the VA and DoD programs, and the ability of Servicemembers to more easily re-enroll and/or receive a refund if they must leave school for service-related reasons.
- **Provide Students with Better Data on Educational Institutions:** The Executive Order requires DoD, VA, and ED to develop improved student outcome measures, such as completion rates for Veterans, and a plan for collecting this data, which will be made available on ED's College Navigator website. Currently, retention and completion rates cannot be broken down by Veteran or Servicemember status. Given the unique educational needs of Veterans, active-duty Servicemembers, and their family members, it is important to provide them with a more accurate picture of what success looks like for students like them. The Executive Order also requires better reporting on the extent to which colleges rely on various types of federal benefits for operational support.
- **Strengthen Enforcement of Student Protections:** The Executive Order requires that VA and DoD strengthen the enforcement and compliance functions of VA and DoD, so that, working in conjunction with the ED, DOJ, and the CFPB, agencies (including law enforcement agencies with responsibility over fraud investigations) can effectively act on complaints of improper activity.

We believe many features of the education bills on the agenda today can complement the initiatives set out in the Executive Order.

S.1634

S. 1634 would amend title 38, United States Code, to modify the authorities relating to the approval and disapproval of programs of education for purposes of educational assistance benefits administered by VA.

Public Law 111-377, the "Post-9/11 Veterans Educational Assistance Improvements Act of 2010," deemed the following courses to be approved for VA education benefits purposes:

- Any accredited standard college degree programs offered at a public or private not-for-profit school that is accredited by an agency or association recognized for that purpose by the Secretary of Education;
- A flight training course approved by the Federal Aviation Administration (FAA) offered by a certified pilot school that possesses a valid Federal Aviation Administration pilot school certificate;
- An apprenticeship program registered with the Office of Apprenticeship (OA) of the Employment Training Administration of DOL or a State apprenticeship agency recognized by the OA pursuant to the Act of August 16, 1937 (popularly known as the "National Apprenticeship Act"; 29 U.S.C. 50 et seq.); and
- A program leading to a secondary school diploma offered by a secondary school approved in

the state in which it is operating.

S.1634 would repeal the “deemed” approval for the accredited standard college degree programs and programs leading to a secondary school diploma. The bill would also repeal VA’s authority to approve and disapprove courses.

VA does not support this legislation. Section 326 of the Veterans’ Benefits Improvement Act of 2008 (Public Law 110-389) directed VA to coordinate approval activities that are performed by the State Approving Agencies (SAAs) and approval activities performed by DOL and ED to improve efficiency. Additionally, section 203 of Public Law 111-377 allowed VA to rely on accreditations already in place by ED, providing VA with more flexibility in how to best utilize the SAAs to provide additional outreach, training, and oversight to school officials. S. 1634 would lessen VA’s ability to use SAAs as a resource for compliance visits, since approval actions for accredited institutions of higher learning and high schools would be reinstated. SAAs currently assist with over 4,200 compliance visits that are necessary for proper oversight and monitoring of for-profit institutions. These compliance visits allow for more face-to-face interview time with Veterans at for-profit schools, proper monitoring of recruitment tactics, and investigation of misleading practices.

If FAA flight programs and registered apprenticeship programs continue to be deemed approved, VA must be able to disapprove those programs if it is determined those programs violate regulations.

Currently, the Secretary has authority to approve programs of education in the District of Columbia and in States in which a contract with a SAA does not exist. If schools’ programs in certain jurisdictions are not approvable by VA, Veterans could not receive VA educational assistance benefits for their attendance at those schools, thus limiting their choices for pursuit of their educational goals.

VA will provide a cost estimate for S. 1634 as soon as it becomes available.

S. 1852

S. 1852, the “Spouses of Heroes Education Act,” would expand subsection (b)(9) of section 3311 of title 38, United States Code, by allowing surviving spouses to become eligible for the Post-9/11 GI Bill Marine Gunnery Sergeant John David Fry scholarship. Currently, only children of Servicemembers who die in the line of duty while serving on active duty in the Armed Forces are eligible to receive education benefits under the Scholarship provision. S. 1852 would allow surviving spouses to use the benefit through the date of a remarriage or 15 years from the date of the death of the spouse, whichever is earlier. In addition, the bill would require a surviving spouse to make an irrevocable election to receive benefits under the Fry Scholarship (Post-9/11 GI Bill) in lieu of the Dependents Educational Assistance program (chapter 35 of title 38). S. 1852 would become effective 90 days after the date of enactment of the Act.

VA supports the intent underlying S. 1852, provided Congress finds funding offsets but have concerns regarding the bill. The bill would offer eligible surviving spouses more generous monetary benefits than they may receive under current law. Currently, a surviving spouse of a Servicemember who dies in the line of duty may receive benefits only under the chapter 35 program. Benefits under that program include a 20-year delimiting date, 45 months of entitlement, and a current full-time monthly rate of \$957. Under S. 1852, eligible spouses would receive full tuition and fees at a public institution (or an equivalent amount if attending a private institution), a housing allowance, and an annual books-and-supplies stipend of up to \$1,000.

Since the benefits are greater under the Post-9/11 GI Bill, VA anticipates most surviving spouses would elect to receive benefits under this legislation. This would result in a corresponding decrease in the use of chapter 35 benefits.

This change would require programming changes to VA's Long Term Solution (LTS) system to include changes to newly-developed rules supporting end-to-end automation of some supplemental claims. Without funding required to implement this new program, manual processing would be required, resulting in a decrease in timeliness and accuracy in processing Post-9/11 claims. VA anticipates it would need at least one year from the date of enactment to implement this change without resulting in a negative impact on claims processing.

VA will provide a cost estimate as soon as it becomes available.

S. 2130

S. 2130, the "Veterans Conservation Corps Authorization Act," would establish within the Department of the Interior a Veteran Conservation Corps, which would provide training and employment to eligible Veterans, assist in the transition from service in the Armed Forces to civilian life, and assist in the maintenance of federal lands and waterways. The Corps would be established in consultation with the Secretary of Veterans Affairs and the Secretary of Commerce.

VA would like to thank Senator Nelson for his leadership on this issue. VA would recommend to the Committee consideration of a broader proposal put forward in the President's State of the Union address, the Veterans Job Corps initiative (VJC). VA looks forward to working with Congress on developing this proposal, and believes we share the common goal of helping returning veterans transition from the military to civilian life utilizing the skills they gained while on active duty.

The core idea of the Administration's VJC proposal is the same as that of S. 2130 -- provide Veterans, especially those just returning from service, employment opportunities while at the same time helping protect and preserve America.

The Administration proposal is different from S. 2130 in four respects. First, it involves a wider range of conservation efforts by inviting proposals from the Department of Agriculture, the National Oceanic and Atmospheric Administration, , and the Army Corps of Engineers, as well as the Department of the Interior. We believe the Administration approach opens up a wider range of conservation opportunities.

Second, the emphasis of the conservation program is on non-federal job opportunities, although it envisions a limited number of direct federal hires. The emphasis would be on creating job opportunities through contracts to businesses, cooperative agreements, and grants to non-federal entities. We believe this broader approach would achieve more in providing opportunities in the private sector and with State and community organizations.

Third, while the main focus of the program would be on conservation employment opportunities, the Administration's VJC proposal would also include a limited offset aside for first-responder job opportunities. The funding would be divided between the Department of Justice's COPS Hiring Grants and the Department of Homeland Security's SAFER grant program. Both of these grant programs currently have a Veteran hiring preference.

Finally, the Administration's VJC proposal would create a Federal Steering Committee composed of policy officials representing implementing Federal agencies, to select projects for funding based on selected criteria. VA would additionally serve in an administrative leadership role on the Federal Steering Committee, utilizing its understanding of Veterans and its expertise in Veterans employment in consideration of grant selections. The Administration has included \$1 billion in its FY 2013 budget request to support the Veterans Job Corps over the next five years.

S. 2179

S. 2179, the "Military and Veterans Educational Reform Act of 2012," is intended to improve oversight of educational assistance provided by VA and DoD.

Section 2 of the bill would amend section 3675 of title 38, United States Code, by requiring additional approval requirements of educational programs providing educational assistance under laws administered by VA and DoD.

The bill would also require an educational institution to submit an application for approval of courses to the appropriate SAA. The application must include a copy of the school's catalog or bulletin that has been certified as true and correct that it—

- states specific requirements of the institution with respect to graduation;
- includes the information regarding standards of progress and conduct; and
- includes any attendance standards of the institution, if the institution has, and enforces, such standards.

Section 2 of the bill also would amend section 3676 of title 38, United States Code, to indicate that no course of education that has not been approved by ED can be approved by VA or the SAA unless it meets certain specified criteria. This section also would amend section 3676 to include several additional requirements for courses not approved by ED.

VA does not support section 2. Currently, VA or SAAs can approve a course if it meets the requirements provided in section 3675 or 3676 of title 38, United States Code. Courses accredited by an agency recognized by ED are already deemed approved for VA education benefits. Section 2 would require schools to provide job placement rates and information that would substantiate the “truthfulness” of the job placement rate. It is unclear whether the information obtained would be based on Veterans who merely provide supporting information on job-placement rates rather than being based on job-placement rates for all for those who attend the school. VA assumes the job-placement rate criteria will vary from school to school; therefore, VA may find difficulty validating the truthfulness of the information received.

Similarly, it is unclear how VA would verify misrepresentations regarding the nature of financial charges or the employability of graduates. While VA is aware that ED utilizes gainful employment requirements in a recognized occupation to determine eligibility for Federal aid (34 C.F.R. §668.7), VA believes ED is better positioned to make an assessment of courses (programs) meeting minimum standards with regard to gainful employment.

VA will provide a cost estimate regarding section 2 as soon as it becomes available.

Section 3 of S. 2179 would amend section 3672 of title 38, United States Code, to require educational institutions to disclose specific course information to current Veteran students, future Veteran students, and the public as a prerequisite for receiving course approval.

This required information would have to be disclosed and made readily available in a uniform manner, such as through publications, mailings, or electronic media, in language that could be easily understood by Veterans and other students. This section would become effective on August 1, 2013.

VA supports the intent behind section 3 and agrees that information pertaining to job placement, graduation and dropout rates, refund policies, policies on transfer of course credit, and tuition and fees charged for the course of study would improve transparency and is important information for students making decisions about their education. However, we are concerned that the policies in section 3 would create areas of overlap with the new information disclosures required by the Principles of Excellence in EO 13607, leading to redundancy and confusion. Given this concern, VA cannot support the legislation.

VA will provide a cost estimate as soon as it becomes available.

Section 4 of S. 2179 would require an educational institution with 20 or more covered individuals enrolled in programs of education at the educational institution to provide adequate academic and student support services (as determined by VA), including remediation, tutoring, and career and job-placement counseling services to covered individuals. VA may, on a case-by-case basis, waive the requirement to provide services for an educational institution for an academic year if VA determines that the educational institution has demonstrated that providing such services during such academic year would lead to severe financial hardship, and the educational institution submits to VA a plan to provide such services during the following academic year.

Under section 4, an educational institution would not be approved under chapter 36 unless it employs a not less than one full-time equivalent employee to act (on a full-time basis) as a point of contact for covered individuals on matters relating to educational assistance available under titles 38 and 10 who is knowledgeable about such educational assistance and such other financial aid, admissions, counseling and referral services, and other matters relating to post-secondary education as are important to the educational success of covered individuals.

With respect to enrollment in a program of education, a covered

individual is one who is receiving educational assistance under chapters 30 through 36 of title 38 or under chapters 106A and 1606 of title 10. This section would become effective on August 1, 2013.

VA supports the intent behind section 4 of S. 2179, and believes this would complement existing VA programs and policies to ensure Veteran-student success in academic programs, but has significant concerns about the burden it would place on educational institutions.. VA's FY 2013 Budget included \$5.9 million to expand VA's VetSuccess on Campus program to a total of 80 campuses, in addition to the educational counseling the Department plans to provide to 12,000 Servicemembers and Veterans under its authority in Chapter 36 contract counseling. Furthermore, compliance with the Principles of Excellence established in the Executive Order, requires each campus designate a point of contact to provide academic and financial advising to Veterans and Servicemembers, each of whom will be provided with an educational plan.

Based on statistics in the 2010 calendar year, there were more than 4,000 schools with 20 or more recipients of VA education benefits. As the Post-9/11 GI Bill continues to grow, the number of schools with 20 or more recipients will likely increase. Small institutions may not have the funds to hire a dedicated individual to provide the services required by this section. VA will provide a cost estimate as soon as it becomes available.

Section 5 of this bill would require that, as a condition of receipt of reimbursement for administrative expenses under section 3674 of title 38, each SAA shall conduct such education and outreach activities for individuals who are eligible to receive or are receiving educational assistance under any of chapters 30 through 36 of title 38 as VA considers appropriate to assist

such individuals in making well informed choices about their education and successfully transitioning into an educational environment.

Each SAA conducting outreach activities would be required to coordinate with DoD to ensure, as DoD considers appropriate, that information on educational assistance available under chapters 30 through 36 of title 38 is made readily available as part of the Transition Assistance Program in the state of the SAA concerned.

Information made available as part of education and outreach activities under this section would have to be provided: (1) in language that can be easily understood by eligible individuals; (2) in a uniform and easily accessible manner; and (3) through such means as may be appropriate and effective, including through publications, mailings, and electronic media.

Each year, each SAA, as a condition of receiving reimbursement of expenses, would be required to conduct such audits as VA considers appropriate, including unannounced audits and audits using risk-based approaches, of educational institutions under its jurisdiction that have students enrolled in programs of education for which they are receiving educational assistance under title 38, United States Code, (without regard to whether VA or the SAA approved the courses offered) in such state. The purposes of such audits would be to detect misrepresentation, fraud, waste, and abuse; to ensure full compliance with the provisions of chapter 36; and for such other purposes as VA considers appropriate.

Each State in which a contract or agreement is entered into would be required to submit to VA a report including the following:

- The number of visits made by the agency to educational institutions, including the number of such visits that were made without the prior knowledge of such educational institution.
- A description of the audits carried out by the agency under section 3673(d)(2) of title 38 and the findings of the agency, including any substantiated findings of misrepresentation, fraud, waste, abuse, or failure to comply with an applicable requirement of this chapter and the steps taken by the agency to address such fraud, waste, abuse, or failure to comply.
- A description of the outreach and training activities conducted by the agency under section 3674B of title 38.

Section 5 would become effective on August 1, 2013. VA will provide views and a cost estimate for this section as soon as it becomes available.

Section 6 of S. 2179 would require VA to conduct, in addition to annual compliance surveys, a compliance review, in accordance with such regulations as VA shall prescribe, of an educational institution when VA finds any of the following:

- The number of student enrollments at, or the rate of student enrollments of, the educational institution has increased rapidly;
- The student dropout rate of the institution has increased rapidly;
- The cohort default rate of the educational institution has increased rapidly or is consistently higher than the average of cohort default rate of comparable educational institutions;

- The number of substantiated complaints filed under section 3697C(a)(1) of title 38 with respect to the educational institution has increased rapidly or is consistently higher than the number of substantiated complaints filed with respect to other comparable educational institutions;
- The educational institution is the subject of a civil lawsuit in federal or state court, is charged with a crime under federal or state law, or is the subject of an official investigation of a state or federal agency for misconduct;
- The educational institution has significant growth in revenue resulting from tuition, including tuition paid with assistance provided under chapters 30 through 36 of title 38, or chapters 106A or 1606 of title 10, which cannot be attributed to changes made to such chapters by Acts of Congress or changes to the administration of such chapters; or
- Such other findings as VA considers warrant conducting a compliance survey.

Section 6 would become effective on August 1, 2013. While VA agrees that compliance reviews would improve oversight of a school's performance as it relates to Veterans, we believe ED is best positioned to review post-secondary enrollment and default rates, as well as monitor information pertaining to civil lawsuits for misconduct against a school in federal or state courts. VA opposes criteria that would penalize a school because of a lawsuit unless there has been an adverse judgment ordered by a court. This section could also unduly punish a school that has significant growth in revenue in tuition because Veterans used their benefit at that school. Unless the school has done something warranting a judgment of misconduct, VA finds no reason to scrutinize the school by way of a special compliance review.

VA will provide a cost estimate for this section as soon as it becomes available.

Section 7 of the bill would amend chapter 36 of title 38, United States Code to add a new section 3697B, "Required one-on-one educational counseling" that would require VA to provide counseling to all individuals considering using educational assistance under chapters 30 through 36 of title 38 at or before the individual's enrollment in a program of education. Section 7 of the bill also would require VA to establish procedures by which individuals may receive this counseling when providing it in person is not practicable. VA and DoD would be required to provide a link or links on VA's website(s) to the College Navigator Internet website of the ED to inform Veterans and Servicemembers of the resources available at that website. Section 3697A of title 38 provides for educational and vocational counseling for eligible individuals and transitioning Servicemembers. Section 7 of S. 2179 would also amend the title of section 3697A to read, "Educational and vocational counseling by election."

VA believes that the provision of counseling and information is important to help Veterans and Servicemembers make informed decisions about educational opportunities and the use of available benefits. In-person, one-on-one educational and vocational counseling is currently available to all Veterans and Servicemembers who are eligible for educational assistance from VA or are transitioning from military service. Such counseling is currently provided by qualified counselors and consists of most of the elements described in S. 2179, including an overview of

available VA educational assistance, a personalized academic and career plan, and a discussion of the impact of enrollment in a particular educational institution. The information related to educational institutions' accreditation and outcomes that would be made available to individuals under this section is currently available from the ED. VA supports helping individuals access and understand this information through the educational and vocational counseling currently provided by VA. Under the Executive Order, VA will provide individuals with critical information, including school performance information over time, consumer protection information, and key financial aid documents, prior to the use of their benefits through the eBenefits portal.

VA does not support the requirement in section 7 of S. 2179 to make educational counseling mandatory. This requirement could result in delays for individuals who wish to enroll in educational institutions and unnecessary denials of claims for assistance. Veterans and Servicemembers have access to counseling through the Transition Assistance Program and through information provided on VA websites. Under the Executive Order, students will also have access to this information through the eBenefits portal. However, VA supports the inclusion of a link to the College Navigator Internet website on a VA website to inform Veterans and Servicemembers of the availability and benefits of using the College Navigator Internet website.

VA will provide a cost estimate regarding this section as soon as it becomes available.

Section 8 of S. 2179 would require that, not later than 180 days after the date of the enactment, VA and DoD shall each establish by regulation a process whereby persons are able to submit to the Departments, including by way of SAAs, complaints regarding educational institutions relevant to the provision of educational assistance provided under chapters 30 through 36 of title 38 and under chapters 106A and 1606 of title 10, including complaints regarding misrepresentation, fraud, waste, and abuse. The process shall establish procedures to address complaints in a timely manner, including review and investigation of such complaints. Each year, VA and DoD would be required to compile the information they collect and share such information with each other as well as ED, as allowed under current law.

Not later than 180 days after the date of the enactment of S. 2179, VA and DoD would be required to establish, by regulation, a process by which information may be reported to ED and to each other regarding information with respect to substantiated acts by educational institutions of misrepresentation, fraud, waste, abuse, or failure to comply with an applicable requirement of chapter 36 or other information considered appropriate and relevant to the purpose and effective implementation of federal programs of educational assistance provided by the respective departments.

Not later than 180 days after the date of the enactment of this bill, ED would be required to establish a process to notify VA and DoD of the following with respect to educational institutions:

- Substantiated acts by educational institutions of misrepresentation, fraud, waste, or abuse;

- Loss of accreditation;
- Loss of eligibility under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.);
- Report by a federal or state agency or a nationally recognized accrediting agency or association as failing to comply with, or having a significant risk of failing to comply with, a provision of federal or state law or a requirement that is a condition for accreditation established by a nationally recognized accrediting agency or association; and
- Such other information as ED considers appropriate.

At least annually, VA and DoD would be required to submit to Congress separate reports on the provision of educational assistance under their respective authorities. Each report would be required to include, for the period covered by the report and disaggregated by for-profit and not-for-profit educational institutions, the following:

- The number of individuals who received assistance under laws administered by the respective Secretary;
- The amounts of assistance provided;
- A description of any complaints reported to the respective Secretary or SAAs by such individuals;
- All substantiated reports of misrepresentation, waste, fraud, abuse, or other acts that are inconsistent with the requirements of the respective educational assistance authorities;
- A list of educational institutions which had courses of education that were approved in the previous year but were found, in the year covered by the report, not in compliance with a requirement;
- Such recommendations for legislative or regulatory action as the respective Secretary considers appropriate to improve the provision of educational assistance under the laws administered by the respective Secretary;
- An assessment of the academic performance of individuals who received educational assistance, including graduation rates and dropout rates; and
- A list of educational institutions that were approved under the respective authorities, disaggregated by educational institutions approved under section 3676 of title 38.

VA supports the intent behind section 8 of the bill and is already taking steps, as outlined in the Executive Order, to evaluate existing systems and development of new systems to address these concerns. VA will provide a cost estimate for this section as soon as it becomes available.

S. 2206

Section 2 of S. 2206, the “GI Educational Freedom Act of 2012,” would require any individual eligible for educational assistance through VA to be provided educational and vocational counseling services before the receipt of such educational assistance, unless the individual specifically declines such counseling. The bill outlines information to be included in such counseling, and would direct VA to make such information available to the public.

VA does not support the requirement in section 2 that an individual either receive or clearly decline this counseling before the individual may receive educational assistance. This could result in delays for individuals who wish to enroll in educational institutions and unnecessary denials of claims for assistance. A Veteran who applies for benefits in early August and wishes to

begin using benefits for the fall term starting on August 20 would not be able to receive those benefits until VA is able to schedule and provide counseling. More than 900,000 individuals use VA education benefits each year; therefore, it may take several months to schedule and complete counseling. Individuals who do not respond to VA's invitation to participate in counseling, but who also do not clearly decline, would not receive any benefits until a follow-up contact is made and the individual's decision is clearly documented. VA may be unable to authorize benefits when the individual cannot be contacted or when a decision is not clearly documented.

VA believes that the provision of counseling and information is important to help Veterans and Servicemembers make informed decisions about educational opportunities and the use of available benefits. Educational and vocational counseling is currently available to all Veterans and Servicemembers who are eligible for educational assistance from VA or are transitioning from military service. It is currently provided by qualified counselors and may include an overview of available VA educational assistance, a personalized academic and career plan, and a discussion of the impact of enrollment in a particular educational institution. Veterans and Servicemembers are currently informed of the availability of such counseling through the Transition Assistance Program and through information provided on VA websites, including VetSuccess.gov and the eBenefits portal.

VA also supports providing Veterans with information about the policies and performance of educational institutions.

Section 3 of the bill would amend section 3697 of title 38, United States Code, to repeal the \$6 million fiscal year limit on VA contracting for educational and vocational counseling services.

VA recognizes that the \$6 million funding level is inadequate, and proposed in its fiscal year 2013 budget submission to raise that cap to \$7 million. VA recommends that change instead of removal at the cap, and will continue to monitor demands on the program.

Further, section 4 of S. 2206 would direct VA to establish a system to collect, process, and track complaints submitted by individuals enrolled in VA programs of education to report instances of fraud, waste, and abuse with respect to benefits and services provided by educational institutions. It would require an SAA, when considering whether to approve a course of education at an educational institution, to review and take into consideration the complaints processed and tracked by such system. The bill also would provide for the confidentiality of such complaints.

VA supports the intent underlying section 4. As outlined in the Executive Order, VA is already evaluating existing systems and development of new systems to address these concerns.

As part of the existing approval process, SAAs assess recruiting practices for indications of deceptive or misleading information provided to potential students.

VA will provide a cost estimate for S. 2206 as soon as it becomes available.

S. 2241

S. 2241, the “GI Consumer Awareness Act of 2012,” would ensure that Veterans have the information and protections they require to make informed decisions regarding use of Post-9/11 GI Bill assistance.

Section 2 of the bill would add a new section to chapter 36 of title 38, United States Code, requiring VA to collect and publish to Veterans, Servicemembers, and eligible spouses and dependents detailed and extensive information about educational institutions and the programs of education available to such individuals. If the information required for publication is collected from educational institutions by DOL, ED, DoD, or other federal agencies, VA would collect the information from those departments, rather than the educational institution. VA, DoD, and ED would form a partnership to facilitate the data collection process. VA would be responsible for reimbursing the agencies for any costs related to consulting and collaborating with VA. The information would not be collected if the number of students at an educational institution does not provide statistically-reliable information or the results would reveal personal identifiable information about an individual student.

In addition, section 2 of S. 2241 would require that all VA call center employees receive appropriate training on the published information not later than one year after enactment.

VA supports the intent behind section 2 of this bill but believes that the current efforts with other Departments, as outlined in the Executive Order, will accomplish many of these same goals.

VA supports providing all call center employees with effective and appropriate training on the information being collected under this section; however, there may be additional costs associated with developing such a comprehensive training program.

VA defers to DoD regarding the remaining provisions in this section.

Section 3 of the bill would amend chapter 36 of title 38 by adding a new section that would require educational institutions to meet specified additional requirements in order to obtain approval of a course of education.

Under section 3, a course of education could not be approved if the educational institution requires a student to waive the right to legal recourse under any otherwise applicable provision of federal or state law or to submit to arbitration, or imposes onerous legal notice provisions in the case of a dispute with the educational institution.

The provisions of section 3 would take effect 180 days after the date of enactment.

VA does not oppose enactment of the provisions in section 3.

Section 4 of S. 2241 would amend title 38 to require VA to develop policies to curb aggressive recruiting. Not later than 90 days after the date of the enactment, VA and DoD would be required to jointly develop policies to curb aggressive recruiting of Veterans and members of the Armed Forces by educational institutions.

Section 4 of the bill would add a new section to title 38 that would prohibit VA approval of a course if the educational institution uses inducements or provides any gratuity, favor, discount, entertainment, hospitality loan, transportation, lodging, meals, or other item having a significant monetary value to any individual or entity (other than salaries paid to employees or fees paid to contractors in conformity with all applicable provisions of the law) for the purpose of securing enrollments.

This section would require VA and DoD, in consultation with ED, to establish a working group, not later than 60 days after the date of the enactment of the Act, to coordinate consumer protection efforts and develop policies related to post-secondary education and recruitment of Veterans and Servicemembers. The working group would conduct surveys with Veterans and Servicemembers to obtain feedback on the educational assistance they received and the program of education. The working group also would review marketing and recruiting efforts utilized by educational institutions and monitor the overall post-secondary education market for developments that affect Veterans and Servicemembers. The working group would consult with other relevant federal agencies on their findings.

The working group would be required to submit a report to Congress, no later than 180 days after enactment, showing findings, actions taken, policies developed, and recommendations for action to be taken.

This section also would require VA and DoD to establish policies regarding conflicts of interest between their employees and educational institutions.

VA supports the intent behind section 4; however, VA already has existing policies in place that address these concerns. VA is already working with other agencies on policies regarding post-secondary education and recruitment of Veterans and Servicemembers. As of August 1, 2011, standard degree programs offered at accredited public and private not-for profit schools are deemed approved for VA education benefits without separate SAA approval, per section 203 of Public Law 111-377, the Post-9/11 Veterans Educational Improvements Act of 2010. In other

cases, SAAs evaluate programs offered by each academic institution to determine whether their quality and offerings are similar to other programs offered in the state. If they are not, the SAA will not approve the program. This takes into account compliance with state and VA statutes, including those pertaining to misrepresentation or deceptive marketing.

Section 5 of S. 2241 would require an assessment of the quality and delivery of career information and counseling provided to Veterans and Servicemembers.

Section 5 of the bill also would require collaboration between VA, DoD, and DOL, particularly with regard to improving the One-Stop delivery system and the Transition Assistance Program. In addition, not later than 180 days after enactment, VA would be required to submit a report to Congress on the results of the assessment required under section 5, including recommendations for the improvement of career counseling services.

VA supports efforts to evaluate current processes and improve service delivery to Veterans and Servicemembers. VA believes that an assessment of the quality and delivery of career information and counseling as outlined under section 5 of S. 2241 and provided by VA to Servicemembers and Veterans would require a contracted study. The study would include a randomized sample of individuals that had received educational and vocational counseling under section 3697A of title 38, United States Code. Such a study to assess the process and outcomes of this counseling would take at least one year to complete and would require funding through congressional appropriation. Therefore, VA does not believe that the results of such a study could be included in a report to Congress within 180 days of the enactment as specified under section 5 of the bill.

VA supports efforts to collaborate, coordinate, and share information among programs serving Veterans and Servicemembers and is, therefore, more than willing to work with other government departments as outlined in section 5 of the bill to assist Veterans and Servicemembers with their transition to civilian life.

Section 3697A of title 38, United States Code, provides for educational and vocational counseling for transitioning Servicemembers. Section 6 of S. 2241 would remove the condition that Servicemembers be within 180 days of discharge to receive this counseling and would add the conditions that a Servicemember be on active duty and have served on active duty at least 180 days. Section 6 of the bill would also remove the restriction that a Veteran be within one year of discharge from active duty in order to receive these counseling services.

VA does not support section 6 of S. 2241 because the bill would authorize payment of costs for educational and career counseling to Servicemembers at times when they are not in transition from military to civilian life. Under the provisions of this bill, section 3697A(a), as amended, would authorize counseling to all active-duty Servicemembers who have served at least 180 days

“upon such individual’s request.” Therefore, a Servicemember could receive counseling multiple times each year for many years throughout a long military career. VA accepts the responsibility to help transitioning Servicemembers make the adjustment from military to civilian careers and become established in their civilian communities. However, VA believes that providing counseling to Servicemembers multiple times throughout their enlistments and military careers is not a function of transition to civilian life and, therefore, more appropriate as a DoD activity.

Section 7 of S. 2241 would amend chapter 36 of title 38, United States Code, by adding a new section that would require VA to establish procedures for fielding complaints from students regarding their VA education benefits. The complaints would be stored in a database to enable VA to improve service to beneficiaries, educational and vocational counseling, and to identify problems with the programs of education or assistance.

VA supports the intent behind section 7. As outlined in the Executive Order, VA is already evaluating existing systems and development of new systems to address these concerns. Section 8 of S. 2241 would require VA, DoD, and ED to collect and disseminate information about best practices in helping VA beneficiaries utilize their benefits in the most productive way. The information would be disseminated one year after enactment, as well as two and four years after enactment. VA would consult with Veterans’ service organizations and educational institutions to acquire the needed information. VA supports the intent behind section 8; however, we believe this section would duplicate the information being collected and published in section 2 of this bill.

Section 3697 of title 38, United States Code, provides funding from the readjustment benefits account, not to exceed \$6 million in any fiscal year for the educational and vocational counseling for transitioning Servicemembers authorized in section 3697A to be delivered through contracts arranged by VA. Section 9 of the bill would remove the annual \$6 million limitation on funding for these contracts.

VA recognizes that the \$6 million funding level is inadequate, and proposed in its fiscal year 2013 budget submission to raise that cap to \$7 million. VA recommends that change instead of removal at the cap, and will continue to monitor demands on the program.

Section 10 of the bill would require VA to designate points of contact to assist educational institution personnel who are responsible for submitting reports to VA. This section would be effective not later than 90 days after enactment.

VA does not oppose this section. VA currently has employees who are responsible for maintaining direct contact with educational institutions. VA’s education liaison representatives (ELRs) are the primary points of contact for school officials. ELRs have a wide range of responsibilities in support of education benefits programs and work closely with school officials to inform them of changes in VA policies and procedures.

Section 11 of the bill would require VA to create a report that includes a list of all schools with

VA education beneficiaries, the number of beneficiaries enrolled at each institution, and the total dollars paid to the beneficiaries at each institution during the last academic year. The report would be required to be presented to Congress no later than 180 days after enactment. VA does not oppose this section.

VA defers to DoD with regard to section 12 pertaining to performance metrics for DoD education and workforce training programs.

VA will provide a cost estimate for S. 2241 as soon as it becomes available.

S. 2246

S. 2246, the “TAP Modernization Act of 2012,” would direct the DOL to provide the Transition Assistance Program (TAP) during a three-year period to Veterans and their spouses at locations other than military installations in three-to-five states selected by DOL. DOL would select states that have the highest rates of Veteran unemployment and would provide a sufficient number of training locations to facilitate access by participants to meet the need in each state. DOL also would include in any TAP contract a requirement for experts in subject matters relating to human resources practices, including resume writing, interviewing and job searching skills, and the provision of information about post-secondary education.

Reports to Congress would be required in each year of the training, and after the termination of the three-year period, the Comptroller General of the United States would submit to Congress a report on the training, to include the feasibility of carrying out off-base transition training at locations nationwide.

VA defers to DOL on the merits of S. 2246; however, VA is required to participate in TAP briefings. Therefore, we note the following economic impact on VA. Assuming the effective date of the bill would be October 1, 2012, VA’s estimated administrative expenses would be \$1.3 million the first year and \$4.5 million over three years.

OTHER MATTERS

S. 1184

S. 1184 would amend section 8127(g) of title 38, United States Code, to mandate a minimum 5-year debarment from VA contracting for any business, including the principals of the business, determined by the Secretary to have misrepresented its status as a Veteran-owned or service-disabled Veteran-owned small business (VOSB/SDVOSB). Further, the bill would require VA to commence a debarment action within 30 days of determining the misrepresentation has occurred and to complete the action within 90 days.

VA shares the Committee’s focus on aggressively protecting the Government from disreputable businesses in order that procurement dollars set aside for VOSB/SDVOSBs reach the intended recipients. VA has taken steps to protect the integrity of the VOSB/SDVOSB set-aside process. VA has added to its acquisition regulations the misrepresentation of VOSB/SDVOSB status as a specific cause of debarment for a period of up to 5 years. Also, VA has instituted a separate and

distinct 8127 Debarment Committee to review, examine, and refer those who misrepresent themselves to VA's debarring official.

While we support the general intent behind the bill, VA cannot support S. 1184 in its present form. VA questions whether a mandatory debarment as proposed would be consistent with the general requirement in debarment actions established by the courts to provide appropriate due process, notice and an opportunity to be heard, to businesses prior to a final determination of debarment. VA also submits that there are varying degrees of misrepresentation of VOSB/SDVOSB status. Some may be the result of an "innocent" mistake whereas others evince a clear desire to circumvent the VOSB/SDVOSB status requirements by "seducer" companies or individuals to steer set-aside dollars to non-status firms or persons.

VA believes the debarring official should retain the discretion to make these determinations with respect to any debarment, including its duration, remedial measures and corrective actions to prevent the misconduct from recurring, based on the specific circumstances. VA requests the opportunity to work with the Committee to address its concern of protecting the VOSB/SDVOSB set-aside program while maintaining an equitable debarment process consistent with the requirement for an appropriate level of due process, including ways of improving VA's debarment authority.

VA estimates that enactment of this bill as written would result in no significant cost, since VA already has a standing "8127 Debarment Committee."

S. 1798

S. 1798, the "Open Burn Pit Registry Act of 2011," would require VA, not later than 180 days after enactment, to establish and maintain a registry for eligible individuals who may have been exposed to toxic chemicals and fumes caused by open burn pits. The bill would define an "open burn pit" as an area of land located in Afghanistan or Iraq that the Secretary of Defense designates for use for the disposal of solid waste by means of burning in the outdoor air without the use of a commercially manufactured incinerator or other equipment specially designed and manufactured for the burning of solid waste. It would define "eligible individual" as anyone who, on or after September 11, 2001, was deployed in support of a contingency operation while serving in the Armed Forces and who during such deployment was based or stationed at a location where an open burn pit was used.

S. 1798 would also require VA to include in the registry any information that VA deemed necessary to ascertain and monitor the health effects of such exposure. It also would require VA to develop a public information campaign to inform eligible individuals about the registry and to periodically notify them of significant developments in the study and treatment of conditions associated with exposure to toxic chemicals and fumes from open burn pits. Additionally, VA would have to enter into an agreement with an independent scientific organization to report on the effectiveness of the Department's actions to collect and maintain information on the health effects associated with this particular type of environmental exposure. Specifically, the

organization would be required to make recommendations on how the Department may improve its efforts (in collecting and maintaining registry information) and on the most effective and prudent means of addressing the medical needs of this cohort for conditions likely to result from their exposure to toxic chemicals and fumes from open burn pits.

Further, S. 1798 would require VA to submit the scientific organization's report to Congress not later than 18 months after establishment of the registry.

VA does not support S. 1798 for three major reasons. First, VA can identify all Servicemembers that deployed to Iraq and Afghanistan and has used this information in the development of an injury-and-illness surveillance system. Second, the most recent Institute of Medicine report on burn pits identified air pollution, rather than smoke from burn pits, as the most concerning potential environmental hazard. Third, all Iraq or Afghanistan Veterans are eligible for cost-free health care for a period of 5 years after discharge or separation from active-duty military service.

Special authority for such a registry is not required. In carrying out the Department's medical and research missions, VA may already establish under existing authority any needed health registry. Pursuant to section 703(b)(2) of Public Law 102-585 (1992), VA may also provide, upon request, an examination, consultation, and counseling to any Veteran who is eligible for inclusion in any Department health registry. S. 1798, therefore, duplicates existing authorities.

We do not believe that a health registry is the appropriate epidemiological tool to use in identifying possible adverse health effects associated with certain environmental exposures. Health registries by their nature can only produce very limited and possibly skewed results. The major purpose of a registry is to enable medical follow-up and outreach efforts of those potentially exposed to an environmental hazard. Studies of self-selected individuals, such as those in a registry, are not representative of an entire population of potentially-exposed individuals; they may, therefore, lead to false associations as to cause of perceived or actual illnesses. Indeed, for years, VA has maintained an Agent Orange health registry and a Gulf War health registry. While useful for outreach purposes, neither of these registries has been useful in terms of researching the types of health concerns raised by these Veterans. In addition to the issue of self-selection, there are other reasons why studies of registry populations are not useful, including exposure misclassification (self-reported but with no availability of data to support amount and time of exposure) and an inability to link to medical records to substantiate concerns about illnesses (not all registrants receive care from VA). We also note the particular timeframes under the bill are far too short to produce scientifically valid evidence.

VA and DoD have established a detailed action plan that includes research, clinical protocols, outreach, and education. VA believes the most effective way to capture the most complete and representative information on adverse health effects, including exposure to burn pits, among the Operation Enduring Freedom/Operation Iraqi Freedom/Operation New Dawn (OEF/OIF/OND) cohort, and all other cohorts, is to conduct a comprehensive, prospective study of long-term

adverse health effects. VA and DoD are already engaged in several focused studies on health effects related to this cohort, including DoD's Millennium Cohort Study and VA's New Generation Study. Both studies are providing valuable insights into respiratory disease incidence in Veterans and Servicemembers in the OIF/OEF/OND cohort. VA is planning a large-scale epidemiological study that will provide improved understanding about a broad range of potential adverse health effects subsequent to deployment to OEF/OIF/OND. Additionally, VA and DoD are working together to establish a clinical protocol (expected to be complete by the end of the calendar year) to evaluate Veterans with respiratory complaints after deployment. VA and DoD are planning an airborne hazards symposium for both DoD and VA clinical providers during the fourth quarter of FY 2012. This combined and comprehensive approach will improve access to care and continuity to all Veterans and Servicemembers potentially exposed to airborne hazards while deployed.

Finally, we note that combat-theater Veterans are eligible to enroll in VA health care up to 5 years after discharge or separation from service and receive free hospital care and medical services for conditions possibly related to their combat service. Eligible Veterans may take advantage of their VA health care benefits to obtain any desired medical advice on this topic as well as any needed medical services.

VA estimates the total cost for S. 1798 would be \$2.3 million during FY 2013, \$6.2 million over 5 years, and \$11.5 million over 10 years.

S. 2299

S. 2299, the "Servicemembers Rights Enforcement Improvement Act of 2012," would amend the Servicemembers Civil Relief Act (SCRA) and title 38, United States Code, to improve the provision of civil relief to members of the uniformed services and to improve the enforcement of employment and reemployment rights of such members. Because S. 2299 would not affect the provision of VA benefits, VA defers to the Departments of Defense and Justice concerning this bill.

S. 3082

Section 2 of S. 3082 would amend title 38, United States Code, by adding a new chapter 80, to establish a non-profit National Veterans Support Network, a federally-chartered corporation, for the primary purposes of--

- raising awareness of, and educating the public as to the challenges facing military families and Veterans through educational and media campaigns;
- providing analytical support to communities to track resources nationwide that support Veterans or military families and help communities align and scale such resources and develop and provide a best practices toolkit for these purposes;
- establishing a community support grant program to create or expand community-based programs that--
 - o contribute to fostering the readjustment and reintegration of Veterans into their communities;
 - o expand the capacity of such communities to provide services and supportive activities in a continuous and coordinated manner;

- o empower and engage Veterans; and
- o establish and sustain close working relationships between one or more VA facilities and entities participating in such community-based programs.
- encouraging and promoting private gifts of monies and services in support of such grants and other programs, services and activities supporting military families and Veterans.

The Corporation's secondary purposes would include the following:

- Compiling, analyzing and organizing information on organizations, programs and activities that assist Veterans and military families;
- Facilitating communication between the Secretaries of VA, DoD, DOL, and Homeland Security, the Director of Office of Personnel Management (OPM), private organizations, and organizations that have a mission to provide assistance to Veterans and their families, and promoting coordination of Veterans services and activities provided by these Secretaries and organizations.
- Promoting coordination of services, programs and activities provided by the Secretaries and organizations described in the above paragraph;
- Promoting national and community service activities serving Veterans and military families and increasing Veteran and military families participation in national and community service opportunities;
- Referring/connecting private organizations seeking to support Veterans and their families to organizations that provide such support; and
- Referring/connecting organizations and communities seeking to support Veterans and their families to Federal and private sector resources.

The Corporation would consult with VA, DoD, and the heads of other appropriate agencies in carrying out its purposes.

It would carry out support activities for the above purposes, either directly or through contracts or grants. In carrying out these support activities the Corporation would consult with VA, DoD, DOL, and the heads of other Federal agencies as the corporation deems appropriate.

The new chapter 80 would also include provisions delineating VA involvement with the Corporation.

The Corporation's Board of Directors would include the Secretaries of VA, DoD, DOL, and Homeland Security and the Director, OPM and other members as the VA Secretary deems appropriate serving as ex-officio non-voting members. The VA Secretary would select the Board members. In connection with four of those appointments, the Secretary would consult with the leadership of the Senate and House Committees on Veterans' Affairs.

The Corporation could, with the VA Secretary's concurrence, authorize the use of its name, trademark, or other indicia in advertising by contributors/suppliers of goods/services to the Corporation. The Secretary, or the Corporation with concurrence of the Secretary, could

authorize use of the VA name, seal, or other VA indicia in advertising by contributors/suppliers of goods/services to the Corporation.

VA strongly supports the goals set out in this legislation. VA's partnerships with private organizations, from Veterans Service Organizations, the private sector, educational institutions, charitable and non-profit organizations, hospitals, faith-based organizations and others outside VA are vital to what VA does to serve Veterans and their families. They help us in every part of the organization, at every level. They are partners in caring for our Wounded Warriors, in our push to end Veteran homelessness and unemployment, in assisting Veterans prepare well-developed disability claims that will help them secure benefits due them as expeditiously as possible, and in helping the National Cemetery Administration provide deceased Veterans the final honors they have earned. The many other ways these organizations serve Veterans are too numerous to list here.

These partners are force-multipliers, and we could not do our jobs without them. Not only do they assist and supplement our work, they provide a great deal of wise and experienced counsel derived from the needs they witness as frontline service providers in the community.

S. 3082 seeks to add new dimensions to our partnerships with private organizations by establishing a National Veterans Support Network, which would carry out the purposes set out in the description of the bill above.

As supportive as we are of bill's aspirations, VA sees complications arising from the organizational structure that would be established in the bill, and thus cannot offer support for S. 3082. With the great number and variety of ways VA serves Veterans, a fixed Board of Directors with 12 members selected by the Secretary would be limiting, in terms of organizations and perspectives and supportive causes that would effectively be granted official status and endorsement by VA. That could result in discord by the great number of worthy organizations and causes that aren't selected to be represented in some manner on the Board, or selected by the Board for grants or other attention.

Allowing contributors and suppliers of goods and services to the Corporation the use of the VA name, seal and other indicia in their advertising, albeit with the Secretary's permission, would also create the appearance of official sanction or endorsement. We note that VA has never permitted the use of its seal or logo in advertising by private entities.

The Corporation would be essentially autonomous, but would be required to consult with VA and other agencies "in carrying out the purposes of the Corporation." While we presume the Corporation would endeavor to carry out this consultation for every significant action and in good faith, the Corporation's independence and the administrative challenges of coordination

could present circumstances where the Board acts with the imprimatur of VA, but makes decisions that could be duplicative or work at cross purposes with VA programs.

VA also has questions regarding the community grant program that would be established under the Corporation. It is unclear where accountability would lie in terms of oversight for the grants, follow-up, and reporting, in addition for the potential described above for duplication or even conflict with VA programs.

VA is proud of our work with private organizations, but recognizes – as this legislation does – that more can be done to elevate and expand their role. There are potentially other types of structures or configurations that could serve the same ends, such as adjustments to VA's gift acceptance authorities to allow VA to use donations more broadly to augment VA's services to fill identified gaps in services and respond to new and emerging needs in a timely matter.

VA's roles and responsibilities as defined in S. 3082 would likely entail some relatively insignificant administrative costs, but they cannot be reliably predicted until the details of implementation are established.

Again, the Department greatly appreciates the goals of this bill and we would be glad to work with the Committee to discuss these important topics further.

S. 3179

Section 2(a) of S. 3179, the "Servicemember Housing Protection Act of 2012," would amend section 303 of the Servicemembers Civil Relief Act (SCRA) by expanding foreclosure protections to surviving spouses. The SCRA protects Servicemembers who, due to their military service, cannot repay secured obligations created before their period of service began. Currently, if a holder of such an obligation files a legal action for foreclosure, seizure, or sale of the secured property during, or within 9 months after, a Servicemember's period of military service, the SCRA allows a court to stay the proceedings of a foreclosure or to adjust the obligation to preserve the interests of all parties. A sale, foreclosure, or seizure of property for a breach of such a secured obligation is not valid if made during, or within 9 months after, the period of the Servicemember's military service, except in certain circumstances prescribed. If S.3179 were enacted, the same protections would extend to a Servicemember's surviving spouse, as long as the Servicemember has died while in military service from a service-connected cause. The 9-month protection would begin on the date of the Servicemember's death.

Section 2(b) of the bill would amend section 305 of the SCRA by allowing Servicemembers to terminate leases (of premises), without penalty, if they are assigned to or otherwise relocate to quarters of the United States or a housing facility under the jurisdiction of a uniformed service, including housing provided under the Military Housing Privatization Initiative. Currently, the protection only applies to (i) changes of permanent station from a location in the continental United States to a location outside the continental United States or from a location in a State

outside the continental United States to any location outside that State, or (ii) deployment with a military unit, or as an individual in support of a military operation, for a period of not less than 180 days.

VA respectfully defers to the Departments of Justice and Defense regarding the merits of this bill.

Chairman Murray, this concludes my statement. I would be happy to answer any questions you or the other Members of the Committee may have.