

Chairman Akaka

Markup of Pending Legislation

Welcome to today's markup of pending legislation. The bills before us would make significant and far-reaching improvements to the care and benefits provided to America's veterans. I am pleased that we have been able to develop this legislation in a spirit of bipartisanship.

I thank, in particular, the Committee's Ranking Member, Senator Burr, for the agreements we have been able to reach. I truly appreciate the cooperation that has aided our work and look forward to working together to advance our legislation through the Senate. I also thank the staff on both sides for their hard work in preparing for today's Committee meeting.

I recognize that we were unable to resolve all of the concerns about certain provisions, and that some Members may choose to offer amendments. However, I am satisfied with our overall agreement on the agenda for this markup.

I will take a moment to highlight a few of the provisions in the legislation on today's agenda.

The Committee has held hearings on personnel issues within VA, to consider legislation I advanced on the issue, and staff has conducted extensive oversight on the issue of recruitment and retention as well. VA has been challenged to bring in the best health care professionals, due largely to competition from other health care systems. The Committee's health care bill, S. 2969, focuses on nurses and senior VHA executives, and it would strengthen VA's ability to serve veterans throughout the system. It would encourage more nurses to remain with VA late in their careers, and would bring VA premium pay policies in line with other health care systems. It would also clarify and streamline work scheduling and pay processes, to make implementation easier and more transparent.

To help VA compete in the employment market, this bill would update pay authorities for a wide range of positions, from nurses to pharmacists and senior executives. As an investment in the VA workforce, these provisions would extend and expand a number of crucial educational programs, including the Education Debt Reduction Program and the Health Professionals

Scholarship Program, which are crucial to VA's long-term success as a national health care system.

This bill would also provide veterans with additional support on their return from service in a combat zone. It would create a pilot program on the use of community-based organizations, as well as state and other local entities, to provide outreach to and assist veterans and their families as they seek to access VA services and benefits. While VA has made significant strides in reaching out to veterans and their families, more needs to be done, and I believe this program will play an important role in that effort. I thank Senator Sanders for his work to strengthen VA's outreach efforts, and I appreciate his input on these important issues.

The health care bill also contains significant input from VA, including a wide range of provisions specifically requested by the Secretary. These provisions would expand VA's ability to provide long-term care for veterans of all ages, in both traditional and non-institutional settings. Copayments for hospice care would be eliminated, and VA would be given new authorities to collect payment from insurance companies. VA also requested a number of provisions to improve services for homeless veterans. I am truly pleased that the Committee received a solidly pro-veteran legislative package from VA this year.

In addition, this bill would amend and update the statute governing VA's Non-Profit Research Corporations. The research corporations, at over 80 VA medical centers, let VA access additional research funds and help VA manage its expansive research programs. This legislation would allow multiple medical centers to share one research corporation, to improve efficiency, and foster greater collaboration between researchers. It would also strengthen VA's oversight role, to ensure that these entities continue to serve VA research effectively.

Finally, the Committee's health care bill would authorize major construction projects and leases around the country. VA has a significant number of unfinished and delayed construction projects. As I made clear during Committee hearings on the Fiscal Year 2009 budget, and in statements on the Senate floor, I believe VA must make construction a priority and resolve these unfinished projects.

Let me also say a word about the new medical facility proposed to be built in Denver, Colorado. I remain committed to working with VA and with the Colorado delegation on this project. VA has revised their proposal for the new facility and we must be thorough in

examining their new plan. I do, however, believe we will soon reach agreement, and will advance authorization legislation for the project as soon as it is possible.

The Committee is also considering a number of bills to address issues related to veterans' benefits. It is important that we view veterans' compensation, including the annual COLA, and indeed all benefits earned by veterans, as a continuing cost of war. These bills will provide much needed support to our nation's veterans.

S. 2917 would provide a crucial cost of living adjustment to veterans' compensation, to keep pace with the rising cost-of-living in this country. The rate adjustment is equal to that provided on an annual basis to Social Security recipients. In 2008, the increase was 2.3 percent. The 2009 projected COLA increase is 2.5 percent. I note that the Committee's omnibus benefits bill includes a provision that would make the annual COLA increase automatic, beginning next year.

The Veterans' Benefits Improvement Act of 2008, S. 3023, would make numerous enhancements to veterans' housing, labor and education, insurance, and issues related to compensation.

This legislation would take steps to improve notices to veterans about their claims. Following a number of court decisions, VA's notification letters to veterans have become increasingly long, complex, and difficult to understand. These notification letters must be simplified, as veterans, VA, veterans' advocates, and outside review bodies have all recommended. The notices should focus on the specific type of claim presented. They should use plain and ordinary language rather than bureaucratic jargon. Veterans should not be subjected to confusing information as they seek benefits.

To further improve the VA compensation system, this legislation would end the prohibition on judicial review of regulations concerning VA's rating schedule in the United States Court of Appeals for the Federal Circuit. VA issues regulations which are used to assign a rating for a veteran's particular condition. Under current law, the regulations concerning the rating schedule are not subject to judicial review unless a constitutional challenge is presented. This legislation would treat regulations concerning the rating schedule in the same manner as all other VA regulations.

I expect VA to comply with all laws passed by Congress in developing and revising the Rating Schedule. However, justice to our Nation's veterans requires that the rating schedule be subject to the same limited judicial scrutiny as other regulations.

S. 3023 also makes important modifications to the VA home loan program. The VA Home Loan Guaranty was part of the original GI Bill in 1944. It was signed into law by President Franklin D. Roosevelt and provided veterans with a federally guaranteed home loan with no down payment. As World War II was ending, this landmark legislation made the dream of home ownership a reality for millions of returning veterans. They were able to build new homes and begin new lives following their service, with the assistance of the federal government.

The Committee's benefits bill would also correct an oversight in the recently-enacted Economic Stimulus Act of 2008. While that Act gave new authorities to increase the Fannie Mae, Freddie Mac, and FHA home loan guarantee limits to 125 percent of metropolitan-area median home prices, it did so without reference to the VA home loan program. This had the effect of raising the Fannie Mae and Freddie Mac limits to nearly \$730,000, in the highest cost areas, while leaving the VA Home Loan Guaranty limit of \$417,000 in place. S. 3023 would correct this error.

Unlike the economic stimulus legislation, this legislation would extend the temporary increase to December 31, 2011, rather than just through 2008. This would enable more veterans to utilize their VA benefit to purchase a home. In fact, VA expects that there would be an increase of over 4,000 loans as a result of increasing the VA loan limit through December 2011.

This legislation would also offer veterans more options for refinancing their mortgages. S. 3023 would raise the guaranty on VA refinance loans and decrease equity requirements for refinancing to a VA loan. These provisions would allow more qualified veterans to refinance their home loans under the VA program. In addition, the Committee's benefits bill would extend VA's adjustable rate mortgages and hybrid adjustable rate mortgage programs.

In light of today's housing and home loan crises, these further home loan options will help some veterans to bridge financial gaps and allow them to stay in their homes and escape possible foreclosures.

The benefits bill would also make crucial updates to the Uniformed Services Employment and Reemployment Rights Act, which protects servicemembers' rights to return to their prior jobs

with the same wages and benefits. The bill would ensure that federal agencies assist servicemembers in a more effective manner, by requiring the Department of Labor to investigate and refer cases in a more timely manner, and by requiring reports from the Department of Labor on their compliance with the deadlines.

The agenda also includes a Committee Print of S. 22, the Post-9/11 Veterans Education Assistance Act of 2007. This bill would provide essential educational benefits to veterans of the current conflicts. As Chairman of the Senate Committee on Veterans' Affairs, I am committed to seeing that this new GI Bill becomes law. I intend to work closely with Senator Webb and others toward that end.

Finally, today's agenda includes an original bill, which would make technical corrections to S. 22.

The bills on our agenda today would all make essential changes to the health care and benefits systems of the Department of Veterans Affairs. I believe these various provisions will take us many steps closer towards our goal of serving veterans with the dedication and honor with which they served their country.