H.R. 3039, THE VETERANS' TRANSITIONAL HOUSING OPPORTUNITIES ACT OF 1997, AND H.R. 3211, ENACTING ELIGIBILITY REQUIREMENTS FOR BURIAL AT ARLINGTON NATIONAL CEMETERY

HEARING

BEFORE THE

SUBCOMMITTEE ON BENEFITS

OF THE

COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES

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TUESDAY, FEBRUARY 24, 1998

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON BENEFITS,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:30 am, in room 340, Cannon House Office Building, Hon. Jack Quinn (chairman of the subcommittee) presiding.

Present: Representatives Quinn, Evans, Filner, and Rodriguez.

OPENING STATEMENT OF CHAIRMAN QUINN

Mr. QUINN. We'll call the meeting and hearing to order and begin.

We're here today, basically, to hear testimony on two separate bills. The first, although not in that order right now, H.R. 3039, is a bill to provide a VA loan guarantee for transitional housing for homeless veterans. The second is H.R. 3211, and that's a bill to codify eligibility for burial at Arlington National Cemetery.

Before we start with any opening remarks that members have, we're actually going to hear testimony in the opposite order, so that we're going to hear from the gentlemen first on Arlington National Cemetery, and then we'll get to the transitional housing for homeless veterans.

And also, before I begin with my opening statement and then yield to Bob Filner, our ranking member, I want to thank Lane Evans, ranking member on the full committee, who traveled to Buffalo, NY, in December last year and others, who I see now in the audience, to join me and Congressman John LaFalce, a colleague from Buffalo, to spend the day in Buffalo to visit some sites of housing and transitional housing, to see first hand some of the success stories that we're able to accomplish, not only in Buffalo, but in other parts of the country. We tried to keep Mr. Evans there with some Buffalo-style chicken wings. And as cold as the day was, the heat of the chicken wings couldn't convince him to stay much longer than the plane that needed to take him back to his home district.

And, Lane, I want to thank you for coming up. It was a really successful day, I think, that we held there, for all of us, and for

the people in my District to get a chance to talk with you and to pick your brain a little bit about your experiences on the committee over the years. More experience than I have had, that's for sure. But, not only did I appreciate it, but I wanted you to know that the constituents, the veterans, and the people at large in Buffalo, NY, were very, very happy that you could join us, and extended an invitation to come back.

Mr. EVANS. Thank you, Mr. Chairman. Always a pleasure to be following your leadership, even in December in Buffalo. So thank you, and I look forward to working with you and Mr. Filner and the rest of the subcommittee on these issues.

Mr. QUINN. Thank you, Lane. It was a great trip.

So, let me begin just with some opening comments on both the bills this morning. And then, as I said, I know Bob Filner wants to join me in some opening remarks, and other members as well.

We know that it's fairly common knowledge that veterans compromise about a third of the homeless adults in the country. And that's been said at countless hearings, that of all the homeless people, about a third of them are veterans.

Public Law 103–446 was enacted during the 103rd Congress and called for programs serving homeless veterans to receive a proportional share of funding for the homeless. Unfortunately, that hasn't happened. It is also another well-known fact that a very high percentage of the homeless suffer from substance abuse and mental illness. So we're taking action to provide a safe sober environment for veterans trying to become productive members of our society.

Unfortunately, there appears to be a niche that's not being filled in that continuum of service necessary to accomplish this goal. Transitional housing programs, which provide a supportive and structured environment are in short supply, and therefore have become the focus of H.R. 3039, the second bill that we'll hear from the panels on today. This bill also uses a unique financing method to fund the program. And in this—I think whenever we have a unique suggestion to fund anything around this place, it makes us all aware that not everybody agrees with it. As a matter of fact, later this morning, I'm aware that the VA will express its concerns about the bill's financing provisions. But while I believe the financing provisions in the bill are acceptable, we're always willing to listen to the Department's concern and to approach it with an open mind.

I would note, however, that the committee requested the Department's views in November, and we're still awaiting a written reply to some of our requests. I believe that we mentioned some of the Department's inability to provide us with some of that timely comment in our last hearing just down the hall. The bill, of course, has been on record for several months in a bipartisan way when it was filed. And we're looking forward to working with the Department as best we can.

Even though I'm disappointed in the VA's position on the housing for homeless legislation, I guess I for one, and I don't want to speak for other members, certainly not for Mr. Filner, but when they oppose it I guess I shouldn't be surprised. And I'm trying not to be too negative here. I said we will approach this with an open mind. Most of the VA's current programs that are serving homeless

veterans came about as a VA initiative. All of the programs which the VA operates and talks proudly about in the testimony, that we'll hear a little bit later, were programs conceived and funded by Congress, often in the face of some opposition.

Unfortunately, once again, the VA doesn't seem to bring constructive suggestions to the table, only criticism based on what appears to be, at least in my opinion again, not an accurate or clear understanding of the bill. It seems to me that the testimony we'll hear later this afternoon from the VA is a bit hesitant and uncertain at times. The testimony makes no mention of the tens of thousands of veterans who would benefit from the housing which the bill is aimed at stimulating.

Instead, it seems that they're worrying about having to assign four of over two hundred thousand employees to administer a program that could benefit, we think, about ten thousand homeless veterans a year. I happen to think that reassigning or changing the assignment of about four or five people to benefit maybe as many as ten thousand veterans makes some sense.

Because of some of the previous legislation, the VA is helping thousands of homeless veterans every month. And that's great. We agree. But too often the battle for recovery is lost because there's no transitional drug-free housing in which to place veterans. Veterans desperately need the housing that this bill will help create. We heard that over and over again at the testimony at least in Buffalo in December. We'd like to see that other veterans' groups, homeless advocates, people like Governor Tommy Thompson of Wisconsin, and people that are knowledgeable in the real estate business, also bankers who are willing to risk their own money to help homeless veterans, would also be able to work in sync with the VA.

The other bill that we'll be looking at today, also introduced by Chairman Stump, is intended to bring order to the process of being buried in Arlington National Cemetery. Until now, burial eligibility, has been governed by Army and Federal regulations. Unfortunately, those regulations did not include rules governing waiver criteria, and over many administrations, waivers appear to have been granted on the basis of some kind of other connection.

Chairman Stump and I believe—without speaking for Mr. Evans, he'll do that himself—very strongly that burial at Arlington should not be a matter of connections, but should be based on well-defined and understandable qualifications as provided in this bill. The bill essentially codifies the eligibility of veterans and family members now carried in the regulations. However, the bill removes eligibility for senior government officials, it removes eligibility for members of Congress, as well as cabinet members, ambassadors and others. In the past, veteran status made these officials eligible, a distinct advantage over all other veterans. The president remained eligible as commander-in-chief, of course.

It's important to note at this point, I think, for the record, that Chairman Stump and Ranking Member Lane Evans have removed their own eligibility for burial in Arlington through this proposed change. The other significant difference between existing regulations and the bill, is that the bill eliminates waivers.

I know that we're going to look forward to discussion on the item. We're interested in hearing suggestions from others. And I turn

now to Mr. Filner, ranking member of the subcommittee, for any comments that he might have at this point. Bob?

OPENING STATEMENT OF HON. BOB FILNER

Mr. FILNER. Thank you, Mr. Chairman. And I join you in welcoming everyone here this morning to discuss these two pieces of legislation, both of which I have originally co-sponsored. We want to hear what you have to say about them. As I looked at the testimony for H.R. 3211, it looks like there's unanimous support for the bill. I think, after all that has been said and written in recent months about Arlington National Cemetery, we agree that Arlington's burial eligibility requirements need to be clarified, codified, and refined. And that's precisely what H.R. 3211 is designed to do.

I am very proud that this committee has come together in a bipartisan fashion to introduce responsible and evenhanded legislation that will bring continued honor and dignity to Arlington's sacred ground. The matter is too important to us as a nation, a nation that deeply respects its military dead, for it to be manipulated to meet partisan political goals.

I'm sure all of you were comforted, as I was, by the results of the GAO investigation, which found no evidence that political contributions played a role in waiver decisions. This is not to say that the Arlington waiver process does not need revision and clarification. The process does need to be reworked. And I believe that H.R. 3211 will satisfy the concerns that many of us have about burial eligibility at Arlington National Cemetery.

I want to thank in this connection, Jack Metzler, the superintendent of Arlington National Cemetery, for all he has done through the years for America and its fallen heroes. Like his father before him, Jack has poured his heart and soul into Arlington National Cemetery throughout much of his personal and professional life, and his insights will be invaluable to this subcommittee as we consider the issues surrounding burial at Arlington. Jack, we appreciate your sincere and heartfelt commitment to insuring that Arlington National Cemetery is maintained as one of our nation's most beautiful and revered landmarks.

Mr. Chairman, with your permission, I would like to submit for the record to this hearing the GAO report regarding the authority process and criteria for burial waivers at Arlington National Cemetery.

(See p. 69.)

Mr. FILNER. I also ask that remarks from our colleague, Congressman Kleczka from Wisconsin, regarding legislation he has introduced on this issue, be included in the hearing record.

Mr. QUINN. Without objection, it's so ordered.

[The statement Congressman Kleczka appears on p. 94.]

Mr. FILNER. Thank you.

Moving to H.R. 3039, I thank Chairman Quinn for his leadership on this issue. There is virtually no disagreement, as he has already stated, that one-third of the homeless men in this country are veterans, and that approximately 60 percent of those individuals are veterans of the Vietnam era. On any given night, almost 300,000 veterans are on our streets or in homeless shelters. I am particularly troubled that this number has not decreased over the past 10

years. This says to me that our approach to this problem must change. I hope the transitional housing program created as a result of H.R. 3039 will provide the assistance and support necessary for homeless veterans to reestablish themselves as stable, productive citizens.

I share the chair's disappointment at the VA testimony on this legislation. In fact, I'll go a little further, Mr. Chairman. I am astonished at the can't-do attitude that is evident throughout the written testimony. I have not in my tenure on this committee, seen a statement as uncooperative and as unenthusiastic and as lacking in vision and creativity as this statement. There are hundreds of thousands of veterans sleeping on the streets. How can you show so little interest, I ask the VA, in a measure that would help many of these men and women?

There is some legitimate concern, I agree, from the VA on the funding mechanism. And we'll look at the VA's comments on that. There may be a better way to generate the funds. But let us find a way to do it, and not find a way not to do it.

I thank you, Mr. Chairman. I look forward to hearing from the witnesses.

Mr. QUINN. Thank you, Bob.

As he always does, the ranking member of the full committee is here and we're pleased to have Lane Evans with us. Lane, I would turn to you for opening remarks.

Mr. EVANS. Mr. Chairman, thank you. I just want to associate myself with your remarks and the ranking member's remarks. I think they're right on point. And I don't have any other additional statements.

Mr. QUINN. Thank you, very much. Mr. Rodriguez is here. Ciro, opening remarks?

OPENING STATEMENT OF HON. CIRO D. RODRIGUEZ

Mr. RODRIGUEZ. Yes, let me just—I just want to take this time to make just some general comments. First of all, I want to thank you for, you know, pushing on this legislation. I think that there's no doubt that there's a big need.

Just want to share, you know, some concerns. And I think sometimes we get kind of callous. I recall the first time I saw the first one that I thought was a homeless in San Antonio, and it attracted my attention, you know, some 10, 15 years ago. And now as I go through certain parts of town, I see them all the time. And now they don't attract my attention as much. They've become a part of the landscape and we take it for granted that that should be something that should be there.

And I would just want to share with you that some of the studies on the homeless have reflected that about one-third of them on the overall roughly are individuals that have, you know, some difficulties mentally. And I know veterans with the post-traumatic stress disorders that they suffer is something that we kind of take too lightly. And I think that if any one of us has ever experienced, which is not anything close to what they might have experience, but if you've ever experienced anyone getting shot close to you or in front of you, you know. We always provide assistance even to the some of the sites that we've had, where we've had individuals do

a lot of shooting. For 2 or 3 years after the incident, we're still counseling with those individuals and providing assistance. And it's something that kind of stays with us and has an impact.

And I personally had—in the fifth grade, when I was a young man, as a school patrol witness a young girl and a young boy get run over. And to this day I can still see that, you know. And it's not anything close to what some of these individuals might have experienced. And I think we take that thing too lightly, and we need to kind of continue on that.

The only other thing that I share with you is the fact that along with that I know that a lot of it, in the mental health perspective, has to do with a chemical imbalance. But a lot of that is also triggered because of stress. And a lot these individuals have a great deal of difficulty in terms of employment. And I think we need to do whatever we can to try to see if we can help them out. I'm there with you. And thank you for allowing me this opportunity to say a few words.

Mr. QUINN. Thank you, Ciro. And you know, that's one of the things we found at the hearings. And others already know on this committee, that it's a multi-pronged problem, if you will. It's not only the homelessness, but it's the unemployment and the sometimes chemical-related, sometimes alcohol-related problems. And the bill suggests that we try to approach it from different angles of solving it, that's all. And you're right. Sometimes we become callous. If a member of this subcommittee or committee had a single family member homeless, that'd sure change their attitude toward this, I think. And we need to step up for those folks, is all we're saying. And I thank you for your comments. I appreciate it.

We're going to move then to our first panel. We're very fortunate indeed to have Mr. John McLaurin, Deputy Assistant Secretary of the Army for Military Personnel Management, Equal Opportunity Policy. He's accompanied by Mr. Jack Metzler, the Superintendent of Arlington National Cemetery. So our discussion then, obviously, moves to discussion of H.R. 3211, the Arlington bill.

Gentlemen, we're both thrilled to have you with us here this morning. We do ask that if you could keep your comments to about 5 minutes or so. We will receive all of your written testimony. It becomes part of the record for this morning. Mr. Secretary.

STATEMENT OF JOHN P. MCLAURIN, III, DEPUTY ASSISTANT SECRETARY OF THE ARMY, MILITARY PERSONNEL MANAGEMENT AND EQUAL OPPORTUNITY POLICY; ACCOMPANIED BY JACK METZLER, SUPERINTENDENT, ARLINGTON NATIONAL CEMETERY

STATEMENT OF JOHN P. MCLAURIN, III

Mr. MCLAURIN. Thank you, Mr. Chairman. We're glad to be here to discuss the proposed legislation regarding eligibility criteria for burial at Arlington National Cemetery. As you're aware, the Secretary of the Army has designated the Assistant Secretary of the Army for Manpower and Reserve Affairs as the individual responsible for oversight of burial policy at Arlington. Today, I am representing the acting assistant secretary, who was unexpectedly hospitalized over the weekend. In my capacity as the Deputy As-

sistant Secretary, I am here to provide the Army's comments on the proposed legislation. Seated next to me, of course, is Mr. Metzler.

Arlington National Cemetery is America's most prominent national cemetery and serves as a shrine honoring the men and women who have served in the armed forces and those Americans who have made extraordinary contributions to the Nation. Over the years, the symbolic significance of Arlington National Cemetery has evolved. The Cemetery has become recognized as the Nation's foremost national memorial to its military members and is the final resting place of presidents and other leading public figures.

The Army supports the committee's effort to set forth in law many of the rules that have governed eligibility criteria for burial in Arlington for the past 30 years. As you know, rules governing burial in Arlington are set forth in Title XXXII of the Code of Federal Regulations. We support your effort to make these rules readily accessible to the American public in the form of enacted laws.

We also support your effort to identify in law those categories of persons entitled to burial in the cemetery who are routinely granted exceptions, allowing them to be interred in Arlington. These exceptions took into account humanitarian considerations and, as a matter of practice, were granted in cases involving the burial of disabled, adult, unmarried children in the same gravesite as their parents.

We are troubled, however, with two aspects of this legislation. First, this bill eliminates an entitlement that presently exists for former members of the armed forces whose superior contributions to the Nation are reflected in the high legislative, judicial, and executive offices they hold. For example, Oliver Wendell Holmes is buried at Arlington. Holmes served in the Army during the Civil War and was later confirmed as an associate justice to the Supreme Court. The proposed legislation would preclude Associate Chief Justice Holmes' burial despite his brilliant combat and public service records.

Under the current regulations governing burial at Arlington, individuals such as Oliver Wendell Holmes would be allowed to be buried in Arlington based on their distinguished service to the Nation. They would not be eligible for burial based on their military service alone, unless they were highly decorated. Changing this rule constitutes a radical departure from current burial practices, and fundamentally changes the character of the cemetery.

Second, the legislation creates a set of immutable rules that limit any discretion to grant exceptions in those circumstances that historically have warranted burial in this hallowed cemetery. For example, former Supreme Court Justice Thurgood Marshall did not have military service. Yet, due to his extraordinary public service accomplishments and demonstrated record of supporting this Nation's highest traditions of freedom and democracy, there was overwhelming national support for his interment in Arlington. Under the proposed legislation, Justice Marshall and other extraordinary public servants could not be buried in Arlington National Cemetery.

In addition, this bill would exclude from burial in Arlington individuals who, while performing a mission on behalf of the United

States, make the ultimate sacrifice by giving their lives for their country. For example, Mr. Robert Frasure died in a tragic accident in an armored vehicle in Bosnia. Mr. Frasure was a deputy assistant secretary of state and a special envoy to the president. He had no military service and was, therefore, not eligible for burial in Arlington. We believe that individuals like Mr. Frasure, who are dispatched to strife-ridden areas and make the ultimate sacrifice in service to their country, should not be excluded from burial in Arlington National Cemetery.

Arlington should be preserved as a national shrine honoring the men and women who have served in the armed forces and those Americans who have made extraordinary public contributions, the vast majority of which are veterans of our armed forces.

If there is one thing we know, it is that life is uncertain. We believe that there must be a mechanism under the legislation to deal with facts and events that are impossible to predict with certainty today. We recommend that language be included in the bill that would provide the president, through his designee, the Secretary of the Army, the discretion to grant exceptions for burial in Arlington National Cemetery to individuals whose acts, services, or contributions on behalf of the Armed Forces or the Nation are extraordinary and substantially similar to the acts, services or contributions made by the individuals who would be entitled to burial under the legislation that you enact. The authority granted could include a proviso that appropriate oversight committees be notified of each exception.

We support the provisions that limit the placement of memorials and monuments, other than private markers at individual gravesites, and that the event that is commemorated is of fitting historical significance.

In closing, I would like to emphasize that the Army takes very seriously its responsibility to administer and to uphold the sanctity of Arlington National Cemetery as we pay final tribute to men and women who have served our country with distinction. In this regard, the Army has recently completed a strategic plan which is designed to ensure that Arlington will remain active as the Nation's foremost national cemetery. This plan identifies fourteen parcels of land that are located in close proximity to the cemetery and that could be used for future burials. These parcels include contiguous land sites that will be vacated by the Army, Navy, and Marine Corps, including a portion of Fort Myer and the Navy Annex. We solicit your support for this initiative. Acquisition of this property will allow for continued operation of the cemetery through the 21st century.

We appreciate very much the opportunity to be here, Mr.Chairman. Mr. Metzler and I are pleased to answer any questions that you may have. And just for the record, I would like to endorse Mr. Filner's comments regarding Mr. Metzler in his service not only to the Nation but to the men and women who serve our nation and the Armed Forces.

[The prepared statement of Mr. McLaurin appears on p. 96.]

Mr. QUINN. Thank you, Mr. Secretary. Mr. Metzler, you have a prepared statement, or are you just accompanying us today?

Mr. METZLER. I'm just here to answer questions.

Mr. QUINN. Okay, great. And thank you for your comments. We appreciate the work both of you do on behalf of our veterans.

I don't know that I have questions. Just a couple of reactions, if I may, and I'd be interested in hearing your comments about it. And then I'm going to yield to Mr. Evans, who, along with Mr. Stump put the bill together of course.

One of the problems, obviously, from your testimony it sounds like you feel the need to have some kind of waiver ability, there's no doubt about that. The problem when we start granting some kind of waivers is how we maintain that system objectively. You know, Thurgood Marshall and Oliver Wendell Holmes and some others that you mention, I don't think Mr. Filner, who just had to leave, but will return, and I were just saying that I don't know that anybody has a problem with that. But once you begin, where do you end, and how does it stop, and who's the objective body that makes these kinds of decisions? For example, with some exceptions that you mentioned, some that you didn't mention, would burial in a national cemetery be appropriate rather than Arlington National Cemetery? Must it be Arlington? Should it be Arlington?

And by the way, I want to sort of parenthetically support the outline of the other sites, the additional properties and we're going to be helping you with that and working with you. That's the right thing to do.

But it just concerns me, that I think one of the things that the two original sponsors of the bill, and Lane is here with us today, are trying to accomplish is that military service is a special way, unmatched by anybody else. Where a common person, without pedigree and background and serving as a chief justice—and all of them have my highest esteem, believe me. But I think some of the intent here is to say that someone who's a common person, who has served their country, needs to be recognized in a unique way. And for now I think a lot of people think that that's one of the purposes at least of Arlington. So, again, it's maybe not a major disagreement, but I hope you understand once we open the door for waivers, the question becomes how and when and all those other things. Could you comment, please?

Mr. MCLAURIN. Yes, Mr. Chairman. I'd be happy to comment. You know, I appreciate and understand your concerns about where waivers begin and where waivers stop. And I certainly think in legislation you could provide certain guidelines for that. But ultimately, it's going to require confidence, quite frankly, in the person, in the office, that is making the decision on those waivers. Certainly, it is far easier not to have any waivers. That I understand and appreciate. We just think, however, that it's appropriate in this case, to make provision for those waivers. And we think that the Secretary of the Army is the appropriate place to make that decision.

As I'm sure you're aware, the procedure that's followed is a very strict procedure and starts with Mr. Metzler, who verifies the facts and makes recommendations accordingly. I just do not know how you can come up with something that guarantees that each and every case will be handled just exactly the way you or another person or I think it ought to be handled. I think we're going to have

to rely in good faith on the judgment of the individual making that decision.

Mr. QUINN. Thank you. And I appreciate that. And believe me, that's the balancing act when we pass laws all the time, isn't it? That we don't pass a law that's so restrictive that we can predict every single time what's going to happen, because then it becomes to restrictive and doesn't allow some flexibility, if you will, and trust. And believe me, I don't think the Congress, nor does the bill, suggest that we ought to be making those decisions.

And I don't even know how important it is what this member happens to think, because there'll be others after me and there have been others before me. But I'd be interested in even discussing it with you further, after today's hearing. I don't want to monopolize too much of the time here, to see just how we do that. That is a problem.

Mr. MCLAURIN. I'll be very happy to do that Mr. Chairman.

Mr. QUINN. Mr. Evans.

Mr. EVANS. Well, thank you, Mr. Chairman. I know we have very strong bipartisan support for our legislation. I understand you know that as well. But we are open to suggestions and critiques of the legislation as it moves through the process. So we appreciate your being here and look forward to working with you, Mr. Chairman, on getting this done soon.

Mr. QUINN. Mr. Rodriguez? Excuse me. Thanks for your testimony. We have no other questions for you. Appreciate your coming very, very much.

Mr. MCLAURIN. Thank you for having us, Mr. Chairman.

Mr. QUINN. The second panel is Mr. Keith Pedigo, Director, Loan Guarantee Service at the Veteran's Benefit Administration, to be accompanied by Mr. Thomas Lastowka and Mr. Peter Dougherty.

Keith, it's good to see you again, thanks for joining us this morning. We're going to begin with I hope not too much of a disruption here to move along. And want to thank you. It seems like such a long time ago when I became the chairman of the subcommittee and received my briefings from you and others. And wanted to say thanks again, that was really well received. And we appreciate your cooperation.

Again, in this panel, we'd like to ask you if you could keep your comments to about 5 minutes or so, and then we'll entertain some questions and receive your written testimony. You may begin.

STATEMENT OF KEITH PEDIGO, DIRECTOR, LOAN GUARANTY SERVICE, VETERANS BENEFITS ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS; ACCOMPANIED BY THOMAS LASTOWKA, DIRECTOR, PHILADELPHIA REGIONAL OFFICE AND INSURANCE CENTER, AND PETER H. DOUGHERTY, HOMELESS PROGRAM SPECIALIST

STATEMENT OF KEITH PEDIGO

Mr. PEDIGO. Thank you, Mr. Chairman and members of the committee. Before I begin, I would like to apologize on behalf of the executive branch for the untimely submission of the testimony to the committee. It's regrettable and we will strive to rectify that in the future.

Mr. QUINN. May I say, and thank you for saying that, I think the department, I think everyone should have our schedule of events, as far as I know, for hearings the rest of the way out. All I would ask you to do and others is to take a look at that, and if it seems like you're going to have a problem with a date or a topic just let us know. Just give us a call as soon as you can.

Mr. PEDIGO. We sure will.

It's a pleasure to appear before you this morning and present the views of the Department of Veterans Affairs on H.R. 3039, the Veterans' Transitional Housing Opportunities Act of 1997. I am accompanied by Tom Lastowka, Director of the VA Regional Office and Insurance Center in Philadelphia and Pete Dougherty, a homeless program specialist at the Department of Veterans Affairs.

Homelessness among veterans is a tragic situation that concerns all of us and is unacceptable in a nation of our rich resources. Solving this difficult problem requires collaboration among a variety of entities. The VA is deeply concerned about the plight of homeless veterans and is committed to taking all reasonable steps to assist these individuals.

While we recognize the need to address the transitional housing needs of homeless veterans, we have two over-riding concerns regarding H.R. 3039. First, we believe additional analysis needs to be performed to determine whether a loan guarantee program is the best alternative for meeting the transitional housing needs of homeless veterans. Significant uncertainties exist in regard to how such a loan program would be structured and implemented, as well as the ability of the program to generate sufficient resources to fund the full range of support services participants need.

Secondly, we are concerned about the use of insurance trust fund assets generated from premiums paid by veterans to finance transitional housing loans.

As we testified before the subcommittee on December 18, 1997, the VA has over 100 specialized programs for assisting eligible homeless veterans. In response to the needs of homeless veterans, the VA developed clinical programs and services to meet their needs. The VA is one of only a few Federal agencies that provide direct services to the homeless population.

We therefore regret, Mr. Chairman, that we cannot support H.R. 3039, which would authorize VA to guarantee loans for the construction or rehabilitation of multifamily transitional housing projects for homeless veterans. The knowledge and skills that would be required to operate the proposed transitional housing loan guarantee program are very different from those necessary to run the existing VA loan program for guaranteeing loans obtained by individual veterans for single-family housing. VA does not now have the necessary knowledge or expertise to operate the proposed loan guarantee program.

Therefore, Mr. Chairman, we are not at this time in a position to express an opinion on how the proposed loan program should be structured and whether these loans would be commercially sound. Until such time as we are able to make a more informed assessment, we can not support pledging taxpayers' funds to guaranty these loans, let alone placing the funds of our national service life insurance policy holders at risk, however worthy the project.

In VA's 10 years of experience in serving homeless veterans, we have learned that very few veterans were homeless because of economic difficulties alone. The majority of homeless veterans suffer from mental illnesses and/or substance abuse disorders and have significant medical problems as well. In addition to housing, homeless veterans need a wide range of support services that include case management, substance abuse treatment, mental health treatment, assistance with job development opportunities, etc. It seems unlikely, that the rents collected from homeless veterans, who would be living in these transitional housing projects, would provide enough funding to pay for the "wrap around" support services that are critical components of a successful transitional housing program.

Additionally, there appears to be a technical issue with the way the bill was drafted that would result in no increased earnings from the mix of fund investments. Current law authorizes investment of moneys in the NSLI fund in mortgage-backed securities guaranteed by the United States. Preliminary VA analysis reveals, however, that investing in Ginnie Mae securities during the past several years may have actually generated a lower rate of return to the NSLI fund due to the early payoff of loans and the loss on early redemption of such securities.

Although certain private asset-backed securities might produce a greater yield than government guaranteed mortgage-backed securities, investing in those securities would subject the NSLI fund to added risk. We're concerned that any loss to the NSLI fund resulting from such an investment could be viewed as an unconstitutional taking from the policy holders.

We believe the principal and earnings of the NSLI fund are for the benefit of policy holders. Although providing transitional housing to homeless veterans is clearly a worthwhile endeavor, any investment decision regarding the NSLI fund must be made with the needs of the life insurance policy holders foremost in mind.

Under current arrangement with Treasury, the VA is able to redeem Treasury bonds early without penalty. Early redemption is not possible with mortgage-backed securities. We would therefore be opposed to committing NSLI fund assets to offset the subsidy cost of loans for transitional housing.

Mr. Chairman, transitional housing programs for homeless veterans are currently being supported through VA's Homeless Providers Grant and Per Diem Program. To date, we awarded $21 million to non-VA organizations to develop programs for homeless veterans. Approximately, 22 projects are now complete and over 600 new beds are operational.

In summary, the VA has a strong tradition of providing services to homeless veterans to help them overcome their physical, psychological and social needs so they can resume to be productive members of society. VA administers a number of programs to assist the estimated 200,000 veterans who are without housing. More needs to be done. However, VA cannot support taking premiums paid by other veterans for their life insurance benefits, and placing their funds at risk in order to finance this or any other program, however well-intentioned.

We look forward to working collaboratively with the committee and with other Federal agencies, State and local governments, and nonprofit groups in efforts to assist homeless veterans and to explore options to address transitional housing needs for these veterans.

This concludes my statement, Mr. Chairman. And I would be pleased to respond to any questions that you or other members of the committee might have.

[The prepared statement of Mr. Pedigo appears on p. 103.]

Mr. QUINN. And you're the only one with testimony?

Mr. PEDIGO. Yes, sir.

Mr. QUINN. Okay. I think we agree on a number of things—at least in your testimony—I think we agree on the reasons for homelessness as it relates to veterans, maybe homelessness as it relates to all Americans. I think you're right on the mark when you say there are often other problems, whether it's employment or a whole host of other problems a person or a veteran may encounter. The wraparound services that you talk about just now—whether it happens to be from other existing Federal agencies, some even from VA health care facilities, State and local not-for-profit you mentioned as well—I couldn't agree with you more. In fact, that's what we heard in Buffalo at this day-long set of hearings. And that's what we heard when we visited the one and two bedroom apartments and that's what we heard from the families and the veterans. What we heard was they can't do it alone—and we heard that most likely the VA is not the only group that has to be able to step forward and help them. And what we heard was that the traditional way of addressing this concern probably won't work.

As Mr. Filner pointed out, we haven't seen a big decrease in those numbers of homeless veterans, not that the VA hasn't been doing a great job with the programs, and you can point to those statistics in there—and we agree there, too, that you're doing a great job. But I want to make certain that we're trying to—maybe—break the mold a little bit with some ways to do more—and we agree there too, because you want to do more. I think there's more agreement than disagreement here, and would say to you—for the record—that we're not suggesting that we do anything illegal. We're not suggesting that we jeopardize any insurance funds for anybody—that will be a technical problem we'll work out and we'll talk with you some more. But, when you say that you don't have the knowledge and expertise to do this—a general question for me would be, "How can we help you get that knowledge and expertise to do it?"

Mr. PEDIGO. Mr. Chairman, I believe that in order to administer such a program in-house we would have to acquire that expertise. We would have to hire people with expertise in administering a multi-family loan guarantee program. That would be one option. Or, we would need the funds to hire consultants who already possess the kind of skills that we would need to administer this type of program.

Mr. QUINN. I agree that that would be one option. I'm only suggesting that we keep an open mind to consider other options. And it always isn't to hire consultants—not always to go out and hire consultants. Because these people that I talk to will tell you that

you can keep your consultants, frankly. I didn't say that, but that's what I was told, and we heard this from an awful lot of people.

Yes, sir, I didn't mean to interrupt. Okay. Mr. Evans.

Mr. EVANS. Well, I just want to again associate myself with your questions and your remarks.

We had a wonderful experience up in Buffalo. We found out what could be done and, I guess, as Bob Filner has said, it's very disappointing to hear what you say we can't do, the attitude ought to be what we can do for our veterans. That's what they're trying to do in Buffalo, and I would urge you to work with us to come up with some way of dealing with your inability here to help us with a very important program.

Thank you Mr. Chairman.

Mr. QUINN. Thanks.

Mr. RODRIQUEZ. Let me just, first of all, say that I'm a little disappointed with some of the comments, and I don't know exactly why those comments were made, because it's understandable that, sure, but if people have mental health problems, and have problems in terms of counseling and job placement, it makes sense that, they're not going to—I don't want to go in for counseling if I don't have a roof over my head.

It doesn't make sense, if you've ever been in that situation, for me to look for a job when I can't even get there; I don't have a place, you know. So one of the first prerequisites of all that is to assure to the percentage of population that sense of security that's there, and all the data's that there, and the research in terms of marginal hierarchy of needs, that first you've got to have a little roof over your head to kind of feel comfortable. And that makes just kind of sense, because for me to expect for you to give me counseling when I don't have a roof over my head doesn't make sense at all. Because I'm not going to listen to you, even though I might need the counseling. I'm not ready for that. I'll be ready when I feel comfortable, and I feel secure where I'm going to be sleeping tonight and the next day. And so that should be one of the first prerequisites of any of the other services that you might provide.

And so that's kind of disappointing in indicating that, I would think that with the amount of staff that you have, I don't know, I just kind of have a feeling that, you know, you have a lot of bureaucrats out there, and, with the amount of staff, you would have some that are qualified in looking at housing.

When I visited some of the Sam shelter in San Antonio, some of the housing—you get to speak—you know, one of the ones in San Antonio that's running it is an ex-alcoholic who was out on the streets and now is running that program, well-educated individual. And so you have a lot of the veterans out there that are capable of running some of those programs.

And I think that what we're asking, is maybe meet us halfway. If you can't pull it off, let us know what you might need in order to make that happen. But you've got a lot of people out there that already have the knowledge, and might have, you know. And I would hope that you kind of open up a little more in terms of being able to kind of come to grips with the fact that something's gone wrong; there's still too many out there that are in limbo, and, yes,

they do have other problems. But they're not going to come in for counseling unless you provide them that, you know, initial roof over their head and then they might consider some other things. Thanks.

Mr. PEDIGO. Mr. Rodriquez, we certainly agree with you that there's a serious unmet need for housing homeless veterans. And what we're saying in the testimony is that we want to work collaboratively with the committee to try to find a solution for this, but that we believe that there are some flaws in H.R. 3039.

We, clearly, want to continue to try to meet the needs of these veterans. But we have some concerns with this bill.

Mr. RODRIQUEZ. Can you make some recommendations as to how you feel that you might feel more comfortable with that—or that you feel might be needed? Otherwise, we might have to go through some other agency to provide the assistance and take maybe some of the money that you would have had to provide that assistance yourself.

Mr. PEDIGO. We would, of course, be willing to sit down and work with the staff on the committee. We've already had a recent meeting, and I think it was a fairly productive discussion. We have some experts on homelessness at VA. And perhaps, with your permission, I might turn to Pete Dougherty who works more intimately with our homeless programs, and ask him if he might have some ideas that we could pursue.

Mr. DOUGHERTY. Thank you. Mr. Chairman, it's good to see you again.

The requirement's section under 3773, gives the Department broad discretion in which to make the determination as to whether a loan should be guaranteed. There're a number of provisions in there bill about wrap-around services, access to medical care that VA may provide, and other services. I think on the program side the bill is well written.

I'm at least satisfied, given the seat that I have, that the discretion the Secretary would have in guaranteeing the loans is reasonable to ensure that service provider provides high quality of service to veterans. I'm not involved in the discussion about the technical parts because that's outside of my scope and area. My perspective is that the bill is well intentioned given what it asks the department to do in looking at the services that would be offered if, in fact, a guarantee would be provided.

Mr. QUINN. Mr. Rodriquez is that sufficient?

Mr. RODRIQUEZ. I just want to make another comment. When we look at—do you have any suggestions? Because my intent—I gather that some of part of the intent is transitional housing. That tells me, you know, at least that just partial, to try to get them, at least until they can get on their own, you know. Do you have any difficulty with that?

Mr. DOUGHERTY. Transitional housing is, generally, considered to be housing that would last up to 2 years. Many of the programs that we work with have transitional housing. A veteran may come through VA inpatient veteran care programs or other programs; live in a transitional house, have some income, be able to both maintain a length of time of sobriety and maintain their good men-

tal health for a period of time, be able to save money, and to be able to go out into the permanent housing market.

The concept of transitional housing being up to a 2-year period, which I think this bill contemplates is a very good and effective means of providing service for veterans who need it.

Mr. RODRIQUEZ. And you would say that that's an area of need?

Mr. DOUGHERTY. Oh, yes. We do an assessment through every VA Medical Center across the country where local VA personnel who are familiar with homeless veterans, community service providers, veteran service organizations and others meet. We discuss what the unmet needs are in that community. The need for transitional housing has shown up every year as one of the top unmet needs across the country.

Mr. RODRIQUEZ. So you're going to try to meet us at least halfway in terms of trying to make something happen?

Mr. DOUGHERTY. Mr. Rodriquez, on the program side, I think we're more than halfway.

Mr. RODRIQUEZ. Okay, and on the bureaucratic side?

[Laughter.]

Mr. QUINN. Thanks, Mr. Rodriquez.

Just so, for those who are with us today that may not have all the background we have, we're talking here about what amounts to a demonstration program. We're talking about the VA not being able to guarantee any more than five loans in the first 3 years. That's the legislation—five loans over 3 years. In my estimation, it really is a demonstration program. I said in earlier testimony, "I think we need to walk before we run with this." And we are willing to meet you, as you see pointed out, more than halfway. But we might have to step outside of the traditional way that we're used to doing that—without placing anything at risk.

Let me ask you a direct question. Would you have a problem having the VA receive advice from a non-profit organization corporation that's already in this business—underwriting loans for transitional housing? In other words, you made a comment before that you don't have the expertise and the knowledge—and I understand that, especially if you're going to try something new, and especially if it's a demonstration project.

And we also are not interested here—I'm not—in creating a whole new bureaucracy to say, "Let's set up a new assistant to the assistant, and hire all kinds of people and get a"—we really are not, particularly, until we wait and see if this demonstration project works. We may be headed down the wrong path; who knows? I think it's worth a try. But, we know there are some people out there who have been doing this; we saw it back in December. Mr. Rodriquez has seen it in his part of the country.

Do you have a problem with seeking some advice, counsel, experience from a not-for-profit, let's say, corporation—legit, good history, good background, track record, works—without having to ask you to go out and hire a whole new department. What's the downside to that for you?

Mr. PEDIGO. Mr. Chairman, we would very definitely be open to that type of advice. We would be willing to work with anyone who has expertise in that area.

Mr. QUINN. Good.

Mr. PEDIGO. We are in the process of working with the staff here to come up with something that addresses the other concerns to the bill.

Mr. QUINN. And again, our understanding is—agreed—that it's sort of a demonstration project—five loans over 3 years?

Mr. PEDIGO. Yes, yes.

Mr. QUINN. Okay. I don't have any further questions for the panel. Mr. Rodriquez or Mr. Evans?

Thank you very much gentlemen.

Third panel will consist of Mr. Raymond Boland from the Wisconsin Department of Veterans Affairs, and Mr. Tim Cantwell from Westside Residence Hall, Incorporated.

Linda Boone, it's nice to see you here again. Thanks for joining us. Weather's almost the same today as it was in Buffalo.

[Laughter.]

Hate to say that—maybe it's me.

Mr. Boland and Mr. Cantwell, as we get you set up and ready to go there—I know that you've requested of the committee, since there's quite a bit of a history in the story here, that we waive the—here we are back at waivers again—waive the 5-minute rule and allow you both about 10 minutes in your opening statement. So I would announce to the committee and the members, the audience, that we're going to try to extend that to you—if you wish, to give you a little extra time.

You may begin, sir, Mr. Boland.

STATEMENTS OF RAYMOND BOLAND, SECRETARY, WISCONSIN DEPARTMENT OF VETERANS AFFAIRS; TIM CANTWELL, PRESIDENT, WESTSIDE RESIDENCE HALL, INC.

STATEMENT OF RAYMOND BOLAND

Mr. BOLAND. Good morning, Mr. Chairman, members of the committee. I really appreciate the opportunity to appear before you this morning and to comment on the needs of homeless veterans. As the State of Wisconsin's Secretary of Veterans' Affairs, I represent the 520,000 veterans in our State. I, and the service officers we have in each of our 72 counties, comprise a delivery system that serves our veterans on a daily basis across the full range of both federal and state benefits and issues. I have direct responsibility for State veterans' programs involving health care, primary mortgage home loans, consumer loans, education, employment and training grant programs, and programs that address the issues of veterans homelessness. I'm also an active member of the National Coalition for Homeless Veterans. I have been involved at the National level with this issue for approximately 5 years. And it is through the Coalition that many of us across the country, of different backgrounds, have come together to share our good ideas of how we can do some of these things differently.

In Wisconsin, through collaboration with the U.S. Department of Veterans Affairs, local units of government, nonprofit organizations, and the private sector, we have forged a continuum of care, a model that addresses the plight of homeless veterans on a statewide basis. Our concept enjoys the full support of our Governor,

Tommy Thompson, the State legislature, the VA Medical Centers located in our State.

Although our particular program is State-driven, it is actually operated by community-based, non-profit organizations. My role has been to assist these organizations in acquiring the facilities and resources they need to do the job. And we have also formed a State government bridge between the U.S. Department of Veterans Affairs and our community providers.

And I want to tell you today about an example of the potential of what H.R. 3039 is designed to accomplish. In Wisconsin, we did something similar, by using State funds for the same purpose—to guarantee a loan made by a bank to a non-profit organization for the purchase of property for veterans transitional housing.

In our largest city, Milwaukee, we had a community-based provider who sought to expand support to homeless veterans. A vacant hospital building at an inner-city location was for sale and was ideally suited to become a transitional housing facility. The deal called for the downpayment to be shared by the county, the community organization, and my agency. But the lender would not make the loan without additional default security. Using funds from our State Veterans' Trust Fund—which also happens to be an invested account—we furnished the amount they required to guarantee the loan. That was 4 years ago.

Since then, this facility has served more than 1,000 veterans. The non-profit provider has also received enough grant monies to liquidate the mortgage balance. None of this would have been possible without our help. And that's why I believe that House Resolution 3039 is an excellent concept. It incorporates the diverse strengths of government, non-profits, and the private sector. It further is a social agenda at no cost to the tax payer. The proposal also makes sound economic and business sense.

This proposed legislation addresses a key segment in a process needed to transition homeless veterans back into the mainstream of society. That key element is housing affordability. Our program in Wisconsin provides the services veterans need to end their homelessness. The primary strength of our model is that we require each resident to work and to restore financial responsibility.

Those veterans who require treatment or rehabilitation due to substance abuse, mental disorder, or other conditions that inhibit their ability to hold employment are screened and referred to treatment by our on-site VA clinicians. Following treatment, our residents enter a rigorous daily schedule of employment, job training, and community service as they proceed through a phased process toward self-sufficiency. When they complete this program, they leave with full employment, enough savings to begin a new life, and a manageable budget.

And at the heart of our model is the belief that work is therapy. But an employed veteran can only acquire living accommodations that are available and affordable. And this is why we need your help. We urgently need more programs like this throughout the country if we're going to deal, seriously, with the problem. Working collaboratively with you and the U.S. Department of Veterans Affairs, I know we can make a real difference, and this belief is not

based on fantasy. There are now enough of us who are proving from coast to coast that these partnerships can succeed.

The proposed legislation will give the USDVA the ability to expand its key role within the collaboration. It would give them the authority to provide the financial guarantees necessary to assure the lending sector.

It is my belief that we cannot leave veterans homeless on the battlefields of life in our communities. We wouldn't leave them behind on the battlefields in combat. And, therefore, we must all do everything we can to ensure that they are brought back into the fold. And to do less than our ability would allow us is to condemn the very portion of our population to whom we owe so much. I therefore, urge your support of this legislation, and once again I appreciate very much the opportunity to testify today.

[The prepared statement of Mr. Boland appears on p. 109.]

Mr. QUINN. Thank you, Mr. Boland. We appreciate the opportunity that you took time to be with us. And you are to be congratulated, as well as your governor, for pressing forward with the program, and I think this is a classic example of where your Federal Government could learn a lesson from what you've done. And that's why we appreciate you being with us today. Congratulations.

Mr. BOLAND. Thank you.

Mr. QUINN. Mr. Cantwell, from the other end of the country out in California, heading up the Westside Residence Hall, Incorporated. You may begin your testimony now.

STATEMENT OF TIM CANTWELL

Mr. CANTWELL. It's a pleasure, my name is Tim Cantwell. I am President of Westside Residence Hall. We're a single purpose, for profit housing development company formed for the purpose of acquiring a 700-student residential dormitory from Northrop University in Los Angeles in 1993. This initiative was undertaken initially, by a group of prominent veterans in Los Angeles known as the Genesis Committee. They recognized a huge need in L.A.

Nearly 10 percent of the homeless veterans in the country are located in Los Angeles. At that time, there were 20,000 homeless in Los Angeles County and only 100 beds set aside for veterans. They determined to do something in scale to begin to address this serious issue. They identified the facility, and while in search of locating financing to acquire it, approached Century Housing Corporation which was at that time, known as the Century Freeway Housing Program which was a division of Housing and Community Development, State of California.

It has subsequently become the first privatized agency of the State of California. It is now a non-profit known as Century Housing Corporation. And as such, had significant assets available for financing, but they were all committed through the course of a competitive effort. The group determined that only someone that already had a financing commitment would be available to use this funding for purposes of this real estate. They approached Cantwell Anderson, which is a real estate development company of which I am a principal.

We looked at the real estate and determined that it would be feasible for a number of different purposes, developed exit strategies

in the event that no bankable segment of the homeless veteran population could be identified, and proceeded with securing the property. After significant study across the country—many of whom are board members and past members of the National Coalition for Homeless Veterans—it was determined that, clearly, a significant percentage of the homeless veterans that are out on the street—if given an opportunity, the proper setting, the proper clinical framework, the proper life skills support—would jump at the opportunity to take financial responsibility for themselves in regard to the rent associated with acquiring housing.

That would work, so long as it was possible to look at a homeless veteran as a human resource—help them recognize that potential, and then concomitantly, they're a consumer; that consumer can pay rent. And if you can pay rent, then you could underwrite a real estate transaction. And it was from this fundamental principle that we move forward on the strength of financing this purchase and renovation of this 150,000-foot facility. That was in 1993.

As we sit here today, more than a thousand veterans have moved through in the last two quarters alone—263 vets have come through our welfare to work entry. Seventy-eight percent of these veterans have found permanent employment, 65 percent have transitioned into the rental operation or into their own permanent housing. Currently, more than 20,000 meals a month are produced, our outreach efforts in the last quarter have touched 2,000 homeless veterans in Southern California.

This is a collaborative effort; by no means is this any one person's doing. L.A. Vets is a joint venture between Westside Residence Hall, Inc. a for profit development company and Los Angeles Veterans' Initiative—which is a 501(c)(3) non-profit. The division of labor has the for-profit responsible for designing, building out, delivering, and managing the housing; the non-profit coordinates supportive services. An intimate partner in the effort is the West L.A. VA Medical Center—six FTE are on-site. Department of Labor EDD rep is on-site. Inglewood Adult School is on-site. The Vet Centers are there on-site conducting PTSD classes. All of the people that you can think of that would make sense to bring to bear, at one place, for the purposes of enhancing the probability of a successful reintegration into society, is who we have there.

The efficiency is staggering. Of the first 308 veterans that were referred into the program from the West L.A. VA Medical Center—in the year before they came to the facility, they engaged the healthcare system a lot. Eighty-five percent of them had an average of 2.2 admissions per year. The average length of stay—129 days. You roll that up, it was about 29,000 inpatient stay days. In the year after they went to Westside, of the same 308, only 41 percent went to the hospital at all, their admission rates dropped to 1 time per year for an aggregate of 3500 inpatient stay days. The difference between 29,000 and 3,500—25,000 inpatient stay days of reduction to the West L.A. VA Medical Center—pick a number on what that cost savings is—big numbers.

If you were to roll that forward, behind 5,000 units of housing like this, [produceable from H.R. 3039] similarly organized or organized and tailored appropriate to a given community—and let me tell you there are lots of good ways to do this—but the fundamental

principle is, community-based organizations coordinating, collaborating, and accessing all the other streams of funding that's available—we've mentioned HUD in the past—the ability to deliver housing significantly enhances elbow room at the table in the competition for funds with HUD, if you can think about that for a minute.

The community-based organizations around the country, the VA's own survey and their challenge, all point to the same thing. If you don't have a place to go after you complete primary treatment, the recidivism rate and the probability of a relapse back into substance abuse or whatever your habits were that got you into the street in the first place, is very great. It is necessary to have a mechanism that provides a long-term, stabilized, therapeutic environment. If we believe that a significant percent of our homeless veterans are in a position to support themselves from the means of their own production so long as they have the proper job coaching, placement, relapse prevention, and clinical treatment pieces, then it stands to reason that we, as a society, can find a way to deliver that housing.

I'd like to read to you some testimony that we delivered before the House Appropriations Subcommittee in 1994.

"The comprehensive continuum of care necessary to truly impact the lives of these fallen heroes demands the highest level of human resources available, in a variety of clinical and service areas. These requirements are capital-intensive in an era of critical fiscal limitations on government spending as well as general societal impatience with entitlement programs. Veteran service provider organizations currently in operation struggle for their very survival while attempting to meet a piece of the continuum of care. Virtually none of them possess reliable funding for general administrative overhead so critical to the management of any organization. These struggles also force program development based upon fund availability.

"It is our belief that the opposite should be the rule. Programs should be developed based upon the needs of the population served. But to realistically accomplish this, continued assessment of needs and concomitant development of appropriate responses, requires adequate and reliable funding of sufficient administrative resources to assess, develop, and implement services." [End of 1994 testimony excerpt]

In the last 4 years, income stream to the tax system, as a result of veterans employed, in the collaborative effort in Los Angeles, has resulted in more than a million dollars being paid in income taxes by formerly homeless veterans and payroll taxes by their employers. Again, if we were to roll this forward with 5,000 units of housing and take the ratios that Mr. Boland's operation has seen in Wisconsin, other veteran service providers around the country—I mean it's going to be on the order of 60–70 percent are going to end up employed. If you just take $12,000 a year at 6 bucks an hour, at 15 percent, payroll taxes and income taxes for 60 percent of the 5,000 units, I get $5,400,000 a year of income stream to the tax system—it's significant.

The Department of Veterans Affairs has expertise in providing clinical and medical support for this homeless veteran population. The private sector has expertise in housing development and job

formation. Community-based organizations provide access to local networks and services. These public-private resources must be partnered in a way that not only creates the highest level of independence for homeless veterans, but must be organized in a self-sustaining manner that does not require annual appropriations for the bulk of its operations. We believe there are six major conditions that must be met to accomplish this goal: one, a large concentration of homeless veterans; two, real estate suitable for affordable adaptive reuse; three, a VA hospital with expertise and a commitment to providing clinical support; four, ready access to entry-level jobs; five, willing experienced, for-profit and non-profit partners as well as local community committees, and, six, long-term available financing

The gap in meeting this goal is predictably available, long-term, affordable permanent financing, and H.R. 3039 provides the mechanism to fill the gap.

This socially progressive, yet fiscally conservative idea, harnessing the strength of both the private and public sector, goes a long way towards meeting the needs for veteran specific housing.

The National Coalition for Homeless Veterans, a membership organization with enrollment in 38 States, D.C., and Puerto Rico, hardily endorses this legislation. As a board member of NCHV and a representative of L.A. Vets, we would ask for your rapid and complete support of H.R. 3039.

[The prepared statement of Mr. Cantwell appears on p. 113.]

Mr. QUINN. Thank you, Mr. Cantwell. What you had to say was important, and I began by saying any full written testimony is accepted and becomes part of the record, even though we short-changed you on the 10-minute opening. Congratulations to you to as well, and to the operation out in California. I know a little bit about yours; through staff here, I've been following it, trying to get out and see part of it, but I haven't been able to do that. But, congratulations on what you're doing.

You know CBO scored this bill, 3211, at about a million dollars a year. Change in the scope of the budget, and chump change in view of the positives that you say if you roll it up, so I don't think we have disagreement there. And, you know, you said that the six FTEs on-site—are they from the hospital?

Mr. CANTWELL. Yes, they're from West L.A. VA Medical Center. They provide vocational rehab support; they provide substance abuse counseling; they do the urine testing, they provide case management; they're intimately involved in the screening and assessment. The result of that is not a negative consequence to the hospital.

Mr. QUINN. Right.

Mr. CANTWELL. The result of it is more service to more veterans for less money.

Mr. QUINN. Increasingly, that's what we have heard at full committee meetings of this committee—in another room here—where we're trying to do more with less and we're hearing from other parts of the country. We're forcing the VA to do more with less. We're cutting the budgets—not cutting the budgets—but we're trying to do a better job with how we spend the money.

And, for the life of me, I can't figure why this doesn't just fit. To me, it's perfect. You're going to where the veterans are in the first place, and their families and others, to try to provide the same service that they use to expect at a hospital. And then you run into all those other problems that go with it—transportation to and from the hospital, the rest of the family, and we know those stories as well.

Mr. CANTWELL. Yes.

Mr. QUINN. I cannot——

Mr. CANTWELL. And, I'd like to cite another example.

Mr. QUINN. Sure.

Mr. CANTWELL. On a 26-acre piece of the Cabrillo Savannah Naval Housing in Long Beach——

Mr. QUINN. Yes.

Mr. CANTWELL (continuing). L.A. Vets is the lead in delivering a thousand beds of housing for veterans and families. This effort has been significantly helped by another piece of "out of the box"—if you will—funding stream. And that comes to us through the National Collaboration for Homeless Veterans which is an L.A. Vets Americorp Program. We have accessed, aggressively, that Americorp resource and then recruited for American members for a skill set that could impact positively on our mission.

Mr. QUINN. Heaven forbid that a couple agencies in the Federal Government get together.

Mr. CANTWELL. Yes. Easier said than done.

Mr. QUINN. No kidding. We've heard it this morning.

Mr. CANTWELL. But what's interesting is, in the last year and a half, those members have been active in a whole range of community-based organizations in the Long Beach community coordinating this effort. The Long Beach VA Medical Center will be shutting down a 42-bed inpatient substance abuse program. They'll be moving two-thirds of the FTE that supports it to Cabrillo . Their 42 bed residential treatment piece will become 120 beds of outpatient, and will provide clinical leadership to the other 300 and some odd beds for vets. So, we have a condition where a budget of $3 million supporting 42 beds will go to about $2 million supporting 500 beds.

Mr. QUINN. I could talk more about it, but I want to yield to my friend, Mr. Rodriquez, to see if he has questions or comments at this point.

Mr. CANTWELL. Sure.

Mr. RODRIQUEZ. Let me, first of all, also thank you for those comments. And let me—you mentioned—and I don't know whether you went too fast through there or I didn't pick it up, but you talked about, you know, the need for some long-term financing. How would you structure that? I gather that what that meant to me—not that you want—didn't want or expect to get funding every year from the Congress, but that you wanted some kind of structure. Do you want to——

Mr. CANTWELL. I'd love to elaborate on it. There's basically three pieces to financing operations that we've been talking about: there's the capitalized cost of the bed, there are the operational costs to support that bed, and then there is the supportive services that are necessary to enhance the outcome for the occupant of the bed. The typical format for financing transitional housing in the universe

out there, is an appropriations for the capitalized cost of the bed, an appropriations for the operational cost of the bed, and an appropriations for the supportive services.

Well, what we're proposing here—and has been done in Wisconsin, is being done in L.A., and maybe being done in other places; I think it is—is that the capitalized cost of the bed can be an amortized cost, so it can be financed. And, the operational cost of the bed can be paid for out of the rents as well as the amortization on the facility. So, you still need to compete for supportive services dollars—that's still on appropriated activities, a fund raising activity, a coordinating activity. But, the first two components—and the most expensive component of delivering transitional beds—can be structured in a lending environment. And that's the point, and there is no place that exists to go get that [financing].

It happened in Wisconsin because the State of Wisconsin made it happen. It happened in L.A. because there was this one, financing piece through Century Housing Corporation which is geographical limited to Los Angeles County.

Mr. QUINN. Thank you.

Mr. Boland, before I let you go, could I ask you, please, in about a couple two or three minutes, just to talk a little bit about how Wisconsin, Milwaukee, went about financing your situation? Is that something you can do in a couple minutes?

Mr. BOLAND. Sure.

Mr. QUINN. Please.

Mr. BOLAND. I'd like to mention, however, that Milwaukee is not our only site. We have three sites—two of them up-state in rural areas and a fourth site will open in a couple of months in the extreme southern part of our State. And that's why I said in remarks earlier that we have taken a state-wide approach to this thing—with the goal of ending homelessness, completely, among veterans in our State.

The Milwaukee project was the one that we helped them get the loan. We did that, as I said, using trust fund money that I manage in a Veterans' Trust Fund Account, and within budget authority that I had been given for that program. And so the money—it came down to a decision of whether we use that money to help guarantee this loan or not start the program. And, so we, in conference with our counsel and our State finance people, agreed that within that budget authority we could do that.

Mr. QUINN. Excuse me. So the lawyers for the State and the finance people for the State of Wisconsin seemed to think it would work?

Mr. BOLAND. Yes.

Mr. QUINN. Thank you.

Mr. BOLAND. That's not to say there weren't objections by other bureaucrats within the scenario, but, we found a legal way to do it with funds that we had been legally appropriated to put into this program, and and we made it work. And there's no way they could have received the loan. I mean, when we met with the lenders, typically, by definition, non-profit organizations do not have the assets for collateral. That's what this is all about.

Mr. QUINN. That's why they call them "not-for-profit."

Mr. BOLAND. I think so.

Mr. QUINN. Although so do I.

Mr. BOLAND. So, we had the money; there was a way we could make it work, and we did it.

Mr. QUINN. Congratulations.

Mr. BOLAND. We entered into a performance agreement as an extension of the loan contract.

Mr. QUINN. Thank you. We have to finish up here. Thank both of you for your testimony here today, and we appreciate your time and travel to visit us here in Washington.

I'm going to make sort of an executive decision here, take about a 2-minute break, and say that the last two panels—panel four and five—I'm going to ask the staff to try to combine that into one panel. We need a couple extra chairs, but we'll try to do that, and we'll get you some help. And we'll share the microphone. So let's take about a 2-minute break to try to bring everybody up for the last panel. Thank you.

[Recess.]

Mr. QUINN. Thank you for cooperating with us here today. We're going to try to get everybody—it's good to see you all again, first of all; had you in some hearings before. Thanks for being with us. I do want to make it clear, though, that we're asking for your input on both bills—3211 and 3039—today. In a limited amount of time, that's not always easy to do, but we would appreciate hearing from you on both of those.

For the rest of the committee, it'll be reading the testimony. As we welcome you all—we have one microphone; I apologize for that. I don't know why they give us all these extra ones; we don't need them, but you all, who have something important to say, get to share one. So we'll work it from the left, start with the AMVETS, and work our way around, please. Thank you again for being here, and you may begin.

STATEMENTS OF VERONICA A'ZERA, LEGISLATIVE DIRECTOR, AMVETS; BOB MANHAN, ASSISTANT DIRECTOR, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS, AND LARRY RHEA, DEPUTY DIRECTOR OF LEGISLATIVE AFFAIRS, NON COMMISSIONED OFFICERS ASSOCIATION; EMIL NASCHINSKI, ASSISTANT DIRECTOR, NATIONAL ECONOMIC COMMISSION, THE AMERICAN LEGION; KELLY WEST, DIRECTOR OF GOVERNMENT RELATIONS, VIETNAM VETERANS OF AMERICA, AND RONALD DRACH, DISABLED AMERICAN VETERANS

STATEMENT OF VERONICA A'ZERA

Ms. A'ZERA. Mr. Chairman, I've submitted my written testimony for the record, and I'll just make some brief comments here today.

We appreciate the opportunity to share out views on H.R. 3039 and H.R. 3211, which is enacting eligibility requirements for burial at Arlington National Cemetery. We have previously testified on the bill H.R. 3039, and our support has not changed.

AMVETS applauds this innovative idea to help our homeless veterans. We would like to see the demonstration project succeed under the following conditions:

We believe clear goals and objectives for this program need to be set. We'd like the VSO's apprised of any progress or problems, and we believe, after the 3-year demonstration, the project should be evaluated and a clear decision made on whether it's a viable program or not. If done right, this program can be a win-win program for everyone. We believe this program is a huge step in the right direction.

AMVETS supports the H.R. 3211, which enacts the eligibility requirements for burial at Arlington National Cemetery. Arlington is distinct among the national cemeteries. According to the U.S. General Accounting Office report, Arlington has a total capacity of 263,639 grave sites, of which about 60,700 remain available. The cemetery averages 2,887 burials per year. The Army projects that all the grave sites will be full by the year 2025, unless the cemetery is expanded.

The burial rules and waiver procedures came under criticism because of the attempts to secure burial space for individuals who may not meet the restrictive eligibility criteria for Arlington. During the last few years, requests for waivers have grown from a handful to at least 69 during the Clinton presidency. The perceived arbitrariness of the waiver process and the fact that GAO has reported there is really no set guidelines to whom, or by whom, requests for waivers can be initiated, caused great concern among the veterans community. One of our major concerns was the fact that Joe Veteran could call in and be denied a burial; yet, some high-ranking official could call in and was denied, but then told about the waiver process. So there was no equality.

This legislation meets our criteria and goes further. We support the fact that it codifies, with some exceptions, the eligibility already in law. I believe this bill testifies to the integrity of its sponsors. By supporting this bill, Congressmen Stump and Evans are precluding themselves as well as their peers.

And, I'd like to make a response to Secretary McLaurin's statement that, under this legislation, Robert Kennedy and Oliver Wendell Holmes would not be eligible to be buried in Arlington. That's not really true, because it does state that, if you honorably serve, that your remains, cremated remains, could go into Arlington. So, that's a little bit of a fact there.

We also objected to other non-veteran memorials in Arlington. This bill clarifies that. Only memorials honoring military service may be placed at Arlington. We agree with this point.

Although we support this legislation, we'd like to add two more points for thought. Given that Arlington will run out of space, we would also recommend that the VA and Congress support a marketing strategy and major construction plan to make Quantico National Cemetery a desirable and well-utilized alternative to burial in Arlington. We'd also like to see Congress enact legislation guaranteeing that all veterans buried in national cemeteries receive appropriate military honors, including an honor guard, rifle salute, and playing of taps. Congress should direct a transfer of funding from the Department of Defense to the VA that would be sufficient for VA to contract these services. Contracts would be with active-duty military, national guard, and reserve units.

Thank you for the opportunity to express our views on this bill. If you have any questions, I'll be glad to answer them.

[The prepared statement of Ms. A'zera appears on p. 125.]

Mr. QUINN. I believe, if it's okay with Mr. Rodriquez, that we'll hold questions until all of you have had a chance. I do have a couple, but they're in the nature that they're to everybody. So it'll be easier to ask, I think, when we're finished.

The VFW, sir, please.

STATEMENT OF BOB MANHAN

Mr. MANHAN. Thank you very much, Mr. Chairman. The VFW is very proud to be here this morning. I represent about 2,100,000 veterans, half of whom are now World War II veterans. First of all, the VFW is proud to be identified with and positively supports both bills, H.R. 3039 and bill H.R. 3211.

I'll address what we like particularly about 3039. There are three innovative new concepts that we think are worth trying. The first is the monetary arrangement to invest some monies in financial instruments that will yield a little more profit or return that then can be used for the transitional housing; second point, those not-for-profit lenders who have demonstrated that they can do the job will be prime operators of this effort. After all, nothing succeeds like success.

The third point that we very much like, is the fact those tenants, the homeless veterans, who will take advantage of this temporary shelter, will then be encouraged to become alcohol-free and/or drug-free and be required to seek, and then obtain employment.

In sum, this bill is an attempt to do something that the Federal Government up until now has not been able to do. And that is to provide temporary or transitional housing to homeless veterans who are willing to help themselves. I don't think anyone's thought of looking at the old homeless problem in this manner before. And as said, this is a demonstration project.

Second bill, H.R. 3211 regarding burial in Arlington National Cemetery. If the VFW had had the opportunity to sit down with a blank piece of paper to write a bill, this is the way we'd do it. The VFW absolutely support everything that is in H.R. 3211. Said another way, the VFW's absolutely supports the no waiver language, and we specifically support the intent not to inter other distinguished Americans who may have had an outstanding career in the Executive, the Judiciary, or the Legislative branches of our government. Maybe a different cemetery would be necessary to honor these individuals, but certainly a military cemetery is not such a place, in our judgment.

This summarizes the VFW position, Mr. Chairman. I will be glad to answer any questions.

[The prepared statement of Mr. Manhan appears on p. 129.]

Mr. QUINN. Thank you, Bob. We appreciate that very much. Next on the panel, Larry, the Non Commissioned Officers Association.

STATEMENT OF LARRY RHEA

Mr. RHEA. Thank you, Mr. Chairman. Good morning. Let me begin by extending, in two ways, salutes to you, Mr. Filner, Chairman Stump, and Mr. Evans, and the other members of this sub-

committee and full committee that have worked so hard to bring these two bills to this point today.

In short, the Non Commissioned Officers Association supports both of these bills. That was not always the case. On H.R. 3039, as you recall, we had some objections in the beginning, but as a result of the dialog, particularly with your staff, and the hard work that they did, the Non Commissioned Officers Association is satisfied now that our objections—or the objections that we have—have been removed, and we fully support the bill without qualification.

We've identified the problem here relative to homeless veterans and some of the things that needs to be done. The one comment that I would like to make though is that I think we all have to recognize that we cannot help individuals who do not want to help themselves. And in saying that, we are pleased that H.R. 3039 assigns responsibility and accountability to the veterans who will participate in this program. We believe that's crucial. We believe that that needs to be mandated, and that that should be the outcome that we seek. Otherwise, all of the best intentions that we have in the world will be futile.

One thing that we certainly don't want to see is this, or any other Federal program, created that ends up focusing more on self-perpetuation than on the goals of its original design. So I would hope that as we proceed here in the process of this demonstration, that we would demand that outcome and carefully evaluate those results before we go to any further expansion.

NCOA is not a newcomer on the scene to Arlington National Cemetery, sir. More than 5 years ago, some in this room recall that we set before the House Veterans' Affairs Committee and asked that the eligibility requirements for Arlington be codified. We were concerned then that the sanctity of Arlington was being sacrificed. This Association believed then, as we believe now, that it is wrong to entomb or memorialize non-veterans at Arlington National Cemetery. We believed then, as we believe now, that it's wrong to memorialize or commemorate non-citizens who are not veterans of United States Armed Forces at Arlington National Cemetery. So therefore, in our view, deciding who is eligible for burial at Arlington National Cemetery should be taken completely out of the subjective realm.

The waiver process does not need to be formalized or perfected; it needs to be eliminated. The eligibility criteria, if properly structured, in our view, should be so clear and so explicit that determinations of eligibility could be made by the Superintendent of Arlington and the Superintendent of Arlington alone. There should never be a case, in our view, if we do this legislation right, for referral to the Secretary of the Army, the President, or anyone else in determining who's eligible. And reservations should be eliminated altogether, except those reservations that have already been approved under prior regulations.

We took the opportunity, Mr. Chairman, knowing that this is going to be an abbreviated session of Congress, to identify one other issue that we feel very strongly on and we think is related to the subject that we're talking about. Just as we believe that it's wrong to bury a non-veteran in Arlington, we also think it's fundamentally wrong to confer veteran status to non-veterans and to

individuals who have never served in the Armed Forces of the United Stated. And what I'm referring to here, Mr. Chairman, is Public Law 95–202 that gives the Secretary of Defense certain discretionary authority in conveying veteran status to civilians, individuals, and groups for service that they've rendered during times of war. As the committee has concerned itself with certain ambiguities and somewhat discretionary guess work in the law relative to Arlington, the Non Commissioned Officers Association suggests to you that that same ambiguity and guess work exist relative to Public Law 95–202.

Recently, Congress determined that award of the Purple Heart was an exclusively military declaration, and in doing that, Congress directed that an alternative be found for civilians in lieu of the Purple Heart. And by that same standard, that it's wrong to award the Purple Heart to non-military members, NCOA suggests to you that it is wrong to convey veteran status to individuals who have never served in the Armed Forces.

So in summation, we believe that the term "veteran" and issuance of the DD–214 should be synonymous with—and exclusively for—service in the Armed Forces of the United States. Here again, no exceptions, no waivers, and no political influence.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Rhea appears on p. 131.]

Mr. QUINN. Thank you, Larry. We appreciate that.

Your comment on the housing bill is something we heard when we were out at the hearings; it's called "tough love . . . " You put the burden on the individual, and that's where it belongs. It's not always easy to do that, not always pleasant to do it, but that's what would make the project work much, much better.

Moving down to the American Legion, Emil, could you begin, please. Thank you.

STATEMENT OF EMIL NASCHINSKI

Mr. NASCHINSKI. Chairman Quinn and Congressman Rodriquez, the American Legion certainly appreciates the invitation to share our views on the two bills that are under consideration today.

H.R. 3211 seeks to codify waiver procedures and eligibility requirements for burial at Arlington National Cemetery. In view of recent events regarding the loose and reckless interpretation of waiver procedures, and the need to ensure that the remaining space at this National Shrine is used judiciously, the American Legion supports all provisions of H.R. 3211. In order to protect and preserve the integrity, sanctity, and honor of Arlington National Cemetery, we believe that Congress must enact this important legislation as it is currently written.

With respect to H.R. 3039, the Veterans Transitional Housing Opportunities Act of 1997, this bill seeks to increase transitional housing for homeless veterans by offering Department of Veterans Affairs loan guarantees for private sector development of projects that are designed to be financially self-supporting.

And what's interesting, Mr. Chairman, is that the delegates of the American Legion's 79th Annual National Convention passed Resolution 213 entitled "Support for Homeless Shelter Funding."

That resolution very, very closely mirrors the provisions of H.R. 3039.

The American Legion understands that the innovative pilot program that the bill seeks to establish will not bring about an end of homelessness among this Nation's homeless veterans. We, nonetheless, believe that H.R. 3039 is a step in the right direction, and we want to publicly thank you and Congressman Stump, Evans, and Filner for its introduction.

Some of the provisions of the bill that the American Legion particularly favors are the requirement for a continuum of care for homeless veterans once inpatient treatment is completed, the requirement that program participants remain abstinent from drugs and alcohol, and the requirement for program participants to take active, to take responsibility for themselves by obtaining and holding a job, and paying for a portion of their care.

The American Legion believes these provisions are necessary, appropriate, and will ensure the success of the pilot program. We also support the provisions of H.R. 3039 because they provide for the creation of a safe, stable, therapeutic environment that will greatly improve the participants chances for successfully ending their homelessness, and transitioning back into their rightful place in society. Another beauty of the legislation is that the proposed pilot program can be established with a minimum appropriation of taxpayers' dollars.

In 1994, the VA changed its policy of allowing the transfer of funds for inpatient treatment programs to specialized outpatient outreach programs for homeless veterans. Because VA's ability to provide meaningful service to homeless veterans has significantly been reduced since instituting that policy change. The American Legion suggests that the Subcommittee consider amending Section 3772(b)(1)(b) of the bill to mandate that counseling and supportive services be provided.

Because outreach has proven to be a very effective way of assisting homeless veterans, we believe this amendment is critical. Studies suggest that approximately 10 percent of all homeless veterans have a spouse and/or dependents who are also homeless. In many instances, these veterans and their families are homeless through no fault of their own. We believe that this is one of the most tragic aspects of the homeless issue—and suggest that the subcommittee consider a minor amendment to the current language of the bill to make it clear that the homeless spouse and dependents of the homeless veteran are entitled to services under the pilot program.

The American Legion's last recommendation is to add specific language that addresses the financial well-being of the monies to be used from the National Service Life Insurance Trust Fund. American Legion believes these funds should be invested in bonds rated at no less than investment grade and that the interest generated by that investment plan should be placed in a separate interest-bearing fund. When the amount earned by those investors reaches the amount borrowed from the National Service Life Insurance Trust Fund, the loan should be repaid. Once that goal is achieved, we believe that the remaining funds should be invested for at least 12 months to generate the additional capital necessary to run the program.

In conclusion, Mr. Chairman, the American Legion salutes you and the Subcommittee for your ongoing concerns for America's veterans, particularly those that are homeless, and we want to once again thank you for inviting us to appear today.

Mr. QUINN. Thank you. We appreciate your suggestions too, as well as your comments. And we've made notes. We know we have it in the testimony, but we've talked up here, and I think some of what you suggest is implied, but not outwardly said. Thanks, Emil.

The Vietnam Veterans of America, VVA, Kelly.

STATEMENT OF KELLY WEST

Ms. WEST. Yes. Good morning Mr. Chairman and Congressmen. VVA very much appreciates the opportunity to be here. Since my written statement is a part of the record, I will actually limit my remarks to H.R. 3039, which is a significant priority for our organization. My written statement does detail our position on the legislation regarding Arlington National Cemetery.

I'd like to say at the outset, VVA has been involved in homeless veterans issues for many years and we like to consider ourselves innovative leaders in this arena. We also are members of the National Coalition for Homeless Veterans, and our national organization has a National Task Force on Homeless Veterans, chaired by Bob Piaro of Wisconsin. Mr. Piaro works very closely with Secretary Boland. VVA's expertise is developed from homeless veteran service providers around the country.

H.R. 3039 is, I think, a very creative measure aimed to put more tools into the hands of non-profit service providers who want to target homeless veterans. Our experience with HUD funding, where the bulk of all Federal homeless assistance dollars lie, has been less than satisfactory. Many homeless service providers who target veterans are unable to access HUD funding, and I think recent statistics show that less than 3 percent of HUD's homeless assistance funding goes toward veteran-specific projects. It's our belief that if those monies were being spent effectively on veterans, you wouldn't see such disproportionate numbers of veterans among the homeless population.

The programs like Mr. Cantwell's and Secretary Boland's, that provide a rigid structured environment to assist these veterans in rehabilitating themselves, have proven successful and are much more effective than warehousing these individuals. It's a terrible tragedy. Human potential is lost. And from a purely fiscal perspective, the money that's wasted as these individuals are forced to circulate in and out of assistance programs because their unique needs are never fully addressed, and their unique capabilities of achieving rehabilitation are never fully tapped into and maximized. As such, H.R. 3039 is a very creative way of putting more tools into the hands of the people who can help resolve this problem.

In addition to this bill, I'd like to bring to the committee's attention two bills which sit outside of your jurisdiction, but certainly merit your strong and active support. H.R. 1754, introduced by Jack Metcalf from the State of Washington, is titled "The Robert Stedola Homeless Veterans' Assistance Act." His bill would earmark 20 percent of all HUD homeless monies toward veterans programs. Working through the Banking Subcommittee on Housing

and Community Opportunity, Mr. Metcalf worked closely with Chairman Lazio of New York to get certain veteran specific provisions into his broader homeless consolidations program bill, H.R. 217. I understand this will come before the full House within the next couple of weeks.

Just to briefly summarize what those veterans provisions would do, they would identify veterans as a special needs population, would require State and local planning boards to have representation of veterans' organizations or veteran service providers, and would require coordination with the VA. Equally important, I think, the bill would require statistical reporting on not only numbers of veterans served, but also what types of services are provided from all homeless providers.

Currently, it's our understanding that HUD grant recipients are able to check a box saying "yes, we serve veterans," but there's very little accountability. We enthusiastically support H.R. 3039 and urge this committee to work on those other two bills as well.

I'd be happy to respond to any questions. Thank you.

[The prepared statement of Ms. West appears on p. 144.]

Mr. QUINN. Thank you, very much. Move to Disabled American Veterans, Ron.

STATEMENT OF RONALD DRACH

Mr. DRACH. Thank you, Mr. Chairman, and Congressman Rodriquez, thank you for being with us today.

I would like to take this opportunity to provide some—DAV's comments on both the Veterans Transitional Housing Opportunities Act of 1997, H.R. 3039, and H.R. 3211, a bill to establish eligibility requirements for burial at Arlington National Cemetery.

Mr. Chairman, I think we all know the numbers and problems associated with homelessness, but, I think, all too often we tend to overlook, in part, because we don't the hard numbers of the homeless veterans who may be living with a parent, a relative, or a friend either on a regular basis or on a temporary basis. And also we're hearing more and more anecdotal information that homeless veterans' families are presenting themselves through shelters, and regrettably, most of the shelters that I'm aware of do not have accommodations for females, be they be female veterans or female spouses. And all too often, that female presenter—presents herself—is usually referred to a battered woman's shelter. We think that, whenever possible, we should make accommodations to have a family stay together. Because, among other things, it presents a support structure that's not available in the shelter itself. I know it's difficult, but I think it's something that needs to be looked at very, very closely.

We know that there are many reasons for homelessness, and that there are no simple solutions, there must be a multidisciplinary approach to solving the problem. I was somewhat surprised when I read your information that the VA reports that 26 percent of their inpatients are homeless.

I know several years ago we talked about some of the problems associated with hospitalized veterans, and the fact that many of them were being discharged to a homeless status. We suggested then, and suggest again now, that the VA look real hard at dis-

charge planning, and try to do whatever possible to assimilate discharging hospitalized veterans into the community, that they're not put on the streets, but rather into shelters or other transitional housing.

We think that H.R. 3039 is definitely a step in the right direction, but we do have some concerns, including the funding mechanism. We're not sure that the insurance trust fund is appropriate. You know, it's the veterans' money—we're not sure that it should be used for programmatic purposes. If the money is taken and put into higher yield returns, should we not perhaps give a higher return to the veteran on his or her insurance premiums—or policy.

The other concern that we have is maybe it's not a concern; it's more of a question that we'd like to get some clarification on at some point. The authority that the Secretary shall enter into contract with a qualified non-profit organization, and the bill further defines a non-profit organization, but we have some questions. What amount would the Secretary be authorized to enter into with such a contract? How many non-profit organizations meet the qualifications? Would this be a competitive contracting process? Would there be an RFP go out, or would it go through the current 8(a) Small Business Program for set-asides? And where will the funding for the contract come from?

If this does go forward, we believe that preference should be given to a qualified veteran-owned contractor. Another concern that we have is the fees or the rent that the veteran must pay. We've had, again, anecdotal information over the years that disabled people, and veterans included, when they present themselves to a homeless shelter, they're often asked to sign over their social security check or their compensation check. We think strong safeguards need to be implemented to make sure that that does not happen. And it would take an awful lot of oversight to make sure that that happens. Also, what happens if the bill does require or provides for reasonable rent to be charged—what happens to the individual who presents him or herself and has no income at all? Would there be a waiver provision available for that individual?

With regards to H.R. 3211, Mr. Chairman, we do not have a resolution on that bill, and therefore, we have no official position. However, we do appreciate the clear definitions of who would be eligible in the bill, and we totally agree with those clear definitions. We have absolutely no objections to the bill whatsoever.

That concludes my statement, I'll be happy to answer any questions.

[The prepared statement of Mr. Drach appears on p. 155.]

Mr. QUINN. Thank you, Ron. Just a couple quick observations and then I'll yield to Mr. Rodriquez. In terms of some questions—both Ron that you raised and others—my first reaction, while we can get technical help on those, would be to take a look at what has worked in California and Wisconsin for answers—not always exactly transferable to the Federal situation, but I think that would be helpful. The VVA, in fact, has some people—as you point out, Kelly—that are working with Mr. Boland. So, we can begin there, I guess, for starters.

Interesting the VVA member from Buffalo, Bill Lyons, who was right in this room when I first came here 4½ years ago to testify

on the homelessness issue; 3 percent, about 3 percent of the vets are getting the HUD money, and yet, a third of them are homeless people or veterans. I just talked with Mike, here, to see if we can't discuss with my colleague from New York, Mr. Lazio, some way to tighten up on that, if we can.

Sir, I just have a general question; then you can have the floor. We've talked today in terms of the homeless bill, not Arlington, but let's move to the homelessness bill. We've talked about assisting; we've talked about cooperating, we've talked about collaborating; we've talked about not-for-profits, and State, Federal, and all those other things. I want to ask it the correct way, the easiest way, I guess—this is my school teaching days not—do any of your groups—would you imagine would have a problem participating in this collaboration, cooperation and assistance? Anybody want to raise their hand and say, "We won't help?"

[No response.]

[Laughter.]

For the record, have the record show, no one raised their hand—not in the audience, not on the staff, not anybody. My point is that I think we've got all kinds of help out there, with your membership as well as other experts in the field, and we'd like to tap into that when it's appropriate. Thank you.

Mr. RODRIQUEZ. I've just got to know in discussion of that initial bill, that some data, you know, is discussed regarding how many, you know, life expectancy of the facilities that we have in terms of the number of veterans we have out there. And, I know that you probably have other recommendations as to how we can meet that need as we move forward. And I don't know the data in terms of the number of people that are Vietnam veterans that will be reached in that age that are required to be buried—or might seek to be required to be buried. And I was wondering if you might have any comments in that area because you mentioned—what, at about 20 or 30, or 20/30 expansion? I mean life expectancy of the site there. Or maybe I should seek another term. [Laughter.]

And in other places, I know that there is usually a tendency to just try to seek a location or place where there's another base locator. And in some of those areas, it's probably kind of difficult to find enough property and enough, and I was wondering if anybody had any recommendations or if there's anything in the loop right now that's being recommended for some additional cemeteries or sites. Because I know in South Texas there's a big need; I just don't know how to go about it in terms of trying to make something happen.

Mr. RHEA. Before I pass it over, let me just make a comment on that. You're hitting right upon a problem that I know concerns the Non Commissioned Officers Association and the budget. There are four cemeteries planned in the budget, but when you look at VA's plans beyond the activation of the four cemeteries that they currently have planned, they really don't have any initiative or thought going, as we can tell, relative to the National Cemetery System. They do have a proposal in there relative to expansion or some changes to the State Cemetery Grant Program, but on the national front, you know, we've been sharply critical of VA and what their plans are to do with this. So we certainly know what the

major impact is going be on the national cemeteries over the next few years, and even with the activation of the four that are in the current budget, that's not even enough to bury—we know, right now—our World War II era veterans.

Mr. RODRIQUEZ. Because I was just looking at my own numbers. I have, personally in my District, about 50,000-something veterans, and I know Congressman Henry Bonilla has another 50,000-something, and I know Lamar Smith and Bonilla that are also in the San Antonio area have another, you know. So we have easily over—over 100,000 just in the San Antonio area—not to mention the other counties in South Texas that don't have any site where to be buried.

Ms. A'ZERA. As part of the independent budget, AMVETS is responsible for the cemetery section—which we have the specific numbers in there that you are asking for. And, shame on me, for not bringing a copy with me, but I can make sure that we get that to you, and it's got the specifics on burial sites left and our recommendations as far as to the VA on what they need to be able to implement—to be able to provide space for burial to our veterans.

Mr. RODRIQUEZ. Can I apologize, because I'm real naive about—you know, I've been on the committee now about 8 months, but I do know that request has been asked of me from south Texas, to look at another site, and I need to see what I need, you know, maybe talk a little bit more with some of you—give me some ideas as to I might need to do.

The only other comment I had was in reference to—and I agree totally—about adding spouses and children, because we do have a lot of families that are homeless, as a whole, and I think that that's a good suggestion, you know, in terms of looking at that legislation.

Mr. QUINN. Thanks Mr. Rodriquez. And not only will AMVETS, I'm sure, be ready to help you with that information, but I'm sure staff here—did someone else—did I cut someone off? Somebody else want to comment? I'm sorry.

Mr. NASCHINSKI. I just wanted to say, Congressman, the American Legion has some thoughts about your question. Unfortunately, it's not an issue that I deal with on a day-to-day basis.

Mr. QUINN. Excuse me, Emil, could you just move the microphone over?

Mr. NASCHINSKI. So, what I would like to do is respond to your question in writing—if that's acceptable.

Mr. QUINN. Thank you, sir. We appreciate that. And I was about to say besides the Legion and AMVETS and others that can help you with that, I think staff here that we've got can give you a hand with all that too.

We're just about finished here. Before we make an announcement or two, let me just sort of pinch hit for Mr. Filner who, I understand, is not able to make it back. Maybe we're lucky he can't make it back—he was a little bit perturbed this morning at some of what we received. But let me—Keith Pedigo, thanks for staying for the second half or the third or fourth panel here, and I know your team, Tom and Peter, stayed with you—Bob's asked me to make a request, and I know you're not at the table right now, but if we could ask the VA to come back, get back to the subcommittee,

and of course, Mr. Filner, with some funding suggestions as it relates specifically to the housing homeless bill today. Bob asked for that response in about a week or so; I'm going to take some executive privilege in his absence here and ask you to do that by March 6—I think that's a Friday—so that it would be actually more than a week. It's about 10 days, but that way it'd be the ending of a work week, by Friday, March 6.

Would you, maybe, talk that over a little bit? If you have a problem doing it by the 6th, let us know.

If not, the committee and Mr. Filner would expect to hear some suggestions on the funding from you by close of business on the 6th. Is that ok?

Mr. PEDIGO. We'd be happy to do that.

Mr. QUINN. Thank you, Keith. Thanks very much. Then also point out—as I thank the panel, the six of you, for allowing me to combine us here—there's more than enough room at that table, by the way, these people are all friendly, they don't mind sitting with each other here. We appreciate your views on both the bills and want to announce that there will be a markup on H.R. 3039 and 3211, the two bills we dealt with today—that markup will be on March 5 of the Subcommittee. We're also going to deal, that day, with H.R. 3213 which talks about making some technical changes to USERRA, United Services—Uniform Services Employment and Reemployment Rights Act, and that's scheduled for March 5.

And hearing no further business, we are adjourned. Thank you.

[Whereupon, at 12:43 p.m., the subcommittee adjourned subject to the call of the chair.]

APPENDIX

I

105TH CONGRESS
1ST SESSION

H. R. 3039

To amend title 38, United States Code, to authorize the Secretary of Veterans Affairs to guarantee loans to provide multifamily transitional housing for homeless veterans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 13, 1997

Mr. STUMP (for himself, Mr. EVANS, Mr. QUINN and Mr. FILNER) introduced the following bill; which was referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to authorize the Secretary of Veterans Affairs to guarantee loans to provide multifamily transitional housing for homeless veterans, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Veterans Transitional
5 Housing Opportunities Act of 1997".

1 **SEC. 2. LOAN GUARANTEE FOR MULTIFAMILY TRANSI-**
2 **TIONAL HOUSING FOR HOMELESS VETERANS.**
3 (a) IN GENERAL.—Chapter 37 of title 38, United
4 States Code, is amended by adding at the end the follow-
5 ing new subchapter:
6 "SUBCHAPTER VI—LOAN GUARANTEE FOR
7 MULTIFAMILY TRANSITIONAL HOUSING
8 FOR HOMELESS VETERANS
9 **"§ 3771. Definitions**
10 "For purposes of this subchapter—
11 "(1) the term 'veteran' has the meaning given
12 such term by paragraph (2) of section 101;
13 "(2) the term 'homeless veteran' means a vet-
14 eran who is a homeless individual; and
15 "(3) the term 'homeless individual' has the
16 same meaning as such term has within the meaning
17 of section 103 of the Stewart B. McKinney Home-
18 less Assistance Act (42 U.S.C. 11302).
19 **"§ 3772. General authority**
20 "(a) The Secretary may guarantee the full or partial
21 repayment of a loan that meets the requirements of this
22 subchapter.
23 "(b)(1) Not more than 15 loans may be guaranteed
24 under subsection (a), of which not more than 5 such loans
25 may be guaranteed during the 3-year period beginning on

1 the date of enactment of the Veterans Transitional Hous-
2 ing Opportunities Act of 1997.
3 "(2) A guarantee of a loan under subsection (a) shall
4 be in an amount that is not less than the amount nec-
5 essary to sell the loan in a commercial market.
6 "(3) Not more than an aggregate amount of
7 $100,000,000 in loans may be guaranteed under sub-
8 section (a).
9 "(c) A loan may not be guaranteed under this sub-
10 chapter unless, prior to closing such loan, the Secretary
11 has approved such loan.
12 "(d)(1) The Secretary shall enter into contracts with
13 a qualified nonprofit organization to obtain advice in car-
14 rying out this subchapter, including advice on the terms
15 and conditions necessary for a loan that meets the require-
16 ments of section 3773.
17 "(2) For purposes of paragraph (1), a qualified non-
18 profit organization is a nonprofit organization—
19 "(A) described in paragraph (3) or (4) of sub-
20 section (c) of section 501 of the Internal Revenue
21 Code of 1986 and exempt from tax under subsection
22 (a) of such section, and
23 "(B) that has experience in underwriting tran-
24 sitional housing projects.

"(e) The Secretary may carry out this subchapter in advance of the issuance of regulations for such purpose.

"§ 3773. Requirements

"(a) A loan referred to in section 3772 meets the requirements of this subchapter if—

"(1) the loan is for—

"(A) construction of, rehabilitation of, or acquisition of land for a multifamily transitional housing project described in subsection (b), or more than one of such purposes;

"(B) refinancing of an existing loan for such a project;

"(C) financing acquisition of furniture, equipment, supplies, or materials for such a project; or

"(D) in the case of a loan made for purposes of subparagraph (A), supplying such organization with working capital relative to such a project;

"(2) the loan is made in connection with funding or the provision of substantial property or services for such project by either a State or local government or a nongovernmental entity, or both;

"(3) the maximum loan amount does not exceed the lesser of—

1 "(A) that amount generally approved (uti-
2 lizing prudent underwriting principles) in the
3 consideration and approval of projects of simi-
4 lar nature and risk so as to assure repayment
5 of the loan obligation; and
6 "(B) 90 percent of the total cost of the
7 project;
8 "(4) the loan is of sound value, taking into ac-
9 count the creditworthiness of the entity (and the in-
10 dividual members of the entity) applying for such
11 loan;
12 "(5) the loan is secured; and
13 "(6) the loan is subject to such terms and con-
14 ditions as the Secretary determines are reasonable,
15 taking into account other housing projects with
16 similarities in size, location, population, and services
17 provided.
18 "(b) For purposes of this subchapter, a multifamily
19 transitional housing project referred to in subsection
20 (a)(1) is a project that—
21 "(1)(A) provides transitional housing to home-
22 less veterans, which housing may be single room oc-
23 cupancy (as defined in section 8(n) of the United
24 States Housing Act of 1937 (42 U.S.C. 1437f(n));

1 "(B) provides supportive services and counsel-
2 ling services (including job counselling) at the
3 project site with the goal of making such veterans
4 self-sufficient;
5 "(C) requires that the veteran seek to obtain
6 and keep employment;
7 "(D) charges a reasonable fee for occupying a
8 unit in such housing;
9 "(E) maintains strict guidelines regarding so-
10 briety as a condition of occupying such unit; and
11 "(F) may include space for neighborhood retail
12 services or job training programs; and
13 "(2) may provide transitional housing to veter-
14 ans who are not homeless and to homeless individ-
15 uals who are not veterans if—
16 "(A) at the time of taking occupancy by any
17 such veteran or homeless individual, the transitional
18 housing needs of homeless veterans in the project
19 area have been met;
20 "(B) the housing needs of any such veteran or
21 homeless individual can be met in a manner that is
22 compatible with the manner in which the needs of
23 homeless veterans are met under paragraph (1); and
24 "(C) the provisions of subparagraphs (D) and
25 (E) of paragraph (1) are met.

1 "(c) In determining whether to guarantee a loan
2 under this subchapter, the Secretary shall consider—
3 "(1) the availability of Department of Veterans
4 Affairs medical services to residents of the multifam-
5 ily transitional housing project; and
6 "(2) the extent to which needs of homeless vet-
7 erans are met in a community, as assessed under
8 section 107 of Public Law 102–405.
9 **"§ 3774. Default**
10 "(a) The Secretary shall take such steps as may be
11 necessary to obtain repayment on any loan that is in de-
12 fault and that is guaranteed under this subchapter.
13 "(b) Upon default of a loan guaranteed under this
14 subchapter and terminated pursuant to State law, a lender
15 may file a claim under the guarantee for an amount not
16 to exceed the lesser of—
17 "(1) the maximum guarantee; or
18 "(2) the difference between—
19 "(A) the total outstanding obligation on
20 the loan, including principal, interest, and ex-
21 penses authorized by the loan documents,
22 through the date of the public sale (as author-
23 ized under such documents and State law); and
24 "(B) the amount realized at such sale.

1 **"§ 3775. Multifamily transitional housing guarantee**
2 **fund**

3 "(a) There is established a fund to be known as the
4 Multifamily Transitional Housing Guarantee Fund.

5 "(b) Amounts in the fund shall be available to the
6 Secretary for the payment of any guarantee issued under
7 this subchapter.

8 **"§ 3776. Audit**

9 "During each of the first 3 years of operation of a
10 multifamily transitional housing project with respect to
11 which a loan is guaranteed under this subchapter, there
12 shall be an annual, independent audit of such operation.
13 Such audit shall include a detailed statement of the oper-
14 ations, activities, and accomplishments of such project
15 during the year covered by such audit. The party respon-
16 sible for obtaining such audit (and paying the costs there-
17 for) shall be determined before the Secretary issues a
18 guarantee under this subchapter.".

19 (b) CLERICAL AMENDMENT.—The table of sections
20 at the beginning of chapter 37 of title 38, United States
21 Code, is amended by adding at the end the following new
22 items:

"SUBCHAPTER VI—LOAN GUARANTEE FOR MULTIFAMILY TRANSITIONAL HOUSING FOR HOMELESS VETERANS

"3771. Definitions.
"3772. General authority.
"3773. Requirements.
"3774. Default.

"3775. Multifamily transitional housing repayment fund.
"3776. Audit.".

1 **SEC. 3. INVESTMENT OF AMOUNTS IN NATIONAL SERVICE**
2 **LIFE INSURANCE FUND.**

3 Section 1920 of title 38, United States Code, is
4 amended by adding at the end the following new sub-
5 section:

6 "(c)(1) In addition to the authority under subsection
7 (b), after setting aside such amounts as may be required
8 to meet liabilities referred to in subsection (b), the Sec-
9 retary of the Treasury is authorized to invest and reinvest
10 such fund, or any part thereof, in one or more securities
11 described in paragraph (4).

12 "(2) From the proceeds of any investment authorized
13 by paragraph (1)—

14 "(A) there shall be credited to such fund an
15 amount equal to the amount such investment would
16 have earned if such investment had been made
17 under subsection (b); and

18 "(B) there shall be available for the purpose of
19 offsetting potential liabilities of the United States
20 under subchapter VI of chapter 37, the excess (if
21 any) of the proceeds from such investment over the
22 amount described in subparagraph (A).

23 "(3) Upon the extinguishment of liability of the Unit-
24 ed States under a guarantee made under subchapter VI

1 of chapter 37, as determined by the Secretary, the Sec-
2 retary shall credit such fund with an amount equal to the
3 excess (if any) of the proceeds from the investment under
4 paragraph (2)(B) over the amount required to offset re-
5 maining liabilities (if any) under such subchapter.

6 "(4) A security referred to in paragraph (1) is an
7 asset-backed security which represents interests in, or ob-
8 ligations backed by, the pool of assets of which such asset-
9 backed security is a part, and which—

10 "(A) is rated at least AAA (or the equivalent
11 thereof) by an independent and nationally recognized
12 securities rating company based on an amount of
13 capital reserves and other characteristics, including
14 management practices, interest rate risk, asset qual-
15 ity, operating performance, and accounting proce-
16 dures;

17 "(B) is guaranteed by, or represents an interest
18 in securities issued or guaranteed by—

19 "(i) the Federal Home Loan Mortgage
20 Corporation;

21 "(ii) the Federal National Mortgage Asso-
22 ciation;

23 "(iii) the Government National Mortgage
24 Association; or

1 "(iv) the Department of Veterans Affairs;
2 or
3 "(C) is sold in private placements or exclusively
4 to institutional or other sophisticated investors and
5 which would, if rated, be rated at least AAA rating
6 (as described in subparagraph (A)).".

○

The Veterans Transitional Housing Opportunities Act of 1997

Purpose: To expand the supply of transitional housing for homeless veterans without reliance on appropriated dollars.

1. Authorizes VA to guarantee loans for multi-family transitional housing for homeless veterans
2. Requires borrowers to work with, and obtain assistance from, VA health care facilities and state and local authorities
3. Requires residents to seek and obtain employment and maintain sobriety
4. Instead of depending on Federal appropriations, it invests existing reserves in higher-yielding securities

1. Authorizes VA to guarantee loans for multi-family transitional housing for homeless veterans

VA would be authorized to guarantee up to $100 million in loans, and up to 15 loans could be made, so in a sense it is a "demonstration program". VA could not guarantee more than 5 loans in the first three years of the program.

By relying on lenders to make decisions about financial prospects of a loan applicant, the program emphasizes market incentives and "real-world" accountability.

Since VA has no experience in making loans on multi-family transitional housing projects, the bill directs VA to obtain advice from a nonprofit corporation with experience in underwriting loans for transitional housing projects in administering the program. To avoid creating a new bureaucracy for what is little more than a demonstration program, it makes sense for VA to contract out most of the administration of the program to a firm with experience in this arena. Obviously, to avoid a conflict of interest, the contractor could not be a participant in the program

2. Requires borrowers to work with, and obtain assistance from, VA health care facilities and state and local authorities

The Department of Veterans Affairs has stated that over 26% of its inpatients are homeless. VA has a substantial interest in developing transitional housing for discharged patients, particularly if follow-up services can be provided to avoid the cycle of discharge and readmission which it often sees among homeless veterans.

State and local authorities are on the frontlines of dealing with the problem of homelessness. They provide housing and social assistance to individuals as well as redevelopment aid to developers. By requiring their participation in each project, the bill aims to foster cooperation and avoid overlapping or duplicative services. Participation could take the form of in-kind or financial assistance.

3. Requires residents to seek and obtain employment and maintain sobriety

The bill is based on a model which stresses personal responsibility, addiction recovery, and work. In order to achieve these goals, the bill requires the project to provide supportive services, sobriety, personal and job counseling to residents to restore them to independent living. To encourage residents to obtain employment, they are required to pay a reasonable fee for their residence.

4. The program calls for investing existing government funds in higher-yielding securities instead of depending on Federal appropriations

The National Service Life Insurance (NSLI) program, insures veterans who served during World War II or the Korean War. The VA holds in excess of $10 billion in a trust fund for the eventual payment of death claims. VA currently is required by law to invest all NSLI policy reserves in U.S. Treasury debt instruments.

It is proposed to authorize VA to invest some of these funds in higher-yielding securities, such as mortgage-backed securities or relatively secure corporate bonds. This would diversify fund investment, a practice which all commercial insurance companies follow. The bill requires that any amounts invested in higher-yielding securities (and the equivalent earnings which they would have generated if they were still invested in Treasury notes) be returned to the NSLI trust fund. The extra earnings, estimated to be around ¾ percent a year if the funds are invested in GNMA mortgage-backed securities, would be available to offset potential defaults on the multi-family housing loans. In the event there are no defaults, or they are lower than projected, the extra earnings would be returned to the NSLI fund. The bill anticipates that policy holders will continue to receive annual dividends in the same manner and in the same amounts as they would if this bill were not enacted.

PER 11/10/97

I

105TH CONGRESS
2D SESSION

H. R. 3211

To amend title 38, United States Code, to enact into law eligibility requirements for burial in Arlington National Cemetery, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 12, 1998

Mr. STUMP (for himself, Mr. EVANS, Mr. EVERETT, Mr. CLYBURN, Mr. QUINN, Mr. FILNER, Mr. BILIRAKIS, Mr. GUTIERREZ, Mr. COOKSEY, Ms. BROWN of Florida, Mr. HUTCHINSON, Mr. DOYLE, Mr. HAYWORTH, Mr. MASCARA, Mr. LAHOOD, Mr. PETERSON of Minnesota, Ms. CARSON, Mr. REYES, Mr. RODRIGUEZ, Mr. SOLOMON, Mr. BAKER, and Mrs. CHENOWETH) introduced the following bill; which was referred to the Committee on Veterans' Affairs

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A BILL

To amend title 38, United States Code, to enact into law eligibility requirements for burial in Arlington National Cemetery, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PERSONS ELIGIBLE FOR BURIAL IN ARLINGTON NATIONAL CEMETERY.

(a) IN GENERAL.—Chapter 24 of title 38, United States Code, is amended by adding at the end the following new section:

1 **"§ 2412. Arlington National Cemetery: person eligible**
2 **for burial; authorized headstones and**
3 **markers**

4 "(a) ELIGIBILITY.—The remains of the following in-
5 dividuals may be buried in Arlington National Cemetery:

6 "(1) Any member of the Armed Forces who
7 dies while on active duty (other than active duty for
8 training).

9 "(2) Any retired member of the Armed Forces.

10 "(3) Any former member of the Armed Forces
11 separated for physical disability before October 1,
12 1949, who—

13 "(A) served on active duty (other than for
14 training); and

15 "(B) would have been eligible for retire-
16 ment under the provisions of section 1201 of
17 title 10 (relating to retirement for disability)
18 had that section been in effect on the date of
19 separation of the member.

20 "(4) Any former member of the Armed Forces
21 whose last active duty military service (other than
22 for training) terminated honorably and who has been
23 awarded one of the following decorations:

24 "(A) Medal of Honor.

25 "(B) Distinguished Service Cross (Air
26 Force Cross or Navy Cross).

"(C) Distinguished Service Medal.

"(D) Silver Star.

"(E) Purple Heart.

"(5) Any former prisoner of war—

"(A) who, while a prisoner of war, served honorably in the active military, naval, or air service;

"(B) whose last period of active military, naval, or air service terminated honorably; and

"(C) who died on or after November 30, 1993.

"(6) The President or any former President.

"(7) Subject to subsection (b), the spouse, surviving spouse, minor child and, at the discretion of the Superintendent of Arlington National Cemetery, unmarried adult child of a person listed in paragraphs (1) through (6), but only if buried in the same gravesite as that person.

"(8) Subject to subsection (b), the spouse, surviving spouse, minor child, and, at the discretion of the Superintendent of Arlington National Cemetery, unmarried adult child of a member of the Armed Forces who is buried in Arlington National Cemetery as part of a group burial, but the spouse, sur-

1 viving spouse, minor child, or unmarried adult child
2 may not be buried in the group gravesite.
3 "(9) Subject to subsection (b), the spouse, sur-
4 viving spouse, minor child, and, at the discretion of
5 the Superintendent of Arlington National Cemetery,
6 unmarried adult child of any person already buried
7 in Arlington National Cemetery.
8 "(10) The widow or widower of a member of
9 the Armed Forces who was lost or buried at sea or
10 who was officially determined to be permanently ab-
11 sent in a status of missing or missing in action.
12 "(11) The parents of a minor child or unmar-
13 ried adult child whose remains, based on the eligi-
14 bility of a parent, are already buried in Arlington
15 National Cemetery.
16 "(b) SPOUSES.—For purposes of paragraph (7), (8),
17 and (9) of subsection (a), a surviving spouse who has re-
18 married and whose remarriage is void, terminated by
19 death, or dissolved by annulment or divorce regains eligi-
20 bility for burial in Arlington National Cemetery unless it
21 is determined by the Secretary of the Army that the decree
22 of annulment or divorce was secured through fraud or col-
23 lusion.
24 "(c) DISABLED ADULT UNMARRIED CHILDREN.—In
25 the case of an unmarried adult child who is incapable of

1 self-support up to the time of death because of a physical
2 or mental condition, the child may be buried under para-
3 graph (7) of subsection (a) without requirement for ap-
4 proval by the Superintendent of Arlington National Ceme-
5 tery under that paragraph if the burial is in the same
6 gravesite as the gravesite in which the parent has been
7 or will be buried.

8 "(d) EXCLUSIVE AUTHORITY FOR BURIAL IN AR-
9 LINGTON NATIONAL CEMETERY.—Eligibility for burial of
10 remains in Arlington National Cemetery prescribed under
11 this section is the exclusive eligibility for such burial.

12 "(e) APPLICATION FOR BURIAL.—The Secretary of
13 the Army, or any other responsible official, may not con-
14 sider a request for burial of remains of an individual in
15 Arlington National Cemetery made before the death of the
16 individual.

17 "(f) GRAVESITE MARKERS PROVIDED BY THE SEC-
18 RETARY.—A gravesite in Arlington National Cemetery
19 shall be appropriately marked in accordance with section
20 2404 of this title.

21 "(g) GRAVESITE MARKERS PROVIDED AT PRIVATE
22 EXPENSE.—(1) The Secretary of the Army shall prescribe
23 regulations for the provision of markers or monuments to
24 mark a gravesite at private expense in lieu of headstones

1 and markers provided by the Secretary of the Army in
2 Arlington National Cemetery.
3 "(2) Such regulations shall ensure that—
4 "(A) such markers or monuments are of simple
5 design, dignified, and appropriate to a military cem-
6 etery;
7 "(B) the person providing such marker or
8 monument provides for the future maintenance of
9 the marker or monument in the event repairs are
10 necessary;
11 "(C) the Secretary of the Army shall not be lia-
12 ble for maintenance of or damage to the marker or
13 monument;
14 "(D) such markers and monuments are aesthet-
15 ically compatible with Arlington National Cemetery;
16 and
17 "(E) such markers and monuments are per-
18 mitted only in sections of Arlington National Ceme-
19 tery authorized for such markers and monuments as
20 of January 1, 1947.
21 "(h) REGISTER OF BURIED INDIVIDUALS.—(1) The
22 Secretary of the Army shall maintain a register of each
23 individual buried in Arlington National Cemetery and
24 shall make such register available to the public.

1 "(2) With respect to each such individual buried on
2 or after January 1, 1998, the register shall include a brief
3 description of the basis of eligibility of the individual for
4 burial in Arlington National Cemetery.

5 "(i) REGULATIONS.—Any regulation prescribed by
6 the Secretary of the Army to carry out this section shall
7 be made on the record after opportunity for a hearing.

8 "(j) DEFINITIONS.—For purposes of this section:

9 "(1) The term 'retired member of the Armed
10 Forces' means a retired member of the Armed
11 Forces who—

12 "(A) served on active duty (other than for
13 training);

14 "(B) is carried on a retired list; and

15 "(C) is entitled to receive retired pay.

16 "(2) The term 'former member of the Armed
17 Forces' includes a person whose service is considered
18 active duty service pursuant to a determination of
19 the Secretary of Defense under section 401 of Public
20 Law 95-202.".

21 (b) PUBLICATION OF UPDATED PAMPHLET.—Not
22 later than 180 days after the date of the enactment of
23 this Act, the Secretary of the Army shall publish an up-
24 dated pamphlet describing eligibility for burial in Arling-
25 ton National Cemetery. The pamphlet shall reflect the pro-

1 visions of section 2412 of title 38, United States Code,
2 as added by subsection (a).
3 (c) CONFORMING AMENDMENT.—The table of sec-
4 tions at the beginning of chapter 24 of title 38, United
5 States Code, is amended by adding at the end the follow-
6 ing new item:

"2412. Arlington National Cemetery: person eligible for burial; authorized headstones and markers.".

7 (d) EFFECTIVE DATE.—Section 2412 of title 38,
8 United States Code, as added by subsection (a), shall
9 apply with respect to individuals dying on or after the date
10 of the enactment of this Act.

11 **SEC. 2. PERSONS ELIGIBLE FOR PLACEMENT IN THE COL-**
12 **UMBARIUM IN ARLINGTON NATIONAL CEME-**
13 **TERY.**

14 (a) IN GENERAL.—Chapter 24 of title 38, United
15 States Code, as amended by section 1 of this Act, is fur-
16 ther amended by adding at the end the following new sec-
17 tion:

18 **"§ 2413. Persons eligible for placement in the col-**
19 **umbarium in Arlington National Ceme-**
20 **tery**

21 "The cremated remains of the following individuals
22 may be placed in the columbarium in Arlington National
23 Cemetery:

"(1) A person eligible for burial in Arlington National Cemetery under section 2412 of this title.

"(2)(A) A veteran whose last period of active duty service (other than for training) ended honorably.

"(B) The spouse, surviving spouse, minor child, and, at the discretion of the Superintendent of Arlington National Cemetery, unmarried adult child of such a veteran.".

(b) CONFORMING AMENDMENT.—The table of sections at the beginning of chapter 24 of title 38, United States Code, as amended by section 1 of this Act, is further amended by adding at the end the following new item:

"2413. Persons eligible for placement in the columbarium in Arlington National Cemetery.".

(c) EFFECTIVE DATE.—Section 2413 of title 38, United States Code, as added by subsection (a), shall apply with respect to individuals dying on or after the date of the enactment of this Act.

SEC. 3. MEMORIAL AREAS IN ARLINGTON NATIONAL CEMETERY LIMITED TO HONORING MILITARY SERVICE.

(a) IN GENERAL.—Section 2409(b) of title 38, United States Code, is amended—

(1) by inserting "(1)" after "(b)"; and

1 (2) by adding at the end the following new
2 paragraph:
3 "(2)(A) A memorial or marker may not be placed in
4 Arlington National Cemetery unless the memorial or
5 marker commemorates the service in the Armed Forces
6 of the individual, or group of individuals, whose memory
7 is to be honored by the memorial or marker.
8 "(B) Such a memorial or marker that makes ref-
9 erence to a particular military event may not be placed
10 in Arlington National Cemetery until the end of the 25-
11 year period beginning on the date of the event.".
12 (b) EFFECTIVE DATE.—The amendment made by
13 subsection (a) shall apply with respect to memorials or
14 markers placed in Arlington National Cemetery on or
15 after the date of the enactment of this Act.

○

SUMMARY OF LEGISLATION TO ENACT ELIGIBILITY REQUIREMENTS FOR ARLINGTON NATIONAL CEMETERY

The proposed bill would:

1. Codify, with exceptions discussed below, existing regulatory eligibility criteria for burial at Arlington National Cemetery. In general, eligible persons include
   - members of the Armed Forces who die on active duty;
   - retired members of the Armed Forces;
   - former members of the Armed Forces who have been awarded the Medal of Honor, Distinguished Service Cross (Air Force Cross or Navy Cross), Distinguished Service Medal, Silver Star, or Purple Heart;
   - former prisoners of war;
   - the President or any former President;
   - the spouse, surviving spouse, minor child and at the discretion of the Superintendent of Arlington, unmarried adult children.

   Other than the persons specifically enumerated in the proposed legislation, no other person could be buried at Arlington.

2. Terminate eligibility of Members of Congress and other high-ranking Government officials who are veterans but who do not meet the distinguished military service criteria outlined above.

3. Codify existing regulatory eligibility for interment of cremated remains in the Columbarium at Arlington. Generally, this includes veterans with honorable service and their dependents.

4. Clarify that only memorials honoring military service may be placed at Arlington.

Honorable Jack Quinn
Remarks
Legislative Hearing
on
H.R. 3039 and H.R. 3211

The Hearing will come to order. Today we are here to receive testimony on two bills. The first, H.R. 3039 is a bill to provide a VA loan guaranty for transitional housing for homeless veterans. The second, H.R. 3211 is a bill to codify eligibility for burial at Arlington National Cemetery. Before we start, I would like to thank the Ranking Member of the full committee for coming to Buffalo for a field hearing on H.R. 3039.

It is fairly common knowledge that veterans comprise about a third of homeless adults. Public Law 103-446 was enacted during the 103rd Congress, and called for programs serving homeless veterans to receive a proportional share of funding for the homeless. Unfortunately, that has not happened.

It is also well-known that a very high percentage of the homeless suffer from substance abuse and mental illness. So, we are taking action to provide a safe, sober environment for veterans trying to become productive members of society. Unfortunately, there appears to be a niche not being filled in the continuum of service necessary to accomplish that goal. Transitional housing programs which provide a supportive and structured environment are in short supply and the focus of the H.R. 3039.

The bill also uses a unique financing method to fund the program. I am aware that VA will express its concerns about the bill's financing provisions, but while I believe the financing provisions in the bill are acceptable, we will listen to the Department's concerns with an open mind. I would note, however, that the Committee requested the

Department's views in November and has yet to receive a written reply to our request. I believe I mentioned the Department's inability to provide us with timely comment in our last hearing. I am very disappointed, especially since this bill has been on the record for several months. This is not how I would prefer to work with the Department.

Although I am dismayed by the VA's position on our housing for the homeless legislation, I guess I shouldn't be surprised. None of the VA's current programs serving homeless veterans came about as a result of VA initiative. All of the programs which it operates and talks proudly about in its testimony were programs conceived and funded by Congress, often in the face of VA opposition. Unfortunately, once again, VA does not bring anything constructive to the table, only criticism based on what appears to be a poor understanding of the bill.

The VA testimony depicts a hesitant and uncertain agency. VA's testimony makes no mention of the tens of thousands of veterans who would benefit from the housing which this bill is aimed at stimulating. Instead, it worries that it might have to assign four (4) of its 205,000 employees to administer a program which could benefit 10,000 homeless veterans a year.

Because of previous legislation, VA is helping thousands of homeless veterans every month, but too often the battle for recovery is lost because there is no transitional, drug-free housing in which to place veterans. Veterans desperately need the housing that this bill will help create. VA ought to be ashamed of its foot-dragging in the face of the enthusiastic endorsement this bill has gotten from homeless advocates, veterans groups, Governor Tommy Thompson of Wisconsin, and knowledgeable real estate developers and bankers who are willing to risk their own money to help the homeless veterans.

The second bill, also introduced by Chairman Stump, is intended to bring order to the process of being buried in Arlington National Cemetery. Until now, burial eligibility has

been governed by Army and Federal Regulations. Unfortunately, those regulations did not include rules governing waiver criteria, and over many Administrations, waivers appear to have been granted on the basis of political connections. Chairman Stump believes very strongly that burial at Arlington should not be a matter of connections and should be based on the well-defined and understandable qualifications as provided in the bill. The bill essentially codifies the eligibility of veterans and family members now carried in the Regulations. However, the bill removes eligibility for senior government officials, including Members of Congress, Cabinet Members, ambassadors and others. In the past, veteran status made these officials eligible, a distinct advantage over all other veterans. The President remain eligible as Commander-in-Chief. Please note, that Chairman Stump and Ranking Member Evans have removed their own eligibility for burial in Arlington through this proposed change. The other significant difference between existing regulations and the bill is that the bill eliminates waivers.

I now recognize the Ranking Member of the Subcommittee for any remarks he may have.

Do any of the other members have opening remarks?

Could we have our first panel, please. The Honorable John P. McLaurin, III, Deputy Assistant Secretary for Military Personnel Management and Equal Opportunity Policy represents the Department of the Army and he is accompanied by Mr. Jack Metzler, Superintendent of Arlington National Cemetery. Mr. Metzler, you have shown considerable character recently, and I commend you. Mr. Secretary, please proceed.

Thank you. Just a couple questions.

May we have the second panel , please. Today, the Department of Veterans Affairs will be represented by Mr. Keith Pedigo, Director of the VA Loan Guaranty Service. He is accompanied by Mr. Tom Lastowka, Director of the Philadelphia Regional Office and

Insurance Center and Mr. Pete Dougherty, VA's Homeless Programs Specialist. Please proceed.

Thank you. Just a couple questions.

Our third panel is composed of two providers of homeless services - the Honorable Ray Boland, the Wisconsin State Director of Veterans Affairs and Mr. Tim Cantwell, who represents the Westside residence Hall, Inc. in Los Angeles. I am especially interested in the approaches these witnesses represent and look forward to their testimony. Mr. Boland, please proceed.

Thank you. Just a couple questions.

Our fourth panel is composed of representative of several veterans service organizations. Ms. Veronica Azera will speak for AMVETS, Mr. Bob Manhan for the VFW, and Mr. Larry Rhea for the Non Commissioned Officers Association. Please proceed.

Thank you. Just a couple questions.

Our final panel also comes from the veterans service organizations. Mr. Emil Naschinski represents the American Legion, Ms. Kelly West, the Vietnam Veterans of America, and Mr. Ron Drach, the DAV. Please proceed.

Thank you. Just a couple questions.

Thanks to each of you for sharing your views on these two important bills today. There will be a markup on H.R. 3039 and 3211 on March 5 as well as H.R. 3211 a bill that will make several technical changes to the Uniformed Services Employment and Reemployment Rights Act. If there is nothing further, we are adjourned.

The Honorable Bob Filner
Subcommittee On Benefits– H.R. 3039 & H.R. 3211
February 24, 1998

I want to welcome all of you this morning. The bills we are reviewing, H.R. 3039 and H.R. 3211, are particularly important to the veteran community, and I am proud to be an original cosponsor of these measures. I look forward to hearing our witnesses' comments and recommendations - - your views are a critical component of the legislative process.

The testimony we will hear this morning is unanimously supportive of H.R. 3211, and I appreciate that support. After all that has been said and written in recent months about Arlington National Cemetery, we all agree that Arlington's burial eligibility requirements need to be clarified, codified, and refined – and this is precisely what H.R. 3211 is designed to do.

I am very proud that the members of this committee have come together in a bi-partisan fashion to introduce responsible and even-handed legislation that will bring continued honor and dignity to Arlington's sacred ground. This matter is too important to us as a Nation – a Nation that deeply respects its military dead – for it to be manipulated to meet partisan political goals. I'm sure all of you were comforted, as I was, by the results of the GAO investigation

which found no evidence that political contributions played a role in waiver decisions. This is not to say that the Arlington waiver process does not need revision and clarification – the process does need to be reworked -- and I believe that H.R. 3211 will satisfy the concerns that many of us have about burial eligibility at Arlington National Cemetery.

Before I comment on H.R. 3039, I want to thank Jack Metzler, Superintendent of Arlington National Cemetery, for all he has done though the years for America and its fallen heroes.

Like his father before him, Jack has poured his heart and soul into Arlington National Cemetery throughout much of his personal and professional life, and his insights will be invaluable to this subcomittee as we consider the issues surrounding burial at Arlington.

Jack, we appreciate your sincere and heartfelt commitment to ensuring that Arlington National Cemetery is maintained as one of our nation's most beautiful and revered landmarks.

Mr. Chairman, with your permission, I would like to submit for the record of this hearing the General Accounting Office report regarding the authority, process, and criteria for burial waivers at Arlington. I also ask that remarks from our colleague, Jerry Kleczka, regarding legislation he has introduced on this issue, be included in the hearing record.

I also wanted to take a moment to thank Congressman Gerald Kleczka (D-WI) for his hard work on the Arlington Cemetery bill. Jerry has been out front on this issue, and I am pleased to say we have been able to incorporate many crucial elements of his bill into the legislation we are considering this morning. We look forward to continuing to work with Jerry in the coming weeks as we finalize legislation to codify eligibility requirements for burial at Arlington Cemetery. Thank you Jerry for your leadership on this issue, and thank you for all the work you do for our nation's veterans.

I am also pleased to be an original cosponsor of H.R. 3039, and I commend Chairman Quinn for his leadership on this bill. There is virtually no disagreement that one-third of the homeless men in this country are veterans and that approximately 60 percent of those individuals are veterans of the Vietnam era. On any given night, more than 271,000 veterans are on our streets or in homeless shelters. I am particularly troubled that this number has not decreased over the past 10 years. This says to me that our approach to this problem must change – and I hope the transitional housing created as a result of the enactment of H.R. 3039 will provide the assistance and support necessary for homeless veterans to reestablish themselves as stable, productive citizens.

Although I will address this in more detail later, I have to say that I am very disappointed in the VA's testimony on this bill. I am astonished at the "can't do" attitude that is evident throughout the statement. There are hundreds of thousands of veterans sleeping on the streets every night – how can show so little interest in a measure that could help many of these men and women?

Nonetheless, I do want to point out that the VA has expressed concern regarding the funding mechanism created in H.R. 3039, and I hope the Chairman will agree with me that we need to closely review the VA's comments. There may be a better and safer way to generate the funds required to guarantee loans for veterans' transitional housing.

Thank you, Mr. Chairman. I look forward to hearing from our witnesses.

United States General Accounting Office

GAO

Testimony

Before the Subcommittee on Oversight and Investigations, Committee on Veterans' Affairs, House of Representatives

For Release on Delivery
Expected at 10:00 a.m.
Wednesday, January 28, 1998

ARLINGTON NATIONAL CEMETERY

Authority, Process, and Criteria for Burial Waivers

Statement of Richard L. Hembra
Assistant Comptroller General
Health, Education, and Human Services Division

GAO/T-HEHS-98-81

Arlington National Cemetery: Authority, Process, and Criteria for Burial Waivers

Mr. Chairman and Members of the Subcommittee:

We are pleased to be here today to discuss the issue of waivers for burial in Arlington National Cemetery. Since its establishment in 1864, Arlington has become widely revered as a national shrine. As the cemetery achieved greater national recognition, particularly following the burial of President Kennedy, requests to be buried at Arlington grew enormously. As a result, the space available in the cemetery became very limited, and the Army projected in 1966 that Arlington would soon have no room for new grave sites. In an effort to ensure that space remained available in Arlington for years to come, the Department of the Army—which is responsible for administering Arlington—promulgated regulations in 1967 that significantly tightened eligibility standards for burial. With stricter eligibility standards came requests for waivers that would allow those who were considered deserving of Arlington burial to be interred there despite the fact that they did not meet these standards.

Questions have been raised recently about the waiver process in general as well as about particular waiver decisions. As a result, the Subcommittee asked us to comment on (1) the trends in waiver decisions, (2) whether legal authority exists to grant waivers, (3) the process used in making waiver decisions, and (4) the criteria applied in the decision-making. My testimony today is based on our analysis of laws and regulations governing burial at Arlington, an in-depth review of available Department of the Army case files for both approved and denied waivers, and discussions with officials responsible for making waiver decisions. As agreed with the Subcommittee, because of the limited time available to perform our review, we did not attempt to validate the information contained in the Department of the Army files but did, where appropriate, obtain clarification of information in those files from officials responsible for making waiver decisions. It is important to note that the documentation of waivers requested or granted is limited, particularly for waiver decisions before 1991.

In summary, since 1967, 196 waivers have been granted for burial at Arlington, and at least 144 documented requests have been denied. Of the granted waivers, about 63 percent involved burial of individuals in the same grave site as someone already interred, or expected to be interred. Although the Secretary of the Army has no explicit statutory or regulatory authority to grant waivers, it is legal for the Secretary to do so, in part, because of the general legal authority of the Secretary for administering Arlington. We found that most waiver requests have been handled through

an internal Army review process involving officials responsible for the administration of Arlington. However, this process is not followed in all cases. For example, in the case of presidential waiver decisions, the Army process is generally bypassed. In addition, this process is not widely known or understood, which in some cases has appeared to provide advantages to those who were persistent enough to pursue a waiver request or who were able to obtain the assistance of high-level government officials. Finally, while those responsible for making waiver decisions appear to apply some generally understood criteria, these criteria, which are not formally established, are not always consistently applied or clearly documented.

Background

Arlington is distinct among national cemeteries in several respects. First, although all national cemeteries honor the service of and sacrifices made by members of the armed forces, significant national events—such as the burials of Unknown Soldiers and of prominent public figures such as John F. Kennedy—have identified Arlington as a place of special recognition. Second, almost all other national cemeteries are administered by the Department of Veterans Affairs (VA), but Arlington is administered by the Department of the Army.[1] In addition, eligibility requirements for burial in Arlington are much more restrictive than the requirements of other national cemeteries. Requirements for burial in Arlington were identical or similar to those of other national cemeteries until 1967, when the Army imposed stricter standards to ensure that burial space would remain available at Arlington for many more years. Individuals who are eligible for burial at Arlington include service members who have died while on active duty; retired service members meeting certain qualifications; and holders of the nation's highest military decorations, such as the Medal of Honor, Distinguished Service Cross, Distinguished Service Medal, Silver Star, or Purple Heart. (App. I provides a more detailed list of requirements for burial at Arlington and at other national cemeteries.)

Arlington has a total capacity of 263,639 grave sites, of which about 60,700 remain available. Since 1967, the cemetery has averaged 2,887 burials per year. After the Army imposed restrictive eligibility requirements in 1967, the number of burials at Arlington sharply declined and then remained relatively constant until 1988. Since that time, the number of burials has gradually increased. The Army projects that all grave sites at Arlington will

[1]Before 1973, all national cemeteries were operated under the authority of the Army. However, the National Cemeteries Act of 1973 (P.L. 93-43) shifted authority for all national cemeteries other than Arlington and the U.S. Soldiers' and Airmen's Home National Cemetery to VA. VA's National Cemetery System operates and maintains 115 national cemeteries located in 39 states and Puerto Rico.

be full by 2025, given the expected burial rates, unless the cemetery is expanded.

Since 1980, Arlington has offered inurnment of cremated remains in its columbarium complex, which currently contains about 20,000 niches, with an additional 30,200 niches either planned or under construction. Any honorably discharged veteran, as well as his or her spouse and dependent children, may be inurned in the columbarium. The columbarium was intended as an effort to deal with the problem of limited burial space at Arlington and as an alternative for those who wish to be buried in the cemetery but do not meet its stringent requirements. As of December 1997, the remains of about 22,000 individuals had been inurned in about 19,500 of the columbarium's niches.

The Secretary of the Army is responsible for the development, operation, maintenance, and administration of Arlington and for forming plans, policies, procedures, and regulations pertaining to the cemetery. The Secretary has delegated the functions of Arlington burial policy formulation and oversight, including the responsibility for making recommendations to the Secretary on requests for waivers, to the Assistant Secretary of the Army for Manpower and Reserve Affairs.[2]

The superintendent of Arlington is the primary caretaker of the cemetery. This individual is responsible for its day-to-day operations, including arranging, coordinating, and scheduling funerals; maintaining good relations with and supplying information to the public; and obtaining or verifying relevant documents or data. The superintendent also makes recommendations on waiver requests.

Given the nature and circumstances of burial requests, Army officials emphasized to us the urgency involved in responding to those requesting interment in Arlington. Therefore, these officials attempt to respond to requests for burial within 24 to 48 hours.

[2]This responsibility rested with the Assistant Secretary of the Army for Civil Works until Aug. 30, 1996.

Trends in Waiver Decisions

Our review of Army files indicated that since 1967, 196 waivers for burial in Arlington have been granted, while at least 144 documented waiver requests have been denied.[3] The rate at which waivers have been granted has increased steadily since 1967: about 17 percent of the 196 waivers were granted during the first 15 years that waiver decisions were being made, while 83 percent of these waivers were granted during the past 15 years. About 63 percent of the 196 waivers granted involved burial of an individual in the same grave site as someone already interred or expected to be interred. Also, about 42 percent of the total waivers were for individuals with military service. About 18 percent of waivers granted for burial in a new grave site were for individuals who did not have military service. (App. II provides additional data on waiver decisions.)

Over the past 30 years, changes have occurred in the extent to which Presidents have chosen to be involved in waiver decisions. Before 1980, all waiver approvals were made by the President, but since then, 72 percent of the approvals have been made by the Secretary. Although the Secretary did not grant waivers from 1967 to 1979, he did deny at least 64 requests during that time.

The Army's philosophy toward waiver decisions has also evolved since 1967. While precisely reconstructing the basis for this evolution is difficult, our review of documents from the late 1960s and the 1970s and our discussions with a former superintendent of Arlington indicate that the Army had been very reluctant to approve waivers as a matter of policy. This is reflected in a 1969 memorandum from the Army Special Assistant (Civil Functions) to the Secretary that stated, "Since the restrictive eligibility regulations for Arlington were promulgated . . . we have received many requests for exceptions . . . . These requests have been uniformly denied and the regulation rigidly enforced since, if an exception is authorized in one case, it is impossible to deny it in others." A 1971 memorandum from the Under Secretary of the Army to the Secretary states that "Although [waiver denial] decisions . . . are difficult to make, in the long run it is equitable to all involved and prevents an early closing of the Cemetery." The memorandum goes on to say that many waivers have been denied since 1967 and that "To change the rules at this time would raise havoc."

[3]Our figures for both approvals and denials are based on available Department of the Army documentation. These records were often incomplete, particularly for cases decided during the period from 1967 to 1990. This was especially the case for records of waiver denials, because Arlington officials believed there was less of a need to maintain documents on the requests of those who were not ultimately interred in the cemetery. In addition, many denials may have occurred informally through telephone conversations, which left no paper record.

The former superintendent explained to us that, sometime around 1980, the White House expressed a desire to be less involved with waiver decisions on a regular basis and to shift more of these decisions to the Army. At around the same time, the Army appears to have adopted a more lenient approach to granting waivers, in part, because of the number and types of cases that had been approved by the President in the past.

Authority for Waiver Decisions

Although the Secretary of the Army and the President do not have explicit legal authority to grant exceptions to the eligibility requirements now in effect for burial at Arlington, there is a legal basis for the Army's long-standing assertion of that authority. In 1973, the Congress, in the National Cemeteries Act (P.L. 93-43), expressly preserved the existing functions, powers, and duties of the Secretary of the Army with respect to Arlington while, at the same time, repealing the prior law that specified who was eligible for burial at national cemeteries. This left no explicit legal restrictions on the Secretary's authority over burials at Arlington; the Secretary could decide on criteria for admission as well as on waivers. The committees, in reporting on the bill, said that a provision giving VA explicit authority to grant waivers for the national cemeteries under its jurisdiction would be analogous to "similar authority" already residing with the Secretary of the Army regarding Arlington.

Department of the Army officials have, on several occasions since 1967, examined the issue of the Secretary's and the President's legal authority for granting waivers and have acknowledged that no explicit authority exists. In 1976, the Army General Counsel stated that "it would be desirable to specifically recognize this authority" in legislation pertaining to Arlington. In 1983 and 1984, the Army General Counsel recommended that legislation be proposed to give the Secretary (and, by extension, the President) such authority. The General Counsel advised the Secretary that "Public recognition of your explicit authority to approve exceptions to burial eligibility policy represents sound administrative practice."

On several occasions between 1986 and 1989, Army officials submitted to the Secretary of the Army proposed changes in Army policy that would have, among other things, explicitly stated the Secretary's authority to make waiver decisions. In a memorandum forwarding the proposal to the Secretary, the Assistant Secretary of the Army for Civil Works noted the Army General Counsel's view that such explicit authority would "[reduce] the possibility of charges of unfairness or capriciousness in considering exception requests." The memorandum also referred to the Secretary's

concern about this provision and mentioned "possible problems of drawing the general public's attention to [the Secretary's] exception authority." Because of these concerns, the Secretary decided not to pursue a change in official Army policy, according to a memorandum from the military assistant in the Office of the Assistant Secretary of the Army.

Army officials told us that, in February 1997, they submitted a legislative proposal that would have explicitly defined both the Secretary's authority to grant waivers as well as some broad categories of individuals who could be considered for waivers. However, these officials explained that this was done as a technical drafting service and that they did not necessarily support such legislation. According to these officials, no action was taken by the Congress on this legislation.

Process for Considering Waiver Requests

Most waiver requests have been handled through an internal Army review process involving officials responsible for the administration of Arlington. But this process has not been established through formal rule-making, and access to and knowledge of the process may vary widely among those inquiring about burial at Arlington. In addition, the Army waiver review process is not followed in all cases, particularly in those cases in which the President makes a waiver decision.

Army Waiver Review Process

Waiver decisions made by the Secretary of the Army generally involve a systematic process of review and recommendation within the Department of the Army. The process starts when a waiver request is referred to the Arlington superintendent.[4] The superintendent is responsible for verifying pertinent information about the interment candidate, such as military service and familial relationships. The superintendent recommends approval or denial and forwards this recommendation, along with related information, to the Assistant Secretary of the Army for Manpower and Reserve Affairs. The Assistant Secretary then reviews the case file and the superintendent's recommendation and makes his or her own recommendation to approve or deny. In formulating a recommendation, the Assistant Secretary solicits the views of the administrative assistant to the Secretary of the Army, the Office of General Counsel, and the Office of the Chief of Legislative Liaison. These offices indicate their concurrence or nonconcurrence with the Assistant Secretary's recommendation. The

[4]Before receiving a formal waiver request, the superintendent or his staff will sometimes answer questions and provide information to a potential requester who has contacted the cemetery for information on burials. The types of questions asked and information provided during these contacts may, in some cases, determine whether a person decides to pursue a formal waiver request.

case file, including all recommendations and records of concurrence or nonconcurrence, is then sent to the Secretary of the Army, who makes the final decision to approve or deny the exception request.

All of these actions typically occur within 48 hours in order to respond quickly to surviving family members. According to officials involved in the process, this expediency imposes certain limitations on the extent of information obtained and the ability to verify this information. For example, in cases in which an exception is requested to allow the burial of one family member with another, the superintendent indicated to us that he asks for information about family relationships but does not always verify the information he receives. Similarly, he does not always obtain the consent of other family members who may have a claim to burial in that same grave.

Waivers Authorized by the President

In contrast with decisions issued by the Secretary of the Army, presidential decisions appear to involve little, if any, consultation with Department of the Army officials. In addition, the reasons for presidential waiver decisions are generally not explained. For most presidential waivers, the Army is simply informed of the President's decision to grant a waiver.

For example, in one case, the President authorized a waiver for a prominent public figure who was still alive. Army officials said they were not consulted on this matter. Army documents indicate that the Assistant Secretary did not favor such a waiver because the Army's policy was not to approve waivers before the death of an individual and that doing so in this case would set a precedent for future waiver decisions. To the extent that decisions are made outside of the normal process, perceptions of inequitable and arbitrary treatment, such as those suggested in the media, may result.

Public Knowledge of the Waiver Process

Although a waiver process exists, it has not been formally established in regulatory policy. Individuals inquiring about burial at Arlington are not necessarily provided the same information—or any information at all—regarding the possibility of obtaining a waiver. The superintendent or his or her staff make a case-by-case judgment about the type of information to provide to those making inquiries about burial eligibility and the possibility of a waiver.

Some individuals who inquire about burial at Arlington on behalf of another and are told that the person on whose behalf they are making the request is not eligible for burial at Arlington may not know that a waiver can be pursued. But others, who are aware of this possibility, may choose to pursue it. According to the superintendent, upon making an initial request for a burial waiver and being informed that such a request cannot be granted, some requesters abandon their attempt to obtain a waiver. But others persist in their efforts and may contact a high-level government official, such as a congressional or administration official, in order to pursue their request.

Some Army officials believe that these factors can make a difference in the outcome of waiver requests and whether such requests are even made. In 1984, the Army General Counsel told the Secretary of the Army that "requests for exceptions mostly come from those people possessing information . . . not available to the general public." The General Counsel added that "initial requests for exceptions made to Arlington . . . are not treated uniformly" and that "the prior knowledge and persistence of the individual [who is making the waiver request] often determines what information is provided." According to the General Counsel "a basic question of fairness [is] raised by the operation of this type of 'secret' agency practice."

When a high-level government official (outside the Department of the Army) either makes the waiver request or expresses support for the request, the waiver process can be vulnerable to influence. For example, in a case in which the Secretary of the Army approved a waiver despite the superintendent's recommendation to deny, Army officials recommended that the waiver request be approved because of congressional interest and to avoid possible White House action. The Secretary of the Army told us, however, that his decision was not influenced by these factors.

In another case, a waiver request had been considered through the normal review process and the Secretary had concurred with the superintendent and the Assistant Secretary's recommendation that the request be denied. But when the Secretary of Defense became involved and asked the Secretary of the Army to reconsider his decision, the Army Secretary reversed his decision. The Secretary of Defense is not typically involved in the waiver process. Yet in this case, the requester had appealed the Army Secretary's original decision directly to the Office of the Secretary of Defense on the basis of a personal acquaintance with the Defense Secretary and his staff. Given that most people do not have access to

high-level officials such as the Secretary of Defense, the selective involvement of such officials in such a sensitive process could result in inconsistencies and perceptions of unfairness in waiver decisions.

Although these cases indicate that involvement of high-level officials may, in some cases, influence the waiver process, our review also identified many cases in which such involvement did not result in a waiver approval. In addition, we found no evidence in the records we reviewed to support recent media reports that political contributions have played a role in waiver decisions. Where the records show some involvement or interest in a particular case on the part of the President, executive branch officials, or Members of the Congress or their staffs, the documents indicate only such factors as a desire to help a constituent or a conviction that the merits of the person being considered warranted a waiver.

In December 1997, the Department of the Army, in response to recent criticism, imposed new requirements for providing information to those who inquire about burial at Arlington in an effort to ensure consistent treatment of all individuals. The Army also required that the names of those who are granted waivers be published and that such information be communicated to the proper congressional committees.

Absence of Formal Waiver Criteria

No written criteria exist for determining when a waiver should be granted or denied. As a result, waiver requests that appear to be based on similar circumstances sometimes result in different outcomes. The officials we spoke with said that these decisions involve the exercise of much discretion and individual judgment. In other words, waivers, by their very nature, involve unique circumstances for which specific criteria cannot be developed to cover all cases, according to these officials.

The Arlington superintendent and the Assistant Secretary of the Army generally provide a rationale or cite reasons for their waiver recommendations to the Secretary. The reasons cited typically revolve around five factors: (1) the burial candidate's military service, (2) whether the burial candidate is related to and will be interred with someone already buried or eligible for future burial at Arlington, (3) whether the burial candidate made extraordinary contributions to the nation or in service to the federal government, (4) the circumstances of the burial candidate's death, and (5) whether similar cases have been approved or denied in the past. Particularly in more recent waiver decisions made by the Secretary, Department of the Army officials have cited the disposition

of one or more of these factors as a reason to approve or deny a waiver request.

But it is sometimes unclear how officials weigh each factor and make a final decision on the basis of the combination of these factors. As a result, the reasons cited for a waiver approval in some cases may be similar to circumstances present in other cases that resulted in a waiver denial.

The problem of unclear waiver criteria is demonstrated by the seemingly contradictory decisions and recommendations made by Army officials on the same cases. Since 1993, there have been 12 cases in which the Secretary or Acting Secretary of the Army has approved a waiver request despite the superintendent's or Assistant Secretary of the Army's recommendation that he disapprove the request. In three of these cases, the Secretary reversed his own initial waiver decision, deciding to approve waiver requests that he had originally denied.

Our review of the records for waiver cases decided during the tenure of the current superintendent showed that although the bases for waiver decisions were frequently cited by the superintendent and the Assistant Secretary of the Army, this was not always the case for decisions made by the Secretary of the Army and was rarely the case for presidential waiver decisions. In addition, the rationale for waiver decisions made in the years before the current superintendent's tenure, whether by the Secretary or the President, was often undocumented. Given the recent controversy concerning waiver decisions, the maintenance of clear and complete records of waiver decisions by both the Army and the White House may help to reduce questions about waiver decisions.

Some Army officials explained that waiver decisions are inherently discretionary and, as such, will involve differences in opinion among officials. These officials do not believe that such differences necessarily indicate unfair or arbitrary treatment. Rather, they emphasize that they take these decisions very seriously and recognize their role in preserving the integrity of Arlington. Officials we spoke with did not believe that it would be helpful or even feasible to develop and formalize a specific list of criteria for making waiver decisions because this would be contrary to the very nature of the Secretary's discretionary authority.

Observations

The Department of the Army is entrusted with the authority to administer Arlington, one of the nation's most revered cemeteries. This responsibility,

in combination with the constraints of limited space, has caused the Army to impose strict eligibility requirements for burial at Arlington. These requirements have, in turn, resulted in the exclusion from Arlington of many individuals who served honorably in the military.

Although the need to carefully scrutinize Arlington burial waiver decisions and ensure that such waivers are rare has been consistently acknowledged, the number of waivers allowed has grown steadily since they were first granted in 1967. In light of the diminishing capacity of the cemetery and the public attention to waivers, waiver decisions are likely to continue to be the focus of concern and criticism on the part of veterans' groups and the American public. To the extent that the authority, process, and criteria for granting waivers are unclear, inconsistent, or unknown to the public, this criticism will likely continue.

While there is a legal basis for the Secretary of the Army and the President to make waiver decisions and to adopt procedures for doing so, this authority is not explicit. This lack of explicit authority has been cited in the past by various Army officials as something that could raise questions about waiver decisions made by the Secretary. Although Army officials have, in the past, proposed that legislation or regulations be enacted to make this authority explicit, they currently do not support such legislation or regulations.

Another area of uncertainty relates to the process used to review waiver cases and make waiver decisions. The process has not been clearly and consistently communicated to all individuals who have inquired about eligibility for burial in Arlington and has not been made generally public. As a result, the ability to get access to the process can vary on the basis of the persistence and knowledge of the individual requester. In addition, the process differs according to whether the President or the Secretary of the Army is making the waiver decision and is vulnerable to influence or intervention from officials outside the normal process. Recent actions by the Secretary of the Army to improve the consistency with which the waiver process is applied will likely help in diminishing the suspicions and concerns regarding the fairness of the process. No action has been taken by the Army, however, to adopt regulations governing the waiver process or to improve the Army's communication surrounding and involvement in presidential waiver decisions, although the Army may be constrained in its ability to influence this aspect.

The absence of clear, written criteria to evaluate waiver requests has also served as a basis for perceptions of inequity and inconsistency in waiver decisions. Waiver decisions made by the Secretary of the Army appear in some cases to be inconsistent with criteria applied in other cases. This is particularly true in cases in which the Secretary's decision does not follow the recommendations of other Army officials. Moreover, presidential decisions are typically made without explicit reference to criteria.

Given the current controversy over waiver decisions, several options are available for addressing these problems, including the following:

- Revising the eligibility requirements for burial in Arlington to include certain categories of people who generally are approved for waivers, such as remarried spouses or other family members who request to be buried in the same grave as someone who is already buried in Arlington. Under such a change, these categories of individuals, which constituted about 63 percent of the waiver approvals we examined, would be automatically eligible and would not therefore go through the waiver process.
- Eliminating the Secretary's and the President's authority to grant waivers. This could, however, prevent the burial at Arlington of someone who is generally recognized as deserving of that honor but does not meet the cemetery's strict burial standards.
- Preserving some discretion to grant waivers, but providing guidance in legislation for the officials who exercise the waiver authority. While we agree with Army officials that it is not possible to establish criteria to cover all circumstances, some general guidance would serve to ensure that the exercise of discretion by the Army is not unlimited.
- Expanding the acreage of Arlington to accommodate more grave sites, thereby easing concerns over limited space. The feasibility of this option would need to be examined in terms of the land available near Arlington for annexation and the cost of acquiring such land.

These options could be adopted individually or in various combinations. Each has its own advantages and disadvantages and must be carefully considered in light of the basic purpose of Arlington. Regardless of which option is considered, we believe it is important that the use of waiver authority be sound and that the waiver process be publicly visible.

Mr. Chairman, this concludes my statement. I will be happy to answer any questions that you or other Members may have.

Eligibility Requirements for Burial at Arlington and at VA's National Cemeteries

Individuals eligible for burial at Arlington include the following:

- Any active duty member of the armed forces, except those members serving on active duty for training only.
- Any retired member of the armed forces, who has service on active duty (other than for training), is on a retired list, and is entitled to receive retirement pay. If, at the time of death, a retired member is not entitled to receive retirement pay, he or she will not be eligible for burial.
- Any former member of the armed forces separated for physical disability before October 1, 1949, who has served on active duty and who would have been eligible for retirement under 10 U.S.C. 1202 had the statute been in effect on the date of separation.
- Any honorably discharged member of the armed forces who has been awarded a Medal of Honor, Distinguished Service Cross, Distinguished Service Medal, Silver Star, or Purple Heart.
- People who have held the following positions, provided they were honorably discharged from the armed forces: an elective office of the U.S. government; Chief Justice of the United States or Associate Justice of the Supreme Court of the United States; an office listed in 5 U.S.C. 5312 or 5 U.S.C. 5313 (level I and II executives); and chief of a mission if he or she was at any time during his or her tenure classified in class I under the provisions of 60 Stat. 1002, as amended (22 U.S.C. 866, 1964 ed.).
- Any former prisoner of war who served honorably, whose military service terminated honorably, and who died on or after November 30, 1993.
- The spouse, widow, or widower; minor child; and, at the discretion of the Secretary of the Army, unmarried adult child of any of the people listed above. A surviving spouse who has remarried and whose remarriage is void, terminated by death, or dissolved by annulment or divorce by a court regains eligibility for burial in Arlington. An unmarried adult child may be interred in the same grave in which the parent has been or will be interred, provided that child was incapable of self-support up to the time of death because of physical or mental condition.
- Widows or widowers of service members who were reinterred in Arlington as part of a group burial may be interred in the same cemetery but not in the same grave.
- The surviving spouse; minor child; and, at the discretion of the Secretary of the Army, unmarried adult child of any person already buried at Arlington.
- The parents of a minor child or unmarried adult child whose remains are already buried at Arlington on the basis of the eligibility of a parent.

Individuals eligible for burial at VA's national cemeteries include the following:

- Any person who served on active duty in the armed forces of the United States (Army, Navy, Air Force, Marine Corps, or Coast Guard) who was discharged or released therefrom under conditions other than dishonorable.
- Any member of the armed forces of the United States who died while on active duty.
- Any member of the reserve components of the armed forces, the Army National Guard, or the Air National Guard whose death occurs under honorable conditions while hospitalized or undergoing treatment, at the expense of the United States, for injury or disease contracted or incurred under honorable conditions while performing active duty for training, inactive for duty training, or undergoing that hospitalization or treatment at the expense of the United States.
- Any member of the Reserve Officers' Training Corps of the Army, Navy, or Air Force whose death occurs under honorable conditions while attending an authorized training camp or on an authorized practice cruise; performing authorized travel to or from that camp or cruise; or hospitalized or undergoing treatment, at the expense of the United States, for injury or disease contracted or incurred under honorable conditions while attending that camp or on that cruise, performing that travel, or undergoing that hospitalization or treatment at the expense of the United States.
- Any citizen of the United States who, during any war in which the United States is or has been engaged, served in the armed forces of any government allied with the United States during that war; whose last such service terminated honorably; and who was a citizen of the United States at the time of entry on such service and at the time of death.
- The spouse of any person listed above or any interred veteran's unremarried surviving spouse.
- A veteran's minor child (under 21 years of age or under 23 years of age if pursuing a course of instruction at an approved educational institution), or unmarried adult child who was physically or mentally disabled and incapable of self-support, in the same grave with the veteran or in an adjoining grave site if that grave was already reserved.
- Such other people or classes of people as may be designated by the Secretary of VA.

Appendix II

Waiver Decisions by Administration

The following tables provide data on waiver decisions made under the various administrations since 1967.

Table II.1: Number of Waiver Decisions Approved and Denied, by Administration

Administration	Documented waiver requests	Waivers approved	Waivers denied
Clinton 1997-present	17	12	5
Clinton 1993-1997	91	60	31
Bush 1989-1993	53	32	21
Reagan 1985-1989	48	40	8
Reagan 1981-1985	38	24	14
Carter 1977-1981	23	18	5
Nixon/Ford 1973-1977	27	7	20
Nixon 1969-1973	23	1	22
Johnson 1967-1969	20	2	18
Total	**340**	**196**	**144**

Table II.2: Number of Waiver Decisions by Decisionmaker, by Administration

Administration	Documented waiver requests	Waivers decided by the President		Waivers decided by the Department of the Army	
		Approved	Denied	Approved	Denied
Clinton 1997-present	17	0	0	12	5
Clinton 1993-1997	91	5	0	55	31
Bush 1989-1993	53	0	0	32	21
Reagan 1985-1989	48	9	0	31	8
Reagan 1981-1985	38	13	0	11	14
Carter 1977-1981	23	17	0	1	5
Nixon/Ford 1973-1977	27	7	0	0	20
Nixon 1969-1973	23	1	0	0	22
Johnson 1967-1969	20	2	0	0	18
Total	**340**	**54**	**0**	**142**	**144**

Table II.3: Comparison of Number of Waiver Decisions for New-Grave and Same-Grave Space, by Administration

Administration	Documented waiver requests	Requests for new grave space		Requests for same grave space	
		Approved	Denied	Approved	Denied
Clinton 1997-present	17	1	5	11	0
Clinton 1993-1997	91	20	28	40	3
Bush 1989-1993	53	2	15	30	6
Reagan 1985-1989	48	14	7	26	1
Reagan 1981-1985	38	15	12	9	2
Carter 1977-1981	23	12	4	6	1
Nixon/Ford 1973-1977	27	6	19	1	1
Nixon 1969-1973	23	0	19	1	3
Johnson 1967-1969	20	2	16	0	2
Total	**340**	**72**	**125**	**124**	**19**

Table II.4: Comparison of Number of Waiver Decisions for Individuals With and Individuals Without Military Service, by Administration

Administration	Documented waiver requests	Individuals with military service		Individuals without military service	
		Approved	Denied	Approved	Denied
Clinton 1997-present	17	2	4	10	1
Clinton 1993-1997	91	21	28	39	3
Bush 1989-1993	53	7	14	25	7
Reagan 1985-1989	48	16	6	24	2
Reagan 1981-1985	38	15	4	9	10
Carter 1977-1981	23	16	3	2	2
Nixon/Ford 1973-1977	27	5	17	2	3
Nixon 1969-1973	23	0	13	1	9
Johnson 1967-1969	20	1	12	1	6
Total	**340**	**83**	**101**	**113**	**43**

Table II.5: Comparison of Number of Waiver Decisions for Individuals With and Individuals Without Military Service, by New-Grave and Same-Grave Space and by Administration

		Individuals with military service requesting:				Individuals without military service requesting:			
		New grave		Same grave		New grave		Same grave	
Administration	Documented waiver requests	Approved	Denied	Approved	Denied	Approved	Denied	Approved	Denied
Clinton 1997-present	17	1	4	1	0	0	1	10	0
Clinton 1993-1997	91	16	26	5	2	4	2	35	1
Bush 1989-1993	53	2	14	5	0	0	1	25	6
Reagan 1985-1989	48	9	6	7	0	5	1	19	1
Reagan 1981-1985	38	14	4	1	0	1	8	8	2
Carter 1977-1981	23	12	3	4	0	0	1	2	1
Nixon/Ford 1973-1977	27	4	17	1	0	2	2	0	1
Nixon 1969-1973	23	0	11	0	2	0	8	1	1
Johnson 1967-1969	20	1	12	0	0	1	4	0	2
Total	**340**	**59**	**97**	**24**	**4**	**13**	**28**	**100**	**15**

Table II.6: Number of Waiver Decisions In Which the Superintendent or the Assistant Secretary Was Overruled, by Administration

Administration	Superintendent or Assistant Secretary's recommendation overruled by: Final decision to approve	Final decision to deny
Clinton 1997-present	1	0
Clinton 1993-1997	11	0
Bush 1989-1993	1	0
Reagan 1985-1989	0	0
Reagan 1981-1985	0	0
Carter 1977-1981	2	0
Nixon/Ford 1973-1977	1	0
Nixon 1969-1973	0	0
Johnson 1967-1969	0	0
Total	**16**	**0**

REMARKS BY CONGRESSMAN MASCARA

SUBCOMMITTEE ON BENEFITS HEARING

FEBRUARY 24, 1998

MR. CHAIRMAN, THANK YOU SO MUCH FOR GRANTING ME AN OPPORTUNITY TO PUT A STATEMENT IN THE RECORD.

THIS IS A VERY IMPORTANT HEARING TO EXAMINE TWO BILLS OF GREAT INTEREST TO VETERANS. I WISH I COULD ATTEND IN PERSON TO EXPRESS MY VIEWS AND ASK QUESTIONS, BUT A SCHEDULED MEETING IN MY DISTRICT OFFICE WILL KEEP ME FROM BEING PRESENT.

I AM PLEASED WE ARE FINALLY GOING TO MOVE FORWARD WITH THE ARLINGTON CEMETERY LEGISLATION. LIKE MANY OF MY COLLEAGUES ON THE COMMITTEE, I THINK THE GAO REPORT SHOWED THE CURRENT WAIVER PROCESS IS FLAWED AND NOT WELL UNDERSTOOD BY VETERANS.

I AM PROUD TO BE AN ORIGINAL COSPONSOR OF H.R. 3211 AND HOPE THAT IT WILL MOVE QUICKLY THROUGH THE COMMITTEE AND ON TO THE HOUSE FLOOR.

AS I HAVE SAID BEFORE, WHILE EVIDENCE TO DATE SHOWS POLITICAL CONTRIBUTIONS PLAYED NOT ROLE IN THE GRANTING OF WAIVERS AT ARLINGTON, WE MUST REVISE THE PROCESS TO ENSURE THAT THE REMAINING PLOTS IN THIS HISTORIC NATIONAL CEMETERY ARE GRANTED TO THOSE WHO SERVED AND DIED FOR OUR COUNTRY'S FREEDOM. THE SOONER WE ACHIEVE THIS GOAL, THE BETTER!

I AM ALSO INTERESTED IN THE VETERANS' TRANSITIONAL HOUSING MEASURE. OBVIOUSLY, A GOOD NUMBER OF THE HOMELESS ARE VETERANS IN NEED OF ASSISTANCE TO DEAL WITH BOTH EMOTIONAL AND HEALTH PROBLEMS.

SINCE SERVING ON THE VETERANS' COMMITTEE, I HAVE BECOME FAMILIAR WITH SEVERAL HOMELESS VETERANS' ORGANIZATIONS HERE IN WASHINGTON, D.C. AND IN MY DISTRICT. THEY DO A WONDERFUL JOB COUNSELING HOMELESS VETERANS, HELPING THEM READJUST TO SOCIETY AND TO FIND JOBS.

THIS KIND OF TRANSITIONAL HOUSING PROGRAM WOULD CERTAINLY COMPLIMENT THOSE KINDS OF EFFORTS.

I HAVE READ TODAY'S TESTIMONY AND I FOUND IT TO BE VERY SOUND AND INTERESTING. I TRULY HOPE WE CAN MOVE THESE MEASURES IN THE COMING WEEKS.

AGAIN, MR CHAIRMAN, THANK YOU FOR YOUR KINDNESS.

--THE END--

4th District - Wisconsin

Congressman Jerry Kleczka

Prepared Statement of Representative Jerry Kleczka Before the House Committee on Veterans Affairs Subcommittee on Benefits February 24, 1998

Mr. Chairman, Mr. Filner, Members of the Subcommittee on Benefits:

I am pleased that the subcommittee is holding this hearing to address the recent problems at Arlington National Cemetery. As you know, I have introduced legislation to end the waiver process. My bill is very similar to the bill offered by the Chairman, Ranking Member, and other Members of the Veterans Committee. Both bills will restore the integrity of the final resting place for many of our veterans, Arlington National Cemetery. Our veterans proudly served our nation, and with very few exceptions, deserve to be the only Americans interred in this place of high honor.

In recent months, it came to be known that 69 non-veterans were granted waivers by the Secretary of the Army to be buried in Arlington in the last six years. In addition, we heard allegations that campaign donations may have influenced the waiver process. Fortunately, an investigation by the General Accounting Office found that no wrongdoing occurred. However, the outcome of this investigation brought to light the need for tightened standards to ensure the integrity of Arlington National Cemetery.

My legislation, H.R. 3145, the Arlington National Cemetery Integrity Act, will put into law the current regulations allowing veterans and certain of their family members to be interred at the cemetery. ***My legislation will end the practice of granting waivers and legally clarify once and for all who may be buried at Arlington.***

Currently, the Code of Federal Regulations outlines who can and cannot be interred at Arlington National Cemetery. The code allows the following to have their remains kept at Arlington: any active duty member of the Armed Forces; any retired member of the Armed Forces; any former member of the Armed Forces separated for physical disability prior to October 1, 1949; any former Member of the Armed Forces whose last active duty military service terminated honorably and who has been awarded the Medal of Honor, Distinguished

Service Cross, Distinguished Service Medal, Silver Star, or Purple Heart; qualified elective officers, Supreme Court Justices, and certain other government officials, all of whom served in the Armed Forces and were terminated honorably from their last period of active duty as a member of the Armed Forces; any former prisoner of war who served honorably in the active Armed Forces, whose last period of active military service terminated honorably, and who died on or after November 30, 1993; the spouse, surviving spouse, minor child and unmarried adult child of the persons listed above; the surviving spouse, minor child, or unmarried adult child of any person already buried in Arlington; and finally, the parents of a minor child or unmarried adult child whose remains, based on the eligibility of a parent, are already buried in Arlington National Cemetery.

The only addition to the code that my legislation allows for is for the U.S. Commander in Chief, the President of the United States, to be buried at Arlington National Cemetery. This provision allows for both present and former presidents to be buried there. The Veterans Committee legislation does the same.

The granting of waivers to unqualified individuals not only takes up precious, limited space at Arlington, but also threatens to diminish the integrity of the veterans who are interred there.

Burial at Arlington is the last honor that we can bestow upon our veterans. We must preserve this tribute to our soldiers, who gave their lives for our nation. The Arlington National Cemetery Integrity Act will preserve this honor and final resting place for our veterans for years and years to come.

I look forward to working with the Members of the Benefits Subcommittee and full Veterans Committee to ensure passage of legislation to end the practice of granting waivers at Arlington National Cemetery, and I commend the Committee for its work on this issue and for our veterans.

RECORD VERSION

STATEMENT BY
MR. JOHN P. MCLAURIN, III
DEPUTY ASSISTANT SECRETARY OF THE ARMY
(MILITARY PERSONNEL MANAGEMENT AND
EQUAL OPPORTUNITY POLICY)
AND
MR. JOHN C. METZLER, JR.
SUPERINTENDENT
ARLINGTON NATIONAL CEMETERY

BEFORE THE
HOUSE VETERANS' AFFAIRS BENEFITS SUBCOMMITTEE

SECOND SESSION, 105TH CONGRESS

LEGISLATIVE HEARING ON HR 3039 AND HR 3214

FEBRUARY 24, 1998

NOT FOR PUBLICATION UNTIL
RELEASED BY THE
VETERANS' AFFAIRS COMMITTEE

THANK YOU, MR. CHAIRMAN, I AM GLAD TO BE HERE TO DISCUSS THE PROPOSED LEGISLATION REGARDING ELIGIBILITY CRITERIA FOR BURIAL AT ARLINGTON NATIONAL CEMETERY (ANC). AS YOU ARE AWARE, THE SECRETARY OF THE ARMY HAS DESIGNATED THE ASSISTANT SECRETARY OF THE ARMY FOR MANPOWER AND RESERVE AFFAIRS (ASA (M&RA)) AS THE INDIVIDUAL RESPONSIBLE FOR OVERSIGHT OF BURIAL POLICY AT ANC. TODAY, I AM REPRESENTING THE ACTING ASA (M&RA) WHO WAS UNEXPECTEDLY HOSPITALIZED OVER THE WEEKEND. IN MY CAPACITY AS THE DEPUTY ASSISTANT SECRETARY FOR MILITARY PERSONNEL MANAGEMENT AND EQUAL OPPORTUNITY POLICY, I AM HERE TO PROVIDE THE ARMY'S COMMENTS ON THE PROPOSED LEGISLATION. SEATED NEXT TO ME IS MR. JOHN C. METZLER, JR., THE SUPERINTENDENT OF ARLINGTON NATIONAL CEMETERY, WHO IS ALSO AVAILABLE TO ANSWER ANY QUESTIONS YOU MAY HAVE.

ARLINGTON NATIONAL CEMETERY IS AMERICA'S MOST PROMINENT NATIONAL CEMETERY AND SERVES AS A SHRINE HONORING THE MEN AND WOMEN WHO HAVE SERVED IN THE ARMED FORCES AND THOSE AMERICANS WHO HAVE MADE EXTRAORDINARY CONTRIBUTIONS TO THE NATION. IT IS A VISIBLE REFLECTION OF AMERICA'S APPRECIATION FOR THOSE INDIVIDUALS WHOSE ACTS AND ACCOMPLISHMENTS REFLECT THE HIGHEST SERVICE TO THE COUNTRY.

SINCE ITS FOUNDING IN 1864, THE CEMETERY HAS FUNCTIONED PRIMARILY AS A MILITARY BURIAL GROUND. OVER THE YEARS, THE SYMBOLIC SIGNIFICANCE OF ARLINGTON NATIONAL CEMETERY HAS EVOLVED. THE CEMETERY HAS BECOME RECOGNIZED AS THE NATION'S FOREMOST NATIONAL MEMORIAL TO ITS MILITARY MEMBERS AND IS THE FINAL RESTING PLACE OF PRESIDENTS AND OTHER LEADING PUBLIC

FIGURES. IT HAS ALSO BECOME THE SITE OF MAJOR MEMORIAL EVENTS AND CEREMONIES, AS WELL AS A SIGNIFICANT ATTRACTION FOR VISITORS TO THE WASHINGTON AREA.

AS AN INITIAL MATTER, WE SUPPORT THE COMMITTEE'S EFFORT TO SET FORTH IN LAW MANY OF THE RULES THAT HAVE GOVERNED ELIGIBILITY CRITERIA FOR BURIAL IN ANC FOR THE PAST 30 YEARS. AS YOU KNOW, RULES GOVERNING BURIAL IN ANC ARE SET FORTH IN TITLE 32 OF THE CODE OF FEDERAL REGULATIONS. WE ALSO SUPPORT YOUR EFFORT TO MAKE THESE RULES READILY ACCESSIBLE TO THE AMERICAN PUBLIC IN THE FORM OF ENACTED LAWS. THIS LEGISLATION WILL CONTINUE THE PRACTICE OF ALLOWING ACTIVE MEMBERS OF THE ARMED FORCES, RETIRED MEMBERS OF THE ARMED FORCES, HIGHLY-DECORATED VETERANS, FORMER PRISONERS OF WAR, AND CERTAIN VETERANS DISCHARGED DUE TO DISABILITY, TO BE BURIED IN ANC.

WE ALSO SUPPORT YOUR EFFORT TO IDENTIFY IN LAW THOSE CATEGORIES OF PERSONS ENTITLED TO BURIAL IN THE CEMETERY WHO WERE ROUTINELY GRANTED EXCEPTIONS ALLOWING THEM TO BE INTERRED IN ANC. THESE EXCEPTIONS TOOK INTO ACCOUNT HUMANITARIAN CONSIDERATIONS AND, AS A MATTER OF PRACTICE, WERE GRANTED IN CASES INVOLVING THE BURIAL OF DISABLED, ADULT, UNMARRIED CHILDREN IN THE SAME GRAVESITE AS THEIR PARENT(S) AND, IN CERTAIN INSTANCES, CASES ALLOWING THE BURIAL OF THE FORMER SPOUSE OF AN INDIVIDUAL ELIGIBLE FOR GROUND BURIAL IN THE SAME GRAVE. WE APPROVE OF THE PROVISIONS IN THE BILL THAT PROVIDE BURIAL ENTITLEMENTS TO THESE INDIVIDUALS.

WE ARE TROUBLED, HOWEVER, WITH TWO ASPECTS OF THIS LEGISLATION. FIRST, THIS BILL ELIMINATES AN ENTITLEMENT THAT PRESENTLY EXISTS FOR FORMER MEMBERS OF THE ARMED FORCES WHOSE SUPERIOR CONTRIBUTIONS TO THE NATION ARE REFLECTED IN THE HIGH LEGISLATIVE, JUDICIAL AND EXECUTIVE OFFICES THEY HOLD. FOR EXAMPLE, ROBERT KENNEDY SERVED IN THE NAVY DURING WORLD WAR II AND LATER DISTINGUISHED HIMSELF AS THE ATTORNEY GENERAL OF THE UNITED STATES AND AS A SENATOR FROM NEW YORK BEFORE HE WAS ASSASSINATED. THIS BILL WOULD PRECLUDE HIS BURIAL IN ARLINGTON TODAY. SIMILARLY, OLIVER WENDELL HOLMES IS BURIED AT ARLINGTON. HOLMES SERVED IN THE ARMY DURING THE CIVIL WAR, AND WAS LATER CONFIRMED AS AN ASSOCIATE JUSTICE OF THE SUPREME COURT. AS IN THE CASE OF ROBERT KENNEDY, THE PROPOSED LEGISLATION WOULD PRECLUDE CHIEF JUSTICE HOLMES' BURIAL DESPITE HIS BRILLIANT COMBAT AND PUBLIC SERVICE RECORDS.

UNDER THE CURRENT REGULATIONS GOVERNING BURIAL AT ANC, INDIVIDUALS SUCH AS ROBERT KENNEDY AND OLIVER WENDELL HOLMES WOULD BE ALLOWED TO BE BURIED IN ANC BASED ON THEIR DISTINGUISHED SERVICE TO THE NATION. THEY WOULD NOT BE ELIGIBLE FOR BURIAL BASED ON THEIR MILITARY SERVICE ALONE, UNLESS THEY WERE HIGHLY DECORATED. CHANGING THIS RULE CONSTITUTES A RADICAL DEPARTURE FROM CURRENT BURIAL POLICIES AND FUNDAMENTALLY CHANGES THE CHARACTER OF THE CEMETERY. UNDER THIS LEGISLATION, WAR HEROES WILL NO LONGER LIE NEXT TO OUR NATION'S MOST REVERED STATESMEN AND SUPREME COURT JUSTICES, AN ATTRIBUTE OF THE CEMETERY WHICH DISTINGUISHES IT AS THE NATION'S MOST REVERED BURIAL GROUNDS.

SECOND, THE LEGISLATION CREATES A SET OF IMMUTABLE RULES THAT LIMIT ANY DISCRETION TO GRANT EXCEPTIONS IN THOSE CIRCUMSTANCES THAT HISTORICALLY HAVE WARRANTED BURIAL IN THIS HALLOWED CEMETERY. FOR EXAMPLE, FORMER SUPREME COURT JUSTICE THURGOOD MARSHALL DID NOT HAVE MILITARY SERVICE. YET, DUE TO HIS EXTRAORDINARY PUBLIC SERVICE ACCOMPLISHMENTS AND DEMONSTRATED RECORD OF SUPPORTING THIS NATION'S HIGHEST TRADITIONS OF FREEDOM AND DEMOCRACY, THERE WAS OVERWHELMING NATIONAL SUPPORT FOR HIS INTERMENT IN ARLINGTON. UNDER THE PROPOSED LEGISLATION, JUSTICE MARSHALL AND OTHER EXTRAORDINARY PUBLIC SERVANTS COULD NOT BE BURIED IN ARLINGTON NATIONAL CEMETERY.

IN ADDITION, THIS BILL WOULD EXCLUDE FROM BURIAL IN ARLINGTON INDIVIDUALS WHO, WHILE PERFORMING A MISSION ON BEHALF OF THE UNITED STATES, MAKE THE ULTIMATE SACRIFICE BY GIVING THEIR LIVES FOR THEIR COUNTRY. FOR EXAMPLE, MR. ROBERT FRASURE DIED IN A TRAGIC ACCIDENT IN AN ARMORED VEHICLE IN BOSNIA. MR. FRASURE WAS A DEPUTY ASSISTANT SECRETARY OF STATE AND A SPECIAL ENVOY OF THE PRESIDENT. HE HAD NO MILITARY SERVICE AND WAS, THEREFORE, NOT ELIGIBLE FOR BURIAL IN ARLINGTON, NOTWITHSTANDING THE FACT THAT HE DIED IN AN AREA OF HOSTILITIES WHILE ON AN OFFICIAL MISSION IN SERVICE OF HIS COUNTRY. WE BELIEVE THAT INDIVIDUALS LIKE MR. FRASURE, WHO ARE DISPATCHED TO STRIFE-RIDDEN AREAS AND MAKE THE ULTIMATE SACRIFICE IN SERVICE TO THEIR COUNTRY, SHOULD NOT BE EXCLUDED FROM BURIAL IN ANC.

ARLINGTON SHOULD BE PRESERVED AS A NATIONAL SHRINE HONORING THE MEN AND WOMEN WHO HAVE SERVED IN THE ARMED FORCES AND THOSE AMERICANS WHO HAVE MADE EXTRAORDINARY PUBLIC

CONTRIBUTIONS, THE VAST MAJORITY OF WHICH ARE VETERANS OF OUR ARMED FORCES. IF THERE IS ONE THING WE KNOW, IT IS THAT LIFE IS UNCERTAIN. WE BELIEVE THAT THERE MUST BE A MECHANISM UNDER THE LEGISLATION TO DEAL WITH FACTS AND EVENTS THAT ARE IMPOSSIBLE TO PREDICT WITH CERTAINTY TODAY.

WE RECOMMEND THAT LANGUAGE BE INCLUDED IN THE BILL THAT WOULD PROVIDE THE PRESIDENT, THROUGH HIS DESIGNEE, THE SECRETARY OF THE ARMY THE DISCRETION TO GRANT EXCEPTIONS FOR BURIAL IN ANC TO INDIVIDUALS WHOSE ACTS, SERVICES, OR CONTRIBUTIONS ON BEHALF OF THE ARMED FORCES OR THE NATION ARE EXTRAORDINARY AND SUBSTANTIALLY SIMILAR TO THE ACTS, SERVICES, OR CONTRIBUTIONS MADE BY THE INDIVIDUALS WHO WOULD BE ENTITLED TO BURIAL UNDER THE LEGISLATION THAT YOU ENACT. WE NOTE THAT CONGRESS HAS CONFERRED SIMILAR DISCRETION UPON THE SECRETARY OF VETERANS' AFFAIRS IN CONNECTION WITH THE ADMINISTRATION OF CEMETERIES WITHIN THE NATIONAL CEMETERY SYSTEM. THE AUTHORITY GRANTED COULD INCLUDE A PROVISO THAT THE APPROPRIATE OVERSIGHT COMMITTEES BE NOTIFIED OF EACH EXCEPTION. WE NOTE THAT DECISIONS CONCERNING BURIALS ARE TIME-SENSITIVE AND EXTREMELY EMOTIONAL, REQUIRING PROMPT ACTION.

THE DRAFT LEGISLATION ALSO INCLUDES A PROVISION THAT ADDRESSES THE PLACEMENT OF MEMORIALS AND MONUMENTS, OTHER THAN PRIVATE MARKERS AT INDIVIDUAL GRAVESITES. WE SUPPORT YOUR LEGISLATIVE EFFORTS TO LIMIT THESE MEMORIALS AND MONUMENTS TO THOSE THAT COMMEMORATE SERVICE IN THE ARMED FORCES BY AN INDIVIDUAL OR GROUP, AND THOSE THAT COMMEMORATE PARTICULAR MILITARY EVENTS. WE ALSO APPROVE OF THE LEGISLATIVE LANGUAGE THAT RESTRICTS THE PLACEMENT OF MEMORIALS OR MONUMENTS

COMMEMORATING MILITARY EVENTS UNTIL TWENTY-FIVE YEARS AFTER THE EVENT. THIS TIME PERIOD WILL ENSURE THAT THE EVENT BEING COMMEMORATED IS OF FITTING HISTORICAL SIGNIFICANCE.

IN CLOSING, I WOULD LIKE TO EMPHASIZE THAT THE ARMY TAKES VERY SERIOUSLY ITS RESPONSIBILITY TO ADMINISTER AND TO UPHOLD THE SANCTITY OF ARLINGTON NATIONAL CEMETERY AS WE PAY FINAL TRIBUTE TO MEN AND WOMEN WHO HAVE SERVED OUR COUNTRY WITH DISTINCTION. IN THIS REGARD, THE ARMY HAS RECENTLY COMPLETED A STRATEGIC PLAN, WHICH IS DESIGNED TO ENSURE THAT ARLINGTON WILL REMAIN ACTIVE AS THE NATION'S FOREMOST MILITARY CEMETERY. THIS PLAN IDENTIFIES FOURTEEN PARCELS OF LAND THAT ARE LOCATED IN CLOSE PROXIMITY TO THE CEMETERY AND THAT COULD BE USED FOR FUTURE BURIALS. WE INTEND TO EXAMINE THOSE PARCELS THAT ARE READILY AVAILABLE SO THAT THE FUTURE NEEDS OF THE CEMETERY ARE MET. THESE PARCELS INCLUDE CONTIGUOUS LAND SITES THAT WILL BE VACATED BY THE ARMY, NAVY, AND MARINE CORPS, INCLUDING A PORTION OF FT. MYER AND THE NAVY ANNEX. WE SOLICIT YOUR SUPPORT FOR THIS INITIATIVE. FUNDS ARE INCLUDED IN THE PRESIDENT'S BUDGET FOR FISCAL YEARS 1999 –2003 TO PREPARE CONCEPT PLANS TO DEVELOP THOSE PARCELS OF LAND OWNED BY THE FEDERAL GOVERNMENT WHEN THEY BECOME EXCESS TO GOVERNMENT NEEDS IN THE NEAR FUTURE. ACQUISITION OF THIS PROPERTY WILL ALLOW FOR CONTINUED OPERATION OF THE CEMETERY THROUGH THE TWENTY-FIRST CENTURY.

I APPRECIATE VERY MUCH THE OPPORTUNITY TO BE HERE, MR. CHAIRMAN. MR. METZLER AND I WOULD BE PLEASED TO ANSWER ANY QUESTIONS YOU MAY HAVE.

STATEMENT OF

KEITH PEDIGO

DIRECTOR

LOAN GUARANTY SERVICE

VETERANS BENEFITS ADMINISTRATION

DEPARTMENT OF VETERANS AFFAIRS

BEFORE THE

SUBCOMMITTEE ON BENEFITS

COMMITTEE ON VETERANS' AFFAIRS

HOUSE OF REPRESENTATIVES

FEBRUARY 24, 1998

Mr. Chairman and Members of the Subcommittee:

It is a pleasure to appear before you this morning and present the views of the Department of Veterans Affairs on H.R. 3039, the "Veterans Transitional Housing Opportunities Act of 1997."

Homelessness among veterans is a tragic situation that concerns us all and is unacceptable in a nation of our rich resources. Solving this difficult problem, Mr. Chairman, requires collaboration among a variety of governmental and nongovernmental entities. Approximately 1/3 of homeless adults in this country are veterans. This means that on any given night approximately 200,000 veterans are sleeping on the streets or in emergency shelters. It is estimated that nearly twice that number of veterans become homeless during the course of a year.

VA is deeply concerned about the plight of homeless veterans, and is committed to taking all reasonable steps to assist these individuals. While we recognize the need to address the transitional housing needs of homeless veterans, we have two overriding concerns regarding the provisions of H.R. 3039. First, we believe additional analysis needs to be performed to determine whether a loan guaranty program is the best alternative for meeting the transitional housing needs of homeless veterans. Significant uncertainties exist in regard to how such a loan program would be structured and implemented, as

well as the ability of the program to generate sufficient revenues from homeless veterans participating in the program to fund the full range of support services participants need. Secondly, we are concerned about the use of insurance trust fund assets generated from premiums paid by veterans, to finance transitional housing loans.

As we testified before this Subcommittee in Buffalo, New York, on December 18, 1997, VA has over 100 specialized programs for assisting eligible homeless veterans. In response to the needs of homeless veterans, especially those with mental illnesses and substance abuse disorders, VA developed clinical programs and services to meet their needs. VA is one of only a few Federal agencies that provide direct services to the homeless population.

For each of the past four years, the "CHALENG" assessment mandated by 38 U.S.C. § 1774 has identified transitional housing for homeless veterans as one of their greatest unmet needs.

We therefore regret, Mr. Chairman, that we cannot support H.R. 3039. H.R. 3039 would authorize VA to guarantee loans for the construction or rehabilitation of multifamily transitional housing projects for homeless veterans. Loans would be limited to 90 percent of the "total cost of the project." The bill does not specify the maximum loan amount, or the amount or percentage of the guaranty. Further, the bill does not state whether the "total cost" of the project is limited to the cost of the structure and land, or may also include other costs such as furnishings and supplies and organizational working capital. Under the bill, however, VA would be limited to making 15 such loans (not more than 5 of which may be made during the first 3 years after the bill's enactment) with an aggregate principal balance of $100 million. The bill further requires VA to enter into contracts with nonprofit organizations to obtain advice in carrying out this program, including advice on the terms and conditions for the loans.

The projects financed by H.R. 3039 must provide, in addition to transitional housing, supportive services and counseling (including job counseling), must require that the veteran seek employment, and must maintain strict guidelines regarding sobriety. The project may charge a reasonable fee for occupancy, and provide space for retail services and job training. To the extent that room is available after meeting the needs of homeless veterans, the project may provide housing for veterans who are not homeless, or homeless individuals who are not veterans.

In addition, H.R. 3039 would authorize the Secretary of the Treasury to invest moneys in the National Service Life Insurance (NSLI) Fund in certain mortgage-backed securities. The difference between the earnings on moneys invested in those securities and the amount that the NSLI Fund would have earned had the moneys been invested in the same manner as is now authorized by law would be available to offset the subsidy cost of loans guaranteed under H.R. 3039.

Mr. Chairman, the knowledge and skills that would be required to operate the proposed transitional housing loan guaranty program are very different from those necessary to run the existing VA program of guaranteeing loans obtained by individual veterans for single-family homes. VA does not now have the necessary knowledge or expertise to operate the proposed loan guaranty program.

Therefore, Mr. Chairman, we are not in a position at this time to express an opinion on how the proposed loan program should be structured and whether these loans would be commercially sound. Until such time as we are able to make a more informed assessment, we cannot support pledging taxpayers' funds to guarantee these loans, let alone placing the funds of our NSLI policyholders at risk, however worthy the objective.

In VA's 10 years of experience in serving homeless veterans we have learned that very few veterans are homeless because of economic difficulties alone. The majority of homeless veterans suffer from mental illnesses and/or substance abuse disorders, and have significant medical problems as well. In addition to housing, homeless veterans need a wide range of support services that include case management, substance abuse treatment, mental health treatment, assistance with job development opportunities, etc. It seems unlikely that the rents collected from homeless veterans who would be living in these transitional housing projects would provide enough funding to pay for the "wrap-around" support services that are critical components of a successful transitional housing program.

It should be noted that while the majority of homeless veterans who are seen in VA programs are able to work, approximately 13 percent are 55 years old or older and 18 percent are on disability or are retired. The bill would require that veterans living in a transitional housing project "seek to obtain and keep

employment." This requirement might eliminate these transitional housing projects as housing options for the most needy homeless veterans.

Additionally, there appears to be a technical issue with the way the bill was drafted that would result in no increased earnings from the mix of fund investments. Section 1920(b) of title 38, United States Code, currently authorizes the NSLI Fund to invest "in interest-bearing obligations of the United States or in obligations guaranteed as to principal and interest by the United States . . . ." We believe this language already authorizes investment of moneys in the NSLI Fund in mortgage-backed securities guaranteed by the full faith and credit of the United States, such as Ginnie Mae-backed securities and the so-called "Vinnie Mac" securities guaranteed by VA. Preliminary VA analysis reveals, however, that investing in Ginnie Mae securities during the past several years may have actually generated a lower rate of return to the NSLI Fund due to the early payoff of loans and the loss on early redemption of such securities (which we discuss below).

Since current law authorizes the NSLI Fund investments in some mortgage-backed securities, investing in similar securities would not necessarily produce any income for the transitional housing program under the provisions of H.R. 3039. Although certain private mortgage-backed securities might produce a greater yield than Government-guaranteed mortgage-backed securities, investing in those securities would subject the NSLI Fund to an added risk. The bill does not guarantee to the NSLI Fund that it will always obtain a return from private mortgage-backed securities that is at least equal to the yield it would enjoy from investing in conventional Treasury bonds. Without such a guarantee, we are concerned that any loss to the NSLI Fund resulting from such an investment could be viewed as an unconstitutional taking from the policyholders.

The NSLI Fund consists of the premiums paid by the policyholders and the earnings from investing those premiums. We believe the principal and earnings of the fund are for the benefit the policyholders. Moreover, although providing transitional housing to homeless veterans is clearly a worthwhile Government endeavor, any investment decision regarding the NSLI Fund must be made with the needs of the life insurance policyholders foremost in mind. Under current arrangement with the Treasury, VA is able to redeem Treasury bonds early without penalty. The Fund frequently takes advantage of this arrangement. Early redemption is not possible with mortgage-backed securities. The loss of the early redemption feature would reduce the liquidity of fund

investments and limit the availability of fund assets to meet future obligations. We would, therefore, be opposed to committing NSLI Fund assets to offset the subsidy cost of loans for transitional housing.

Under this funding mechanism, preliminary analysis indicates that we would have to invest almost $200 million to generate the subsidy required to fund this program in the first year alone, jeopardizing our commitment to a balanced budget. Investing insurance trust fund assets outside of the Government requires the outlay of funds. These costs would be subject to the pay-as-you-go requirements of the Omnibus Budget Reconciliation Act of 1990 (OBRA).

With regard to General Operating Expenses (GOE), VA estimates that even a limited program as envisioned by H.R. 3039 would require a minimum of 4 full time equivalent employment (FTE) to administer the loan program, at an annual cost of approximately $200,000. Additional FTE plus travel expenses may also be required if VA provides on-site services to residents of the projects. VA may also incur costs for the annual independent audit of the projects. Finally, VA would also be required to incur GOE expenses at the start-up of the program for contracts with nonprofit organizations for the required consulting services.

Mr. Chairman, transitional housing programs for homeless veterans are currently being supported through VA's Homeless Providers Grant and Per Diem Program. This program was originally authorized by Public Law 102-590 and was extended through FY 1999 by Public Law 105-114. Under this program, VA is authorized to provide grants to state, county, city or non-profit organizations to purchase, renovate or build supported housing programs for homeless veterans. To date we have offered 4 rounds of grants and have awarded $21 million to non-VA organizations to develop programs for homeless veterans. VA funds up to 65 percent of the cost of these projects. When these projects are complete, 1,700 new community based beds will be available to homeless veterans. Approximately 22 projects are now complete and over 600 new beds are operational. These 22 programs are receiving per diem payments of $16 per day to help defray the operating expenses associated with providing supported housing programs for homeless veterans.

In summary, VA has a strong tradition of providing services to homeless veterans to help them overcome their physical, psychological, and social needs

so that they can resume a productive role in society. VA administers a number of programs to assist the estimated 200,000 veterans who are without housing. More needs to be done. However, VA cannot support taking the premiums paid by other veterans for their life insurance benefits and placing their funds at risk in order to finance this or any other program, however well intentioned. We look forward to working collaboratively with this Committee, and with other Federal agencies, state and local governments, and non-profit groups in efforts to assist homeless veterans and to explore options to address transitional housing needs for these veterans.

This concludes my statement, Mr. Chairman. I will be pleased to respond to any questions you or the members of this Committee may have.

STATEMENT BY

RAYMOND G. BOLAND

SECRETARY

WISCONSIN DEPARTMENT OF VETERANS AFFAIRS

BEFORE THE

SUBCOMMITTEE ON BENEFITS

COMMITTEE ON VETERANS AFFAIRS

UNITED STATES HOUSE OF REPRESENTATIVES

SECOND SESSION, 105TH CONGRESS

24 FEBRUARY 1998

Mr. Chairman, members of the Committee, I appreciate this opportunity to appear before you and to comment on the needs of homeless veterans. As the State of Wisconsin Secretary of Veterans Affairs, I represent all 520,000 of our state veterans, regardless of their membership or support for individual veterans' organizations. I and the Veterans Service Officers in each of our 72 counties comprise a delivery system that serves our veterans on a daily basis across the full range of federal and state benefits and issues. I am directly responsible for developing, implementing and administering state programs involving health care, primary mortgage home loans, consumer loans, educational grant programs, employment and training grant programs, and grant programs that address the issue of veterans homelessness.

I am here today to speak in support of H.R. 3039, the Veterans' Transitional Housing Opportunities Act of 1997. Homelessness among veterans has been described as a national tragedy. How can we as a nation abandon those who have procured for us the freedoms and liberty we cherish so dearly. The obvious answer is--we cannot.

In Wisconsin, through collaboration with the United States Department of Veterans Affairs (USDVA), local units of government, non-profit organizations, and the private sector, we have forged a continuum of care model that addresses the plight of homeless veterans on a statewide basis. Our concept enjoys the full support of Governor Tommy Thompson, the state legislature, and the VA Medical Centers located in our state. Although the program we developed is state driven, it is operated by community-based, non-profit organizations. My role has been to assist these organizations in acquiring the facilities and resources they need to do the job. We have also formed a state government bridge between the USDVA and our community providers.

I want to tell you today about an example of the potential of what H.R. 3039 is designed to accomplish. In Wisconsin we did something similar by using state funds for

the same purpose--to guarantee a loan made by a bank to a non-profit organization for the purchase of property for veterans transitional housing.

In our largest city, Milwaukee, we had a community based provider who sought to expand support to homeless veterans. A vacant hospital building at an inner city location was for sale and was ideally suited to become a transitional housing facility. The down payment was shared by the county, the community organization and my agency. But the lender would not make the loan without additional default security. Using state veterans funds, which also happen to be in an invested account, we furnished the amount required to guarantee the loan. This was four years ago. Since then, this facility has served more than 1,000 veterans. The non-profit provider has also received enough grant monies to liquidate the mortgage balance. None of this would have been possible without our help.

That is why I believe that H.R. 3039 is an excellent concept. It incorporates the diverse strengths of government, non-profits, and the private sector. It furthers a social agenda at no cost to the taxpayer. The proposal also makes sound economic and business sense. This proposed legislation addresses a key segment in the process needed to transition homeless veterans back into the mainstream of society. That key element is housing affordability.

Our program in Wisconsin provides the services veterans need to end their homelessness. The primary strength of our model is that we require each resident to work and to restore financial responsibility. Those who require treatment or rehabilitation due to substance abuse, mental disorder or other conditions that inhibit their ability to hold employment, are screened and referred to treatment by our on-site VA clinicians. Following treatment, or while receiving treatment if the condition is not debilitating, residents enter a rigorous daily schedule of employment, job training, and community service as they proceed through a phased process toward self sufficiency.

When they complete this program, they leave with full employment, enough savings to begin a new life, and a manageable budget. At the heart of our model is the belief that work is therapy. But an employed veteran can only acquire living accommodations that are available and affordable. This is where we need your help.

We urgently need more programs like this throughout the country if we are going to deal seriously with the problem. Working collaboratively with you and the USDVA I know we can make a real difference. This belief is not based on fantasy. There are enough of us now who are proving from coast to coast that these partnerships can succeed.

This proposed legislation will give the USDVA the ability to expand its key role within the collaboration. It will give them the authority to provide the financial guarantees necessary to assure the lending sector. This can be done without added cost to the taxpayer, but from funds generated through a more efficiently managed existing fund account. The proposed legislation would enable a demonstration that will serve as a prototype for the national effort we require.

It is my belief that we cannot leave homeless veterans on the battlefields of apathy and hopelessness. We must do all we can to ensure they are brought back into the fold. To do less than our ability will allow us, is to condemn a portion of our population to lives of despair; a portion of our population to whom we owe so much. Accordingly, I ask that each of you fully support this legislation.

Once again, I appreciate the opportunity to testify today. I would be happy to answer any questions you might have.

TESTIMONY OF TIM CANTWELL

before the

HOUSE COMMITTEE OF VETERANS AFFAIRS SUBCOMMITTEE ON BENEFITS

with respect to

H.R. 3039, VETERANS TRANSITIONAL HOUSING OPPORTUNITIES ACT OF 1997

WASHINGTON, D.C.
February 24, 1998

L.A. VETS is joint venture between Los Angeles Veterans Initiative, Inc. (a 501 (c) (3) non-profit corporation) and Westside Residence Hall, Inc. (a single purpose for profit California Corporation). The mission of L.A. VETS is the successful reintegration of the greatest number of homeless veterans to their highest level independence as rapidly as possible.

The Member of this committee are all too aware of the numbers .... 275,000 men and women who spent a portion of their formative young adult years in service to this country will sleep on the street this year. Nearly 10% of these veterans are in Los Angeles County.... L.A. VETS' first project, the Westside Residence Hall has provided more than 300,000 nights of stay since October 1993, and currently houses more that 300 formerly homeless veterans in long-term, clinically supported transitional housing. 4% are female. Our food service operation produces more that 20,000 meals per month and in the last quarter along we have provided outreach service to over 2000 homeless veterans.

Primary partners in this collaborative effort are the Century Housing Corporation and the City of Inglewood for principal building financing, the West Los Angeles VA Medical Center for clinical support, AmeriCorps for program support, and HUD, Department of Veterans Affairs, Veterans Service Organizations (particularly the Disabled American Veterans), and private companies for supportive services funding.

Westside Residence Hall, Inc., the for profit building owner and has primary responsibility for delivering the housing from the planning and development phase to arranging financing, renovation, building operations and long-term property management. Veterans Initiative, non-profit, coordinates and delivers programs and supportive services for the homeless veteran population at Westside and elsewhere. This joint venture results in a program that is economically self-sustaining. At full occupancy, the facility is designed to generate enough cash flow to not only support the housing operation, but to also sustain the core administrative burden of the non-profit. This mitigates against the chronic problem of programs following funding availability rather than focusing on the needs of the population they are intending to serve.

Endeavoring to collaborative in everything and be redundant in nothing results in substantial cost saving and more effective delivery of services to homeless veterans. Besides overwhelming human outcomes for veterans, these results can be clearly measured in terms of income stream to the tax system and cost avoidance to the health care system. Over the past four (4) years veterans employed through the efforts of the collaboration paid income taxes and employers paid taxes in excess of $1,000,000.

Data collected by Dr. Jeff Wilkins, Medical Director of the comprehensive Homeless Center at the West Los Angeles VA shows that of the first 308 veterans in the study to enter the Westside Residence Hall, 263 (85%) had been admitted to the hospital to the hospital for an average of 111 days during the year prior to entering Westside, adding up

to 29,000 patient days. In the year after moving to Westside, only 125 (41%) were admitted to the hospital for an average length of 29 days during the year. This adds up to more than 25,000 fewer patient days. This contrasts to two control groups who did not go to Westside, each of whom increased their rate of admission and nights of stay to the hospital during this same period.

Residence at Westside has also influenced the rate of admission to the hospital for those veterans with psychiatric diagnosis. While at Westside schizophrenia patients reduced their rate of admission of 75%, bipolar patients by 85%, and patients with major depression decreased hospital rates by 75%. The data also reveals that based on urine testing results, breathalyzer results and clinical assessment, the percentage of veteran client remaining sober or free from drug use at any on time is better that 95%.

This research indicated cost avoidance to the West Los Angeles Medical Center of well in excess of 12 million dollars from reduced in-patient stay days.

Even before the new Welfare Reform Laws, there was an acute need to help veterans who are currently sober but unemployed and exiting treatment programs with no housing alternatives. In June, L.A. VETS launched its 100 bed Welfare to Work program at the Westside Residence Hall. This is a three (3) phase 90 day program designed to move veterans from little or no income and little or no housing to employment and long-term transitional housing with a safe, sober environment. The program moves the veterans from preparation for seeking employment, to an aggressive job search, to job retention skills. Once veterans have obtained employment, the focus of their program is on managing behavior and issues that have kept them unemployed in the past.

Of the more than 263 veterans who have entered the program, 81% of obtained employment (78% full-time) and 61% have transitioned to long-term or permanent housing.

The cost-effective collaborative necessary to achieve these outcomes relies heavily on the Department of Veterans Affairs through the Chief of Social Work Service at the West Los Angeles VAMC to provide clinical support. The 6 FTEs on-site at Westside together with other California professionals participate in clinical program development and delivery. This includes clinical assessment, crisis intervention, case management, drug testing, and a host of substance abuse and life skills support groups. Local Vet Centers provide group counseling.

Other on-site partners include the Disabled American Veterans, the Inglewood Adult School, the California Economic Development Department, the Corporation for National Service, and the Salvation Army providing benefits counseling, a learning center, job development, program support, and case management.

Many of our supportive services delivered through the National Collaboration for Homeless Veterans, a National Direct AmeriCorps Program administered by L.A. VETS. AmeriCorps Members provide direct service to homeless veterans throughout southern California; in Houston, Texas; and in the Metro D.C. area including Washington, D.C., Baltimore, and Martinsburg, West Virginia; to help address the needs of veterans among the homeless and to help strengthen community partnerships in a way that makes the continuum of care easier for homeless veterans to navigate. Since October, Members in these three (3) geographic areas have served well over 500 homeless veterans.

During the first three (3) years of operation 114 men and women, ages 22 to 70, have served the homeless through this AmeriCorps program. While not a jobs program for

veterans, close to 40% of Members have been veterans, many of whom have been formerly homeless themselves.

In Los Angeles, Members have helped develop a variety of programs at the Westside Residence Hall. In Long Beach, Members serve community based organizations that are partnering to form a transitional village for close to 1,000 homeless veterans and families. This project, the Villages at Cabrillo, is a 26-acre residential planned community located on a portion of the former Savannah Cabrillo navy Housing Base. This project was conceived and designed and is being led by the L.A. VETS team. Partial long-term financing is being provided by Century Housing Corporation. L.A. VETS broke ground on this project in November and it is scheduled to open this fall.

In May of 1994, we testified before the House Appropriations Subcommittee on VA/HUD/IA in part as follows:

"The comprehensive continuum of care necessary to truly impact the lives of these fallen heroes demands the highest level of human resources available in a variety of clinical and service areas. These requirements are capital intensive in an era of critical fiscal limitations on government spending as well as general societal impatience with entitlement programs.

Veteran service provider organizations currently in operation struggle for their very survival while attempting to meet a piece of the continuum of care. Virtually none of them possess reliable funding for general administrative overhead, critical to the management of any organization. These struggles often force program development to be based upon funding availability.

It is our belief that the opposite should be the rule...programs should be developed based upon the needs of the population being served. But to realistically accomplish this, continued assessment of needs and the concomitant development of appropriate responses requires adequate and reliable funding of sufficient administrative resources to assess, develop, and implement services."

The Department of Veterans Affairs has expertise in providing clinical and medical support for this homeless veteran population. The private sector has expertise in housing development and job formation. Community-based organizations provide access to local networks and services. These public/private resources must be partnered in a way that not only created the highest level of independence for the homeless veteran, but must be organized in self-sustaining manner that does not require annual appropriations for the bulk of its operations. We believe there are six major conditions that must exist to accomplish this goal:

1. a large concentration of homeless veterans
2. real estate suitable for affordable adaptive reuse
3. a VA hospital with expertise and a commitment to providing clinical support
4. ready access to entry level jobs
5. willing, experience, for-profit and non-profit partners
6. long-term available financing

H.R. 3039 provides the mechanisms to fill the gap.

It is a travesty that veterans are so over represented among the homeless in our country. Veterans have historically been the country's primary leadership resource. Veterans can lead the way for the homeless in our country as well. The lessons and mechanisms learned in this effort for veterans will undoubtedly be transferable to others among the homeless.

This socially progressive yet fiscally conservative idea, harnessing the strengths of both the private and public sector goes a long way toward meeting the needs for veterans specific support housing. We would ask for your rapid and complete support for H.R. 3039.

Respectively submitted by:

Thomas R. Cantwell, Jr.
President, Westside Residence Hall, Inc.

Stephani Hardy
Acting Executive Director on behalf of the Board of Directors

Federal & Non-Federal Funding Sources
for L.A.VETS
Westside Residence Hall, Inc. & Los Angeles Veterans Initiative, Inc.
(February 1998)

Provider	Purpose	Amount
Westside Residence Hall (Inglewood, CA):		
Westside Residence Hall, Inc.: (No Federal Funding Received)		
City of Inglewood (non-federal grant)	Facility renovation for low income housing	$1,400,000
Los Angeles Veterans Initiative, Inc.:		
HUD-SHP 1995 (LAHSA)	Supportive Services	$1,500,000
VA - 1995	Facility Rehabilitation & Suportive Services	$ 540,000
HUD-SHP 1996	Supportive Services (Welfare to Work)	$ 819,487
Villages at Cabrillo (Long Beach, CA):		
HUD-SHP 1995 (LAHSA)	Supportive Service	$1,000,000
VA 1996	Suportive Services (Residential Treatment - per diem)	$ 378,000
VA 1996	Facility Rehabilitation	$ 357,500
HUD-SHP 1996 (City of Long Beach)	Suportive Services (Residential Treatment)	$ 840,000
HUD-SHP 1996 (City of Long Beach)	Supportive Services (Seniors-Shelter Plus Care)	$ 270,000
Ventura County:		
HUD-SHP 1996	Supportive Services	$ 595,875
VA 1997	Facility Rehabilitation	$ 327,000

National Collaboration for Homeless Veterans
(an L.A.VETS AmeriCorps Program):

1994-95	Los Angeles	$ 103,724
1995-96	Los Angeles	$ 102,764
1996-97	Los Angeles, Long Beach, Ventura & Houston, Texas	$ 827,672
1997-98	Los Angeles, Long Beach, Ventura, Houston, Texas, & Metro D.C.	$1,359,071

BRIEF HISTORY/PROJECT FORMATION

In 1992, a group of prominent individuals known as the genesis committee was brought together by the Honorable Judge Harry Pregerson of the U.S. 9th Circuit Court of Appeals. Though Los Angeles County had more than 20,000 homeless vets, at the time there were less than 100 beds set aside for Vets. This group was determined to do something of scale to begin to address this massive need. They identified the Northrop University's 700 student residential dormitory with the hope of securing it as a residential/career development center for homeless Veterans. Members of the genesis committee formalized into the Board of Directors of Los Angeles Veterans Initiative, Inc.

Century Housing Corporation (formerly Century Freeway Housing Program, a division of Housing Community Development, State of California) was approached for funding. They approached Cantwell-Anderson, Inc. (CAI), a for profit developer, whose previously awarded financing commitment was not fully utilized. Though active lenders for low income housing, Century had no funds available to finance such a transaction unless a developer to whom they had already awarded a financing committment was interested in reallocating their commitment to this effort.

After initial due diligence on the real estate including contemplation of multiple potential uses, exit strategies and their relative value, CAI entered into a 6 month option to purchase and immediate lease in March, 1993 with Northrup University for what is now known as Westside Residence Hall. While CAI immediately began leasing to students to defray the holding cost, CAI, Century Housing Corporation and Los Angeles Veterans Initative, Inc. began to explore in earnest the feasability of servicing a bankable segment of the homeless veteran population interviews with Homeless Veterans Service Providers across the country, West Los Angeles VA Medical Center Homeless Program and mental health professionals confirmed our already existing internal experiences which suggested the best treatment for anyone from whom competitive work is a realistic expectation is **to allow them the dignity of taking financial responsibility for a portion of their own recovery <u>from</u> the means of their own production.**

The conclusion was that if the conditions could be brought to bear that help homeless veterans to begin to realize their human resource potential, then they could become a consumer paying rent. If they could pay for their housing, an appropriately financed and managed residential development would have the economics to carry itself, amortize its development expenditures and yield a profit. The concept of a joint venture between a for profit developer and non-profit services provider was born.

In October, 1993, on the strength of these fundamentals and funding of Century Housing Corporation's loan, Los Angeles Veterans Education and Training Services, Inc. (later renamed Westside Residence Hall, Inc.) a single purpose for profit development company exercised the option on the Northrup University Facility. Concurrently, a joint venture agreement was executed with Los Angeles Veterans Initiative, Inc., the intended veteran servcies provider. Initial working capital was loaned from proceeds of the real estate financing. Capital financing for the acquisition, working capital and renovation came from the Century Housing Corporation ($5,600,000), City of Inglewood ($1,400,000), private sector ($500,000), and Department of Veterans Affairs ($427,500). An additional $2,000,000 is expected from the proceeds of tax credit sales and/or refinancing with a long term permanent loan. Due to the scale of the facility and complexity of the population being served, we chose to grow the program slowly. By January 1998, 300 Veterans were in residence. With renovation underway, the facility expects to be at the full design capacity of 500 within the next two years.

THOMAS R. CANTWELL, JR.

THOMAS R. CANTWELL, JR. is President and a Director of Cantwell-Anderson, Inc. a real estate development company. Mr. Cantwell is a licensed general contractor, and since 1979 has directed the company in the area of acquisition, finance, renovation, development, construction, and management of condominium, apartment, and commercial real estate projects totaling over $138,000,000. Currently the company manages a $17 million mixed use residential project it developed in 1986. It retains a limited partner interest in a $150 million residential planned development currently under construction. The concept, land assembly and acquisition, planning , and discretionary public approvals were substantially completed under its leadership.

Much of this development has been for sale and rental housing targeted to low income households, mixing below market financing from various state and local agencies, tax-exempt mortgage bond fund as well as market rate commercial lenders and equity investors. Utilizing similar financing techniques and a financial commitment from Century Housing Corporation, the company is packaging land, building and financing for use in meeting needs in Los Angeles County's growing number of homeless.

Mr. Cantwell is the President of Westside Residence Hall, Inc. (formerly Los Angeles Veterans Education and Training Services, Inc.) an operation dedicated solely to the purpose of delivering 500 beds of affordable transitional housing to homeless veterans. The 150,0000 square foot Westside Residence Hall combines a variety of social and economic programs designed to assist each veteran resident to his/her highest level of independence and individual responsibility. The development concept is grounded in the belief that a homeless veteran committed to leaving life on the streets can be a bankable consumer if the conditions can be brought to bear that allows realization of his/her human resource potential. They pay their own rent from the means of their own production.

Mr. Cantwell designed the concept of a joint venture with a non-profit service provider whose mission it is to develop and coordinate the necessary supportive services to provide the highest probability for homeless veterans to successfully reintegrate into society. Mr. Cantwell served as the Acting Executive Director of this non-profit partner, Los Angeles Veterans Initiative, Inc., a 501(c)(3), for a 3 year formative period beginning October 1993, during which time the organization's annual operating budget grew from $40,000 to over $1,200,000. Efforts begun under his tenure have placed the non-profit in a position of serving homeless veterans in 8 counties in 5 states with a combined budget in excess of $5,000,000.

Currently Mr. Cantwell is on the Board of Directors of the National Coalition for Homeless Veterans. Since October 1995, he has served as the treasurer directing the financial reorganization of this non-profit whose mission is legislative advocacy, public education, and management and technical assistance for homeless veteran service providers. Retained as a consultant he provides, among other duties, strategic planning and program development for the National Collaboration for Homeless Veterans, a National Direct AmeriCorps program administered by L.A.VETS, which will provide more than 300,000 hours of service annually to homeless veterans across the country.

Mr. Cantwell currently serves on the honorary board of two other non-profit entities: Pasadena Development Corporation and the Pasadena Enterprise Center. These corporations manage revolving loan funds of over $3,000,000 and a small business incubator facility providing technical support for 27 businesses. Both strategies are designed to stimulate job formation in the low income sector of the greater Pasadena area for business in general and particularly for women and minority-owned business enterprises. Much of the growth of these organizations occurred during Mr. Cantwell's 15 years of volunteer service on the Board of Directors of which the last 10 years was spent as their President.

Mr. Cantwell is the proud father of Ryan and Dawn, 9 and 12 respectively.

STATEMENT OF

Veronica A'zera
AMVETS Legislative Director

For The
U.S. House of Representatives
Subcommittee on Benefits

VETERANS TRANSITIONAL HOUSING ACT
and
BURIAL AT ARLINGTON CEMETERY

Thursday, February 24, 1998
340 Cannon House Building

49-622 98 - 5

Mr. Chairman and members of the House Veterans Affairs Subcommittee on Benefits. AMVETS thanks you for giving us the opportunity to testify today. AMVETS has not received any Federal grants or contracts during the fiscal year 1998 or in the previous two fiscal years in the relationship to the subjects presented today.

We appreciate the opportunity to share our views on H.R.3039 or better known as the Veterans Transitional Housing Opportunities Act of 1997, and the draft bill enacting eligibility requirements for burial at Arlington National Cemetery.

Veterans Transitional Housing Opportunities Act of 1997 (H.R.3039)
AMVETS applauds this innovative idea to help our homeless veterans. While we support the idea and approve of the demonstration project, we caution that the program must be monitored closely. We would like to see clear goals and objectives set, so that the program can be properly assessed and adjustments made at the end of the demonstration. To have adequate goals set, we must first understand some characteristics of homeless veterans.

About a third of the adult homeless population has served their country in the armed services. On any given day, it is estimated that as many as 250,000 veterans are living on the streets or in shelters, and perhaps twice as many experience homelessness over the course of a year. According to VA, although veterans who served in combat do not appear to face any higher risk of homelessness than those without combat experience, the number of homeless Vietnam veterans today is greater than the number of U.S. soldiers who died during the Vietnam war. The number of Desert Storm veterans is also increasing. Almost all homeless veterans are male (about 2% are female), and the vast majority are single. Homeless veterans tend to be older and more educated than homeless non-veterans. Only about 10% suffer from post traumatic stress disorder (PTSD). Roughly 40% are African-American or Hispanic.

As you may know, when this idea was first brought up for discussion, AMVETS opposed the funding mechanism of the bill. Since then, changes have been made to make us more confident of the project. We were a little apprehensive of the 100% guarantee of the loans by Department of Veterans Affairs. Now, the bill states that VA will only guarantee 90% of the loan. We believe this amount will help dissuade organizations from trying to take advantage of the program for their own profit.

Another of our concerns with the original idea was that VA is not in the multi-housing business. VA has no experience in making loans on multi-family transitional housing projects and we were worried this program would be compromised. The current bill directs VA to obtain advice from a nonprofit corporation with experience in underwriting loans for transitional housing projects in administering the program.

We are also supportive of the fact that the Secretary of the Treasury will be the decision maker on how the National Service Life Insurance Fund is invested. We believe if the World War II and Korean veterans were properly informed on the facts of this bill, they should not have any problem with the funding mechanism. It has been our experience that veterans helping veterans, go a long way with these older veterans. We see ourselves as stakeholders in this demonstration project. We would like to be kept apprised of its progress or any possible problems that may surface.

In summary, AMVETS supports H.R. 3039, the Veterans Transitional Housing Opportunities Act of 1997 demonstration project under the following conditions:

- Set clear goals and objectives for this program;
- Keep the VSOs apprised of any progress or problems; and
- After the three-year demonstration, the project should be evaluated and a clear decision made on whether this is a viable program or not. We don't want to see it take on a life of its own and go on for 10 years with no decisions or evaluations.

If done right, this program can be a win/win situation for everyone. I think it is very interesting that when writing this report I ran a spellcheck. Homelessness kept coming up and the computer suggested the word hopelessness as a replacement. This is very telling. We need to provide opportunities to our homeless so they don't remain hopeless. We believe this program is a huge step in the right direction.

Eligibility requirements at Arlington National Cemetery

AMVETS supports the draft bill submitted to us enacting eligibility requirements for burial at Arlington National Cemetery. Before I get into our philosophy on why we feel this bill is needed, let us look at some background information.

Currently, individuals eligible for burial at Arlington National Cemetery include:

- Any active duty member of the armed forces, except those members service on active duty for training only.
- Any retired member of the armed forces, who has serviced on active duty (other than for training), and is entitled to receive retirement pay.
- Any former member of the armed forces separated for physical disability, before Oct. 1, 1949, who has served on active duty and who would have been eligible for retirement.
- Any honorably discharged member of the armed forces who has been awarded a Medal of Honor, Distinguished Service Cross, Distinguished Service Medal, Silver Star or Purple Heart.
- People who has held the following positions, provided they were honorably discharged from the armed forces: an elective office in the U.S. government; Chief Justice of the U.S.; or Associate Justice of the Supreme Court of the U.S.; an office listed in 5 (U.S.C. 5313); and chief of a mission, if classified for tenure in Class I.
- Any former prisoner of war who served honorably, whose military service terminated honorably, and who died on or after Nov. 30, 1993.
- The spouse, widow, or widower; minor child; and at the discretion of the Secretary of the Army, unmarried adult child of any of the people listed above.
- Widows or widowers of service members, who reinterred in Arlington as part of a group burial, may be interred in the same cemetery.
- The surviving spouse; minor child; and, at the discretion of the Secretary of the Army, unmarried adult child of any person already buried at Arlington.
- The parents of a minor child or unmarried adult child, who remains are already buried at Arlington, on the basis of the eligibility of a parent.

Arlington is distinct among the national cemeteries. Before 1973, all national cemeteries were operated under the authority of the Army. The National Cemeteries Act of 1973 (P.L. 93-43) shifted authority for all national cemeteries other than Arlington and the U.S. Soldiers and Airmen home cemetery to the VA. According to the U. S. General Accounting Office (GAO) report, Arlington has a total capacity of 263,639 grave sites, of which about 60,700 remain available. The cemetery averages 2,887 burials a year. The Army projects that all the grave sites will be full by 2025, unless the cemetery is expanded.

The burial rules and waiver procedures came under criticism, because of attempts to secure burial space for individuals, who may not meet the restrictive eligibility criteria for an Arlington burial.

During the last few years, request for waivers have grown from a handful to at least 69 during the Clinton presidency. The perceived arbitrariness of the waiver process, and the fact that GAO has reported that, there really is no set guidelines to whom or by whom requests for waivers can be initiated, caused grave concern among the veterans community.

The Independent Budget, which AMVETS is a part, recommends that "Congress enact legislation, that would require that all waivers for burial, be subject to a political, uniform process, that ensures objectivity, and guarantees the integrity of current regulations, regarding burial in Arlington National Cemetery."

This legislation meets that criteria and goes further. We support the fact that it codifies, with some exceptions, the eligibility already in law. I believe this bill testifies to the integrity of its sponsors. By supporting this bill, Congressmen Stump and Evans, are precluding themselves, as well as their peers.

We object to other non-veteran memorials in Arlington. This bill clarifies that, only memorials honoring military service, may be placed at Arlington. We agree with this point.

Although we support this legislation, we would like to add two more points for thought. Given that Arlington will run out of space by the year 2025, we would also recommend, that the VA and Congress support a marketing strategy, and major construction plan, to make Quantico National Cemetery, a desirable and well-utilized alternative, to burial in Arlington. We would also like to see Congress enact legislation, guaranteeing that all veterans buried in national cemeteries, receive appropriate military honors, including an honor guard, rifle salute, and the playing of "Taps." Congress should direct a transfer of funding, from the Department of Defense(DoD), to VA that would be sufficient for VA to contract for these services. The contracts would be with active duty military, Guard or Reserve units.

Thank you for the opportunity to express our views on these bills. If you have any questions, I will be glad to answer them for you.

STATEMENT OF
BOB MANHAN
ASSISTANT DIRECTOR, NATIONAL LEGISLATIVE SERVICE
VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE

SUBCOMMITTEE ON BENEFITS
COMMITTEE ON VETERANS AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

WITH RESPECT TO
H.R. 3039, THE VETERANS' TRANSITIONAL HOUSING OPPORTUNITIES ACT OF 1997
AND THE ARLINGTON NATIONAL CEMETERY, HR 3211

WASHINGTON, DC FEBRUARY 24, 1998

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the over 2 million members of the Veterans of Foreign Wars and, indeed, all of this nation's veterans, I thank you for inviting our participation in today's most important legislative hearing. The first bill under discussion today, H.R. 3039, the "Veterans Transitional Housing Opportunity Act of 1997," introduced by Chairman Stump together with yourself and Representatives Evans and Filner, addresses an issue that both defies ready solution while posing a most serious ethical problem—homelessness among this nation's veterans.

It has been estimated that somewhere around one third of our homeless population is comprised of veterans. Many of these individuals served in combat theatres. These are the men and women who bore great hardship and risked there very lives in defense of our freedom. There may be no doubt that the very rigor of their service and horrors that they witnessed pushed many of them to the bottom of the economic ladder and into the plight of homelessness. They are often homeless as a direct consequence of their military experience. Evens so this great nation has yet to answer the need of those who served her so valiantly.

As we all know, of course, the solution to this problem is far from easy. Along with other problems too numerous to go into here, the sheer cost associated with properly addressing the tragedy of homelessness is staggering. The fact that H.R. 3039 would provide essential multi-family transitional housing—by authorizing VA guaranteed loans to appropriate non-profit organizations—for homeless veterans without reliance on appropriated dollars is truly advantageous in light of VA's frugal funding levels. Transitional housing is essential toward allowing homeless individuals to bridge the emotional, educational and psychological chasm that separates the streets from civil society.

I would emphasize here, however, that while we generally support using alternative funding streams to bolster VA, these dollars must be used to enhance veterans programs and entitlements and not serve as a substitute for full appropriations support. It is the federal government that is responsible for fulfilling our national dept of gratitude to our former defenders in their time of need, not the private sector. The bill under discussion today is a strong and innovative step in addressing the tragedy of homeless veterans, but does not represent the sole course to be pursued in reaching a complete solution.

With respect to rehabilitation, the VFW applauds the language in H.R. 3039 requiring participating residents in the program to remain sober and seek employment. It is only in this way that such individuals may recapture a sense of self-worth while rendering themselves economically viable. We also support this bill's provision that requires participating non-profit housing providers to work closely with VA as well as state and local authorities in this enterprise. It only makes sense to share knowledge and expertise while avoiding wasting precious resources on overlapping or duplicative services. In the end, homelessness is a national problem, a problem that may only be resolved by all elements of this great society working together as a whole.

The last bill under consideration this morning is H.R. 3211, which will amend chapter 24 of title 38, United States Code, by enacting a new, more restrictive requirement for burial at Arlington National Cemetery. In sum, the VFW unconditionally supports this bipartisan bill initiated by Messrs. Stump and Evans as well as many other members of the House Veterans' Affairs Committee and also Mr. Solomon, Chairman of the House Rules Committee.
As a veteran's service organization, the VFW applauds the clarity and simplicity of limiting burials to certain categories of veterans. Specifically, the former entitlement for veterans remains the same, that is, members of the Armed Forces who die on active duty, were retired from the military, were prisoners of war, or held our nation's military awards for wounds or valor in combat. Said another way, this bill eliminates burial at Arlington Cemetery of members of Congress, Supreme Court justices, cabinet officers, and ambassadors who had simply served a period of honorable military service at some point in their past.

The VFW welcomes the language that allows certain close-family members of eligible veterans to be buried in the same grave as the veteran himself without the need for special permission or waiver. This new language also allows surviving spouses of an entitled veteran who was lost or buried at sea to be now buried in Arlington. This has been a legislative priority of the Gold Star Wives of America; a goal we also support.

In closing, the VFW must comment on the commonsense approach to limiting future memorials at Arlington to those that have stood the test of a 25-year waiting period and further restricted to commemorate only a military person(s) or event.

Thank you Mr. Chairman and members of the committee for the opportunity to appear before you on these important issues. I am prepared to answer any questions you may have regarding this testimony.

Non Commissioned Officers Association of the United States of America
225 N. Washington Street • Alexandria, Virginia 22314 • Telephone (703) 549-0311

STATEMENT OF

LARRY D. RHEA
DEPUTY DIRECTOR OF LEGISLATIVE AFFAIRS

AS ENDORSED BY THE
NATIONAL MILITARY/VETERANS ALLIANCE

BEFORE THE

SUBCOMMITTEE ON BENEFITS
COMMITTEE ON VETERANS AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

ON

H.R. 3039, THE VETERANS
TRANSITIONAL HOUSING OPPORTUNITIES ACT

AND

H.R. 3211, A BILL TO CODIFY ELIGIBILITY
CRITERIA FOR BURIAL AT
ARLINGTON NATIONAL CEMETERY

FEBRUARY 24, 1998

The Non Commissioned Officers Association of the USA (NCOA) is grateful for the opportunity to appear today and offer testimony on two very important legislative initiatives. The Association thanks the Distinguished Subcommittee Chairman, Representative Jack Quinn, and the Ranking Member, Representative Bob Filner, for your leadership on the two bills under discussion this morning. In NCOA's opinion, all veterans are being well served by both of you and the other Distinguished Members of this Subcommittee. The Association salutes all of you.

ENDORSEMENT BY

NATIONAL MILITARY AND VETERANS ALLIANCE

NCOA is pleased to inform the Subcommittee that our testimony has been endorsed by the National Military and Veterans Alliance (NMVA). The Alliance is comprised of nationally prominent military and veterans organizations who collectively represent over 3 million members of the seven uniformed services – officer, enlisted, active-duty, National Guard and Reserve, retired and veterans plus their families and survivors.

NMVA organizations endorsing this testimony are: Air Force Sergeants Association; American Military Retirees Association; American Retirees Association; Korean War Veterans Association; National Association for Uniformed Services; Naval Reserve Association; The Retired Enlisted Association; Society of Medical Consultants to the Armed Forces; Tragedy Assistance Program for Survivors; and, Gold Star Wives of America.

INTRODUCTION

In short, Mr. Chairman, NCOA supports H.R. 3039, The Veterans Transitional Housing Opportunities Act, and H.R. 3211, a bill to codify the eligibility requirements for burial at Arlington National Cemetery. The Association trusts that our comments will assist the Subcommittee in its consideration of each and NCOA is hopeful that both bills will receive expeditious consideration by the Full Committee and House.

H.R.3039

The Veterans' Transitional Housing Opportunities Act

NCOA supports H.R.3039 as a creative, yet completely responsible, approach to helping homeless veterans regain self-sufficiency and, in that process, restore dignity to their lives. H.R. 3039 is a solid piece of legislation that merits expedient passage. Moreover, the bill is "responsible" in that it affixes "accountability," an element that is often omitted from undertakings of this nature. Unlike too many other federal programs that throw tax payer's money at a problem, without assigning responsibility and accountability, H.R. 3039 does none of this. The legislation requires accountability from both the borrower and the homeless veteran participant. In NCOA's view, that is what adds strength to this bill and is one of the primary reasons that this Association supports the initiative. These features must be demanded and enforced.

The Distinguished Chairman knows that NCOA did not endorse the original draft version of H.R. 3039. In the beginning, the Association had strong objections to the use of the National Service Life Insurance Fund in this manner. NCOA was very concerned about the potential liability and harm that could accrue to the Fund, and thereby the World War II and Korea War era veterans that hold NSLI policies. Throughout our history, the Association has opposed any effort that proposes to take from one veteran program as a means to resource other veteran programs.

As a product of the continuous dialogue between veterans service organizations and committee staff, since the discussion draft of the bill was first circulated, NCOA is now satisfied that H.R. 3039 minimizes the potential harm to the National Service Life Insurance Fund. We all must recognize though that a risk still exists. With that in mind, NCOA urges this Subcommittee to remain vigilant in protecting the Fund and its policyholders. The Association is indeed grateful for your accommodating our concerns in this area.

NCOA also believes that the parameters of the program have been appropriately defined. The Veterans' Transitional Opportunities Act is a demonstration project that must prove itself. By limiting loans to not more than five during the first three years, the opportunity

for program oversight and performance has been assured. The audits, in NCOA's view, are a critical element in measuring the program's performance.

The desired outcome of the legislation, in our view, is transitioning homeless veterans to gainful employment and self-sufficiency. The goal of H.R. 3039 is not to provide a moneymaking avenue for private sector entities, although that opportunity exists and it must be attractive enough to induce risk-takers, if the program is to succeed. The goal of the program, as NCOA sees it, is to help homeless veterans return to productive citizenship. That being the goal, Mr. Chairman, NCOA fervently requests that we demand that outcome.

The bottom line must be the program's success or failure in helping homeless veterans assume and maintain personal, independent responsibility for their lives. If the evidence is not persuasive during the first three years that this result is being achieved, NCOA asks that a thorough re-evaluation of the program be done before any further expansion is authorized.

The goals of H.R. 3039 are noble and NCOA wants to help homeless veterans who want to help themselves; otherwise, all the best intentions in the world are futile. The Association believes H.R. 3039 offers the opportunity. Collectively, we should demand the outcome. NCOA does not want to see this or any another program created that focuses more on self-perpetuation than fulfilling the goals of its original design.

In summary, NCOA supports H.R. 3039, The Veterans' Transitional Housing Opportunities Act, and urges the Subcommittee to favorably report the bill to the House Committee on Veterans Affairs.

H.R.3211, A Bill To Codify The Eligibility Requirements For Burial in Arlington National Cemetery

Almost five years ago, in testimony before the House Veterans Affairs Committee, NCOA asked Congress to codify the requirements for burial at Arlington National Cemetery

(ANC). Even then, this Association was concerned that the sanctity of ANC was being sacrificed.

NCOA's concern at the time dealt with legislation to authorize the placement of a memorial cairn within ANC in memory of the victims of the Lockerbie, Scotland, plane tragedy. It was a difficult issue for NCOA to oppose without subjecting the Association to a great deal of criticism. At that time, the Association was characterized as uncaring and unsympathetic to the families and survivors of individuals who died in that horrible incident.

Despite the criticism, NCOA objected to S.J. Res. 129 that authorized the placement of a memorial cairn in Arlington, thereby memorializing in ANC 245 non-veterans and 81 non-U.S. citizens. This Association believed then, as we believe now, that it is wrong to inter or memorialize non-veterans at ANC. NCOA believed then, as we believe now, that it is wrong to memorialize or commemorate non-citizens, who are not veterans of the U.S. Armed Forces, at ANC; in our view, there is no circumstance compelling enough to warrant such actions. More fundamentally, this Association believes that the passion of the moment should not decide, either for or against, actions relative to ANC.

In recent months, NCOA has received numerous media inquiries regarding the Association's position on the latest controversies relative to ANC. In each case, this Association chose to remain silent while Chairman Terry Everett and the House Subcommittee on Oversight and Investigations completed its work. Now that much of that work has been completed, Chairman Everett's investigation has confirmed for this Association what we have suspected for several years - there are "serious" problems with the burial criteria, the waiver process and the entire question of who can and who can't be buried at Arlington. Chairman Everett's investigation also revealed that "space reservations" were approved for two non-veterans, despite the Administration's assertions to the contrary.

It is appropriate that NCOA take the opportunity afforded by this hearing to extend our thanks to Chairman Everett and the Subcommittee for their investigation into Arlington National Cemetery. It is unfortunate that it took a firestorm of controversy to highlight the

problem. Nonetheless, that controversy has at least served the useful purpose of identifying the need for strict statutes governing ANC burial criteria. The Association is deeply grateful to Chairman Bob Stump for his initiative and leadership in marshalling support for H.R. 3211, a bill that would codify the eligibility requirements for burial at Arlington.

Deciding who is eligible for burial at ANC should be taken completely out of the subjective realm. The waiver process does not need formalized or perfected, the waiver process should be eliminated altogether. The eligibility criteria for burial at Arlington should be so clear and explicit that the Superintendent of Arlington National Cemetery would be able to make all decisions on eligibility determinations. The ambiguity and discretion should be eliminated completely. In NCOA's view, neither the Secretary of the Army, neither the President nor anyone else should ever again have to be involved in eligibility determinations. And, reservations, except those made under prior regulation, should be forbidden altogether.

NCOA does have one objection to H.R. 3211 as currently written. This Association wholeheartedly believes retired members of the National Guard and Reserve Components should be eligible for burial in Arlington National Cemetery. Their eligibility, in NCOA's view, should not be predicated on whether the individual is or isn't drawing retired pay. It does not seem right to deny eligibility to a military retiree simply on the basis that they have not lived long enough. We don't do this to any other class of eligible veteran and NCOA believes it is wrong to attach such an age discriminator to Reserve Component retirees. Therefore, this Association recommends that paragraph (j)(1)(C) be amended to read: is entitled to receive retired pay or is entitled to receive retired pay at age 60.

In summary, NCOA supports H.R. 3211 and asks that the Association's recommendation concerning the Reserve Components be included in the legislation. NCOA sincerely hopes that we will not miss this opportunity to enact meaningful, concise legislation that removes any and all perception of special treatment or elitism. Now is the time. 1998 is the year and this is the Congress to do so. NCOA asks that the Subcommittee and Full Committee move expeditiously on this issue.

VETERANS STATUS

Now that a consensus is forming on the eligibility for burial at Arlington, NCOA wants to take the opportunity afforded by this hearing to bring attention to another issue that is very troubling to this Association. That issue Mr. Chairman is the practice of bestowing veteran's status to non-veterans. Just as it is wrong for a non-veteran to be buried in Arlington, NCOA believes it is fundamentally wrong to convey veteran's status to individuals who have never served in the Armed Forces of the United States.

Public Law 95-202 vested in the Secretary of Defense the administrative authority to make determinations to grant veterans status to civilian groups for service during periods of conflict. For quite some time now, NCOA has been voicing its concern over the ambiguities and discretionary guesswork in the law. Also, NCOA is concerned with the attempts to politicize this issue in Congress, with Members of Congress making end runs around the law.

NCOA holds steadfast in its belief that those who made the choice of service in the Armed Forces should not have their service, and ultimately their benefits, diminished by groups and individuals that opted for something other than military service. NCOA believes that Public Law 95-202 should be repealed. Recognizing civilians, individuals or groups, for significant service during periods of conflict should, in NCOA's view, be accomplished by means other than the issuance of a DD Form 214 and the extension of certain veteran's benefits.

Recently, Congress determined that the Purple Heart Decoration is an exclusively military award. In so doing, Congress decided that it is wrong to award the Purple Heart to civilians and directed that a suitable civilian equivalent be developed. By the same standard that makes it wrong to award the Purple Heart to a non-military individual, NCOA believes it is wrong to convey veteran's status to non-veterans. The term veteran should be synonymous with, and exclusively for, service in the Armed Forces of the United States - no exceptions, no waivers and no political influence. A DD 214 should not be issued to anyone without the requisite service in the Armed Forces. It is NCOA's belief that the

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term veteran and the issuance of a DD 214 for service in the Armed Forces should be reserved solely for those who actually serve in the Armed Forces.

NCOA fervently hopes that Congress will address this issue. This Association believes it deserves attention now. Let's not wait until a controversy erupts on this issue. Congress did the right thing with respect to the Purple Heart. Congress appears ready to do the right thing regarding Arlington National Cemetery. NCOA asks Congress to do the right thing and repeal Public Law 95-202. Just as we are seeking an alternative to the Purple Heart for civilians, let us seek an alternative to the DD 214 for civilians.

Thank you.

DISCLOSURE OF FEDERAL GRANTS OR CONTRACTS

The Non Commissioned Officers Association of the USA (NCOA) does not currently receive, nor has the Association ever received, any federal money for grants or contracts. All of the Association's activities and services are accomplished completely free of any federal funding.

STATEMENT BY
EMIL W. NASCHINSKI, ASSISTANT DIRECTOR
NATIONAL ECONOMIC COMMISSION
THE AMERICAN LEGION

BEFORE THE

SUBCOMMITTEE ON BENEFITS
VETERANS' AFFAIRS COMMITTEE
UNITED STATES HOUSE OF REPRESENTATIVES

ON
ARLINGTON NATIONAL CEMETERY
AND
THE VETERANS' TRANSITIONAL HOUSING OPPORTUNITIES ACT OF 1997

FEBRUARY 24, 1998

Chairman Quinn and distinguished members of the subcommittee, The American Legion appreciates the opportunity to share its views on H.R. 3211, legislation to codify eligibility requirements and waiver procedures for burials at Arlington National Cemetery and H. R. 3039, The Veterans' Transitional Housing Opportunities Act of 1997.

H.R. 3211, if enacted, would codify eligibility criteria and waiver procedures for burials in Arlington National Cemetery. Recent events regarding the loose and reckless interpretation of the waiver process at Arlington National Cemetery highlights the need to maintain the integrity, sanctity and honor associated with the intended purpose of burials at this national shrine. The American Legion fully concurs with the need to reform and codify the eligibility criteria for burials at Arlington National Cemetery and supports the provisions of this bill.

More than 250,000 veterans and their dependents are buried on these special 612 acres of land. Unlike the more than 100 other national cemeteries throughout the country, which are run by the Veterans Administration, Arlington Cemetery is administered by the Department of the Army. The in-ground burial regulations and waiver process at Arlington is more restrictive than all other national cemeteries for a reason. Clearly, Arlington National Cemetery is our Nation's most sacred shrine representing an embodiment of the sacrifices that were made to uphold our country's ideals and freedom. The rows of headstones chronicle American history. Although not the largest national cemetery in the country, Arlington is by far the most famous.

In spite of clear and concise restrictive regulations, there have been numerous waivers in recent years, purported falsification of military records to gain internment at Arlington and even an unprecedented Presidential requested waiver and reservation. In a statement released last year, The American Legion National Commander Anthony G. Jordan stated that:

"The 2.9 million men and women I represent are horrified and outraged. If one person was buried in Arlington as a gesture of political patronage, then the memory of American servicemembers, who gave up all of their tomorrow's for freedom, has been tarnished. Words cannot express how earnestly I and my membership want to believe there's not a kernel of truth to this. These allegations are particularly hard to swallow for those who have comrades buried in ground consecrated by their supreme sacrifice."

In the view of The American Legion, burial at Arlington National Cemetery should be restricted. Political considerations should not apply. Eligibility of Members of Congress and other high-ranking Government officials who are veterans but who do not meet the distinguished military service criteria contained in this bill should be terminated. Waivers should be granted only if they comport with the strict, clear and

specific guidelines. Eligibility and waiver criteria need to be codified in order to ensure compliance and fairness and to ensure that the remaining space at Arlington is judiciously used. If millions of honorably discharged veterans are not eligible for burial in Arlington, why should other non-veterans receive consideration? The American Legion believes they should not.

In addition, the existing regulatory eligibility for interment of cremated remains in the Columbarium at Arlington should also be codified. Generally, this includes veterans with honorable service and their dependents. The American Legion fully supports H.R. 3211 and will continue to work with Congress to preserve the honorable and truly unique nature of military service.

Mr. Chairman, we would now like to turn our attention to H.R. 3039, The Veterans' Transitional Housing Opportunities Act of 1997. This bill seeks to amend Chapter 37 of Title 38, United States Code, for the purpose of increasing transitional housing for homeless veterans. If enacted, the bill will authorize private sector development of transitional housing for homeless veterans by offering Department of Veterans Affairs (VA) loan guarantees for projects designed to be financially self-supporting.

The American Legion understands that there are various reasons why so many former members of this country's armed forces are now homeless. The American Legion also understands that many veterans find it difficult, if not impossible, to break the bonds of homelessness. That is why delegates to The American Legion's Seventy-Ninth Annual National Convention in Orlando, Florida, passed Resolution No. 213, Support for Homeless Shelter Funding, on September 3, 1997. This resolution closely mirrors the provisions of H. R. 3039 and supports this bill.

The American Legion firmly believes that one of the major reasons why veterans become homeless, and all too often remain homeless, is a lack of affordable housing. In February 1992, The American Legion Magazine presented an in-depth article on the reasons for homelessness among veterans. The article stated, "The lack of low-cost housing, particularly in cities, is a factor. In Los Angeles, for instance, half of downtown's single room occupancy units were demolished in urban renewal campaigns between 1970 and 1985."

Compounding this problem is the lack of adequate employment for homeless veterans. Subsection 3773 (1) (B) of the bill would provide supportive services and counseling services (including job counseling) at the project site with the goal of making such veterans "self-sufficient." As the former Assistant Secretary of Veterans Employment and Training, Preston Taylor, once said, "Funding housing for homeless veterans is a temporary, partial, albeit necessary step. The permanent answer to homelessness is a secure, good-paying job." The American Legion agrees with Mr. Taylor's observation and encourages a Memorandum of Understanding (MOU) between the VA and the Department of Labor's (DoL) Veterans Employment and Training Service (VETS) to ensure that employment assistance is provided to all program participants that are in need of these services.

Two other major reasons for homelessness among veterans are mental illness and substance abuse. According to that same article, "Deinstitutionalization of psychiatric wards is another primary factor. Starting in the 1960s and continuing to today, state mental hospitals, pressured by both civil libertarians and budget cutters, have emptied their beds. In 1955, those hospitals had 552,000 patients; today's number is 119,000. Unfortunately, many now reside on the streets."

When that article first appeared, the VA estimated that over 40 percent of all homeless veterans suffered from chronic mental illness and that over 50 percent had problems with substance abuse. Although no concrete medical data existed at the time, VA had reason to believe a large percentage of the homeless veterans with a psychiatric diagnosis were also addicted to alcohol and/or drugs.

Recently, The American Legion contacted VA's Northeast Program Evaluation Center (NPEC) to see if there has been any change in those estimated percentages since February of 1992. The NPEC is responsible for tracking the effectiveness of VA programs in that area of the country. According to the director of that facility, those figures are still valid. In addition, Persian Gulf veterans are now showing up in the ranks of homeless.

While some homeless veterans actively seek VA assistance in overcoming their substance abuse problems, the sad truth is that after receiving inpatient treatment, most suffer a relapse and remain homeless. The American Legion believes one of the major reasons for the high rate of recidivism is the lack of veteran-specific programs offering both a safe, residential environment and the appropriate supportive services to allow them to continue therapy on an outpatient basis; encourage abstinence from drugs and alcohol; complete training and/or find suitable employment; and achieve other goals that will prepare them to make a successful transition back into mainstream society.

A study recently conducted by NPEC found that 90 percent of the homeless veterans admitted in that area for psychiatric and/or substance abuse problems successfully complete inpatient treatment. Of those veterans, the study found that:

- 13.6% were discharged to their own house, apartment or room
- 31% went to live with family or friends
- 35.6% went to live in some type of institution (homeless shelter, halfway house, transitional setting, etc.)
- 10.8% had no place to go and remained homeless
- 9% no information available

According to these figures, it is entirely possible that as many as 20 percent of the veterans in the study are still homeless. As the director of the NPEC said, "That is totally unacceptable." The American Legion fully concurs with his assessment of the situation.

Mr. Chairman, The American Legion fully supports The Veterans' Transitional Housing Act of 1997. While this innovative pilot program will not bring about an end to homelessness among veterans, it is certainly a step in the right direction.

Some of the provisions of H. R. 3039 The American Legion particularly favors are the requirement of a continuum of care for homeless veterans once inpatient treatment is completed; requires program participants to remain abstinent from alcohol and drugs; and that it requires program participants to take responsibility for themselves by obtaining and holding a job and paying for a portion of their care. The American Legion believes these provisions are necessary, appropriate and will ensure the success of the proposed program.

Some years ago The American Legion of Pennsylvania and the Homeless Veterans' Coordinator at the Veterans Affairs Medical Center (VAMC) in Pittsburgh signed a MOU. Under the guidelines of the MOU, VAMC Pittsburgh refers veterans to the Department of Pennsylvania's transitional homes and is responsible for outpatient medical care, alcohol and substance abuse counseling, as well as employment counseling and job training and placement. If veterans violate the rules of the program, they are asked to leave. The program has a proven track record of decreasing the homeless veteran population in Pennsylvania and ensuring these veterans become productive taxpaying members of society. Since the program's inception in 1987, just over 87 percent of the veterans who participated are no longer homeless and have successfully broken the vicious cycle of homelessness. The American Legion believes, Mr. Chairman, that is taking care of homeless veterans!

We also support the provisions of H. R. 3039 because they provide for the creation of safe, stable, therapeutic environments that will greatly improve a participant's chances

for successfully ending their homelessness and transitioning back into their rightful place in society. Another beauty of the legislation is that the proposed pilot program can be established with minimum appropriation of taxpayers' dollars. This is particularly attractive because VA's annual budget continues to shrink on an inflation adjusted basis.

The American Legion believes H.R. 3039 must be enacted, because until 1994, VA policy allowed the transfer of funds for inpatient programs to specialized outreach programs. VA policy no longer advocates set aside for these programs. In fact, many VA staff for specialized outreach care are in the process of being reassigned to primary care and other areas, which has significantly reduced VA's ability to provide meaningful services to homeless veterans.

Because of the ramifications of that policy change, The American Legion encourages the subcommittee to consider amending Section 3772(b)(1)(B) of the bill to mandate the providing of counseling and supportive services by local VAMCs, Vets Centers and the Veterans Employment and Training Service. Because outreach has proven to be a very effective way of assisting homeless veterans, and because many of those veterans will not go to a VAMC, we believe this amendment is critical.

According to a study that was conducted by the National Coalition some years ago, approximately 10 percent of all homeless veterans have a spouse and/or dependents who are also homeless. Unfortunately, Mr. Chairman, hardly a day goes by that we do not see something in the newspaper about another business or corporation that is downsizing and reorganizing in order to make itself more competitive in the marketplace. In many instances, these veterans and their families are homeless because of issues beyond their control, and only need temporary assistance until they can secure suitable employment and a new residence.

The American Legion believes that this is one of the most tragic aspects of the homeless issue and we encourage the subcommittee do everything in its power to assist these families in getting back on their feet. While H. R. 3039 speaks of "multifamily" transitional housing, may we suggest, Mr. Chairman, that the subcommittee give serious consideration to amending the current language of the bill to make it clear that the homeless spouses and dependents of homeless veterans are also entitled to services under this pilot program.

The American Legion's last recommendation is to add specific language that addresses the financial well being of the monies to be used from the National Service Life Insurance trust fund. The American Legion believes these funds should be invested in bonds rated no less than "investment grade" by Standard and Poor's, Moody's Investors Service and Fitch's Investment Service. Interest received from this new investment plan should be placed in a separate interest-bearing trust fund after the amount equal to the rate of return from investments in the U.S. Government Securities has been returned to the National Service Life Insurance trust fund. Only revenue over and above that generated by investments in U.S. Government securities should be used to guarantee loans to non-profit groups seeking to borrow funds to open and operate shelters, and these funds should be actually invested for at least twelve months to generate the necessary funds for guarantees prior to any money being loaned to support this program.

In conclusion, Mr. Chairman, The American Legion salutes you and the subcommittee for your ongoing concern for America's veterans Again, thank you for offering us the opportunity to share The American Legion's views on H.R. 3211 and H. R. 3039, The American Legion fully supports these proposals.

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A Not-For-Profit Veterans Service Organization Chartered by the United States Congress

Statement of

VIETNAM VETERANS OF AMERICA

Presented By

KELLI R. WILLARD WEST
DIRECTOR OF GOVERNMENT RELATIONS

Before The

House Veterans' Affairs Subcommittee on Benefits

Regarding

Homeless Veterans Legislation & Arlington National Cemetery

February 24, 1998

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Funding Statement -- February 24, 1998

INTRODUCTION

Chairman Quinn and members of the Subcommittee, Vietnam Veterans Of America (VVA) is pleased to have the opportunity to discuss H.R. 3039, the Veterans' Transitional Housing Opportunities Act of 1997. We feel that this is a very creative initiative, aimed to address one of the most troubling problems faced by the veterans community -- that of homelessness among veterans. We will also submit some general comments on burial eligibility for Arlington National Cemetery, though VVA has no official position on this issue in the form of Convention Resolutions.

FEDERAL FUNDING FOR HOMELESS VETERANS

Since the draft concept of Mr. Stump's bill, the Veterans' Transitional Housing Opportunities Act of 1997, was presented to us last summer, VVA has been enthused about the potential this program holds for providing more resources for homeless assistance providers who target veterans, and more importantly, more supportive services to homeless veterans. This is a very important issue to our membership, and we have devoted considerable resources to the objective of addressing this problem, sharing information on successful programs, and advocating for increased federal funding for "veteran specific" homeless projects. We commend Chairman Stump and the Committee staff for developing a very creative idea for making additional funds available to homeless veteran providers.

We were also pleased that our New York State Council was able to present testimony in support of this legislation at your field hearing in Buffalo last December. All reports seem to indicate that this was a productive hearing.

I know that the Committee shares VVA's belief that the disproportionate representation of veterans among the homeless population (approximately one-third) is truly a national tragedy. And it is equally shameful that so few of the federal tax dollars spent each year on homelessness are directed toward programs which specifically target the needs of veterans. It is these two facts which makes H.R. 3039 so appealing to VVA. And therefore, it seems appropriate to detail our perspective on this problem a little further.

Because so little (less than 3 percent) of the federal homeless assistance dollars administered by the Department of Housing and Urban Develop (HUD) are directed at programs which address the specific needs of the one-third of the homeless population who are veterans, VVA has

enthusiastically endorsed the Robert Stodola Homeless Veterans Assistance Act (H.R. 1754). This bill, introduced by Rep. Jack Metcalf of Washington, would specify that 20 percent of McKinney Act homeless funds are directed toward veteran-specific programs. Rep. Metcalf was able to work with Housing and Community Opportunities Subcommittee Chair Rick Lazio to incorporate a number of key "veterans" provisions into H.R. 217, the Homeless Housing Programs Consolidation and Flexibility Act, scheduled for the House calendar within the next couple of weeks. VVA strongly supports H.R. 217 and urges both the House and the Senate to adopt the bill.

Our experience in working with local homeless veterans service providers, as well as working with HUD at the national level, leads us to believe that federal homeless monies spent on veteran beneficiaries which do not address the underlying "veteran specific" cause of their homelessness are doomed to be wasted. This is because the veteran will likely circulate in and out of various homeless services, never really being rehabilitated or stabilized. Some of VA's own statistics showing the revolving door of their patient base attests to this recidivism. HUD contends that these veterans are being served within their general homeless programs, yet there is no verifiable accountability other than the grantees checking "Yes" on a questionnaire about services to this subpopulation. VVA feels that if HUD's general programs were effectively serving veterans, there would not be such a disproportionate number veterans on the streets each night.

VVA's primary objective is not only to get these veterans off the streets, but to bring them back into society as productive citizens. Veterans who are homeless have perhaps the best possibility for achieving rehabilitation because at an earlier point in their lives they did have a steady, responsible job and lifestyle in the military. We hope to recoup these individual's lives in the most efficient manner, thereby saving federal resources along the way.

Currently many homeless service providers which target the special needs of veterans are unable to get a seat at the table as representatives in the local homeless planning boards which administer HUD homeless assistance monies. Without this access, HUD grant monies are not forthcoming. There are a variety of reasons for this problem. Mr. Lazio and Mr. Metcalf were able to include provisions in H.R. 217 aimed at correcting this problem. The bill would:

- Identify veterans who are homeless as a "special needs" population, which must be incorporated into the development of HUD comprehensive plans at all levels -- federal, state and local. This would also be a part of HUD's reporting requirements to Congress under the Government Performance and Results Act (GPRA).

- In addition to requiring coordination with the Department of Health and Human Services (HHS), HUD and its grantees would be required to coordinate with VA for the planning of services to veterans who are homeless at all levels -- federal, state and local. This should particularly be the case for health care services -- many homeless veterans may be eligible for VA care by virtue of their income.

- Require local or state planning boards which will administer HUD block grants to have some representation of veterans service organizations or veterans homeless service providers.

- Incorporate into all HUD pre- and post-grant reporting requirements the statistical analysis of veterans served within all homeless service providers. This will assist Congress and the Administration with oversight and accountability assessments.

VVA urges all members to vote in favor of H.R. 217, which will provide more avenues for homeless veterans service providers to have access to the HUD funding processes.

H.R. 3039, THE VETERANS' TRANSITIONAL HOUSING OPPORTUNITIES ACT OF 1997

Recognizing the challenges the veterans community faces in receiving a fair share of the HUD-administered homeless program funds, VVA supports Chairman Stump's effort to put additional tools into the hands of non-profit homeless veteran providers to get additional funding resources from private lenders. The VA loan guaranty program this bill contemplates will not only give these organizations an opportunity to access direct funds through the loans, but may help them to leverage these monies to get additional private, state and community resources.

Thousands of military veterans are experiencing severe problems including PTSD, substance abuse, or serious mental illnesses; in extreme circumstances these factors can contribute significantly to their descent into homelessness. Targeted programs to assist these special needs among homeless veterans, especially transitional housing using the continuum-of-care model, have proven very effective in transitioning these individuals back into mainstream society and reducing recidivism. The program model upon which this legislation is based is among the most successful methods of turning homeless veterans lives around.

VVA firmly believes that the Veterans Transitional Housing Opportunities Act of 1997 has significant potential to make more services available to a larger number of homeless veterans. And one of the very appealing aspects of this bill is the "recyclable" nature of the guaranty funds; as borrowers pay off their loans, VA will be able to reinvest these funds into additional loan guaranties to other homeless veteran providers.

VVA understands the concerns raised by some with the funding offset proposed in this bill. We should state for the record that we believe none (or certainly very few) of our members are participants in the National Service Life Insurance (NSLI) program, which insures veterans of World War II and Korea. Having said this, we agree that VA should have the authority to invest the current veterans life insurance funds more aggressively, while still administering the fund in a safe, financially sound manner. This is really a "good government" concept. But we are concerned that the perception of using these increased earnings to fund this homeless providers loan guarantee program may be that of robbing-Peter-to-pay-Paul. We believe effective public information can alleviate this problem. As designed, the NSLI beneficiaries should not see any less in their dividends, nor in the death claim payments to family members.

VVA recommended to the Committee staff upon reviewing the draft bill, that provisions be added to encourage lenders to make prudent loans, thereby reducing the possibility of default through risk sharing. We were pleased to see that this was accomplished by authorizing a maximum loan guarantee of 90 percent of the total cost of the project. We believe also that having VA contract with an experienced non-profit lender to assist with administration of this program will also help to maximize "good" loans and minimize defaults. Furthermore, coordination with VA & state and local

authorities is absolutely critical to ensure the most efficient use of resources and to prevent duplication of services. A smooth continuum of care is the ideal goal of any such program.

In discussing this bill with some of our colleagues, VVA would like to reiterate the concerns raised about giving priority to veterans. Language added to H.R. 3039, which was not in the discussion draft would allow programs to service non-veterans and/or veterans who are not homeless. We understand that the purpose of this language is to prevent unused space from being wasted, and to allow the non-profit lendees to bring in additional revenue. We would like to see stronger protections, in either legislative or at least report language, to insure that intended program participants -- homeless veterans -- are not shut out by the potential of higher-paying veterans or non-veterans. Strong administrative and Congressional oversight should monitor this, as well, which should not be too difficult given the small number of loans to be made under this program.

We wanted to raise, too, a question about the timing of the first loans under this program. Will there be a delay in order to reap dividends from the investments? This is a question with potentially mixed objectives; while it is desirable to get monies out to the service providers as soon as possible, there may be some benefit in waiting until the new revenues can guarantee the loans. This could ease the perception problem noted above that some NSLI participants might be hurt by the program's funding source.

Other questions that need to be considered are:

- How is "reasonable fee" for rent defined? For all practical purposes, this cannot be detailed in the statute, as it would vary by locality. But the regulations should detail certain requirements. Presumably the reasonable rent would vary with each participant's ability to pay, on a sliding scale. It is our understanding that all federal rental assistance programs limit or cap low-income rent payments to 30 percent of income; this could be the standard used for this program as well. The program regulations should require the loan applicant to detail these plans prior to receiving any loan guarantee funding.

- Can veterans who are not yet "work-ready" enter the program? If so, how do they pay their share of the rent? Are they given a rent-free grace period or subsidy, and for how long?

These points should also be outlined in the loan application. And again, how these requirements are outlined would most appropriately be done through the regulatory process.

VVA strongly believes this is one of the foremost issues facing the veterans community at this time, and it is closely tied in -- as the Committee's oversight efforts have noted -- to the ongoing evolution of VA medical care to primarily outpatient modalities and reduced access to inpatient substance abuse and PTSD treatments. The new tool this bill would create for addressing the problems of homeless veterans is not comprehensive; elderly and disabled veterans who cannot work to sustain themselves would not be impacted. But at the same time, it is a strong, positive step toward increased funding for homeless veterans assistance. VVA appreciates the Committee's attention to this very important and timely issue and we look forward to working with you on this and other measures to address homelessness among veterans.

SUGGESTED CHANGES FOR OTHER VA HOMELESS PROGRAMS

VVA would also like to mention some other minor modifications to P.L. 102-590 the Homeless Providers Grant and Per Diem Program which are recommended. Each of these program updates is logical and reasonable:

- Institute an authority to recover grant funds if programs do not become operational. After an appropriate period of time, any grantee that does not become operational and begin serving homeless veterans should be required to refund the money. Such waste is a detriment and loss to other programs which could use those funds.

- Update the statute to require adherence to federal fire and safety standards. This will allow grantees to use a portion of their grant monies to make these modifications, and will foster better coordination with VA health care services.

- Authorize homeless providers to lease VA space for longer than 3 years. This will facilitate providers efforts to find other sources of revenue -- many state, local and private grantees or lenders may not provide funds for such a short duration project.

- Raise or eliminate the cap on transport van funding. This high-demand program demonstrates a need for additional awards.

ARLINGTON NATIONAL CEMETERY

As noted before, to date VVA has no Convention Resolutions regarding Arlington National Cemetery nor the National Cemetery System. Having said this for the record, we believe our members would want VVA to speak to the sensitivities and merits of the Committee's draft legislation.

Recent scrutiny of the burial waiver procedures in Arlington National Cemetery have certainly brought to light the passion America feels for this most sacred of all military burial grounds. The public at large, and veterans in particular, were very alarmed at the appearance of impropriety of the burial waiver process. And for these reasons, it is with sound and clear objectives that the Committee is bringing forward legislation to codify and clarify the eligibility requirements for burial at Arlington National Cemetery.

What seems to have come to light -- aside from the disturbing allegations of possible political influence peddling in the waiver process -- is the fact that the burial eligibility for Arlington National Cemetery was not a matter of clear statutory guidance. And furthermore, the waiver process was not accessed by most veterans' families who were turned away by the Superintendent upon initial inquiries about eligibility. We suspect that many of these families were not aware of a waiver process, or probably took the Superintendent's assessment at face value and did not pursue nor even inquire about waivers. In such a circumstance, it is likely those who are politically connected, or particularly determined, who have been able to navigate the waiver process.

It certainly seems desirable to have a cut-and-dry set of criteria outlining who may and who may not be buried in Arlington National Cemetery. And thus eliminating a waiver process, precludes all appearances of impropriety. VVA particularly favors the requirement for the Secretary of the Army to publish a pamphlet outlining the new criteria, as well as the "Register of Buried Individuals."

We believe these methods of public disclosure will help to erase the poor image of burial eligibility procedures which has evolved over the last several months.

It is with regret and compassion that VVA considers the additional, unnecessary pain that many families must have endured because their son, daughter, or parent was interred in recent years at Arlington National Cemetery. This hallowed ground is supposed to be a place of final peace and dignity, rather than a scandal bearer. While we understand that potential impropriety must be investigated by Congress and the media, we feel for these families whose privacy was invaded and whose rightful mourning was disturbed. We are hopeful that this legislation will preclude any such occurrence in the future.

CONCLUSION

As discussed previously, VVA fully supports this loan guarantee initiative and is ready to work with Congress and the VA to make it an effective tool for non-profit homeless veterans providers. We urge the Committee to continue developing creative solutions to the problem of homeless among veterans.

VVA further urges members of the Veterans' Affairs Committee to work -- both here in Congress and with your local communities -- to ensure that homeless veterans are receiving assistance they need to recapture their lives. Your support and assistance for local homeless veterans service providers can help these entities get better access to a wide range of funding sources, including the heretofore elusive HUD monies. We also request your strong support for H.R. 217, which will be considered by the full House very soon, and cosponsorship of H.R. 1754 to give these programs better access to HUD homeless assistance funds.

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A Not-For-Profit Veterans Service Organization Chartered by the United States Congress

KELLI WILLARD WEST
Director of Government Relations

Kelli Willard West joined the VVA government relations department in 1993, after serving as Legislative Assistant in the U.S. House of Representatives, to a Member of Congress from her home state of Iowa. As VVA Legislative Assistant and subsequently Deputy Director for Government Relations, her areas of responsibility included health care, Agent Orange, PTSD and related issues. In October 1995, she was promoted to her current position as Director of Government Relations.

West is responsible for coordinating VVA government relations and legislative activities; advising VVA leaders on strategy; overseeing and training VVA's nationwide network of legislative coordinators in support of national VVA advocacy goals; and keeping the general VVA membership informed through reports in *The VVA Veteran*.

Kelli received her B.A. in Global Studies from the University of Iowa. She resides in Washington, D.C., with her husband Rich, who is Communications Director for a House member from Missouri.

FUNDING STATEMENT
February 24, 1998

The national organization Vietnam Veterans of America, Inc. (VVA) is a non-profit veterans membership organization registered as a 501(c)(19) with the Internal Revenue Service. VVA is also appropriately registered with the Secretary of the Senate and the Clerk of the House of Representatives in compliance with the Lobbying Disclosure Act of 1995.

VVA is not currently in receipt of any federal grant or contract, other than the routine allocation of office space and associated resources in VA Regional Offices for outreach and direct services through its Veterans Benefits Program (Service Representatives). This is also true of the previous two fiscal years.

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STATEMENT OF
RONALD W. DRACH
NATIONAL EMPLOYMENT DIRECTOR
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TO THE
SUBCOMMITTEE ON BENEFITS
OF THE
COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
FEBRUARY 24, 1998

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the more than one million members of the Disabled American Veterans (DAV) and its Women's Auxiliary, I am pleased to appear before you today to discuss the *Veterans Transitional Housing Opportunities Act of 1997* (H.R. 3039), and the draft bill to establish eligibility requirements for burial at Arlington National Cemetery.

Mr. Chairman, as you know homelessness among our nation's veterans continues to be a national disgrace. On any given night it has been estimated that 250,000 to 280,000 veterans are homeless. This is an estimate which does not include veterans' families or those veterans who technically are homeless but are not counted because they may be living with a parent, relative, or perhaps a friend. While they may enjoy temporary shelter under those circumstances, they are nonetheless without a home of their own.

The reasons for homelessness vary from substance abuse, psychiatric or other mental problems, economic problems, and sometimes separation or divorce. There is no single cause of homelessness nor is there any single cure for this situation. DAV has long supported programs and services for homeless veterans and have so testified in the past. We have indicated that we believe such problems cannot be solved by a single entity but rather a multi-disciplinary approach must be applied. Sometimes that approach requires federal, state and local government intervention; cooperation by community based organizations; nonprofit organizations; and may include such services as financial counseling, debt consolidation, and good case management/discharge planning from a medical center.

The committee's summary of H.R. 3039 points out that "the Department of Veterans Affairs has stated that over 26 percent of its inpatients are homeless." That is a significant number of veterans who, in addition to other services have a need for some form of medical intervention either on an acute or chronic basis. Their hospitalization presents a unique opportunity to work with existing programs and projects to identify resources that these veterans may be assimilated into upon their discharge from the medical center. The VA cannot be expected to use inpatient care as temporary housing but probably in some cases hospitals will keep a veteran longer than medically needed so as to avoid homelessness as long as possible.

One of the problems that led to the current state of homelessness in our country is the lack of affordable housing. We have heard from many sources that some homeless veterans actually are employed but at substandard wages insufficient to support even the most modest of living accommodations. Affordable housing is certainly crucial to addressing this problem. H.R. 3039, is a step in the right direction toward providing some affordable housing.

While we certainly support the concept of H.R. 3039, we do have some concerns including those listed below and using monies from the Insurance Trust Fund:

- It appears from the definitions contained in Section 3771 only homeless veterans would be eligible and not their families. We believe veterans with families should receive comparable services. We have heard all too often that when a homeless veteran's family presents itself at a shelter or other homeless intervention facility the female spouse and children are sent to shelters for battered women, thus separating the family. We believe all efforts should be made to keep the family together, as they make up a unique support system.

- Under these definitions where there may not be homeless veterans, homeless non-veterans would be eligible to participate in a project. This seems to have the effect of excluding veterans with families and we believe that family members should be eligible ahead of any non-veterans.

- Section 3772(d) (1) states "The Secretary shall enter into contracts with a qualified nonprofit organization to obtain advice in carrying out this subchapter, including advise on the terms and conditions necessary for a loan that meets the requirements of section 3773." Section 3772(d) (2) further defines "a qualified nonprofit organization" in part as one "that has experience in underwriting transitional housing projects." Several questions arise: what amount would the secretary be authorized to enter into such a contract; how many nonprofit organizations meet the qualifications; how would the contractor be identified, e.g. would a Request for Proposal (RFP) be published or would it go to a minority contractor through the "set aside" program authorized under Section 8(a) of the Small Business Act; where will the funding for the contract come from? If this goes forward, we believe **PREFERENCE** should be given to a qualified veteran owned contractor.

- Section 3773(b) (1) (d) requires the veteran to pay a "reasonable fee for occupying a unit in such housing." We have a concern that without strong oversight the service provider may require a homeless disabled veteran to sign over his/her compensation check, social security benefits check, or an "unreasonable" amount from other earned income. We have heard of cases where homeless social security recipients were required to sign over their entire check before admission to a shelter occurred. Strong guidelines need to be developed to assure this does not happen.

- Should "reasonable rent" be based on fair market value of comparable lodging and if so how would it be determined. For example, if the shelter offers dormitory style accommodations,

how would the fair market value of a two person room with common areas for personal hygiene and kitchen facilities be determined? If the shelter were a barracks style how would the fair market value be determined? Many veterans presenting themselves initially to such a facility may not have any income and even with strong guidelines would not have the ability to pay a "reasonable" amount of rent. Would the person be required to pay only after stabilization and employment or would they be turned away?

- Section 3773(a) (4) requires that "the loan is of sound value, taking into account the credit worthiness of the entity (and the individual members of the entity) applying for such loan." What is meant by "individual members" and what is their liability in the case of default. It appears that if they are to be determined creditworthy their assets are to be used in determining ability to repay the loan. We believe this places an undue fiscal responsibility on the "individuals." If our understanding is correct, we believe the "individual" should be held harmless and only the "entity" be responsible for the loan.

Mr. Chairman, DAV supports and applauds the bill's intent of increasing the number of housing programs for homeless veterans and providing meaningful assistance to them. We have long advocated and supported VA's efforts to proactively address this very serious problem, and we will continue to do so.

However, we do have concerns regarding the proposed method of funding to carry out the bill's provisions. Specifically, we question the advisability if not legality of using "extra earnings" derived from changes in investment strategies to be available to offset potential defaults. Our preliminary view is that no matter what return is realized on investments, it is, after all the veterans'. Clarification of this point if not already accomplished, should be done as quickly as possible.

H.R. 3211

The DAV appreciates the opportunity to comment on H. R. 3211, a bill to amend title 38, United States Code, to restrict eligibility requirements for burial in Arlington National Cemetery to those persons who meet the following requirements.

- Any former member of the Armed Forces whose last active duty military service (other than for training) terminated honorably and who has been awarded one of the following meritorious decorations:

  (A) Medal of Honor
  (B) Distinguished Service Cross (Air Force Cross or Navy Cross)
  (C) Distinguished Service Medal
  (D) Silver Star
  (E) Purple Heart

- Any former prisoner of war, who, at the time of their captivity, served honorably in the active military, naval, or air service.

- Any member of the Armed Forces who dies while on active duty (other than active duty for training).
- Any retired member of the Armed Forces.
- Any former servicemember who would have been eligible for retirement under the provisions of section 1201 of title 10 (relating to retirement for disability) had that section been in effect on the date of separation of the member.
- The President or any former President.

This bill also outlines the criteria for eligibility for burial at Arlington National Cemetery for the Survivors and Dependents of those eligible persons. The spouse, surviving spouse, or minor child, will be allowed interment, but only in the same gravesite as the eligible person. In addition, unmarried adult children of an eligible person may be interred at the discretion of the Superintendent of Arlington National Cemetery, again if buried in the same gravesite as that eligible person.

This bill also provides that the surviving spouses who have remarried and whose remarriage is void, terminated by death, or dissolved by annulment or divorce may regain eligibility for burial in Arlington National Cemetery, unless it is determined by the Secretary of the Army that the decree of annulment or divorce was secured through fraud or collusion.

Finally, this bill provides burial for the widow or widower of a member of the Armed Forces who was lost or buried at sea or who was officially determined to be permanently absent in a status of missing or Missing In Action. In the case of an unmarried adult child who is incapable of self-support up to the time of death because of a physical or mental condition, the child may be buried without requirement for approval by the Superintendent of Arlington National Cemetery if the burial is in the same gravesite in which the parent has been or will be buried.

H.R. 3211 makes no provision for deviation from the eligibility criteria through the granting of burial waivers. Either a person meets the criteria for interment or they do not.

Since the DAV has no resolution on this issue, we take no official position concerning it. First and foremost, eligibility and priority for burial must confer to veterans. From this standard, no deviation can occur. However, in light of recent events which have revealed questionable burials at Arlington National Cemetery and raised several procedural discrepancies in the granting of burial waivers, we do understand the need for a review of the current process. Hence, since the language in H.R. 3211 does not conflict with the our legislative agenda we would certainly not object to its passage.

It is important for us to remember that, since its founding in 1864, Arlington National Cemetery has served as a symbol of the sacrifices made by America's sons and daughters to

preserve the many freedoms fundamental to our way of life. Millions of Americans have defended these freedoms by committing their unwavering loyalty and displaying their indefatigable spirit during service in our Nation's Armed Forces. Thousands have returned home bearing the scars of war while others, because of their selfless sacrifice did not return. As a small token of our collective appreciation, we as a Nation pay final tribute and bestow lasting honor upon these brave Americans, with burial in Arlington National Cemetery.

In today's increasingly veteran-insensitive climate, many of the promises made to our Nation's veterans fall by the wayside. It is our sincere hope that we do all that is possible to maintain at least the final promise to the brave men and women who have earned the rightful honor of interment in Arlington National Cemetery.

Mr. Chairman that concludes our statement and we withhold our support for H.R. 3039 pending further clarifications of the issues we raised here today. I will be happy to answer any questions.

DISCLOSURE OF FEDERAL GRANTS OR CONTRACTS

The Disabled American Veterans (DAV) does not currently receive any money from any federal grant or contract.

During fiscal year (FY) 1995, DAV received $55,252.56 from Court of Veterans Appeals appropriated funds provided to the Legal Service Corporation for services provided by DAV to the Veterans Consortium Pro Bono Program. In FY 1996, DAV received $8,448.12 for services provided to the Consortium. Since June 1996, DAV has provided its services to the Consortium at no cost to the Consortium.

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EDUCATION

1970 - 1978	Various course work at Allegheny Community College, Pittsburgh, PA Northern Virginia Community College, Alexandria, VA U.S. Department of Agriculture Graduate School, Washington, D.C.

EMPLOYMENT

1975 - Current	National Employment Director, Disabled American Veterans, Washington D.C.
1972 - 1975	Administrative Assistant to the National Director of Employment, Disabled American Veterans, Washington, D.C.
1970 -1972	National Service Officer, Disabled American Veterans, Pittsburgh, PA and Washington, D.C.
1968 - 1970	Receptionist, Department of Veterans Affairs, Pittsburgh, PA

ORGANIZATIONS AND AFFILIATIONS

1996 - Current	Member, Commission on Servicemembers and Veterans' Transition Assistance
1996 - Current	Member, VA's Steering Committee on the Redesign of Vocational Rehabilitation
1995 - Current	Vice-chair, President's Committee on Employment of People with Disabilities
1994 - Current	Chairman, Secretary of Labor's Advisory Committee on Veterans' Employment and Training
1993 - Current	Member, Board of Directors, President's Committee on Employment of People with Disabilities
1990 - Current	Member, National Ability Center, Park City, Utah
1990 - Current	Life member, Military Order of the Purple Heart
1989 - 1991	Member, Handicapped Parking Regulatory Negotiation Advisory Committee, Department of Transportation
1989 - 1990	Member, National Performance Management Task Force, Department of Labor
1989 - Current	Member, Connecticut Handicapped Ski Foundation, Hartford, Connecticut
1988 - 1989	Member, Job Training Partnership Act Advisory Committee, Department of Labor
1988 - 1989	Member, Literacy Task Force, President's Committee on Employment of People with Disabilities
1986 - 1988	Member, Disability Advisory Council, Social Security Administration
1985 - Current	Chairman, Secretary of Veterans Affairs Advisory Committee on Rehabilitation
1985 - Current	Member, Nation's Capital Handicapped Sports, Washington, D.C.
1985 - 1989	Member, Veterans Administration Advisory Committee on Readjustment Problems of Vietnam Veterans
1982 - 1983	Member, Transition Task Force on the Job Training Partnership Act, Department of Labor
1975 - Current	Member, Veterans' Affairs Committee of the Interstate Conference of Employment Security Agencies
1973 - Current	Member, Subcommittee on Disabled Veterans, President's Committee On Employment of People with Disabilities
1970 - Current	Life member, Disabled American Veterans

STATEMENT FOR THE RECORD

of

Linda Boone
Executive Director

of the

National Coalition *for* Homeless Veterans

before the

Subcommittee on Benefits

of the

Committee on Veterans Affairs
United States House of Representatives

The Honorable Jack Quinn
Chairman

February 24, 1998

Mr. Chairman, on behalf of the **National Coalition *for* Homeless Veterans (NCHV)**, I thank you for the opportunity to present our views. **NCHV** salutes your vision and leadership in joining with The Honorable Bob Stump, Chairman of the Committee on Veterans Affairs to introduce H.R. 3039, the proposed legislation entitled "*The Veterans Transitional Housing Opportunity Act* of 1997." This legislation, when enacted, will expand the vitally needed supply of transitional housing for homeless veterans. Moreover, it will do so without reliance on appropriated funds by means of investing existing reserves of the National Life Insurance Trust Fund (NLSI) with virtually no increased risk to the fund.

The **National Coalition for Homeless Veterans (NCHV)** enthusiastically supports H.R.3039 as a creative and yet thoroughly prudent approach that will help meet the increasing needs for transitional housing for veterans. By "transitional housing" we mean housing that is safe, clean, sober and has responsible staff to ensure that it stays that way, and that supportive services are regularly provided as to be sufficient to help veterans fully recover as much independence and autonomy as possible.

In order for transitional housing for homeless veterans to be successful, **NCHV** believes that there must be five elements present in any community:

First, there must be one or more real estate assets that can be identified as being suitable and potentially available at a cost effective rate for this purpose; and,

Two, there must be available adequate clinical support from the Veterans' Administration medical system, (possibly augmented by other resources from the community); and,

Three, there must be access to entry level jobs and proper support to assist veterans to sustain such employment once a job is obtained; and,

Four, in a given community there must be:

a) Local financial support sufficient to cover at least 10 to 20% of the total capital and starting operational costs; and,

b) Adequate continuum of care funds for supportive services to assist in the recovery and rehabilitation of veteran residents; and,

c) A strong community commitment to support an organization with a good record of performance and management in a unified effort to create transitional housing for veterans; and,

Five, there must be adequate, long term, permanent and affordable financing available.

Many communities have the first four of the key elements, but the crucial fifth element, affordable capital financing, is lacking. *"The Veterans Transitional Housing Opportunities Act of 1997"* would help provide such financing in some communities that have the first four elements, but currently lack access to the capital funds at an affordable rate necessary to create such viable, self-sustaining projects.

Mr. Chairman, the **National Coalition for Homeless Veterans (NCHV)** believes that the mechanism created by this act could create an additional 5,000 beds in long term transitional housing for homeless veterans in the next five years. This estimate of 5,000 beds is based on the experience of LAVETS in the renovation and construction of the type of transitional housing units that would be created by this proposed authority. The experience is that it should cost no more than approximately $20,000 per bed. It is the belief of **NCHV** and of LA VETS that in some cases this cost could possibly be reduced a bit with more experience, at least in some areas of the country.

Mr. Chairman, while the **National Coalition *for* Homeless Veterans (NCHV)** is very committed to the creation of additional pools of capital that would enable some of our members to be able to create additionally needed transitional housing for homeless veterans, **NCHV** is equally committed to ensuring that adequate safeguards be taken in regard to the administration of such projects to ensure that they contribute to helping homeless veterans return to a productive role in American society.

The provisions of H.R. 3039 in regard to requiring that projects financed pursuant to this new authority require veteran residents to maintain sobriety as a condition of occupancy, charge a reasonable fee to occupants, provide supportive services and counseling (including job counseling), and requiring the veteran resident to obtain and keep employment (or engage in an education or training program designed to lead to meaningful employment) are all requirements that **NCHV** supports. NCHV believes that forcing veterans to pay rent and keep active helps those residents re-establish personal responsibility, pride, and self esteem necessary to successful recovery and reintegration into mainstream society.

NCHV does, however, support adding a provision that would allow each facility to grant a waiver on the requirement for employment in a limited number of cases for veterans who are permanently and totally disabled.

NCHV holds that the goal of transitional housing must not be just to create more units of housing, but rather to create more units of safe, clean, sober, supportive housing that promotes the recovery of self sufficiency and exercise of responsibility of each veteran who is currently homeless. The stringency of the rules must be matched by the positive environment and quality supportive/counseling services established. The difference here is not just one of semantics, but rather reflects a commitment to an approach that works.

Mr. Chairman, **NCHV** shares your commitment to respect our veterans enough to move beyond "warehousing" to help create additional projects where each veteran has the opportunity to re-establish his or her sense of self-worth and pride. Enactment of H.R. 3039 will be one more solid step in the direction of creating enough tools to assist veterans to overcome problems and realize their potential.

The **National Coalition *for* Homeless Veterans (NCHV)** is concerned that enough flexibility and responsiveness be built into the administration of the fund to be able to respond to the various circumstances that projects may occasionally experience. **NCHV** members have found HUD requirements to be too inflexible and restrictive to create the environment for good projects to be developed that foster the kind of supportive requirements.

There is a need for a significant number of new units of transitional housing for veterans, **NCHV** believes that the need is clear, apparent, and pressing in most areas of the country. There are 275,000 veterans who are homeless on any given night, with double that number during the course of a given year. **NCHV** members and others express the need for safe, clean, sober housing for veterans as being one of the most pressing needs in their efforts to assist veterans, if indeed not the most pressing need.

NCHV believes that the need for such housing is accelerating as a result of both the shift of the delivery of health care services by the Veterans Administration (VA) from inpatient based models to outpatient models of service delivery, as well as the system wide pressures on VA to "save money."

The outpatient delivery of neuro-psychiatric care, including substance abuse treatment, treatment for Post Traumatic Stress Disorder (PTSD), and other psychiatric services becomes a real problem for veterans who do not have safe, clean, sober housing. As an example, one VA Medical Center in a major city in the Eastern area of the United States has discovered that the success rate in their homeless outreach program diminished from over 50% positive outcomes to 30% since the elimination of most of the inpatient programs for substance abuse and drastic curtailment of the inpatient psychiatric programs at that VA Medical Center.

NCHV has much anecdotal evidence to indicate that the diminishment or virtual elimination of adequate quality substance abuse treatment and other neuro-psychiatric treatment services is a significant problem in virtually every major city. In some cases the inpatient resources devoted to these purposes have *not* been shifted to delivery of similar services on an outpatient basis. In other cases the lack of safe, clean, sober housing for veterans while in outpatient treatment or participating in partial hospitalization programs destroys any effectiveness that the treatment might provide toward rehabilitation and recovery of the veterans affected, particularly veterans who are homeless.

Often the concentration of the local VA officials and others is on "transportation" of veterans to and from the VAMC to be able to receive outpatient treatment during the day. The problem is that if, as is all too often the case, there is no sober supportive housing at the other end of the transport, then the positive effects of the treatment during the day are reversed overnight. Some very creative solutions to the transportation dilemma are being achieved (i.e., Connecticut VAMC), and these are necessary and important, but the dilemma of how to create more veterans' transitional housing is still often the single most vexing problem facing many communities. Early passage and enactment of H.R. 3039, *The Veterans Transitional Housing Opportunity Act of 1997*, while not a panacea, will be of extraordinary assistance in meeting this problem in some areas. **NCHV** believes that it is important to note that this proposed new authority will not only meet the objective of creating more sober, safe housing, but is another tool to help ensure the viability of the delivery of vitally needed medical care to veterans.

In regard to the pressure on each VA Medical Center, and each *Veterans Integrated Service Network (VISN)* to save money and more carefully husband their resources, **NCHV** draws your attention to data collected and analyzed by Dr. Jeffrey Wilkins, M.D., the Medical Director of the Comprehensive Homeless Center at the West Los Angeles VA Medical Center. This data shows that over the course of one year the "Westside Residence Hall" project of LA VETS demonstrates $14 Million to $16 Million cost avoidance savings to the West Los Angeles VA Medical Center. This has been accomplished through decreased "in-patient stay days" to the medical center. These are dollars not being spent on hospital care for the year after leaving Westside.

Of the first 308 veterans in the study to leave Westside, 263 (85%) had been admitted to the hospital for an average stay of 111 days during the year prior to entering Westside, adding up to 29,000 patient days during that year. After leaving Westside, only 125 (41%) were admitted to the hospital, for an average length of stay of 29 days during the year. This adds up to **25,000** ***fewer*** patient days. **NCHV** would contend that the

availability of capital funds (unique to that area of Los Angeles) was the key ingredient in achieving this success story, given that the other four ingredients for a successful project were present in this community. There are many other cities that have a concentration of homeless veterans and very low income veterans at risk of being homeless who are in vital need of transitional housing. Many of these cities will be able to achieve positive results similar to that in Los Angeles when capital financing at an affordable rate is leveraged by virtue of the authority created by *The Veterans Transitional Housing Opportunity Act of 1997* and where HUD continuum of care funds will provide supportive services for veterans in that community.

Once again, the **National Coalition *for* Coalition Veterans (NCHV)** is strongly in favor of early passage and enactment of H.R. 3039. **NCHV** thanks you for your leadership on this issue, as well as your strong leadership in general toward better meeting the vital needs of America's veterans.

I again thank you for the opportunity to present the views of the **National Coalition for Homeless Veterans (NCHV)**.

WRITTEN COMMITTEE QUESTIONS AND THEIR RESPONSES

CONGRESSMAN FILNER TO THOMAS R. CANTWELL, JR., PRESIDENT, WESTSIDE RESIDENCE HALL, INC.

Follow-up Question from the Honorable Bob Filner's Hearing of February 24, 1998

QUESTION:

Based on your experience as a successful administrator of transitional housing programs, what is the most important advise you would give to VA regarding the implementation of the program established under H.R. 3039?

ANSWER:

As the number of VA begins to contemplate implementation of H.R. 3039, we would ask that they keep in mind that "the comprehensive continuum of care necessary to truly impact the lives of these fallen heroes demands the highest level of human resources available in a variety of clinical and service areas. These requirements are capital intensive in an era of critical fiscal limitations on government spending as well as general societal impatience with entitlement programs.

The Department of Veterans Affairs (DVA) has expertise in providing clinical and medical support for the homeless veteran population. The private sector has expertise in housing development and job formation. Community-based organizations provide access to local networks and services. These public/private resources must be partnered in a way that not only creates the highest level of independence for the homeless veteran, but must be organized in a self-sustaining manner that does not require annual appropriations for the bulk of its operations."*

We believe that a dominant culture within many large organizations (including the VA) is one that suggests the best means for controlling an initiative and maintaining administrative structures is to internalize and institutionalize an activity. H.R. 3039 is not a threat. It is a marvelous opportunity to more efficiently partner VA resources with community-based non-profits, local government agencies, housing developers and the general business community. In fact, a successful demonstration of H.R. 3039 could pave the way for tens of thousands of housing units that create endless opportunities for enhancing the VA's role as a clinical services provider for more veterans in a more cost efficient manner.

It should be remembered that H.R. 3039 is a pilot program with specific, limited objectives, and it is in fact based on the pioneering experience of a privately led private-public partnership whose lack of resources, not its lack of expertise, resulted in the proposed mechanism and limited role of DVA. The success of this approach to solving veterans homelessness has not resulted from a government program, but from the ingenuity of the private sector in structuring a very complex real estate solution. Just as with the single-family VA guaranty program, the government's resources should not be used to duplicate a delivery system which already exists and succeeds through the private sector. The VA can concentrate scarce resources on providing front line clinical support either based in transitional housing developments or in immediate out-patient proximity.

As government and their agencies re-invent themselves to become more streamline and cost effective, it is imperative to take new approaches. That is why it's time to let the private sector fully participate with the public sector in finding a solution to this national tragedy. The Department of Veterans Affairs must allow our country's free market forces, private development, and skilled community based non-profits to deliver housing and non-clinical support services; the business community to deliver jobs; and the capital markets to deliver financing. The VA must find the most efficient way possible to allow the phenomenon of a locally driven initiative to make its way, enhanced with the Department's issuance of a guaranty which brings the capital markets to the table for the mission...the successful reintegration of homeless veterans.

*Excerpts from testimony of Tim Cantwell before the U.S. House of Representatives Appropriations Subcommittee on VA/HUD/IA, May 1994 and Committee on Veterans Affairs, Subcommittee on Benefits, February 1998.

Congressman Filner to AMVETS

FOLLOW-UP QUESTIONS FROM THE HONORABLE BOB FILNER
HEARING 2/24/98

ANSWERS TO QUESTIONS:

1. For at least 10 years statistics have shown that approximately 1/3 of all homeless males are veterans and that 275,000 homeless male veterans sleep on the streets or in shelters every night. In spite of efforts to address this problem- and the many millions of dollars dedicated to addressing the needs of homeless veterans- the problem persists with little apparent progress having been made.

In your view, why have our efforts achieved so little success? Is the availability of transitional housing for homeless veterans the piece in the continuum of care that has been missing?

No one has all the answers. No one can say why the program hasn't had more success with helping homeless veterans. However, we do believe that part of the solution is there needs to be more transitional housing for veterans and their families. Some programs like this transitional housing project have had success. This is one of the reasons why we are supporting this pilot project.

2. Some of you suggested that we amend H.R. 3039 to clarify that programs funded under this measure could include housing for veterans and their dependents.

Does your organization support this concept?

We support this, but the language needs to be further clarified. It should state that programs must include housing for veterans and their dependents.

3. Some of you mention that the number of homeless Desert Storm veterans is increasing. On what information do you base these observations? What explains the increasing numbers of these veterans living on America's streets?

AMVETS has never made this statement.

4. I have some concerns about the use of National Service Life Insurance (NSLI) funds as the funding source for the program that would be established under H.R. 3039- yet most of you seem comfortable with this approach.

What information do you have that persuades you that using NSLI funds is the best way to generate monies for H.R. 3039?

It remains to be seen if this is the best way. However, it is a funding source and is worthy of a pilot test. We believe with the guarantees built into the system that veterans won't lose out and so this is an acceptable method. We believe that veterans should be notified up front about this project. We need to explain the program is under close scrutiny and after the three year term, a decision will be made whether or not it is viable.

H.R.3211 (ARLINGTON NATIONAL CEMETERY burials)

It has been suggested to us that some small amount of discretion-for the Superintendent of Arlington or the Secretary of the Army- should be added to this H.R. 3211. What are your views on this?

We disagree. *Stay true to the original bill. We do not support a waiver system.*

Congressman Filner to Veterans of Foreign Wars

VFW'S ANSWERS TO QUESTIONS
FROM FEBRUARY 24, 1998, HEARING
SUBCOMMITTEE ON BENEFITS
COMMITTEE ON VETERANS AFFAIRS

QUESTION NUMBER 1

For at least 10 years statistics have shown that approximately 1/3 of all homeless males are veterans and that 275,000 homeless male veterans sleep on the streets or in shelters every night. In spite of efforts to address this problem -- and the many millions of dollars dedicated to addressing the needs of homeless veterans -- the problem persists with little apparent progress having been made.

In your view, why have our efforts achieved so little success? Is the availability of transitional housing for homeless veterans the piece in the continuum of care that has been missing?

ANSWER NUMBER 1

The VFW shares your concern about the great amount of time, effort, and resources that have been dedicated over the past decade to resolve the homeless veterans' problems and needs. Unfortunately, the VFW can offer no reason or rationale that could be supported by facts or documentation to explain why the collective efforts of federal, state, and local efforts dedicated to this social problem has achieved so little success.

Regardless of past efforts the VFW is firmly committed to resolving this homeless problem. Therefore, we believe the transitional housing proposal as outlined in bill H.R. 3039 should be tried simply because this concept has worked well in the past on a small scale when executed by private not-for-profit firms.

QUESTION NUMBER 2

Some of you suggested that we amend H.R. 3039 to clarify that programs funded under this measure could include housing for veterans and their dependents.

Does your organization support this concept?

ANSWER NUMBER 2

The VFW has misgivings about including dependents of homeless veterans in the initial trial period of transitional housing. We recommend this program be limited to assisting the veteran himself simply because we think the program will have a better chance of success. By including dependents the VFW believes we could become involved or confused with a quasi-title 8 public housing effort that could cause concern at local government levels.

QUESTION NUMBER 3

Some of you mention that the number of homeless Desert Storm veterans is increasing. On what information do you base these observations? What explains the increasing numbers of these veterans living on America's street?

ANSWER NUMBER 3

The VFW has no information, pro or con, regarding the numbers of Desert Storm veterans who may or may not be classified as homeless.

QUESTION NUMBER 4

I have some concerns about the use of National Service Life Insurance (NSLI) funds as the funding source for the program that would be established under H.R. 3039 -- yet most of you seem comfortable with this approach.

What information do you have that persuaded you that using NSLI funds is the best way to generate monies for H.R. 3039?

ANSWER NUMBER 4

The VFW has no specific information regarding the use of NSLI funds as the "best way" to generate monies for the transitional housing concept outlined in H.R. 3039. Rather, the VFW is satisfied with the idea of investing some NSLI funds in higher yielding, very high grade corporate bonds, after listening to more technically qualified, knowledgeable committee staffers. If given a choice the VFW would have preferred the funding mechanism for this effort to be monies from a discretionary account rather than as an entitlement.

QUESTION ON H.R. 3211 (ARLINGTON NATIONAL CEMETERY BURIALS)

It has been suggested to us that some small amount of discretion -- for the Superintendent of Arlington or the Secretary of the Army -- should be added to this H.R. 3211. What are your views on this?

RESPONSE TO ONLY QUESTION ON H.R. 3211

The VFW adamantly rejects any form of waivers or discretion on the part of Secretary of the Army to grant exceptions to the burial rules outlined in this bill. Our position is based on the well documented history of Arlington that clearly shows when loopholes exist only those who are well-connected know how to apply for and receive waivers. This philosophy also extends to any Arlington burial for members of Congress, Supreme Court justices, cabinet officers, ambassadors, and congresspersons. There is the entire network of veterans cemeteries run by Department of Veterans Affairs in which these categories of former members of the armed forces may be buried with military honors, if they wish to take advantage of their military entitlement.

Follow-up Questions from the Honorable Bob Filner
Hearing of February 24, 1998

H.R. 3039 – Homeless Veterans Transitional Housing

1. For at least 10 years statistics have shown that approximately 1/3 of all homeless males are veterans and that 275,000 homeless male veterans sleep on the streets or in shelters every night. In spite of efforts to address this problem – and the many millions of dollars dedicated to addressing the needs of homeless veterans – the problem persists with little apparent progress having been made.

In your view, why have our efforts achieved so little success? Is the availability of transitional housing for homeless veterans the piece in the continuum of care that has been missing?

NCOA Response: This Association is probably as perplexed as the Members of this Subcommittee and NCOA does not believe anyone could fault the efforts of the Veterans Committees for a lack of attention to the problem. In NCOA's view, this Subcommittee and the full Committee have been aggressive in your support for homeless veterans programs.

In complete honesty, NCOA cannot say that the transitional housing program that would be authorized by H.R. 3039 would improve the situation. Clearly though, this Association believes the transitional housing program has good potential. In our view, the responsibility and accountability required of the homeless veteran participant sets the transitional housing proposal apart from other efforts to address the homeless veteran problem. For those homeless veterans who truly want to help themselves, the transitional housing program provides the opportunity. Chairman Quinn characterized it as tough love. NCOA calls it accountability. The best intentions notwithstanding, without demanding accountability from the veterans who will participate under this proposal, the success we all hope for will likely not be achieved.

2. Some of you suggested that we amend H.R. 3039 to clarify that programs funded under this measure could include housing for veterans and their dependents.

Does your organization support this concept?

NCOA Response: NCOA does not oppose the concept but we believe the veteran has to be the primary focus of the program. The Association certainly believes that eligible homeless veterans should not be denied transitional housing, in favor of dependents if space availability becomes an issue.

3. Some of you mention that the number of homeless Desert Storm veterans is increasing. On what information do you base these observations? What explains the increasing numbers of these veterans living on America's streets?

NCOA Response: NCOA was not among the organizations that made this observation, and we are unaware of any data to either support or refute the claim. The Association has, however, seen figures that place recently released veterans, including Desert Storm veterans, in a higher unemployment category than veterans as a whole. This would seem to suggest, at least, that homelessness among Desert Storm veterans is a problem.

4. I have some concerns about the use of National Service Life Insurance (NSLI) funds as the funding source for the program that would be established under H.R. 3039 – yet most of you seem comfortable with this approach.

What information do you have that persuades you that using NSLI funds is the best way to generate monies for H.R. 3039?

NCOA Response: NCOA wants to be perfectly clear on the question of using NSLI funds to provide the guarantee for H.R. 3039. In its initial draft form, the proposed legislation put NSLI funds at a risk that NCOA was not willing to endorse. This Association also questioned (and we are still concerned about) the propriety of using these funds without actually consulting the policyholders, after all it is their money that paid the premiums and built the fund. Our endorsement of H.R. 3039 does not imply that NCOA believes this is the best way to generate monies for homeless veterans, a necessary way but not the best.

In NCOA's view, the best way to fund homeless programs for veterans is to go where the money is, the Department of Housing and Urban Development. Yet, despite the best efforts of veteran's organizations and the Veteran's Committees to get veterans included in HUD's homeless programs, we have not succeeded. Veterans programs within HUD, including those for homeless veterans, are simply not a priority of that agency. Within this reality, it's not a matter of believing whether NSLI funds should be used, it is more a matter of the corner we have been forced into.

H.R. 3211 (Arlington National Cemetery burials)

It has been suggested to us that some small amount of discretion – for the Superintendent of Arlington or the Secretary of the Army – should be added to H.R. 3211. What are your views on this?

NCOA response: The whole purpose of H.R. 3211 is to eliminate the discretion and subjective determinations that have led to the controversy of late. NCOA believes we should not provide even a small amount of wedge room that would likely lead to future controversy. In NCOA's view, H.R. 3211 should be so clear and sufficiently explicit so as to allow the Superintendent to make all eligibility determinations. As the Association stated in its prepared statement, if we do the legislation right, there should be no need for the Secretary of the Army, the President or anyone other than the Superintendent to be involved in eligibility determinations. Let's strive for and keep it that way.

Congressman Filner to Secretary Ray Boland, Wisconsin Department of Veterans Affairs

Honorable Bob Filner's Follow-up Question from
the Hearing of February 24, 1998

I assume you heard the Department of Veterans Affairs' (VA) testimony on H.R. 3039. Based on your experience as a successful administrator of transitional housing programs, what is the most important advice you would give the VA regarding the implementation of the program established under H.R. 3039?

Response

The US Department of Veterans Affairs should develope the ability to work more collaboratively with external entities within the veterans community. Specifically, states, veterans service organizations and non-profit organizations. Historically, the VA has attempted to internalize programs initially designed and developed by external entities to address needs of veterans. The Vet Center program comes to mind. Store front, one stop veterans counseling centers were initially developed by community based organizations (CBO) in collaboration with local government support, to address many of the concerns of the returning Viet Nam Era veterans. Many returning veterans suffered from a variety of conditions brought on by their service experience, but they also had a mistrust of the VA. Accordingly, alternative services were implemented by the CBO's. Finally the VA recognized the need and value of these counseling centers. Instead of contracting with them, or assisting them to replicate in other areas, the VA created the Vet Center Program. The success of the Vet Center Program can be argued on a performance basis and on an economic basis.

Other federal agencies (HUD, DOL, H&SS, etc.) all have a history with contracting out services to states, local levels of government and to the private, non-profit sector. The USDVA, until the creation of the Homeless Providers Per Diem Grant, had a relatively minor history of using out side sources for the delivery of services to veterans.

In essence, the USDVA should strongly support H.R. 3039. They should identify those things that they do well and to identify accurately what they can bring to the table in regards to H.R. 3039. They should then work collaboratively with other entities interested in this legislation and determine what the other entities can bring to the table. As a team, those interested in this legislation can develop a means to provide affordable housing to many of our veterans.

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March 10, 1998

The Hon. Lane Evans
House Veterans' Affairs Committee
U. S. House of Representatives
Cannon House Office Building, Room 335
Washington, DC 20515

Dear Congressman Evans:

The following are The American Legion's responses to the questions raised by the Honorable Bob Filner, pursuant to a hearing the Subcommittee held last month on H. R. 3039 and H. R. 3211. Please let me know if further clarification of our position is needed.

H. R. 3039
The Veterans' Transitional Housing Opportunities Act of 1997

Q: For at least 10 years statistics have shown that approximately 1/3 of all homeless males are veterans and that 275,000 homeless male veterans sleep on the streets or in shelters every night. In spite of efforts to address this problem--and the many millions of dollars dedicated to addressing the needs of homeless veterans--the problem persists with little apparent progress having been made.

In your view, why have our efforts achieved so little success? Is the availability of transitional housing for homeless veterans the piece in the continuum of care that has been missing?

A. There is no one, single reason why veterans become homeless. Nor is there one for why they all too often remain homeless.

By the same token, unfortunately, there is no one, single remedy for ending homelessness among veterans. If there was, possibly this problem would be resolved by now.

The American Legion understands that the innovative pilot program that H. R. 3039 seeks to establish will not bring about a total end to homelessness among this nation's veterans. Nonetheless, The Legion believes that enactment of this long-over-due legislation is a step in the right direction.

As The American Legion pointed out in its written statement, there is a lack of low cost housing, such as single room occupancy (SRO) units. This is particularly true in cities where many SRO units were demolished over the past few decades, in urban renewal campaigns.

Because of the lack of SROs, the only option that many low-income and homeless veterans have for housing, if they can get in, is a homeless shelter. In most cases, these are hostile, dangerous environments with little supervision and no supportive services. As a result, many low-income and homeless veterans opt to sleep on the street rather than in a community shelter.

For some, another option, if they can gain admission, is a halfway house. These are generally preferable to community shelters because they tend to be safer and offer better supervision of residents. However, many lack the resources to adequately assist their residents in breaking the cycle of homelessness.

Another problem with halfway houses is that most limit how long a resident can be housed. These time restrictions generally range from 30 to 120 days. Rarely is that long enough for the homeless veteran to make life-altering decisions and acquire the skills that will allow them to make a successful transition back into mainstream society.

The American Legion strongly supports enactment of *The Veterans' Transitional Housing Opportunities Act of 1997* because it believes that the pilot program it proposes has the potential for substantially reducing homelessness among veterans. That belief is based on the track record of a similar program that is operated by The American Legion Department of Pennsylvania.

In 1987, the Department of Pennsylvania and the Veterans Affairs Medical Center (VAMC) in Pittsburgh signed a Memorandum of Understanding (MOU). Under the guidelines of the MOU, VAMC Pittsburgh refers homeless veterans to the Department of Pennsylvania's transitional homes and is responsible for providing outpatient medical and psychiatric care; alcohol and substance abuse counseling; employment counseling; and job training and placement assistance. Since its inception, over 87 percent of the program's participants have gone on to become adjusted, productive, taxpaying members of society.

As stated earlier, there is no "magic bullet" for ending homelessness among veterans. The American Legion firmly believes, however, that the transitional housing proposed by H. R. 3039 will be safe, stable, therapeutic environments

that will greatly improve a participant's chances for successfully ending their homelessness and regaining their rightful place in society.

****

Q: Some of you suggested that we amend H. R. 3039 to clarify that programs funded under this measure could include housing for veterans and their dependents.

Does your organization support this concept?

A: According to a study that was conducted by the National Coalition For Homeless Veterans (NCHV), approximately 10 percent of all homeless veterans have a spouse and/or dependent(s) who are also homeless. In many instances, these veterans and their families are homeless because of issues beyond their control, such as the downsizing of the military, government and corporate America. The American Legion believes that this is one of the most tragic aspects of the homeless issue and encourages the Subcommittee do everything in its power to assist these families in getting back on their feet.

While H. R. 3039 speaks of "multifamily" transitional housing, The American Legion suggests that the Subcommittee give serious consideration to amending the current language of the bill to make it clear that the homeless spouse and dependent(s) of a homeless veteran are also entitled to services under this pilot program.

****

Q: Some of you mention that the number of homeless Desert Storm veterans is increasing. On what information do you base these observations? What explains the increasing number of these veterans living on America's streets?

A: A number of reliable sources have informed The American Legion that the incidence of homelessness among Desert Storm veterans is rising. The American Legion did not comment on that issue in its testimony because it had no concrete data to support that assertion.

Since the hearing on February 24, 1998, The American Legion acquired the following information on homeless Desert Storm veterans.

1) On August 13, 1997, the VA released the *Health Care for Homeless Veterans Programs: Tenth Annual Report.* According to Table 10 of that report, which contained information on the demographic characteristics of veterans receiving treatment between FY-91 and FY-96, 3.1 percent were Desert Storm era veterans (see attachments 1 & 2).

2) In February 1997, NCHV conducted a survey of 159 homeless veterans' care/service providers (see attachment 3). The 40 facilities that responded to that survey served a total of 19,076 veterans during the previous 12 months. It also reported that of that number, 62 percent were Vietnam era veterans; 18 percent were from the post Vietnam era; 6 percent were Persian Gulf era veterans; and 14 percent served in the military during some other period.

That same survey also found that of the 19,076 served, 2.5 percent were female veterans and that 1 percent of them had at least one dependent child.

3) The International Union of Gospel Missions (IUGM) conducts an annual survey of America's homeless. During the 1997 survey, which was conducted this past October, 57 Rescue missions around the country were surveyed. Of the more than 11,000 homeless men who were interviewed, 32 percent were veterans with 10 percent of those veterans having served during the Desert Storm era. Attachments 4, 5 and 6 contain further information on IUGM's 1997 survey.

Based on past experience, it is expected that the number of homeless Desert Storm veterans seeking treatment and services from VA will increase significantly in the near future. According to VA records, veterans generally start showing up in that agency's homeless treatment programs about 10 years after they are discharged from the military.

****

Q: I have some concerns about the use of National Service Life Insurance (NSLI) funds as the funding source for the program that would be established under H. R. 3039--yet most of you seem comfortable with this approach.

What information do you have that persuades you that using NSLI funds is the best way to generate monies for H. R. 3039?

A: The American Legion does not support funding the program proposed by H. R. 3039 with funds from NSLI. Rather, the Legion suggested, in both its written and oral testimony, that monies from NSLI be invested in bonds rated at no less than "investment grade" and that interest generated by those investments should be placed in a separate interest-bearing account. When the amount earned by those investments reaches the amount borrowed, The American Legion believes the NSLI loan must be repaid. The Legion also suggested that the remaining funds be invested, for at least twelve additional months, to generate the necessary funds for guarantees.

****

H. R. 3211

Enact Eligibility Requirements For Burials At Arlington National Cemetery

Q: It has been suggested to us that some small amount of discretion--for Superintendent of Arlington or the Secretary of the Army--should be added to this H. R. 3211. What are your views on this?

A: The American Legion fully supports H.R. 3211, a bill to codify existing regulatory criteria for burial in Arlington National Cemetery. The American Legion believes codifying existing regulations and prohibiting any future waiver authority is a necessary but unfortunate step to maintain the honor and sanctity of Arlington National Cemetery.

The current waiver process is purely subjective, inconsistent and vulnerable to political influence as demonstrated by the recent investigation into abuses of the waiver process by the House Veterans' Affairs Subcommittee on Oversight and Investigation. Allowing future waivers at Arlington National Cemetery would continue this subjective and inconsistent waiver process and allow for future possible abuses by the current and future administrations.

Although the valuable contributions of non-veterans in service to the nation and society is notable, these individuals are not legally obligated to perform their duties in the same manner as members of the armed forces. When individuals don the military uniform and take the oath of office, they lose some personal rights and freedoms and subject themselves to the Uniform Code of Military Justice. Failure or refusal to perform their assigned mission will result in criminal proceedings that may lead to a General Court Martial and a dishonorable discharge. Individuals serving in the civilian government and private workforce are not legally obligated in this same manner.

The American Legion believes Arlington National Cemetery is clearly a cemetery operated and maintained by the Department of the Army exclusively for military personnel, retirees, veterans and their immediate family members. The requirements to be buried in Arlington are strict because of the prestige, history and special recognition of honorable military service. If Congress truly believes someone warrants burial in Arlington National Cemetery, it can pass separate legislation authorizing a waiver on a case by case basis. In light of the recent waiver abuses, The American Legion believes H.R. 3211 is now the only alternative to protecting the sanctity of this national military shrine.

****

I hope that this answers Congressman Filner's questions. Please let me know if further clarification or information is needed.

The American Legion looks forward to working with the Subcommittee and the full Committee on enactment of H. R. 3039 and H. R. 3211.

Sincerely,

Emil W. Naschinski
Assistant Director of Economics

Enclosures

Attachment 1

HEALTH CARE FOR HOMELESS VETERANS PROGRAMS: TENTH ANNUAL REPORT

August 13, 1997

Wesley J. Kasprow, PhD, MPH
Project Director

Robert Rosenheck, MD
Director

Janine DeLisa Chapdelaine, MS
Assistant Project Director

Department of Veterans Affairs
Northeast Program Evaluation Center / 182
VA CT Healthcare System
West Haven, CT 06516
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Attachment 2

TABLE 10. DEMOGRAPHIC CHARACTERISTICS OF VETERANS AT INTAKE, FY 91 - FY 96

	FY 91 % (N=11,033)	FY 92 % (N=14,052)	FY 93 % (N=15,631)	FY 94 % (N=20,561)	FY 95 % (N=23,681)	FY 96 % (N=25,436)
GENDER						
Male	98.24	98.61	98.16	98.19	97.70	97.60
Female	1.76	1.39	1.84	1.81	2.30	2.40
AGE						
Mean	42.18	42.58	42.78	43.48	43.71	44.52
< 25	0.93	0.80	0.68	0.70	0.71	0.53
25-34	20.34	18.25	16.47	14.27	12.78	10.41
35-44	47.02	46.55	46.68	44.83	44.80	43.37
45-54	19.10	21.66	24.54	27.75	29.94	33.02
55+	12.64	12.64	11.62	12.46	11.77	12.68
SERVICE ERA						
Pre-WWII	0.10	0.11	0.07	0.11	0.06	0.10
WWII	3.34	3.15	2.50	2.35	2.20	2.00
Pre-Korean	0.63	0.73	0.53	0.43	0.33	0.40
Korea	7.46	6.42	5.13	4.61	3.84	3.70
Pre-Vietnam	7.76	7.54	7.78	8.22	7.43	7.20
Vietnam	53.42	52.93	51.63	50.28	49.19	49.90
Post-Vietnam	27.29	29.12	32.36	34.01	36.94	33.80
Persian Gulf						3.10
COMBAT EXPOSURE	28.06	27.50	26.06	25.65	24.56	24.60
RACE/ETHNICITY						
White, non-Hisp.	53.00	47.10	42.74	41.31	39.75	43.00
African-American	41.40	47.80	50.98	52.46	53.28	50.20
Hispanic	4.10	3.60	4.65	4.46	4.95	4.90
Other	1.50	1.50	1.63	1.78	2.01	1.80
MARITAL STATUS						
Never married	32.23	33.49	33.22	34.58	33.48	32.70
Married/Remar.	5.26	5.29	5.22	5.14	5.58	5.50
Divorced	41.70	40.43	40.23	39.85	40.19	41.90
Separated	17.51	17.81	18.16	17.34	17.78	16.50
Widowed	3.30	2.98	3.17	3.09	2.98	3.30
EMPLOY. LAST 3 YRS						
Full-time	31.93	28.50	25.49	23.81	23.40	23.20
Part-time-Irreg.	26.66	28.77	31.96	33.46	34.88	33.70
Unemployed	27.28	27.23	27.61	28.03	26.46	24.80
Disabled/Retired	13.51	15.01	14.40	14.08	14.75	17.70
Student/Service	0.62	0.49	0.54	0.61	0.51	0.50
WORK DAYS, LAST 30 DAYS						
0	79.83	82.60	76.45	75.60	72.20	72.70
1-19	15.85	13.70	17.19	17.58	19.60	19.50
20+	4.32	3.70	6.36	6.82	8.20	7.80
EARNED/REC., LAST 30 DAYS						
$0	35.67	35.73	31.34	29.32	28.66	29.51
$1-$499	49.57	47.42	49.75	49.46	48.07	44.43
$500+	14.76	16.84	18.91	21.21	23.27	26.06
PUBLIC SUPPORT	44.23	48.50	51.06	51.59	49.83	47.90

Attachment 3

NATIONAL COALITION *for* HOMELESS VETERANS

FEBRUARY 1997 SURVEY OF HOMELESS VETERAN PROVIDERS RESPONSES

1) What type of ***program*** do you have?
   - 17 - Prevention
   - 25 - Outreach
   - 30 - Counseling
   - 18 - Treatment
   - 28 - Employment
   - 6 - Other

2) What type of ***facility*** do you have?
   - 5 - Drop-in shelter
   - 8 - Emergency shelter
   - 2 - In patient
   - 28 - Transitional housing
   - 5 - Permanent housing
   - 4 - Other

3) What type of ***organization*** are you?
   - 35 - 501c3
   - 3 - 501c____
   - 0 - Local government
   - 1 - State government
   - 1 - Federal government
   - 0 - Other

4) What percentage of your ***clients*** are ***veterans***?
   - 76% single
   - 14% with dependent children

5) What percentage of your ***clients*** are ***women veterans***?
   - 2.5% single
   - 1% with dependent children

6) What percentage of your ***veteran clients*** are:
   - 62% Vietnam era
   - 18% Post Vietnam
   - 6% Persian Gulf
   - 14% Other

7) How many ***total clients*** did you serve in the last 12 months?

   21,195*

   *90% or 19076 were veterans

8) Who are your ***partners*** in serving your clients?
   - 31 - VA Medical Facility
   - 34 - Community organizations
   - 23 - Government Agencies
   - 29 - Veteran Service Organization
   - 6 - Other -private citizens/business

9) How far is the ***nearest*** VA Medical Facility?
   - 32 0-50 miles
   - 4 50-200 miles
   - 1 200 + miles

10) What ***year*** was your organization formed?

1967-1	1988-1
1969-1	1989-2
1973-1	1991-4
1977-2	1992-6
1981-1	1993-4
1985-2	1994-6
1987-4	1995-2

Collection Information:

159 surveys sent
- 5 returned as undeliverable
- 40 responses
- 2 national organizations
- 2 in process of implementing programs

Attachment 4

INTERNATIONAL UNION OF GOSPEL MISSIONS
Veteran's Survey - October, 1997

1. **Which branch of the service were you in?**

   Army 49% Navy 19% Marines 19% Air Force 12% Coast Guard 1%

2. Which of the following (if any) are true:

   I served in Korea during the Korean War 10%

   I served in Vietnam during the Vietnam Conflict 42%

   I served in the Persian Gulf region during the Gulf War 10%

3. The total number of years you spent in the armed forces:

   Less than 2 yrs 25% 3-4 yrs 44% 5-6 yrs 15% 7-9 yrs 7% 10+ yrs 9%

4. In what decade did you leave the armed forces?

   Before 1950 4% 1950 - 1959 11% 1960 - 1969 20%
   1970 - 1979 33% 1980 - 1989 20% 1990 - 1997 12%

5 What type of discharge did you receive?

   Honorable 71% General 17% Medical 7% Dishonorable 5%

6. You are:

   Male 96% Female 4%

7. You are :

   Caucasian 51% African-American 37% Hispanic 6% Other 6%

Attachment 5

WHO ARE AMERICA'S HOMELESS VETERANS?

More Than 40 Percent of Homeless Vets Served in Vietnam, Says Rescue Mission Survey

Gulf War Vets Already Account for Nine Percent

(Washington, D.C.) - Nearly two-thirds of the U.S. veterans seeking shelter in America's Rescue Missions served in Korea, Vietnam or the Persian Gulf, according to a nationwide survey released this morning by the International Union of Gospel Missions (IUGM). Vietnam veterans account for 42 percent, followed by Korean War veterans with 10 percent and Gulf War vets with 10 percent.

The survey of more than 1,200 veterans was conducted in late October by 57 Rescue missions around the nation. This year's veterans survey was part of IUGM's annual survey of America's homeless. Missions interviewed more than 11,000 men; of these 32 percent, were found to be veterans.

"America's armed forces have a deservedly honored place in our country," said Rev. Stephen E. Burger, executive director of the Kansas City-based IUGM. "Unfortunately, the evidence is clear that many veterans who served our nation honorably have had difficulty making the transition to civilian life. In particular, veterans who served in conflicts are far more likely to be living at our Rescue missions."

"I'm shocked and saddened, but not really surprised at the figure for Vietnam vets," said Rev. Duane Gartland, a partially disabled Vietnam combat veteran, who runs Pittsburgh's Light of Life Ministry with his brother Dennis, also a Vietnam veteran. "Vietnam put many wonderful kids through a grinder. Now they're adults and they depend on our Rescue missions."

Another finding of the study shows that the vast majority of veterans at Rescue missions served in the Armed Forces for at least three years. Only 25 percent served two or fewer years. The years-of-service breakdown is as follows:

3-4 years service: 44 percent	5-6 years service: 15 percent
7-9 years service: 7 percent	10 or more years: 9 percent

"We're caring for men and women who have spent considerable time in the service," said Rev. Burger, "It shows that despite all the training and discipline, there are still many who simply cannot cope with an uncaring civilian life. After all, a lot of civilians aren't necessarily impressed at someone's ability to drive a tank."

Air Force veteran James VarnHagen, executive director of the New York City Rescue Mission, agrees: "The fact that three-quarters of the vets at our Rescue missions served at least

Attachment 6

three years is striking. But no matter how disciplined a person is, the stress of adjusting to civilian life can lead to drugs or excessive drinking."

The survey asked veterans for the decade in which they were discharged. The 1970s accounted for 33 percent of all discharges, followed by the 1980s and 1960s with 20 percent each. 12 percent of vets were discharged during the 1990s; 11 percent were discharged during the 1950s. The rest (4 percent) left the service prior to 1950.

The survey asked veterans in which branch of the Armed Forces they served. Forty-nine percent said they served in the Army, followed by 19 percent in the Navy, 18 percent in the Marines, 12 percent in the Air Force and two percent in the Coast Guard.

Men accounted for 96 percent of those surveyed. Racially, the breakdown of veterans is 51 percent Caucasian, 37 percent African-American, and six percent Hispanic.

In terms of type of discharge, 71 percent reported receiving an honorable discharge. 17 percent received general discharges; 7 percent, medical discharges; and 5 percent, dishonorable discharges. "These men served their nation honorably," said Rev. Burger, "I'm surprised the honorable discharge figure is so high. It certainly runs against the homeless stereotype."

IUGM member missions provide emergency food and shelter, youth and family services, rehabilitation programs for the addicted, and assistance to the elderly poor and at-risk youth. Last year, IUGM Rescue missions served more than 30 million meals, provided 12 million nights lodging, distributed more than 24 million pieces of clothing and graduated more than 20,000 homeless men and women into productive living.

Further information is available on the IUGM website at *www.iugm.org*

# # # #

DISABLED AMERICAN VETERANS
Building Better Lives for America's Disabled Veterans

March 12, 1998

Congressman Lane Evans
Ranking Democratic Member
House Veterans' Affairs Committee
333 Canon House Office Building
Washington, DC 20515

Dear Congressman Evans:

I am pleased to have the opportunity to respond to the questions submitted by the Honorable Bob Filner as a follow up to the hearing of February 24, 1998.

As requested, I am restating the questions in their entirety and the answer follows each question consecutively:

H.R. 3039 - HOMELESS VETERANS TRANSITION HOUSING

Question #1: For at least 10 years statistics have shown that approximately 1/3 of all homeless males are veterans and that 275,000 homeless male veterans sleep on the streets or in shelters every night. In spite of efforts to address this problem–and the many millions of dollars dedicated to addressing the needs of homeless veterans–the problem persists with little apparent progress having been made.

In your view, why have our efforts achieved so little success? Is the availability of transitional housing for homeless veterans the piece in the continuum of care that has been missing?

Response: It is our belief there are several reasons for the ongoing consistently high number of homeless veterans. We have been successful in many cases but the continued lack of affordable housing is a major factor. Many of our homeless veterans have been successfully rehabilitated and reentered the mainstream. Often veterans become homeless as a result of changing economic times.

Even though unemployment is at its lowest level in almost thirty years, there are still many people being terminated from employment because of the changing nature of the job market. Many mid level managers and below are being laid off or otherwise terminated from their positions.

A significant number of veterans are homeless, simply because of a lack of meaningful services to assist in their basic needs. It is not enough to just provide a place

to sleep on a given night. Other homeless veterans have had an inconsistent work record and require further training.

I was surprised to learn at the hearing on February 24th from the VA that 26% of inpatients at VA medical facilities are homeless. We believe it is very important in the discharge planning process to do everything possible to discharge the homeless patient to some transitional services rather than just out on the street. We mentioned in our testimony that the VA may sometimes, on a humanitarian basis, retain a homeless veteran patient longer than medically necessary to avoid putting him on the streets. It is therefore very important that case management be introduced early in the discharge planning process.

Question #2: Some of you suggested that we amend H.R. 3039 to clarify that programs funded under this measure could include housing for veterans and their dependents.

Does your organization support this concept?

Response: Yes, we support the concept that would provide housing for veterans and their dependents when possible. We expressed concern in our prepared February 24, 1998 statement that non veterans may receive help through H.R. 3039 and family members of homeless veterans would not.

We do not believe the separation of a veteran and their family will accomplish the intended purpose of H.R. 3039—to provide meaningful services to homeless veterans.

Question #3: Some of you mention that the number of homeless Desert Storm veterans is increasing. On what information do you base these observations? What explains the increasing numbers of these veterans living on America's streets?

Response: Information that supports our observation that Desert Storm veterans are homeless comes from talking with providers at various shelters and other anecdotal information. We have no hard data as to why there is an increasing number of these veterans living on the streets, but suggest it is for the same reason other veterans become homeless.

Some believe there are servicemembers who enter the military to escape a hostile environment which may include abusive parents, no parents, or others who wish to escape gang violence. When they finish their term of service and are separated from the military, they may not immediately find employment and, rather than return to the abusive environment, they end up on the street. Another theory is that although many servicemembers attain good skills, all too often those skills are not readily recognized by civilian employers. Even under the best of circumstances there are situations when these former servicemembers may end up jobless and homeless following military service.

Question #4: I have some concerns about the use of National Service Life Insurance (NSLI) funds as the funding source for the program that would be established under H.R. 3039 - yet most of you seem comfortable with this approach.

What information do you have that persuades you that using NSLI funds is the best way to generate monies for H.R. 3039?

Response: We are not persuaded that using NSLI funds "is the best way to generate monies for H.R. 3039." We share your concerns and we are not at all comfortable with this approach. While we whole heartedly support the concept of H.R. 3039, we state in our prepared testimony:

- We do have some concerns...using monies from the insurance trust fund.
- We question the advisability, if not legality of using "extra earnings" derived from changes in advestment strategies...
- Our primary view is that no matter what return is realized on investments, it is, after all the veterans' [money].

H.R. 3211

Question #1: It has been suggested to us that some small amount of discretion–for the Superintendent of Arlington or the Secretary of the Army–should be added to this H.R. 3211. What are your views on this?

Response: We support H.R. 3211 in its present form and are opposed to any additional discretion being provided to the Superintendent of Arlington National Cemetery, the Secretary of the Army, or anyone else beyond that stated in H.R. 3211. This bill clearly establishes defined eligibility requirements and we have no objection to passage in its present form.

Thank you again for allowing us the opportunity to provide these additional answers.

Sincerely,

RONALD W. DRACH
National Employment Director

RWD:bjw

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