LEGISLATIVE HEARING ON H.R. 419, H.R. 2046, AND TWO DRAFT BILLS

HEARING

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS

HOUSE OF REPRESENTATIVES

SUBCOMMITTEE ON ECONOMIC OPPORTUNITY

ONE HUNDRED NINTH CONGRESS

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LEGISLATIVE HEARING ON H.R. 419, H.R. 2046, AND TWO DRAFT BILLS

Wednesday, May 4, 2005

U.S. House of Representatives,
Subcommittee on Economic Opportunity,
Committee on Veterans' Affairs,
Washington, D.C.

The Subcommittee met, pursuant to notice, at 2:20 p.m., in Room 334, Cannon House Office Building, Hon. John Boozman [Chairman of the Subcommittee] presiding.
Present: Representatives Boozman, Herseth, Brown-Waite, and Evans.

OPENING STATEMENT OF CHAIRMAN BOOZMAN

Mr. Boozman. Let's go ahead and get started. I apologize that we are getting started late. On the other hand, it surely worked out, because it is better to get started late than the votes interrupt us right in the middle, and then go back and forth. I think it is going to work to our advantage.

The other thing is I want to apologize. We have had a little confusion over who is going to testify. Again, like I say, I apologize for that.

Here I am, I am a new Subcommittee Chairman, and they won't even give me a gavel.

[Laughter.]

Mr. Boozman. The Subcommittee on Economic Opportunity's first legislative hearing will come to order.

Today, we are here to receive testimony on several pieces of legislation relating to veterans' employment. The proposed legislation we have before us today will strengthen the Uniformed Services Employment and Re-Employment Rights Act, commonly known as USERRA, to protect veterans' rights regarding employer-provided health insurance, improve the Servicemembers' Civil Relief Act's protection against double taxation, reauthorize the President's National Hire Veterans Committee, and finally, to reauthorize the Homeless Veterans Re-Integration Act.

With the exception of the Civil Relief Act, or USERRA bill, the com-

mon thing in these bills is jobs for veterans. That's what we are about. You are going to hear us say that a bunch. Jobs for veterans.

The USERRA provisions will ensure that a returning veteran can re-establish his employer provided health insurance and is protected against cost increases.

The President's Committee was established to increase the visibility of the advantages of hiring veterans. The Jobs for Veterans Act, Public Law 107-288 established the President's National Hire Veterans Committee within the Department of Labor.

The Committee has two missions, to furnish employers with information on the training and skills of veterans and disabled veterans, and the advantages afforded employers by hiring veterans with such training and skills, to facilitate employment of veterans and disabled veterans through participation in America's National Labor Exchange and other means.

The Committee is comprised of leaders in industry and government, with such notable executives as Mr. Bob Lutz, Chairman of General Motors. We are grateful for the participation of all the members of the Committee and look forward to hearing about the work they have done.

The Homeless Veterans Re-Integration program or HVRP is designed to take the men and women who are probably the most difficult population of veterans to serve off the streets and return them as productive contributors to society.

It is a tall order and one that represents unique challenges to both the government and those who deliver the services to homeless veterans.

It is a well-known fact that a very high percentage of homeless veterans have mental health and substance abuse issues and unfortunately, homeless veterans are not immune from these scourges.

I suspect some are so debilitated that we will never return them to society outside of a very structured environment, but I am pleased there are two successful programs, and I hope that each of you will pay close attention to their testimony.

I am also concerned about how we count for homeless veterans. For years, 250,000 has been the commonly accepted figure. Today, I believe the VA estimates the number at about 185,000. The number 300,000 has also been used.

Clearly, there is a wide divergence in the estimate of the number of homeless veterans. Certainly, if anyone has an idea on how to get a handle on that issue, we would be pleased to hear it today.

Also, before I recognize Ms. Herseth, I want to remind the panel that we have a mark-up tomorrow, which really shouldn't take very much time. Hopefully, we can get that done.

I now recognize Ms. Herseth, who represents the whole State of South Dakota, for opening remarks.

OPENING REMARKS OF HON. HERSETH

MS. HERSETH. Good afternoon, and thank you, Mr. Chairman. I am pleased we are meeting today for the Subcommittee's first legislative hearing.

I am particularly interested in working with you, Mr. Chairman, to reauthorize the Homeless Veterans Re-Integration Program, administered by the Department of Labor. As most of you know and as most of us know, HVRP is the only federal program aimed at providing employment services to our homeless veterans. Moreover, it is a very successful and cost-effective program.

Additionally, I am pleased we will consider and soon mark up the Servicemembers Health Insurance Protection Act of 2005, of which I'm an original co-sponsor. This legislation is very important for the increasing number of activated National Guard and Reserve components.

The legislation would prevent unfair premium increases or delays in reinstatement of a returning servicemember's employer sponsored health insurance coverage.

I look forward to the testimony of our witnesses today, and I appreciate your efforts to assist us in creating effective and fiscally responsible legislation. I hope that we will use the witness testimony to guide us in making helpful and reasonable improvements to the measures before us.

Thank you, Mr. Chairman. I look forward to today's testimony and yield back the balance of my time.

MR. BOOZMAN. Thank you. Ms. Brown-Waite?

OPENING REMARKS OF HON. BROWN-WAITE

MS. BROWN-WAITE. Thank you very much. As you can tell, I've got laryngitis. I will do the best I can. As some would say, that is a husband's prayers answered, but the bad news is he's not here. He's back in Florida. He can't exactly benefit from it.

I certainly want to thank all of the witnesses who are here to testify before the Subcommittee on Economic Opportunity. I am also pleased that this first hearing will cover the important topics of health insurance, homelessness, employment and taxes.

This Subcommittee has been tasked with helping to ensure that veterans have a smooth transition back into society after Service. Time spent in Service is a life calling for some, but only a pause in time for others. Resuming normal activities back home can often be difficult.

Not only must a veteran reconnect with family and friends, but he or she faces many other challenges after being away from home.

The legislation we will consider here will bring relief to servicemembers and to veterans.

I would particularly like to call attention to the Servicemembers Health Insurance Protection or the SHIP Act. While this bill merely makes technical corrections, those small corrections will make a great difference to military families.

It will guarantee the servicemembers returning to civilian life get a fixed rate for their re-insurance coverage. It also entitles Reservists to reinstated insurance coverage after being called to active duty.

By helping alleviate the problems these men and women face in transitioning to and from Service, it will be easing the burden of Service that lays heavily on separated families.

I appreciate the attendance of each and every group here, and I commend the chairman for having this hearing today. I look forward to your testimony.

MR. BOOZMAN. Thank you. We have a special guest here today, Nick Bacon. Will you stand up, Nick? Nick is a dear friend. Nick was Director of the Arkansas Department of Veterans' Affairs. Nick is a Medal of Honor winner. He distinguished himself on the field of battle. There are no if's, and's, or but's about that.

In fact, there was a great article about him in the Pride Magazine a year or so ago.

Nick is also a hero in the sense that he performed those feats but he has also used his notoriety and performed countless hours of helping veterans, serving on various commissions, and is truly a hero in the sense of doing those things.

We really appreciate you, Nick. It's good to have you here. Thank you very much.

[Applause.]

MR. BOOZMAN. Our first panel is Mr. James Magill, Director of National Employment Policy, Veterans of Foreign Wars of the United States. Mr. Brian Lawrence, Assistant National Legislative Director, Disabled American Veterans. Mr. Carl Blake, Associate Legislative Director, Paralyzed Veterans of America, and Mr. Richard Jones, National Legislative Director for AMVETS.

Let's go ahead with you, Mr. Magill. I know you have a train to catch. Go ahead and testify. If you need to leave, feel free to slip out.

STATEMENTS OF JAMES N. MAGILL, DIRECTOR, NATIONAL EMPLOYMENT POLICY, VETERANS OF FOREIGN WARS OF THE UNITED STATES; BRIAN E. LAWRENCE, ASSISTANT NATIONAL LEGISLATIVE DIRECTOR, DISABLED AMERICAN VETERANS; CARL

BLAKE, ASSOCIATE LEGISLATIVE DIRECTOR, PARALYZED VETERANS OF AMERICA; AND RICHARD JONES, NATIONAL LEGISLATIVE DIRECTOR, AMVETS

STATEMENT OF JAMES N. MAGILL

MR. MAGILL. Thank you. What I would like to say first is a pleasant surprise to see us up here first. I can speak for myself. It's very nice, instead of being last.

I would like to just briefly comment on my remarks, because you do have a copy of my statement.

The first thing I would like to address is H.R. 419, which extends the operation of the President's National Hire Veterans Committee. Public Law 107-288, the Jobs for Veterans Act, one of the provisions was the creation of the National Hire Veterans Committee.

We did testify in support of that bill, and of course, of the provision. We think it is probably one of the best kept secrets of the quality that veterans bring to employment, especially in the private sector.

H.R. 419 would reauthorize this Committee until December 31, 2008. Again, VFW believes there exists a genuine need for the committee to continue its objectives. We, therefore, support its extension.

However, we do have concern with the way this bill would be funded. The funding as proposed would come through an one-half of one percent reduction in the funding for the DVOP and LVER programs. We do oppose that.

The next draft bill that we have before us was addressing HVRP. We believe that this is probably one of the most beneficial and effective federally funded programs for veterans who are homeless. It provides counseling, job training, and the all too crucial job placement.

As I said before, HVRP is due to expire. The VFW, recognizing the positive measurable results and critical need for HVRP, strongly supports its reauthorization.

With respect to the other two draft bills, the Servicemembers Health Insurance Act of 2005 and the Servicemembers Taxation Act of 2005, we do support the enactment of these bills.

That concludes my statement. I'll be happy to respond to any questions you may have.

[The statement of James N. Magill was not provided.]

MR. BOOZMAN. Thank you very much. We have been joined by Mr. Evans, who is the Ranking Member on the full Committee, and a member of this Subcommittee. Mr. Evans, do you have a statement?

MR. EVANS. At this time, I will pass, and I yield back my time.

MR. BOOZMAN. Thank you. Next, Mr. Brian Lawrence, Assistant National Legislative Director, Disabled American Veterans.

STATEMENT OF BRIAN E. LAWRENCE

MR. LAWRENCE. Chairman Boozman, Ranking Member Herseth and members of the Subcommittee, on behalf of Disabled American Veterans, thank you for the opportunity to testify on the bills under consideration today.

The DAV was founded on the principle that our nation's first duty to veterans is rehabilitation of the full time disabled, along with quality health care and adequate compensation, this principle envisioned substantially gainful employment as a key step to helping disabled veterans obtain self sufficiency and rehabilitation.

H.R. 419, the Hire Veterans Act of 2004, would reauthorize the President's National Hire Veterans Committee. This committee was created to encourage employers throughout the nation to hire veterans by raising awareness of their high level skills and leadership abilities.

Since its beginning, the Committee has listed a number of accomplishments. To remain on schedule, I will not reiterate those accomplishments, but I do wish to extend to the Committee the DAV's praise for their efforts.

This bill would provide a three year extension of the committee which was set to expire in December 2005. The DAV supports reauthorizing the Committee, but is concerned that this bill would fund it by taking a percentage from the DVOP and LVER programs.

DVOP and LVER personnel provide important job services to disabled and other veterans by serving as intermediaries between them and employers. DAV is in support of the DVOP and LVER programs and it is based on resolutions adopted by our membership calling for protection and adequate funding for the programs.

Support of this bill as currently written would be contrary to these resolutions because it would reduce such funding.

DAV would support reauthorization of the Committee if its funding was not taken from another vital veterans' program.

The Homeless Veterans' Re-Integration Program Reauthorization Act of 2005 would reauthorize HVRP for fiscal years 2007 and 2008 at $50 million per year. This important employment services program was established to help homeless veterans re-integrate into the labor force and obtain financial independence.

The DAV is highly supportive of this program and other homeless veterans' initiatives.

Services provided by HVRP can mean the difference between a veteran living on the street or living in transitional housing and acquir-

ing skills that will enable them to provide for themselves.

The DAV is pleased that this legislation would extend the program.

In addition, on the legislative advocacy on behalf of homeless veterans, I'd like to note that the DAV also takes an active role in seeking to prevent and end homelessness among our nation's veterans. Like HVRP, the DAV homeless veterans' initiative promotes the development and support of housing and services to help homeless veterans become productive self sufficient members of society.

Since 1989, DAV allocations for these projects have exceeded $2 million.

The Servicemembers Health Insurance Protection Act of 2005 would limit premium increases on reinstated health insurance for servicemembers who are released from active Service, and it would preserve employer sponsored health plan coverage for certain Reserve members who acquired TRICARE eligibility.

The Servicemembers Taxation Protection Act of 2005 would prevent double taxation of servicemembers from the laws of the tax jurisdiction and do not provide a credit against use, excise or similar taxes the servicemember previously paid in another jurisdiction.

Mr. Chairman, in accordance with its constitution and by-laws, the DAV's legislative focus is on the benefits and services for Service connected disabled veterans, their dependents and survivors, because the issues addressed within the last two bill mentioned are not specific to its legislative focus the DAV has in its resolutions that are related directly to the issues addressed.

However, since they would both benefit members of the Armed Forces, the DAV has no objection to favorable consideration of either bill.

On behalf of the 1.2 million members of our organization, I again thank you for this opportunity to present our views.

[The statement of Brian E. Lawrence appears on p. 41]

MR. BOOZMAN. Mr. Blake, of the Paralyzed Veterans.

STATEMENT OF CARL BLAKE

MR. BLAKE. Chairman Boozman, Ranking Member Herseth, and members of the Subcommittee, PVA would like to thank you for the opportunity to testify today on the proposed legislation.

As mentioned, the President's National Hire Veterans Committee was created by Public Law 107-288, the Jobs for Veterans Act.

In testimony provided before the House Veterans' Affairs Subcommittee on Benefits on April, 18, 2002, PVA supported the creation of the President's Committee.

The original purpose of the Committee was to raise employer awareness of the skills of veterans and the benefit of hiring benefits, as well as to bridge the gap in communication that exists between employers and veterans seeking employment.

However, we believe that the President's Committee has not lived up to expectations. After reviewing the Committee's report for 2004, we see no tangible proof that this Committee has helped open doors to veterans seeking employment in the private sector.

The report implies that the Committee played a major role in the creation of Home Depot's Operation Career Fund, an initiative that seeks to attract military job seekers, but the report lacked detailed information regarding the real extent of the Committee's involvement.

Furthermore, we have not seen any other reports provided by the President's Committee. In accordance with the provisions of 107-288, the Committee was to have provided a report also for 2003 and is also required to do so for 2004. Yet, we have only seen the report for 2004.

PVA is particularly concerned about the provision of the legislation that would allow the President's Committee to be funded out of money provided by the Department of Labor for administration of DVOP and LVER programs.

PVA believes that the current efforts to change the way employment services at DOL are funded jeopardizes DVOP specialists and LVERs. It seems unless there is a paradigm shift, the number of DVOP specialists and LVER staff will be reduced.

Although we believe that the Committee's purpose is genuinely a good one and it can serve a good purpose, we have to oppose H.R. 419 because of the provision allowing the funding through the DVOP and LVER programs.

The Homeless Veterans Re-Integration Program is a viable program focusing on employment of homeless veterans. This program has been a wonderful success since its inception almost 20 years ago.

PVA supports the reauthorization of HVRP through 2008, and in fact, we would like to recommend that the legislation be changed to authorize it for five years, through fiscal year 2011. This is in accordance with the recommendations of the National Coalition of Homeless Veterans, which PVA is a member of.

We also support the reauthorization of the program at the $50 million funding level.

The HVRP is perhaps the most cost effective and cost efficient program within the Federal Government. In spite of the success of HVRP, it remains severely under funded.

Even more tragically, DOL does not really request full appropriation in its budget submission. For fiscal year 2006, the administration only requested $22 million to support this program despite a $50 million authorization.

Enactment of this legislation would ensure that homeless veterans who need a high level of support get the support they need.

PVA also supports the last two bills which are under consideration, the Health Insurance Protection Act and the Taxation Protection Act. We have no objection as they are considered.

I look forward to working with this Committee to ensure that proper protections and services are put into place to allow Service men and women who are returning from Iraq and Afghanistan and who are coming off active duty transition smoothly back to civilian life and into the employment sector.

Mr. Chairman, we would like to thank you again for the opportunity to testify.

[The statement of Carl Blake appears on p. 46]

MR. BOOZMAN. Mr. Jones, of AMVETS.

STATEMENT OF RICHARD JONES

MR. JONES. Chairman Boozman, Ranking Member Herseth, members of the Subcommittee, Ms. Brown-Waite, H.R. 419, the Hire Veterans Act of 2004, would extend the operation of the President's National Hire Veterans Committee.

While we support efforts to enhance the profile of America's commitment to its veterans, we are really aware of no official account of any past achievement of this Committee. Reports of 2003 and 2004 provide no insight to any substantial gain by this Committee.

We are concerned further that the legislation would fund the President's National Hire Veterans Committee through the Department of Labor's administration of Disabled Veterans Outreach Program and Local Veterans Employment Representative Programs.

If the House Committee believes the National Committee should be extended, AMVETS would hope that consideration be given to finding a separate funding source other than the DVOP and LVER programs. Taking resources from an effective DVOP program to fund one that is not would be a mistake that we trust the Veterans' Affairs Committee would avoid.

On the second matter, AMVETS strongly supports draft legislation to reauthorize the Homeless Veterans Re-Integration Program. Grants made through HVRP provide homeless veterans with occupational training, job search and placement assistance.

HVRP has been a very successful program, broadly supported by local community groups and veterans' service organizations, and we support the reauthorization.

With regard to the Servicemembers Health Insurance Protection Act of 2005, while of course we would like to protect the possibility of

returning troops finding steep increases in their private health care insurance due to a non-military related circumstance, we do not want private insurance to carry the national burden of health care for military personnel.

As a member of the Military Coalition Guard and Reserve Committee, as a chairman of a committee in the National Military Veterans Alliance, we are not aware of this issue being on the radar of any organization representing Reserve components.

We are aware of the importance of ensuring reinstatement when folks return from deployment, but we are not aware of private sector gouging of returning veterans. If we could be educated on that, we would be, and we would certainly support that.

On the final draft bill before the panel, the Servicemembers Taxation Protection Act, AMVETS fully supports the legislation. Servicemembers relocate items subject to personal property tax, excise tax, use tax, sales tax, and should not be penalized, not be taxed twice. We certainly support that fully.

Mr. Chairman, that concludes my remarks.

[The statement of Richard Jones appears on p. 55]

MR. BOOZMAN. Thank you very much. Thank all of you.

I mentioned earlier that we were having a problem really trying to figure out how many homeless veterans there are. Do you all have any figures from your organizations or is that something you feel like you can help us with?

MR. MAGILL. We do not have a number. We rely on what VA is coming out with. I hope you can imagine that with all our folks out there, we can get an idea individually sometimes, but as far as a whole number, we don't know.

All we do know is it's a lot, and it's way too many as far as even one would be too many.

MR. BLAKE. Mr. Chairman, we don't have any kind of survey that could accurately reflect those numbers. I would submit that Ms. Linda Boone, who I believe will be testifying next, probably could respond to that question a little better, and being that we are a member of that organization, I would like to defer to her perhaps.

MR. JONES. Certainly, it is difficult to get a hold of that number. These folks are homeless and hard to account for, either them or their families. We rely on the number that comes out of the VA, a quarter million average. It could be higher. It could be lower. I've seen figures as high as half a million. We know there are many.

We know the HVRP program is a program that attracts a great number of competitors seeking those grants to assist homeless in their local areas. These folks report to us that there are many homeless.

MR. BOOZMAN. Ms. Herseth?

MS. HERSETH. Thank you, Mr. Chairman. Thank you for your testimony. Just a couple of questions to follow up.

Mr. Magill and Mr. Lawrence, given the statements you have made in terms of your organizations' support of extending the authority of the Committee, and your concerns about the funding of extending the Committee.

If we weren't able to address your concerns with regard to diverting money away from the chronically under funded LVER and DVOP programs to fund the extension of the Committee, would you then take positions similar to Mr. Blake and Mr. Jones and their organizations -- it sounds like you are more supportive of the work the Committee has done perhaps, or maybe I am misreading the testimony.

It seemed like you were more supportive of the extension as long as we an address the funding concerns versus where Mr. Blake and Mr. Jones may be at this point. Is that true?

MR. MAGILL. Our concern, of course, is that employers recognize the attributes that are brought to the workforce. I have to agree somewhat with Mr. Jones and Mr. Blake that after reading the reports, I expected a little more.

What I am looking at is the potential that we hope this Committee can live up to. They have a wealth of knowledge that sits on the Committee. At the same time, I have fears that when you start taking money away from the DVOP and LVER program, such as taking one-half of one percent, which is a small amount, but it could open up the door for continued reduction in this program.

We do support the Committee. Once again, we hope that what is said here today will get the message to the Committee that we are watching them and we do expect a lot more results for the money they are being supplied.

I hope that answers you.

MS. HERSETH. Yes, it does. If I mischaracterized the positions of Mr. Blake and Mr. Jones, I hope you will correct me.

Mr. Lawrence, did you have anything to add?

MR. LAWRENCE. I would agree with Mr. Magill that we don't want to open the door to taking money from the DVOP and LVER programs.

I would say that the accomplishments of the Committee and the goal of the Committee are hard to measure. We do recognize that. It's a noble goal. We just feel that it is kind of overlapping with the mission of the DVOPs and LVERs as well.

Already the training program, NVTI, that provides education or training to DVOPs and LVERs has been flat lined for a couple of years. We just wonder if it might not be more efficient use of the money if NVTI was fully funded. We know these programs are efficient. We would like to make sure that the money is channeled accordingly.

MS. HERSETH. Certainly. I think in terms of what we have seen in the Administration's proposed budget, many programs that actually had been deemed to not be efficient, to be duplicative, are the ones that have been severely cut.

Here we have again some difficult decisions about how we allocate limited resources. I appreciate the insights that you have offered.

Mr. Blake, if you could elaborate just a little bit. You had mentioned in terms of reauthorizing HVRP for two years, that you would prefer a longer extension to five, perhaps to provide a level of stability, but could you elaborate on your reasoning in your advocacy for a longer extension period?

MR. BLAKE. Yes, ma'am. First off, we support the idea that it would be extended period. I want to make that clear. We take the position of extending it through 2011 because if I'm not mistaken, the National Coalition for Homeless Veterans has done the same.

HVRP has been around for quite a long time, 20 years is a long time for a program that started out very small and has grown a little bit, but its services have outgrown the size of the program and the services it provides to homeless veterans.

Over the last few years, we have seen homeless veterans become more of an identified problem and more efforts to try to go in the direction of helping them. I see no point in short term authorizing HVRP, which may be the best homeless veteran program on the market, so to speak.

MS. HERSETH. My time is up. Just one last comment, particularly in light of what sounds like anecdotal evidence, either from members of your organizations or new members about the level of homelessness that we have of veterans of past wars with those returning from Iraq and Afghanistan.

I appreciate your thoughts there, too. Thank you.

MR. BOOZMAN. Mr. Evans?

MR. EVANS. Thank you, Mr. Chairman. I also appreciate your leadership on this issue and thank all the witnesses for coming to be here with us today.

I just wanted to clarify, and I think Linda may when she comes up give us some information in terms of homeless programs.

One of the things is, and I haven't had a chance to talk to my staff about it, the authorization of an incarcerated veterans program within HVRP. Incarcerated veterans are not a group I think we have heard much from. I believe we can do much more in that area, but we don't want to take money from Peter to pay Paul. I hope we can clarify that.

Secondly, I haven't talked to my staff about when the hearing will be to mark up the first two bills. Is that tomorrow at 9:00? Are we going to have time to make sure everybody knows?

I didn't want anybody to leave here without knowing that. With

that, I yield back my time, Mr. Chairman.

MR. BOOZMAN. Thank you. I want to thank the panel very much for being here, appreciate your testimony.

Yes, sir?

MR. MAGILL. If you don't mind, sir, I just had one comment.

MR. BOOZMAN. Yes, sir.

MR. MAGILL. If this bill would have provided for making HVRP a permanent program, we would not oppose that.

MR. BOOZMAN. Again, thank you very much for your testimony and for your time. It's greatly appreciated.

Our second panel members come from groups serving homeless veterans. Ms. Linda Boone is Executive Director of the National Coalition for Homeless Veterans. Mr. Jack Downing is President and Chief Executive Officer of United Veterans of America. Dr. Jack Pierce is Director of Student Services, Maryland Center for Veterans Education and Training. We understand that Ms. Boone is not going to be with us any longer, and is going to be moving on. We want to send our best regards from the Subcommittee.

I also understand that Colonel Williams, the Maryland Center's director, was unable to be here, and again, we send our best regards.

Mr. Downing, you are recognized. Thank you.

STATEMENTS OF JOHN F. DOWNING, PRESIDENT AND CHIEF EXECUTIVE OFFICER, UNITED VETERANS OF AMERICA; LINDA BOONE, EXECUTIVE DIRECTOR, NATIONAL COALITION FOR HOMELESS VETERANS; AND JACK R.M. PIERCE, DIRECTOR OF STUDENT SERVICES, MARYLAND CENTER FOR VETERANS EDUCATION AND TRAINING, INC.

STATEMENT OF JOHN F. DOWNING

MR. DOWNING. Chairman Boozman and members of the Committee, I'm honored to be here today on behalf of the 900 homeless veterans enrolled annually in the United Veterans of America program.

Each day, 190 of our homeless veterans are assisted by the UVA program, providing a continuum of care beginning with the treatment of trauma and mental health issues that result in substance abuse, shelter, food and other necessities, job training and counseling throughout their stay.

We work in partnership with the Veterans' Administration and the per diem program for homeless veterans.

The United Veterans of America has 120 veterans in transitional living on site at the VA campus in Northampton, Massachusetts. We also have 60 veterans in transitional housing at the Berkshire Veterans Residence in Pittsfield, Massachusetts which opened in Septem-

ber 2004. We have ten new studio apartments funded through the U.S. Department of Housing and Urban Development, which provide permanent housing for homeless veterans with disabilities at the Pittsfield site.

The UVA serves veterans who are primarily from Massachusetts, Rhode Island, Connecticut, New York, Vermont and New Hampshire.

The average age of a homeless veteran in our care is 53 years. Approximately 85 percent of our clients have mental health and substance abuse issues. Eight percent are elderly, over the age of 70. Five percent are female. More than 25 percent are diagnosed with post-traumatic stress syndrome and 28 percent of our residents have come to us on parole or probation. We have just begun to serve some Iraq war veterans.

The VA Grant and Per Diem Program provides the core funding for our veterans' housing programs. Most recently, the UVA began a collaboration with the Northampton VA to develop intensive support services for 40 chronically mentally ill residents and 15 females annually that hopefully will result in permanent housing for all of them.

The UVA is a participant in two Western Massachusetts HUDC funded continuums of care which provide additional support and funds for veterans at both the Northampton and Pittsfield facilities.

The UVA received an HVRP intermediary grant of $220,000 in 2004 to assist in employment of homeless veterans in our region. We commend the Department of Labor in its attempt to assist homeless and incarcerated veterans' re-entry into the workforce.

These programs acknowledge the difference between rural and urban communities and are beginning to foster collaborations between small communities and faith based organizations and mainstream service providers in the areas that we work in.

Integrity is at the core of the UVA program, the integrity of the veterans, the integrity of our staff, and the integrity of our commitment to tirelessly work to improve the lives of homeless veterans.

The UVA has implemented an integrity contract which is integrated into the treatment model that promotes social responsibility for the individuals in our care.

Psychosocial services are augmented by employment, housing, educational and community service programs. Veterans develop self awareness and personal growth through volunteer and supported work placements with community agencies.

Veterans receive services from these agencies, yet more importantly, are given the opportunity to serve others in need. This enhances their self respect, their personal dignity and pride. The program constantly evaluates veterans' needs and is poised to assist veterans returning from Iraq with the opportunity to self determine their

pathway to success.

We perceive a gap between the skills of our veterans and the resistance of some employers to hire formerly homeless veterans. This is particularly true for those veterans who may have been incarcerated. This reality has led to significant shifts in our strategies on behalf of veterans in need of employment.

The UVA practices employer oriented job development. We work to understand the needs of area employers, enabling the UVA to present qualified candidates ready to work.

We have partnered with the Sheriff's Office in Berkshire County, Massachusetts and the Pittsfield Community Television in Massachusetts to initiate a program produced, directed and filmed by formerly homeless veterans, such a tremendous project.

When we walked into the first filming, we had Lieutenant Governor Carrie Healey from Massachusetts as the first guest. When she walked in and saw two chronically mentally ill formerly homeless veterans running t.v. cameras, she turned to me and she said, hey, you're really doing what we want you to do, and I said to her, yes, that's what it's about, Ms. Healey, it's really about getting veterans engaged in the process.

We call that projection Operation Rising Star. This program presents the community employment experts candidates from our population that are ready to re-enter the workforce.

This 30 minute weekly program premieres in June 2005 and we have all kinds of experts from senior government and business offices in the northeast working with us on this project.

We are using Department of Labor funds to assist in this exciting utilization of media technology that allow veterans to learn new skills and experience a sense of ownership of their work.

The United Veterans understands that our veterans do not necessarily seek full time employment. Therefore, creativity and flexibility are key factors in business opportunities for veterans.

Two models of veteran owned businesses have been adopted. The vending operations in our existing three facilities has been converted to a veteran owned and operated business. Homeless veterans have purchased vending machines and inventory and serve our facilities. These businesses were funded with private sector funds.

The United Veterans of America is currently acquiring a Juice and Java franchise for two formerly homeless veterans. This business will employ the two UVA owner veterans and four to seven other veterans part time as their employees.

Additionally, we have been approached by area manufacturers to create an inventory measurement service employing homeless veterans to accommodate the seasonal and part time nature of particularly the plastics industry's local demand for this type of service.

As we look at the potential of the veterans we serve, we see no end

to the possible solutions for improving homeless veterans' lives in a way that encourages their particular abilities and career goals.

We develop individualized programs for each veteran at the UVA, which identifies the potential of each veteran and helps to stabilize their lives.

These include a personal resume development; issues related to past under employment; definition of their personal support network including counselors, advisors and family members; realistic career expectations; communication and presentation skills, and follow up support.

The UVA program ensures that each homeless veteran has access to professional help while the veteran remains in control of his or her own life decisions.

The United Veterans of America has accepted the challenge of President Bush to end chronic homelessness during the ten years of 2002 to 2012. The UVA has implemented the strategy of changing the end of the story as our response to this challenge.

A safe, sober environment in a transitional housing facility is no longer acceptable as a long term solution for homeless veterans. Rather, our goal has become safe, sober, permanent living facilities that allow veterans ownership of their housing.

Employment and a stable income are essential to this goal. We have come to the conclusion that employment which is limited by disincentives and that eliminates entitlements for veterans must be restructured and re-thought. Programs that stress job readiness skills that are sensitive to the employer community are central to our strategy and present a realistic assessment of veterans' abilities to enter the workforce. Business ownership by homeless veterans offers creative and flexible work alternatives for our veterans.

As program development continues, we must create systems that provide easy access for veterans in all service areas.

We are committed to work with the Department of Veterans' Affairs, Housing and Urban Development, and Labor, and all interested members of the Congress, and organizations to help change the end of the story for all homeless veterans.

Together, we can help our homeless veterans achieve integrity, dignity and hope. Thank you.

[The statement of John F. Downing appears on p. 62]

MR. BOOZMAN. Ms. Boone?

STATEMENT OF LINDA BOONE

MS. BOONE. Good afternoon. Contrary to the perceptions that our nation's veterans are well-supported, in fact, many go without ser-

vices they are eligible to receive.

One-and-a-half million veterans have incomes that fall below the Federal poverty level. Neither the VA, state, or county departments of veterans' affairs nor community-based service providers have adequate resources to respond to these veterans' health, housing, and service needs.

For example, the VA reports that its homeless treatment and community-based assistance network serves 100,000 veterans annually, only 20 percent of those in need. 400,000 homeless veterans remain without services.

Likewise, other Federal, state and local public agencies, notably housing and health services, are not adequately responding to housing, health care and supportive services of veterans.

The National Coalition for Homeless Veterans is privileged to testify today on the reauthorization of the Homeless Veterans Re-Integration Program, privileged in that NCHV, commemorating its 15 year anniversary this year, owes its founding to HVRP.

It was at a meeting of HVRP grantees that our organization founders met each other and came to appreciate that they were not working in isolation, that there were others sharing their concern with the tragedy of homelessness among veterans and were taking action.

At the same time we are saddened today, saddened that there is still a need 15 years later to hold another congressional hearing on homeless veterans. Saddened further that there is still a need for the Homeless Veterans Re-Integration Program.

Frankly, our founders and our members thought we would be out of business by now.

An immediate first step, shocking in the fact that it has not yet come to pass, would be the appropriate funding for HVRP in fiscal year 2006, a full authorization level of $50 million.

DOL estimates that 14,750 homeless veterans will be served through HVRP at the fiscal year 2005 appropriations level of $21 million. This figure represents just three percent of the overall homeless population that will be serviced.

We appreciate this subcommittee's obvious interest in HVRP, to continue to set a $50 million authorization level. However, we recommend a five year period. A longer authorization period is particularly important given the current proposal by the Administration to restructure our nation's veterans' workforce program within its WIA proposal.

Expanding the eligible population for HVRP to also include veterans at imminent risk of homelessness enables grantees to use these funds for homeless prevention is something we also request.

NCHV generally supports efforts that generate employment opportunities for veterans. Veterans with jobs are less likely to lose their housing than veterans that are without sources of income. As such,

we have no reason to be anything other than supportive of Congress' decision to establish the President's National Hire Veterans Committee.

We are now interested in knowing how the Committee is tracking specific and measurable outcomes of work. What are those outcomes? How many veterans have actually been hired due to the Hire Vets First campaign? What action is the Committee taking to promote hiring of veterans with serious barriers to employment?

We are also concerned that funding for the Committee is drawn from VETS state grant program, as you have already heard, diverting precious resources that are known to put veterans to work compared to a public awareness campaign that has no evidence base.

Given these concerns, we withhold support for the Hire Veterans Act.

Current law requires the Department of Defense and Homeland Security to provide individual pre-separation counseling to each member of the Armed Forces whose discharge or release from active duty is anticipated.

Current law authorizes the Department of Labor to furnish counseling and assistance in obtaining employment and training opportunities to members of the Armed Forces who are separated from active duty, known as the Transition Assistance Program. Participation in this program is not mandatory.

Former servicemembers with whom our Coalition is in daily contact report that pre-separation counseling and the Transition Assistance Program are lacking in a number of areas.

Among their concerns are the depth and content of the pre-separation counseling that is a variable cost at delivery sites. This counseling may be limited to brief group level presentations rather than individualized transition plans.

Servicemember participation in TAP is at the will of the unit commander and often allowed only during off duty time. We need a program that includes content on homelessness awareness or housing and counseling assistance and referral.

Weaknesses in both of the content and delivery of servicemember separation programs result in some servicemembers failing to receive information necessary to ensure their stable health care, steady employment, and secure housing upon their return to civilian life. This places servicemembers at an increased risk of homelessness.

In response to these concerns, NCHV has developed a legislative proposal, the Servicemembers Enhanced Transition Services Act, to improve transition assistance provided for members of the Armed Services being discharged, released from active duty or retired.

We urge this Committee members to introduce or co-sponsor this Act and to ensure its enactment this session.

In addition to HVRP, many other programs that Congress has

authorized to address homelessness among veterans are scheduled to sunset in 2006 and merit extension. NCHV urges Congress to re-authorize, strengthen and expand the specialized homeless programs and the authorities of the Department of Veterans' Affairs.

Thank you very much.

[The statement of Linda Boone appears on p. 69]

MR. BOOZMAN. Thank you.

Dr. Pierce?

STATEMENT OF JACK R.M. PIERCE

MR. PIERCE. You had mentioned, Mr. Chairman, about Colonel Williams was supposed to be here today. He asked me to come. Colonel Williams takes dialysis on Wednesdays and he couldn't be here, so he asked me to pinch hit for him.

MR. BOOZMAN. We appreciate that. Like I said, tell him we are thinking of him.

MR. PIERCE. It's my pleasure. MCVET was established approximately 12 years ago with a mission to provide homeless veterans and other veterans in need with comprehensive services that will enable them to rejoin their communities as productive citizens.

MCVET operates a militarily constructed facility where veterans are reintroduced to the military type of discipline that they were accustomed to through their service.

The re-awakening of the routine military discipline enhances MCVET's ability to stabilize and reorder the lives of these veterans. Each student attends substance abuse classes and alcoholic and narcotic anonymous meetings, and work in conjunction with a case manager in the development of an individual service strategy plan, which is a long range plan used as a tool in remaining drug and alcohol free.

Services include a day drop in, emergency, transitional and permanent housing, substance abuse counseling, assistance with physical and mental health issues including post-traumatic stress disorder or PTSD, job training and placement, and education.

MCVET owes its very existence to the Federal grants and to community based 501(c)3 organizations.

We have uniquely married the housing services available from HUD, the medical and social services support available from Veterans' Affairs, and the job training education services available from the Department of Labor, in order to move homeless veterans into the societal mainstream as self supporting and contributing members to their families and their communities.

From July 2004 to June 30, 2005, we received the amount of money

that we have here in the testimony, and then we received a grant for the two fiscal years from July 1, 2003 to June 30, 2004.

MCVET used these grants from DOL, the VA, and HUD to provide a complete continuum of care for veterans consisting of a 50 person capacity day drop in center, a 50 person capacity emergency shelter program, a 120 person capacity transitional housing program, and an 80 room permanent housing facility called SRO or single room occupancy, a complete dining facility, learning center, fitness gym, and classrooms.

Thus, a veteran can go from being homeless to permanent housing within the same program while maintaining continuity of counseling and support.

We are focused today on grants provided by the HVRP program and how they benefit homeless veterans. The HVRP funds from the Department of Labor has enabled MCVET during fiscal year 2003 to enroll 198 and during 2004, 214 veterans in education and training programs.

MCVET placed 191 veterans in fiscal year 2003, and 188 veterans in 2004 in full time unsubsidized employment with an average salary of $12.08 per hour in fiscal year 2003 and $12.39 per hour in fiscal year 2004.

During the same fiscal years, the permanent housing program serviced 116 and 88 veterans respectively. Case management and counseling are ongoing components of the veterans' stay in permanent housing. Also, it is at this housing level that female veterans can access MCVET's program.

During fiscal year 2003, 22 percent of all the veterans placed in employment in the State of Maryland and 86 percent of all veterans placed in employment in Baltimore City came from MCVET's job service office.

The HVRP program coordinator, which is a position funded by the HVRP grant, enables MCVET to place veterans in the jobs I have listed here, just to name a few, drivers with CDL A and B class licenses, HVAC technicians, information technology, apprenticeships in painting. These are paid apprenticeships in painting, electricians, carpenters, elevator maintenance, sheet metal machinists. Full time positions have also been obtained in heavy equipment operator, substance abuse counselors, youth counselors, work with the Department of Public Works, Public Safety, Homeland Security, medical billing, medical coding, medical assistance, biomedical nursing assistant, phlebotomist, medical administration service, culinary arts, barbers, cosmetology, dental assistants and loan officers.

Additionally, MCVET's job office has placed veterans in high profile jobs, such as drafting, hotel/hospital management, and maintenance technicians for a municipal transportation system, master fitness trainer, and web master.

MCVET strives to place veterans in situations where they can succeed rather than fail.

For fiscal year 2003, the retention rate after 90 days for veterans placed in employment was 86 percent still working. For fiscal year 2004, for those after 90 days still working, it was 96 percent. After 180 days, the retention rate for fiscal year 2003 was 73 percent and for fiscal year 2004, it was 71 percent. This is six months out.

We have placed 91 percent of the veterans seeking employment for fiscal year 2003 and 89 percent of those seeking employment for fiscal year 2004.

We are committed to developing careers for our veterans rather than dead end jobs that tend to perpetuate the cycle of poverty.

Veterans who are educated, gainfully employed and independent are assets to their communities. They are reunifying with families, purchasing their own homes, starting their own businesses, and participating in the economy.

Because of our work with veterans, HUD declared our program a national model on 7 May 1997. This occurred after we had been serving veterans a little less than three years.

In closing, I would like to thank you for this opportunity to appear before you and to share MCVET's story.

Homeless veterans are likely to face greater challenges in the years ahead, as scarce resources are strained and with a service delivery system that is already overburdened.

I urge you, in your deliberations, to consider the plight of those young men and women who have been sent to defend the ideals of this country. Many of them are returning home broken of body, mind, and soul, and this country needs to provide them with resources to enable them to share in the American dream.

I implore you to pass the legislation for reauthorization of the HVRP Act of 2005. Thank you.

[The statement of Jack R.M. Pierce appears on p. 82]

MR. BOOZMAN. Thank you. Again, we appreciate the testimony.

Mr. Downing and Dr. Pierce, you all seem to have a substantially higher success rate not only initially but after 180 days or however you want to measure it than some of the other programs, maybe some of the other Department of Labor programs.

What do you attribute that to? You work with lots of individuals and have seen lots of different programs come and go.

Mr. Downing. From my end, Mr. Chairman, I think there are two things. I think you have to work with the complete fabric. You can't be just doing employment and not dealing with substance abuse. You need to get the substance abuse, the site social services, you need to get the whole piece.

The second thing is you need to have a vision that you communicate to the veterans. They have to know that you have their heart in your heart. You have to know that if you really believe in this process that there has to be an end of the story that works.

Saying to people we are going to get you sober and safe and help you get employment and then ship you off to an SOR where loneliness and isolation start and you start cycles again, that's what we saw we had to stop, number one.

The second thing is we needed to build partnerships that worked. We had to stop being at war with funding sources. We needed to develop relations of respect and see that we figure out strategies that allows us to work together.

We have been very successful building relationships with the VA. I testified in this room a couple of years ago, and I think Pete Doughtery said to me, you know what, Downing, if I ever see you again, you better have a vest on. We were joking about firing back at one another, because our program had been cut.

The reality is we needed to build a relationship that worked. We had to be responsible for that. We have built partnerships both at the national level with the funding sources and in the community, where members of the Chamber of Commerce, if you want to work with employers, you have to go to their meetings. You have to know they know you.

We are a member of the Berkshire Plastic Network funded by General Electric Plastics, 36 plastics companies pay $300 to $500 a year to be a member. We pay $300 a year to be a member so we can learn about their industry and their jobs and they would know us and understand us.

I think the third component is you need to be able to start to show people that failure is never final. You have to remember that the people that we work with, every system built to help men and women has failed them. Community services has failed, military services fail, psych-social services have failed, family has failed, everything has failed.

When they come to us, we need to be able to say this failure is not final. We are going to begin to build your dignity. We are going to begin to build your personhood. We are going to begin to give you a sense of purpose. We need to figure out strategies to motivate them.

In our program, we decided that failure was our responsibility not our clients. When you leave the United Veterans of America, if you should leave us, we see that as our failure, that we didn't develop a strategy, a sensitivity, an understanding or skill that could touch you in a way that you would want to stay and continue to work with us.

We don't even want your failure to be yours any more. We want to take that burden away and give you that possibility.

I think those pieces work together. I think you have to have a pas-

sion and a commitment to stay in there.

MR. PIERCE. We take a veteran into our program and try to look at the whole person, treat that person holistically, not just for the substance abuse, but we try to recreate and re-establish a healthy body and a healthy mind.

We start that process with a shelter program where we require them to be with us at least 30 days when they come in. It's not an emergency shelter. We call it the emergency shelter program because by contract, we are required or we are mandated to provide 13 weeks of housing in our emergency shelter program.

During this 13 weeks, we will begin to address barriers to recovery, barriers to employment, barriers to education. At that level -- we call it the first platoon. We have case managers. All our case managers are Master level case managers, social workers, with licenses, who are tasked to work with a person coming in off the street.

That is an intensive kind of relationship that is developed at that level. All of these things they have them addressing, court issues, child support issues, education, getting over the effects of having been addicted to alcohol and narcotics and chronic mental illness. Some of them are dually diagnosed.

We begin to work on those issues at that level. We begin to know who we are dealing with.

During that first 13 weeks, and after 60 days, they are allowed to transition to our transitional housing program, we develop a service strategy plan. I call it a blueprint for success.

The case management occurs at all levels of our program, so we know who we are dealing, when we send someone out to get a job. After the 91st day in our program, persons are eligible to apply for education, training, and employment.

I don't say they will, but they are eligible to do so because at that point, the case manager sits down with the veteran and decides are you ready to get involved in training? Are you ready to get involved in going back to college? Are you ready to get involved in going out to work?

They make that decision conjointly. If that person is ready, then they are referred to our DVOP. We have a DVOP who is out stationed to MCVET five days a week, eight hours a day, with an office in our facility. He works for us, but is paid by the state with Federal funds. Our DVOP is here if you have questions for him.

That person begins to work with our veterans in finding a job, finding a training slot, finding apprenticeships, right in our office.

You heard the statistics that office placed for Baltimore City. Of the veterans who were placed in positions, our office placed 86 percent of them. For the State of Maryland, 22 percent. He is stationed right there with us.

We know who we are dealing with. Our persons go out to jobs.

Partnerships have been discussed. Our employers know that when we send someone to them, that person is ready to work, will be there, will show up, has developed the kind of work ethic that they need to have in order to come to work on time, be at work and put forth an effort.

They trust us to send them the best. In fact, we have employers calling us for persons to employ.

That is our success rates. Not only that, at every point in our program, the person is case managed. We never lose track of that person. We know after six months.

In fact, we follow up ad nauseam. We never really lose contact with our people. Six months and three months is what the HVRP and HUD requires, but we go forever.

MR. BOOZMAN. Very good. Ms. Herseth?

MS. HERSETH. Thank you, Mr. Chairman. Thank you very much for your testimony.

Mr. Downing and Dr. Pierce, I appreciate hearing more about the programs that you are involved with, the success rates you have had, the impressive records the Chairman has acknowledged and expressed, whether it is Operation Rising Star, as you mentioned, which is fascinating, as well as what you do with the MCVET center in Maryland.

Before I ask a few questions of you, Ms. Boone, I would like for the two of you to address the intersection of mental health illness and homelessness. Many of us have expressed concern on this Committee and colleagues that serve on other committees about PTSD, mental health counseling and adequate resources to meet the needs of Vietnam combat veterans, Gulf War veterans, past wars even prior to those two, and of course, our returning veterans.

I am wondering if in the counseling that your programs have provided, as you get to know and adopt a holistic approach to these veterans, to the extent that you can say, do you find that more often than not a mental health illness is one factor among many that creates the condition that leads to homelessness, or that the situation of homelessness exacerbates or creates circumstances that lead to mental health illness, to the extent that you can say.

Mr. Downing. My best judgment would be mental health illness, I think, is exacerbated by homelessness. I think mental health illness, because we don't provide at the community level necessarily, they have de-funded a lot of services that touch people in the community, we have criminalized their behavior.

Many people are forced into jails and prisons when they are not taking their medicines because of their behaviors, and we are picking them up on the back side as they re-enter. That's number one.

Number two is the chronically mentally ill that we work with, we found that the veterans were much better served than people who

were non-veterans. They were able to get into facilities and get treatment, but the issues in some ways remain the same, when an individual refuses medicine and acts out, what happens.

What we have tried to do is again work in a peer group and buddy up veterans with one another so they can -- we monitor taking their meds. We buddy them up during the day and have them track with one another to create the opportunity to help one another and to keep them stable.

My experience has been that 80-some percent of our people come in with a mental health disorder. It's serious. Combat related post-traumatic stress syndrome, it represents 28 percent of our people.

I think the other thing we need to recognize, and I think this is a key factor in the work that I do, individuals who entered military service, their experience in being separated from the primary community of love that we normally call family, many of the individuals we work with came from very weak families, by being separated out and doing extended periods of time in service, and then facing combat and all the issues, it seems to me that veterans appear two to three times more homeless than non-veterans.

If that is true, we must then continue to acknowledge that military service has a tremendous stressor attached to it that people seem to incorporate into their lives in a way that we don't easily identify until separated from service for five, six, seven or eight years, and at that point, we begin to identify there's a problem.

We need to become more and more acutely aware. When I heard Ms. Boone talk about what we are doing at the point of separation, the hospital that we are attached to, the VA in Northampton, sends a team of people over to Westover Air Force Base, which is the primary point of discharge for the Reservists from our area, and we are working to get people in.

The Iraq veterans that have come into our facility came in through that process. It is just a wonderful thing to see because we are able to get people back in the first three, five, six days, and not three, five and six years.

That would also be my observation. Thank you, ma'am.

Ms. Herseth. Thank you.

Mr. Pierce. We have coming into our program in MCVET persons from Iraq that are suffering from PTSD, but not at a level that has become alarming. We do have a high figure of our people who do have chronic mental illness associated with an addictive kind of problem, either alcohol or drugs.

What drove it? Did alcohol drive the mental illness or did the mental illness drive the alcohol?

We do know also that persons who are homeless suffer from depression. If you are out there with nowhere to go, nowhere to live, you are depressed. I would be. It seems that these circumstances are

exacerbating that problem.

We deal with persons that are not VA eligible, and we have persons in our program that cannot access VA services, although they are veterans. We have to develop other services that will help them, provide the same services that VA provides.

We are fortunate that we have VA medical centers, three of them, within our reach. For those persons who have certain kinds of other problems, PSTD is one, gambling is another, we can send those persons to other VA centers around the country and they can access services there.

Iraq veterans, we have had three in our program since returning to this country. They are damaged, they are severely damaged. They are young, nothing older than 23 or 24, and cannot really exist in a facility because they are not able to access the services mentally.

One young man, his job was to clear out Humvee's after they were exploded in Iraq. He was unable to do that. He couldn't stay in our program. He did not want to be around, did not trust people, could not sleep. We lost him. He just walked away one day.

That's the problem. I don't know whether you can attach what starts it. I think other things may exacerbate each other.

Ms. Herseth. Votes. Just one follow up quickly, Ms. Boone. In your statement for the record, you offer a very comprehensive list of legislative recommendations for strengthening and expanding the VA's specialized homeless programs and authorities.

Are they listed in order of priority? Are these recommendations the top priorities for the Coalition?

Ms. Boone. Of those, reauthorization and expansion, the primary core program is the Homeless Providers Grant and Per Diem Program, which is a grant program that goes out to community based organizations. As they have testified, it is sort of the nugget that starts them.

That is our primary. We want to get it reauthorized. We want the minimum level of authorization to be $200 million, and we want it to be through fiscal year 2011.

If the authorization level does not go up from the $99 million it is now, then pretty soon, we are actually not going to fund any new programs and eventually because the per diem rate rises, we will have to de-fund programs.

It is very critical that program gets authorized for a higher level.

We also have some recommendations around how the payment process happens to community based organizations. Right now, it is a reimbursement process. The intent, when we helped write the legislation at the beginning, was make it a payment process.

The other thing is you have heard about changing the end of the story from Mr. Downing. We believe there is an opportunity to make some of the allowed services to be permanent housing for a certain

percentage, so that those veterans that may need that service, we would be able to provide that through the grant and per diem program.

MS. HERSETH. Thank you. Thank you, Mr. Chairman.

MR. BOOZMAN. Mr. Evans?

MR. EVANS. Mr. Chairman, we have a vote, I will keep my questions in short order here.

First of all, I didn't realize, Linda, you were leaving us so soon.

MS. BOONE. Yes. Later, December, or fall.

MR. EVANS. We thank you for all your years of service, not only with the homeless veterans program, but throughout your career.

MS. BOONE. Thank you.

MR. EVANS. You are one of the best cases I know of for helping our veterans, and I am very proud to have worked with you over these many years.

MS. BOONE. Thank you.

MR. EVANS. Thank you, Mr. Chairman.

MR. BOOZMAN. We have votes. First of all, I want to thank you so much again for coming and contributing, appreciate your hard work here on the front lines, and truly are doing a tremendous job. We appreciate what you are doing for veterans.

We can go ahead and get started with our next panel. We will recess. We only have two votes. It shouldn't be bad at all. We will hop on over and get back. I apologize for the inconvenience. The only thing we have to do here is vote.

[Recess.]

MR. BOOZMAN. Again, I apologize for the inconvenience. Our next panel is comprised of Mr. Craig Duehring, Principal Deputy Assistant Secretary of Defense for Reserve Affairs, Department of Defense. Mr. John McWilliam, Deputy Assistant Secretary for Operations and Management, Veterans' Employment and Training Service, Department of Labor. Ms. Cynthia Bascetta, Director of Veterans' Health and Benefit Issues, U.S. Government Accountability Office, and Mr. T.P. O'Mahoney, Chairman of the President's National Hire Veterans Committee.

Again, I welcome you and appreciate your being here. Let's go down and start with Ms. Bascetta.

STATEMENTS OF CYNTHIA A. BASCETTA, DIRECTOR OF VETERANS' HEALTH AND BENEFITS ISSUES, U.S. GOVERNMENT ACCOUNTABILITY OFFICE; CRAIG W. DUEHRING, PRINCIPAL DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR RESERVE AFFAIRS, DEPARTMENT OF DEFENSE; T.P. O'MAHONEY, CHAIRMAN,

PRESIDENT'S NATIONAL HIRE VETERANS COMMITTEE, AND JOHN M. McWILLIAM, DEPUTY ASSISTANT SECRETARY FOR OPERATIONS AND MANAGEMENT, VETERANS' EMPLOYMENT AND TRAINING SERVICE, DEPARTMENT OF LABOR

STATEMENT OF CYNTHIA A. BASCETTA

MS. BASCETTA. Thank you, Mr. Chairman, Ms. Herseth.

I am pleased to be here today to discuss GAO's views on HVRP, a DOL VETS program targeted to homeless veterans.

As you know, DOL's spending on HVRP is projected to grow slightly from about $18 million in each of the last two fiscal years to a little more than $20 million in 2005 and 2006.

According to VA, about one-third of homeless adults have served in the Armed Forces, almost half of homeless veterans have mental illnesses, and more than 70 percent have substance abuse problems.

As you requested, I will focus my remarks today on what available data tell us about the effectiveness of HVRP.

We examined DOL documents, interviewed officials, visited an HVRP grantee, and reviewed GAO's past work on Federal efforts to address the needs of homeless veterans.

While we did not independently verify DOL's data, we did obtain program information on grantees, participants, performance measures, and goals.

Starting with finding jobs for homeless veterans, DOL sat and entered employment goal is 58 percent for HVRP in fiscal years 2004 and 2005. In other words, DOL expects its grantees to place at least 58 percent of homeless veterans in jobs as a result of HVRP services.

They reported to us that for program year 2003, the most current year for which data are available, the actual job placement rate was 63 percent overall, which exceeds the current performance goal as well as the planned 61 percent performance goal included in DOL's fiscal year 2006 budget.

DOL also recognizes that sustained employment is another key measure of program effectiveness. In its March 2005 grant solicitation, for example, DOL states that 90 and 180 day follow ups with veterans after they enter employment are fundamental to assessing the success of the program.

They emphasize that grantees must obligate sufficient funds prior to the end of the grant performance period to ensure that follow up activities are completed as well as reported.

Two weeks ago, Mr. Chairman, you held another hearing on VA's vocational rehabilitation and employment program, and for that program, we also discussed the importance of measuring program effec-

tiveness in terms of job retention, not just job placement.

In fact, DOL, VA and other agencies are working together on common measures of job retention for up to 270 days.

DOL's requirement for grantees to measure job retention is an important step, but the Department has not yet established a performance goal for this outcome. Consequently, it's difficult to know what success is. That is what percent of those homeless veterans does DOL expect to retain employment and for how long?

For program year 2003, DOL data showed that almost 60 percent of veterans placed in jobs were still working after 90 days, but at 180 days, the reported job retention rate had dropped to about 35 percent.

Our earlier work on homeless veterans could help explain this drop at least in part. For example, homeless veterans with substance abuse problems are likely to have high recidivism rates that could contribute to lower job retention over time.

In addition, economic self support may not be a reasonable goal for all homeless veterans, such as those with serious mental illnesses that cannot be controlled with medication.

Understanding the effects of factors like these on job retention could help DOL develop a basis for establishing reasonable performance goals in the future.

DOL does plan to set a job retention performance goal for fiscal year 2007, which could provide grantees with incentives to ensure that veterans receive longer term follow up services to help them retain their employment.

The Congress has specifically recognized the importance of assessing the outcomes of services provided to homeless veterans by requiring DOL to report every two years on the effectiveness of HVRP.

DOL has not met this reporting requirement, but told us that it plans to issue its first report by the end of this fiscal year.

This report and an assessment of DOL's progress in establishing its employment retention goal should help facilitate congressional oversight of this important program.

That finishes my remarks, and I would be happy to answer any of your questions.

[The statement of Cynthia A. Bascetta appears on p. 91]

MR. BOOZMAN. Thank you.

Mr. Duehring?

STATEMENT OF CRAIG W. DUEHRING

MR. DUEHRING. Thank you, Mr. Chairman, Madam Ranking Member, thank you very much for allowing me to come here today.

Bottom line up front, the Department of Defense supports enactment of the Servicemembers Health Insurance Protection Act of 2005 and the Servicemembers Taxation Protection Act of 2005, both of which would amend several provisions of the SCRA to reflect our experience with SCRA during the first 17 months.

There are three areas. First, the Servicemembers Taxation Protection Act of 2005 would amend Section 511 (c) of the SCRA to make clear that a tax jurisdiction may not impose a sales, use, excise or similar tax on the personal property of a non-resident servicemember when the laws of the tax jurisdiction failed to provide a credit against such sales, use, excise or similar taxes previously paid on the same personal property to another tax jurisdiction.

This technical correction is needed to protect servicemembers from double taxation. The problem was most notable when we had significant forces assigned to military installations in the Commonwealth of Puerto Rico. It also exists in other state and local jurisdictions.

The Servicemembers Health Insurance Protection Act of 2005 addresses problems we have noted in the SCRA and in USERRA, both relating to health insurance.

Section two of that Act would amend Section 704 of the SCRA to prevent unfair rate increases in a returning servicemember's health insurance. The SCRA and USERRA both guarantee to a servicemember who is returning to civilian life the right to reinstate civilian health insurance policies he or she may have had before departing for military service.

The SCRA is silent, however, as to the rate at which such reinstated coverage is available. Section two of the Servicemembers Health Insurance Protection Act would require reinstated coverage to be made available at either the same rate as pre-service coverage or at a rate no higher than general increases charged by the carrier for similar health insurance.

Finally, Section three of the Servicemembers Health Insurance Protection Act of 2005 offers a technical correction to address two groups of servicemembers who fall into gaps in coverage provided by USERRA's right to immediate reinstatement of health coverage.

First, some Reservists who are notified or alerted that they may be called to active duty choose to terminate their employer sponsored health coverage early. That is before entering military service, and then enroll in the military TRICARE plan immediately upon notification.

Since such Reservists technically have no employer sponsored health coverage when they actually leave to perform military duty, they are not entitled to immediate reinstatement when they return from military service.

Second, other Reservists who are notified or alerted they may be called to active duty are not ultimately brought onto active duty. Un-

der existing law, such Reservists who terminate employer sponsored health coverage are not entitled to elect immediate reinstatement since they actually do not go onto active duty.

The right of immediate reinstatement is predicated upon serving on military duty for some length of time.

Section three of the bill corrects these gaps in coverage and makes clear that both these groups of Reservists are entitled to immediate reinstatement in employer sponsored health care plans under Title 38 U.S.C., paragraph 4317.

Immediate reinstatement under 4317 is important because it prevents gaps in coverage and the potential exclusions for so-called preexisting conditions that such gaps in coverage may create.

The Department of Defense defers to the Department of Labor with regard to H.R. 419, the Hire Veterans Act of 2004, and to the Department of Labor and Veterans' Affairs with regard to the Homeless Veterans Re-Integration Program Reauthorization Act of 2005.

I stand ready to take any questions that you have.

[The statement of Craig W. Duehring appears on p. 103]

MR. BOOZMAN. Thank you.

Mr. O'Mahoney?

STATEMENT OF T.P. O'MAHONEY

MR. O'MAHONEY. Good afternoon, Chairman Boozman and Ranking Member Herseth. My name is Terry O'Mahoney. I am the Chairman of the President's National Hire Veterans Committee, and it is my honor to appear before you today and discuss the mission, the goals, and the accomplishments of the President's National Hire Veterans Committee.

I appreciate the issues connected with transitioning from the military and the challenges our veterans face every day searching for employment. I, too, am a veteran.

Also, I had the opportunity to appear before the House Veterans' Affairs Committee in support of the Jobs for Veterans Act in 2002, the very Act that created the President's National Hire Veterans Committee.

The House Veterans' Affairs Committee was right in understanding and raising the awareness of employers as to the benefits in hiring veterans, it was needed then and it is needed today, and will still be important tomorrow.

The President's National Hire Veterans Committee has been busy promoting veterans as the employee of choice to our nation's businesses since its beginning.

We have launched a national campaign to promote the hiring of

veterans and transitioning of servicemembers. The strategy focuses on key decision makers and hiring authorities in business and the public sector. The strategy takes an unique approach rather than focusing on patriotic duty, it emphasizes veterans as a highly valued workforce asset.

My experience as the Commissioner of Labor for the State of Texas, when I talked to employers, they wanted two things. Trained or trainable employees. That is exactly what the veteran gives them.

The core of our campaign is the www.hirevetsfirst.gov website, which offers special zones for employers and veterans. The website and the value of hiring veterans has been promoted in banner ads on electronic job board websites and a series of advertisement in Business Week and HR Magazine for the value of veterans as a first employee of choice.

Concurrent with the launch of a national marketing campaign, Committee members and staff have worked closely with state officials, local workforce boards, career one stop centers and veterans' groups explaining the mission of the Committee, and the nature of the campaign.

Coordinating through the veteran employment and training services regional and state directors, we encourage the issuance of proclamations by individual state governors for a Hire Vets First Month, and I would like to report to both the Chairman and Madam Herseth that the governors have signed those proclamations.

Through the end of calendar year 2004, 16 governors proclaimed a Hire a Veteran Month and so far in 2005, we have 12 more state proclamations issued and others pending.

This year, we expect all states, the District of Columbia, Puerto Rico and the Virgin Islands to issue a proclamation promoting Hire Veterans Month. We are on track to achieve this goal.

Among our currently appointed Committee members, we have representatives from Home Depot, General Motors, Boeing, Regions Bank, Leo Burnett and Medco Health, as well as several small businesses.

The Committee has held regional meetings with strong comments about hiring veterans from Ford, Diamler Chrysler, CALPINES, CISCO Systems and UPS. Also, the Committee has received significant assistance from our ex officio members from the Department of Defense, Department of Veterans Affairs, the Postal Service, the Small Business Association, and especially from the Office of Personnel Management.

Our designated representatives from the VSOs, the SGR, the state and local workforce boards, have provided meaningful insight in our mission.

In particular, we have already taken notice of our Committee member, Nick Bacon, who was a top notch soldier and has been absolutely

an excellent member of our Committee.

If I may, I would like to mention one incident that highlights the unique experience that we have had in placing veterans, and in this instance, a disabled Iraqi veteran, Sergeant Alfred Kalous.

I think if you look at the GI Jobs Magazine, the article in particular is Leave No Man Behind, Corporate America Hiring Wounded and Injured Soldiers.

Sergeant Kalous was severely wounded in March of 2003 in Iraq and lost his left leg. While he was back recuperating in Walter Reed Hospital, the local DVOP interviewed him. Sergeant Kalous wanted to return to Manhattan, Kansas where he could be an automobile mechanic. The Walter Reed DVOP contacted the Manhattan, Kansas DVOP and they arranged for Sergeant Kalous to be hired by Lear Seigler who had a maintenance contract at Ft. Riley.

The unfortunate thing about it was that Sergeant Kalous didn't have any tools. His grand daddy's tool kit had just about given out, so he needed some tools. At that time, Mac Tools, the largest distributor of quality tools, had become a Hire Vet First employer. That designation was picked up off our website.

I called Roger Spee, who was the marketing director for Mac Tools, to see if he couldn't help us out. Mac Tools announced they would award Sergeant Kalous a $13,000 full mechanic tool kit, and they also announced that they would hire a similar veteran each quarter through the remainder of 2005.

This is just one of many stories which we have been able to generate through the Committee.

I fully support the work of this Committee. In closing, I commend you for your support in this initiative and the President's National Hire Veterans Committee continues to look forward to a strong partnership with the House Veterans' Affairs Committee and this subcommittee in its pursuit of creating more job opportunities for our nation's veterans.

I look forward to your questions.

[The statement of T.P. O'Mahoney appears on p. 110]

MR. BOOZMAN. Thank you, sir.

Mr. McWilliam?

STATEMENT OF JOHN M. McWILLIAM

MR. MCWILLIAM. Thank you. Chairman Boozman, Ranking Member Herseth, it is my honor to appear before this Subcommittee today on behalf of Secretary Elaine Chao. I am the first career Deputy Assistant Secretary for the Veterans' Employment and Training Service. My position was created by the Jobs for Veterans Act.

H.R. 419 would extend the President's National Hire Veterans Committee through December 31, 2008. As you know, this Committee was authorized by the Jobs for Veterans Act to furnish information to employers with respect to the training and skills of veterans and disabled veterans, and to facilitate employment of veterans and disabled veterans through participation in the national labor exchange.

We believe it is imperative to connect veterans and employers through the use of a nationwide network of one stop career centers.

The mission of the Department of Labor's Veterans' Employment and Training Service is to help veterans get jobs, get good jobs, and the training needed for those jobs. We must commit our resources to best serve veterans.

We constantly strive to do that. We believe that the President's Hire Veterans Committee is fulfilling its mandates of raising employer awareness and improving the connectivity of employers with the one stop career centers.

If the Committee decides to reauthorize the President's Hire Committee, we will continue to take it in the direction intended by the Congress.

Having said that, Mr. Chairman, the Administration has not taken a position on this legislation. I do want to reiterate that the Department of Labor believes in the work of the Committee.

We appreciate the foresight of this Committee to introduce the Homeless Veterans Re-Integration Program Reauthorization Act, and we fully support the extension of this program.

As you know, HVRP is the only Federal employment program designed specifically to address the employment problems faced by our nation's homeless veterans.

We at the Department of Labor share your commitment to the goal of ending chronic homelessness. Like you, we are deeply disturbed by the high number of veterans among the homeless population.

The Department of Labor has made helping homeless veterans a top priority.

HVRP is our hallmark homeless program within the Department. This intervention program provides counseling, job placement and training services, as well as helping deliver other funding streams that provide supportive services.

While DOL is proud of the services it is providing to homeless veterans, we know that we cannot do it alone. Successful HVRP programs focus on partnering with the Departments of Housing and Urban Development, Veterans' Affairs, and Health and Human Services, as well as local based and community based organizations, social service agencies, veterans' service programs, and private organizations.

Concerning the Servicemembers Health Insurance Protection Act of 2005, we would like to offer to provide technical assistance to the Committee on this issue, to clarify the protection from unfair rate in-

creases and to ensure that any amendment addresses both the front end and back end issues relating to extended TRICARE coverage.

Concerning the Servicemembers Taxation Protection Act of 2005, the Department of Labor generally supports appropriate legislation to benefit servicemembers but respectfully defers to the Departments of Defense and Veterans Affairs on this matter.

Mr. Chairman, that concludes my testimony. I am pleased to respond to any questions.

[The statement of John M. McWilliam appears on p. 123]

MR. BOOZMAN. Thank you all very much for your testimony. We appreciate you being here.

You mentioned the Puerto Rico situation, the double taxation issue there. Can you give us some other examples where the double taxation has come up under current law?

MR. DUEHRING. I asked our folks that very question. They said it is resident in Puerto Rico right now. Apparently, there are some other states. I can't give them to you, where this could occur but it has never happened to our knowledge.

As I mentioned in my testimony, with the decrease in the number of soldiers that are going through Puerto Rico nowadays, the problem is actually very, very small, almost to non-existent. It's a possibility it could happen, but there is really no track record now that I can point to.

MR. BOOZMAN. What does the DOD recommend for an effective date for the USERRA amendment to limit premium increases on reinstated health insurance?

MR. DUEHRING. Mr. Chairman, we see two options on that. One is to implement it as of the date of enactment of the legislation. The other is to go back to the date of the effective date of order provision, which I think is November 24, 2003. That is the legislation that actually opened the gap that we are trying to close.

MR. BOOZMAN. Ms. Herseth?

MS. HERSETH. Thank you, Mr. Chairman, and thank you for your testimony.

MR. DUEHRING, I thank you for your testimony and I appreciate your support of the Servicemembers Health Insurance Protection Act, but on a related note, I think it was last week or the week before, the subcommittee held a hearing on VA's vocational, rehabilitation and employment services that relates to seriously injured servicemembers.

At the hearing, the VA testified that a memorandum of understanding would be signed shortly that dealt with collaboration between DOD and the VA, and it would improve the relief and recovery of our seriously injured servicemembers.

I am wondering since the memorandum of understanding spells out

the policies and procedures to allow the VA access to disabled servicemembers for purposes of providing early rehabilitation and recovery services, if you know the status of that memorandum of understanding.

MR. DUEHRING. I'm aware of the existence, but I'd like to defer to the Department of Labor to see if they have any information on it. If not, I'd like to take that question back and give you a proper answer.

[DoD/VA Memorandum of Understanding appears on p. 132]

MS. HERSETH. Thank you. If you could, I think the representative from the VA was going to do the same.

MS. BASCETTA. I have some information. I received a letter today from the Deputy Secretary at VA acknowledging our January report. It was their 60 day letter reporting on how they would comply with the recommendation, and in that letter, he indicated that as of the 25th of April, the MOU has still not been signed. I believe it is at VHA at this time.

MS. HERSETH. Has DOD signed it?

MS. BASCETTA. I'm not sure.

MS. HERSETH. If we could ask you to follow up and then we will ask VHA to give us an update as well.

Mr. O'Mahoney, if you could, just a couple of things. We received some information on the statement of income and expenses for the Hire Committee that was provided by the Department of Labor staff.

I am wondering if either you or Mr. McWilliam could brief us. It's not very instructive. It doesn't provide as much detail perhaps that would be useful.

A lot of the money here, out of the total resources for fiscal year 2004 and anticipated expenditures for 2005, come under marketing and contract services and travel.

I am wondering if you could spell a little bit of this out in terms of how the Hire Committee is utilizing its resources to fulfill the mission of the Committee.

MR. MCWILLIAM. The marketing and contract services are just that. They are a contract with a contractor that was awarded on a competitive basis to provide marketing services to the Committee.

I will ask T.P. to explain a little bit more of that.

MR. O'MAHONEY. The contract was let with TMP for less than $500,000. With that, we were able to create the website. We were able to bring up the Business Week Wraps. We were able to go ahead and produce the folders which you had today.

I would say that TMP has been about as gracious and efficient contractor I have ever worked with, and I think we are more than getting our money's worth.

MS. HERSETH. Mostly public relations, publications and documents?

MR. O'MAHONEY. Yes, ma'am.

MS. HERSETH. The travel, I see a significant increase in terms of anticipated expenditures from last year at $30,000, nearly $31,000, to this year at $116,000.

MR. MCWILLIAM. Ma'am, I believe the $116,000 is an over estimate of the travel for the remainder of the year for the Committee meetings. That should be somewhere around $40,000. We submitted that in error.

The next line down, the next $40,000 of the DVOP/LVER row, is for the travel of marketing representatives that we have.

MS. HERSETH. We may want to seek some clarification after this hearing, just to spell this out a little bit more for us.

On the lines of the DVOP and LVER programs, given the concerns that the first panel expressed as advocates on behalf of veterans, if the Committee is reauthorized, some of the additional funding would come from these chronically under funded programs that serve our veterans quite well.

Mr. McWilliam, what are your thoughts on that? If you could also talk maybe about why -- you alluded to the fact that the Administration hasn't taken a position on the extension, but is that why the Department of Labor didn't request full funding for the Committee, and then also, if the Committee isn't reauthorized, do you think the Department of Labor and the Veterans' Employment and Training Service could continue as part of its own mission the work of the Committee in light of the prior existing relationship with the one stop career centers?

MR. MCWILLIAM. Congresswoman, we see the work that is done by the Committee as extending the work, the business outreach work of the LVERs who are at the career one stop centers. It takes it from the grassroots level to the national level.

The funding for the President's Hire Committee has come as we submitted currently from the state grants of approximately $500,000 a year, and the remainder from other internal sources that we have within Vets.

The $500,000 from the DVOP and LVER program from the state grants, each year the states are unable to obligate 100 percent of the funds that we allocate to them through the service. The $500,000 represents about three-tenths of one percent, and we don't feel that has a significant impact upon the funding for that program.

MS. HERSETH. Thank you. Thank you, Mr. Chairman.

MR. BOOZMAN. Thank you.

Looking at the financial report of the program and listening to Ms. Herseth and counsel, I think what I would like to see, and I think they would also, is a much more detailed report of this.

If you all could provide that, it would be very helpful.

MR. MCWILLIAM. We can, Mr. Chairman, certainly.

MR. BOOZMAN. Thank you very much.

The previous panel, one of the individuals, and if you all have any input into this, one of the things that came up was one of the gentlemen said he felt like it was difficult to provide services in such a way that he could really -- you almost really had to treat the whole person.

That kind of resonated with me. It does seem like it is difficult to perform this part of the function and then somebody else is doing this, and yet, all that ties together with what is going on with them.

Can anybody comment on that?

MR. MCWILLIAM. Mr. Chairman, I think for the homeless programs, as you heard today from the two HVRPs that are very successful, they are masters at doing that, and integrating mental health, addiction problems, housing, and then finally, employment. They are real keys on that.

We think there is a lot to be learned from these best practices from these certain HVRPs, and we are putting together a manual so that when we have our annual meeting of all the grantees, that we can provide the best practices to them.

During the break, we were talking with your staff on exactly how to approach that and how to package that so that the really good best practices from these HVRPs can be used by all of them.

MS. BASCETTA. I would agree with that. In our work not only on homeless veterans but on temporary assistance for needy families, other people with disabilities who are in programs to help them achieve self sufficiency, a case management approach where a team of people with different sets of expertise works together and help a person along all the milestones seems to be one of the most effective ways to achieve the goals.

MR. BOOZMAN. Ms. Bascetta, you mentioned the absence of performance measures. When will the Department complete the requirements?

MS. BASCETTA. They do have measures. They have job placement measures and they are actually measuring job retention at 90 and 100 days. What they don't have yet is a goal for retention, which means that in terms of overall performance, what percentage of the individuals who obtain jobs were able to retain that employment over some period of time.

I believe they have indicated they are going to set such a goal for the 2007 program year.

MR. BOOZMAN. We certainly appreciate all of the panels being here today and appreciate your testimony. It has been very, very helpful.

I want to remind the Committee that we will have a mark-up in the morning. It shouldn't take very long at all.

The meeting stands adjourned. Thank you very much.
[Whereupon, at 4:40 p.m., the subcommittee was adjourned.]

APPENDIX

Statement by

HON. MICHAEL K. SIMPSON
OF IDAHO

Before the Subcommittee on Economic Opportunity

Committee on Veterans Affairs

Wednesday, May 4th, 2005

Regarding

H.R. 419, the Hire Veterans Act of 2004

Good Afternoon, Mr. Chairman and members of the Subcommittee. I appreciate the opportunity to appear before your Subcommittee to discuss my legislation, HR 419, the Hire Veterans Act of 2004, to extend the operation of the President's National Hire Veterans Committee.

Mr. Chairman, fundamentally, hiring former servicemembers is a good business decision. They are a competitive business asset and a unique national resource. They represent the very best of commitment, reliability, and resolve.

In the 107th Congress, President Bush signed into law the Jobs for Veterans Act (Public Law 107-288), which I authored with my friend Silvestre Reyes. It established the President's National Hire Veterans Committee with a mission to reach out to employers and make them fully aware of the skills and attributes veterans offer to the civilian workforce. As we fight the war on terrorism, America's sons and daughters continue selflessly to volunteer for military service and then join the civilian workforce better prepared to make a significant contribution to our private economy. The Committee expires on December 31, 2005.

Since its genesis in 2003, the President's National Hire Veterans Committee has initiated a nationwide marketing campaign which has brought more employers seeking veterans to the Department of Labor's One-Stop Career Centers.

The Committee launched a sophisticated website, www.hirevetsfirst.gov that helps employers and veterans while embracing the existing workforce development systems. Prior to this website there was no single national location of which I am aware for either the employer or the veteran to find relevant information about each other.

The Committee initiated a unique advertising campaign to attract human resource specialists, business executives, and public sector employers. These are highly effective ads conveying a

message of the value that veterans bring to the workplace. To guide employers to the website, a wrap-around cover "outsert" program, mailed to selected executive readers of *Business Week*, contains interviews with four business leaders including Robert Lutz, Vice Chairman of General Motors; Jackson Moore, CEO-designate of Regions Financial Corporation; and Bob Nardelli CEO of Home Depot.

The Committee has also been a catalyst for local and statewide initiatives to support jobs for veterans. NHVC worked with the governors of many states, including my home state of Idaho, to declare *Hire Vets First* months. The Committee is working directly with employers throughout America, and in a cooperative venture with NHVC, Home Depot hired over 13,000 veterans in 2004.

Mr. Chairman, we must continue to convey the message of the competitive value and bottom-line results that veterans add to our economy. We must ensure that we as a nation properly leverage in our domestic economy the investment of over $17 billion a year in training our military. But more importantly, we must continue to commend the virtues of our veterans who have the ability to learn new skills, and a propensity for teamwork, self discipline, loyalty and many other characteristics that translate into productivity, innovation, and leadership.

Hiring former servicemembers is good for the business, it's good for veterans, and it's good for America. I appreciate the opportunity to appear before the Subcommittee to discuss my legislation and answer any questions you may have.

STATEMENT OF
BRIAN E. LAWRENCE
ASSISTANT NATIONAL LEGISLATIVE DIRECTOR
OF THE
DISABLED AMERICAN VETERANS
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
UNITED STATES HOUSE OF REPRESENTATIVES
MAY 4, 2005

Mr. Chairman and Members of the Subcommittee:

On behalf of the 1.2 million members of the Disabled American Veterans (DAV), I appreciate the opportunity to submit for the record our views on the following bill and draft bills:

- H.R. 419 the Hire Veterans Act of 2004;
- Homeless Veterans' Reintegration Program (HVRP) Reauthorization Act of 2005;
- Servicemembers' Health Insurance Protection Act of 2005; and
- Servicemembers' Taxation Protection Act of 2005.

H.R. 419 the Hire Veterans Act of 2004

Public Law 107-288, the Jobs for Veterans Act, enacted November 7, 2002, established within the Department of Labor (DOL) the President's National Hire Veterans Committee (PNHVC). The PNHVC was created to encourage employers throughout the nation to hire veterans by raising awareness of the high-level skills and leadership abilities men and women may acquire while serving in the Armed Forces. Veterans offer much to the civilian workforce, yet many employers overlook the value of military experience.

In accordance with the Act, DOL submitted annual reports on PNHVC accomplishments. Review of such reports indicates that since its inception, the PNHVC has:

- Initiated a nationwide campaign to put employers, that are seeking to hire veterans, in contact with DOL One-Stop Career Centers;
- Launched a website that includes a guide for employers, a translator that provides the civilian application of military skills, links to job sites, and an online resume writer developed for people with military experience;
- Initiated an advertising campaign conveying the value veterans bring to the workplace;
- Mailed to selected executive readers of Business Week, an issue with a wrap-around cover 'outsert' program. The periodical included interviews with four business leaders including Robert Lutz, Vice Chairman of General Motors; Jackson Moore, CEO-designate of Regions Financial Corporation; and Bob Nardelli CEO of Home Depot;
- Worked with state governors to declare Hire Vets First month;

- Worked directly with employers throughout America (Home Depot hired over 13,000 veterans in 2004);
- Attended over 100 events in 25 states to highlight the Hire Vets First message.

The DAV commends the PNHVC for its accomplishments.

H.R. 419 would provide a three year extension of the PNHVC, which was set to expire December 31, 2005. The bill would fund the PNHVC through fiscal year (FY) 2008 by taking .5 percent from amounts made available to DOL for the Disabled Veteran Outreach Program (DVOP) specialists, and Local Veterans Employment Representatives (LVERs).

In its April 18, 2002 testimony on the Jobs for Veterans Act, the DAV supported the establishment of the PNHVC. The DAV maintains its position that raising employer awareness of veterans' skills is important; however, the DAV cannot support extending the PNHVC at the expense of the DVOP and LVER programs.

DVOP/LVERs provide important jobs services to disabled and other veterans by serving as intermediaries between them and employers. Our support of the DVOP/LVER programs is based on resolutions adopted by our membership that call for adequate funding for DVOP/LVERs. Support of H.R. 419, as it is currently written, would be contrary to this resolution because it would reduce funding for DVOP/LVER programs. The DAV would support reauthorization of the PNHVC if its funding was not taken from another vital veterans' program.

Homeless Veterans' Reintegration Program (HVRP) Reauthorization Act of 2005

This draft bill would reauthorize HVRP for FY 2007 and FY 2008 at $50 million per year. HVRP is an employment services program established to help homeless veterans reintegrate into the labor force and attain financial independence. HVRP assists homeless veterans via grants to state and local Workforce Investment Boards, commercial agencies, and non-profit organizations, including faith based and community based organizations. Qualified agencies directly assist homeless veterans with job placement, training, counseling, and resume preparation.

The DAV is highly supportive of HVRP and other homeless veterans' initiatives. It is an unfortunate and sad fact that many veterans, for various reasons, have been unable to make their way in the society they once swore to defend. Such veterans exist without decent shelter, adequate nutrition, or medical care. Services provided by HVRP can mean the difference between a veteran living on the streets or living in transitional housing until they are capable of providing for themselves.

As a member of the National Coalition for Homeless Veterans (NCHV), the DAV supports the testimony and recommendations submitted by the Coalition on April 15, 2005, to the House Committee on Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies. Therein, the Coalition urged Congress to appropriate at least

$50 million for HVRP in FY 2006. This amount would enable HVRP grantees to reach approximately 24,000 homeless veterans.

The DAV is pleased that this legislation is reflective of the Coalition's recommendation and that the Subcommittee concurs with the notion that our nation owes a debt of gratitude to veterans. The DAV fully supports this important bill.

In addition to legislative advocacy on behalf of homeless veterans, it is important to note that the DAV takes an active role in seeking to prevent and end homelessness among our nation's veterans. The DAV Homeless Veterans Initiative, which is supported by DAV's Charitable Service Trust and Colorado Trust, promotes the development of supportive housing and services to help homeless veterans become productive, self-sufficient members of society. Since 1989, DAV allocations for homeless projects have exceeded $2 million.

Servicemembers' Health Insurance Protection Act of 2005

This draft bill would limit premium increases on reinstated health insurance for servicemembers who are released from active service, and it would preserve employer sponsored health plan coverage for certain reserve members who acquire TriCare eligibility.

In accordance with our Constitution and Bylaws, the DAV's legislative focus is on benefits and services for service-connected disabled veterans, their dependents, and survivors. Because the issues addressed within this legislation are not specific to its legislative focus, the DAV has no resolutions pertaining to this draft bill. However, since it would benefit members of the Armed Forces, we have no objection to its favorable consideration.

Servicemembers' Taxation Protection Act of 2005

This draft bill would prevent double taxation of servicemembers when the laws of a tax jurisdiction do not provide a credit against use, excise, or similar taxes the servicemember previously paid to another tax jurisdiction.

In accordance with its Constitution and Bylaws, the DAV's legislative focus is on benefits and services for service-connected disabled veterans, their dependents, and survivors. Because the issues addressed within this legislation are not specific to its legislative focus, the DAV has no resolutions pertaining to this draft bill. However, since it would benefit members of the Armed Forces, the DAV has no objection to its favorable consideration.

Conclusion

The DAV commends Chairman Boozeman, Ranking Member Herseth, and the members of the Subcommittee for their bipartisan efforts to enhance employment opportunities and provide protections for veterans and members of the Armed Forces. From its founding in 1920 to serve as the voice for America's disabled veterans, the DAV has recognized that, along with quality health care and adequate compensation, gainful employment is necessary to allow most disabled veterans to attain rehabilitation and a life of normalcy. The DAV is pleased that the Subcommittee shares its sentiment and looks forward to working together on these, and future issues. This concludes my statement.

STATEMENT OF
BRIAN E. LAWRENCE
ASSISTANT NATIONAL LEGISLATIVE DIRECTOR
OF THE
DISABLED AMERICAN VETERANS
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
UNITED STATES HOUSE OF REPRESENTATIVES
MAY 4, 2005

EXECUTIVE SUMMARY

H.R. 419 the Hire Veterans Act of 2004:

- Would provide a three year extension of the President's National Hire Veterans Committee (PNHVC). The bill would fund the PNHVC through fiscal year (FY) 2008 by taking .5 percent from amounts made available to DOL for the Disabled Veteran Outreach Program (DVOP) specialists, and Local Veterans Employment Representatives (LVER). Though the DAV agrees that raising employer awareness of veterans' skills is important, it cannot support extending the PNHVC at the expense of the DVOP and LVER programs that provide important jobs services to disabled veterans The DAV would support reauthorization of the PNHVC if its funding was not taken from another vital veterans' program.

Homeless Veterans' Reintegration Program (HVRP) Reauthorization Act of 2005:

- Would reauthorize HVRP for two years at $50 million per year. HVRP is an employment services program established to help homeless veterans reintegrate into the labor force and attain financial independence. The DAV is highly supportive of HVRP and other homeless veterans' initiatives. Accordingly, the DAV supports this important bill.

Servicemembers' Health Insurance Protection Act of 2005 and the Servicemembers' Taxation Protection Act of 2005

- In accordance with our Constitution and Bylaws, the DAV's legislative focus is on benefits and services for service-connected disabled veterans, their dependents, and survivors. Because the issues addressed within these draft bills are not specific to its legislative focus, the DAV has no resolutions that are pertinent. However, since the draft bills would benefit members of the Armed Forces, we have no objection to their favorable consideration.

STATEMENT FOR THE RECORD OF

CARL BLAKE,

ASSOCIATE LEGISLATIVE DIRECTOR,

PARALYZED VETERANS OF AMERICA

BEFORE THE HOUSE COMMITTEE ON VETERANS' AFFAIRS,

SUBCOMMITTEE ON ECONOMIC OPPORTUNITY

CONCERNING

H.R 419, THE "HIRE VETERANS ACT OF 2004,"

THE "HOMELESS VETERANS REINTEGRATION PROGRAM

REAUTHORIZATION ACT OF 2005,"

THE "SERVICEMEMBERS' HEALTH INSURANCE PROTECTION

ACT OF 2005," AND

THE "SERVICEMEMBERS TAXATION PROTECTION ACT OF 2005"

MAY 4, 2005

William Carl Blake
Associate Legislative Director
Paralyzed Veterans of America
801 18th Street NW
Washington, D.C. 20006
(202) 416-7708

Carl Blake is an Associate Legislative Director with Paralyzed Veterans of America (PVA) at PVA's National Office in Washington, D.C. He represents PVA to federal agencies including the Department of Defense, Department of Labor, Small Business Administration, and the Office of Personnel Management. In addition, he represents PVA on issues such as homeless veterans and disabled veterans' employment as well as coordinates issues with other Veterans Service Organizations.

Carl was raised in Woodford, Virginia. He attended the United States Military Academy at West Point, New York. He received a Bachelor of Science Degree from the Military Academy in May 1998. He received the National Organization of the Ladies Auxiliary to the Veterans of Foreign Wars of the United States Award for Excellence in the Environmental Engineering Sequence.

Upon graduation from the Military Academy, he was commissioned as a Second Lieutenant in the United States Army. He was assigned to the 1st Brigade of the 82nd Airborne Division at Fort Bragg, North Carolina. Carl was retired from the military in October 2000 due to a service-connected disability.

Carl is a member of the Virginia-Mid-Atlantic chapter of the Paralyzed Veterans of America.

Carl lives in Fredericksburg, Virginia with his wife Venus and son Jonathan.

EXECUTIVE SUMMARY

H.R. 419, the "Hire Veterans Act of 2004"

- The President's National Hire Veterans Committee was established by P.L. 107-288, the "Jobs for Veterans Act."
- The President's Committee has not lived up to expectations.
  - There is no tangible proof of accomplishments.
  - PVA is unable to ascertain if there is a Committee report to Congress for 2003.
- PVA opposes proposal to fund the reauthorization of the President's Committee out of funds for DVOP specialists and LVERs.
  - We believe it is part of an effort to reduce these critical staff.

The "Homeless Veterans Reintegration Program Reauthorization Act of 2005"

- PVA supports the provisions of this proposed legislation.
- HVRP provides help for those veterans with the most significant problems from substance abuse, severe PTSD, serious social problems, legal issues, and HIV.
- PVA recommends reauthorization through FY 2011.
- The Administration requested only $22 million for HVRP for FY 2006, but the authorization provides for $50 million. Adequate funding must be provided.

The "Servicemembers Health Insurance Protection Act of 2005"

- PVA supports this proposed legislation.
- Once Guardsmen and Reservists are called to active duty, they fall under the care of the Department of Defense health care system, and they generally are dropped from their health coverage plans with their private employers.
- When these men and women return to their civilian employment, many of them are being forced to pay higher premiums than their fellow private sector employees for their health insurance.
- This legislation would correct this inequity.

The "Servicemembers Taxation Protection Act of 2005"

- PVA fully supports this proposed legislation.
- PVA believes that this inequity is a basic issue of fairness.
- Servicemembers who move often during the course of their careers from one duty station to the next face different state tax laws that they are unfamiliar with.
- When the servicemember relocates to a new state on change of station orders, the servicemember is often penalized by paying similar property taxes in the new state that they paid in their previous state.

Chairman Boozman, Ranking Member Herseth, members of the Subcommittee, Paralyzed Veterans of America (PVA) would like to thank you for the opportunity to submit a statement for the record regarding H.R. 419, the "Hire Veterans Act of 2004, the "Homeless Veterans Reintegration Program Reauthorization Act of 2005," the "Servicemembers Health Insurance Protection Act of 2005," and the "Servicemembers Taxation Protection Act of 2005." As more and more men and women return from the frontlines in Iraq and Afghanistan, we must continually work to improve services and benefits.

H.R. 419, the "Hire Veterans Act of 2004"

The President's National Hire Veterans Committee was established by P.L. 107-288, the "Jobs for Veterans Act." In testimony provided before the House Veterans' Affairs Subcommittee on Benefits on April 18, 2002, PVA supported the creation of the President's Committee. The original purpose of the Committee was to raise employer awareness of the skills of veterans and the benefits of hiring veterans as well as help bridge the gap in communication that often exists between employers and veterans seeking employment.

However, we believe that the President's Committee has not lived up to expectations. After reviewing the Committee's report to Congress for 2004, we see no tangible proof that this Committee has helped open doors to veterans seeking employment in the private sector. The report implies that the Committee played a major role in the creation of The Home Depot's Operation Career Front, an initiative that seeks to attract military job

Chairman Boozman, Ranking Member Herseth, members of the Subcommittee, Paralyzed Veterans of America (PVA) would like to thank you for the opportunity to submit a statement for the record regarding H.R. 419, the "Hire Veterans Act of 2004, the "Homeless Veterans Reintegration Program Reauthorization Act of 2005," the "Servicemembers Health Insurance Protection Act of 2005," and the "Servicemembers Taxation Protection Act of 2005." As more and more men and women return from the frontlines in Iraq and Afghanistan, we must continually work to improve services and benefits.

H.R. 419, the "Hire Veterans Act of 2004"

The President's National Hire Veterans Committee was established by P.L. 107-288, the "Jobs for Veterans Act." In testimony provided before the House Veterans' Affairs Subcommittee on Benefits on April 18, 2002, PVA supported the creation of the President's Committee. The original purpose of the Committee was to raise employer awareness of the skills of veterans and the benefits of hiring veterans as well as help bridge the gap in communication that often exists between employers and veterans seeking employment.

However, we believe that the President's Committee has not lived up to expectations. After reviewing the Committee's report to Congress for 2004, we see no tangible proof that this Committee has helped open doors to veterans seeking employment in the private sector. The report implies that the Committee played a major role in the creation of The Home Depot's Operation Career Front, an initiative that seeks to attract military job

seekers, but the report lacks detailed information regarding the real extent of the Committee's involvement. Furthermore, we have not seen any other reports provided by the President's Committee. In accordance with the provisions of P.L. 107-288, the Committee was to have provided a report for 2003, 2004, and 2005; yet, we have only seen the report for 2004.

PVA is particularly concerned about the provision of the legislation that would allow the President's Committee to be funded out of money provided to the Department of Labor (DOL) for the administration of Disabled Veterans' Outreach Program (DVOP) specialists and Local Veterans' Employment Representatives (LVER). The advantage of face-to-face interaction between DVOP and LVER staff members and veterans cannot be overstated. However, PVA believes that current efforts to change the way employment services at DOL are funded jeopardizes DVOP specialists and LVERs. It seems that unless there is a paradigm shift, the number of DVOP specialists and LVER staff will be reduced. This legislation would only further efforts to reduce the services they provide. For this reason, PVA opposes H.R. 419.

The "HVRP Reauthorization Act of 2005"

The VA estimates that approximately 275,000 veterans are homeless on any given night, and that more than 500,000 veterans experience homelessness in a year. PVA believes that the key to overcoming homelessness among the veterans population is employment. A veteran is unable to provide for himself or herself, much less a family, without the benefit of gainful employment. The Homeless Veteran Reintegration Program (HVRP) managed

by DOL's Veterans Employment and Training Service (VETS) is a valuable program focusing on employment of homeless veterans. This program has achieved wonderful success since its inception almost 20 years ago. The HVRP provides help for those veterans with the most significant problems from substance abuse, severe PTSD, serious social problems, legal issues and HIV. The specialized services needed for these veterans are often the only hope.

PVA supports the reauthorization of the HVRP through FY 2008. In fact, we would like to recommend that the program be authorized for five years, through FY 2011. Moreover, PVA, as a member of the National Coalition for Homeless Veterans (NCHV), also supports the reauthorization of the program at a $50 million funding level. The HVRP is perhaps the most cost-effective and cost-efficient program in the federal government. In spite of the success of HVRP, it remains severely under-funded. Even more tragically, DOL does not request a full appropriation in its budget submission. For FY 2006, the Administration only requested $22 million to support this program. However, P.L. 107-95, the "Homeless Veterans Comprehensive Assistance Act of 2001," authorized $50 million through FY 2006. Enactment of this legislation would ensure that homeless veterans who need a high level of support get it.

The "Servicemembers Health Insurance Protection Act of 2005"

With mobilization rates for the National Guard and Reserves not seen since World War II, it is essential that updates to existing laws are made to better address the difficulties they are facing. Many protections that exist for active duty servicemembers have not been

properly updated to assist the Guard and Reserve forces. Once Guardsmen and Reservists are called to active duty, they fall under the care of the Department of Defense health care system. They generally are dropped from their health coverage plans with their private employers. Although many employers have taken important steps to ensure that these Guardsmen and Reservists' jobs and benefits are protected, there are equally as many employers who are using their activation to take advantage of them.

When these men and women return to their civilian employment, many of them are being forced to pay higher premiums for their health insurance. Moreover, these premiums are often higher than those that their fellow employees are paying. They are being punished for their time away serving this country. This legislation would correct this inequity. PVA supports this proposed legislation.

The "Servicemembers Taxation Protection Act of 2005"

PVA fully supports this proposed legislation. As servicemembers move during the course of their careers from one duty station to the next, they often face different tax laws based on the state. Often the servicemember and his or her family are not familiar with local tax laws or may think that they do not apply to them when they live on the installation. Too often, servicemen and women are taken advantage of in paying taxes on their personal property. In many cases, the servicemember pays a tax on personal property, such as an excise tax, use tax, or sales tax, at his or her current duty station. When the servicemember relocates to a new state on change of station orders, the new state of residence charges a similar tax to the one already paid on the personal property in the servicemember's

previous state. A servicemember should not be subjected to this penalty simply because he or she is forced to move. PVA believes this is a basic issue of fairness.

PVA appreciates the work of this Subcommittee to address these issues. We look forward to working with you to ensure that proper protections and services are in place to allow the servicemen and women returning from the Iraq and Afghanistan to transition smoothly back into civilian life and employment. Thank you.

Information Required by Rule XI 2(g)(4) of the House of Representatives

Pursuant to Rule XI 2(g)(4) of the House of Representatives, the following information is provided regarding federal grants and contracts.

Fiscal Year 2005

Court of Appeals for Veterans Claims, administered by the Legal Services Corporation — National Veterans Legal Services Program — $228,000 (estimated).

Paralyzed Veterans of America Outdoor Recreation Heritage Fund – Department of Defense -- $1,000,000.

Fiscal Year 2004

Court of Appeals for Veterans Claims, administered by the Legal Services Corporation — National Veterans Legal Services Program — $228,000 (estimated).

Fiscal Year 2003

Court of Appeals for Veterans Claims, administered by the Legal Services Corporation — National Veterans Legal Services Program — $228,803.

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STATEMENT FOR THE RECORD

of

Richard "Rick" Jones
AMVETS National Legislative Director

before the

Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
U.S. House of Representatives

on

H.R. 419, The Hire Veterans Act of 2004; The Homeless Veterans Reintegration Program reauthorization Act of 2005; The Servicemembers Health Insurance Protection Act of 2005; and, The Servicemembers Taxation Protection Act of 2005

Wednesday, May 4, 2005
334 Cannon House Office Building

Richard "Rick" Jones
National Legislative Director

Richard "Rick" Jones joined AMVETS as the National Legislative Director on January 4, 2001. As legislative director, he is the primary individual responsible for promoting AMVETS legislative, national security, and foreign affairs goals before the Departments of State, Defense, and Veterans Affairs, and the Congress of the United States.

Rick is an Army veteran who served as a medical specialist during the Vietnam War era. His assignments included duty at Brooke General Hospital in San Antonio, Texas; Fitzsimons General Hospital in Denver, Colorado; and Moncrief Community Hospital in Columbia, South Carolina. At Moncrief Hospital, Rick was selected to assist in processing the first members of the all-volunteer Army.

Rick completed undergraduate work at Brown University prior to his Army draft and earned a Master Degree in Public Administration from East Carolina University in Greenville, North Carolina, following military service.

Prior to assuming his current position, Rick worked nearly twenty years as a legislative staff aide in the offices of Senator Paul Coverdell, Senator Lauch Faircloth, and Senator John P. East. He also worked in the House of Representatives as committee staff for Representative Larry J. Hopkins and Representative Bob Stump.

In working for Chairman Stump on the House Committee on Veterans' Affairs, he served two years as Republican minority staff director for the subcommittee on housing and memorial affairs and two years as Republican majority professional staff on funding issues related to veterans affairs' budget and appropriations.

Rick and his wife Nancy have three children, Sarah, Katherine, and David, and reside in Springfield, Virginia.

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May 4, 2005

The Honorable John Boozman, Chairman
Subcommittee on Economic Opportunity
House Veterans' Affairs Committee
Cannon House Office Building
Washington, D.C. 20515

Dear Chairman Boozman:

Neither AMVETS nor I have received any federal grants or contracts, during this year or in the last two years, from any agency or program relevant to the May 4, 2005, Subcommittee hearing on the draft legislation before the panel.

Sincerely,

Richard Jones
National Legislative Director

EXECUTIVE SUMMARY

H.R. 419, the Hire Veterans Act of 2004:

- H.R. 419, the Hire Veterans Act of 2004, would extend the operation of the President's national hire veterans committee to December 31, 2008, from its currently schedule sunset of December 31, 2005. AMVETS is greatly disappointed in the record of the current national hire veterans committee.
- AMVETS expresses concern that H.R. 419 would fund the work of the President's national hire veterans committee from funds dedicated to the Department of Labor for administration of the Disabled Veterans' Outreach Program (DVOP) and Local Veterans' Employment Representatives (LVER) programs.
- AMVETS believes it would be a mistake to take resources from an effective DOL-VETS program to fund the National Hire Veterans Committee.

Draft Legislation to Reauthorize the Homeless Veteran Reintegration Program (HVRP):

- AMVETS supports reauthorization of HVRP. It has been a very successful program, broadly supported by local community groups and veterans service organizations.
- AMVETS would like to see the reauthorization bill increase the authorized funding level to $70 million from the $50 million level contained in the current draft bill.
- Competition for current grants is intense, and we believe additional authorization would be helpful.

Draft Legislation The Service Members Health Insurance Protection Act of 2005:

- AMVETS supports the intent of the draft bill to relieve servicemembers from unfounded increases in health care premiums but does not believe that private insurers should shoulder the care of an injury or illness resulting from military service, a responsibility of the Federal government.

Draft Legislation The Servicemembers Taxation Protection Act of 2005:

- AMVETS fully supports the legislation.

Chairman Boozman, Ranking Member Herseth, and members of the Subcommittee:

On behalf of AMVETS National Commander William A. Boettcher and the nationwide membership of AMVETS, I am pleased to offer our views to the Subcommittee on Economic Opportunity regarding the H.R. 419, the Hire Veterans Act of 2004, and related legislative issues before the panel. Thank you for this opportunity.

Mr. Chairman, H.R. 419, the Hire Veterans Act of 2004, would extend the operation of the President's national hire veterans committee to December 31, 2008, from its currently schedule sunset of December 31, 2005. Very frankly, while we support efforts to enhance the profile of America's commitment to its veterans, we are greatly disappointed in the established record of the current national hire veterans committee. We are aware of no official account of its past achievements and the committee's reports of 2003 and 2004 offer little insight as to any substantial gain made by the committee in veterans' employment.

Further we are concerned that H.R. 419 would fund the work of the President's national hire veterans committee from funds dedicated to the Department of Labor for administration of the Disabled Veterans' Outreach Program (DVOP) and Local Veterans' Employment Representatives (LVER) programs. If the House Committee believes the national committee should be extended, AMVETS would hope that consideration would be given to finding a separate funding source other than the DVOP and LVER programs. The heart and soul of the Labor's Veterans Employment and Training Service (DOL-VETS) efforts is the dedicated DVOPs and LVERs tasked with facing the employment challenges of hard-to-place veterans. Taking resources from an effective DOL-VETS program to fund one that is not would be a mistake that we trust the Veterans' Affairs Committee would avoid.

On a second matter, the members of AMVETS strongly support draft legislation to reauthorize the Homeless Veteran Reintegration Program (HVRP).

The purpose of HVRP is to offer homeless veterans a chance to regain a foothold in the nation's employment sector. It is a welcome help to many veterans who face a complex of problems in finding gainful work. Grants made through HVRP provide homeless veterans with occupational training, job search, and placement assistance. HVRP has been a very successful program, broadly supported by local community groups and veterans service organizations. From its outset, this program has offered a partnership with local agencies and other State and Federal programs to improve the lives of veterans and their families.

With reports of as many as 250,000 veterans homeless on any given day, AMVETS would like to see the reauthorization bill increase the authorized funding level to $70 million from the $50 million level contained in the current draft bill. The competition for current grants is intense and many of the organizations competing for limited resources fail to win an advance of funds not because their programs are ineffective but because there isn't enough in the program. We believe the money would be well spent in helping veterans find the hope they need to improve their lives.

With regard to the Service Members Health Insurance Protection Act of 2005, AMVETS supports the intent of the draft bill but has concerns about the possible adverse impact on private insurance carriers. We firmly believe that the healthcare needs of veterans are a clear responsibility of the Federal government. We do not believe that private insurers should shoulder the care of an injury or illness resulting from military service. While we would like to protect the possibility of returning troops finding steep increases in their private healthcare insurance due to non-military related circumstances, we do not want private insurance to carry the national burden of health care for military personnel. Without congressional hearings on this matter aimed at uncovering the circumstances that consort to the development of this draft legislation, AMVETS does not support its approval.

On the final draft bill before the panel, the Servicemembers Taxation Protection Act of 2005, AMVETS fully supports the legislation. When servicemembers relocate, items subject to personal property tax, excise tax, use tax, or sales tax should not be twice or more applied. No one currently

serving their country in military service should face a penalty simply because they change duty station as ordered.

Again, AMVETS looks forward to working with the Subcommittee on these matters, and we appreciate your efforts to enhance and improve the services and benefits earned by those who serve in America's Armed Forces.

Statement
Of
John F. Downing
President/Chief Executive Officer

Before the

Committee on Veterans Affairs
Subcommittee on Economic Opportunity
United States House of Representatives

The Honorable John Boozman
Chairman

May 4, 2005
Washington, DC

Downing May 4, 2005 Testimony

Chairman Boozman and members of the Committee, I am honored to be here today on behalf of the over 900 homeless veterans annually enrolled in the United Veterans Of America, Inc.(UVA) program. Each day 190 of our homeless veterans are assisted by the UVA program providing a continuum of care beginning with the treatment of trauma and mental health issues that result in substance abuse, shelter, food and other necessities, job training and counseling throughout their stay. We work in partnership with the Veteran's Administration via its per diem program.

The United Veterans of America, Inc. has one hundred and twenty veterans in transitional living on site at the VA campus in Northampton, Massachusetts. We also have sixty veterans in transitional housing residents at the Berkshire Veterans Residence in Pittsfield, Massachusetts which initially opened in September, 2004. Ten new studio apartments, funded through the U.S. Department of Housing and Urban Development provide permanent housing for homeless veterans with a disability, at the Pittsfield site.

The UVA serves veterans who are primarily from Massachusetts, Rhode Island, Connecticut, New York State, Vermont, & New Hampshire. The average age of a homeless veteran in our program is fifty-three. Approximately eighty-five percent of our clients have mental health/substance abuse issues, eight percent are elderly at age 70 or

older, five percent are female, more than twenty five percent are diagnosed with post-traumatic stress syndrome, twenty-eight percent are parole/probation, and forty two percent are non-white. Recently, we have begun to serve Iraq war veterans.

The VA Grant and Per Diem Program provides the core funding for our veterans' housing programs, most recently the UVA began a collaboration with the Northampton VA, to develop and intensive support services for forty chronically mentally residents and fifteen females annually, that will result in obtaining permanent housing. The UVA is a participant in two Western Massachusetts HUD funded Continuums of Care which provide additional support and operating funds for veterans at both the Northampton and Pittsfield campuses. The UVA received an HVRP Intermediaries grant of $220,030 in 2004, to assist in employment of homeless veterans in our region. We commend the Department of Labor in its attempt to assist homeless and incarcerated veterans' re-entry to the workforce. These programs acknowledge the differences between rural and urban communities and are beginning to foster collaborations between small community and faith-based organizations and mainstream services providers.

United Veterans of America, Inc.

Program Elements

Integrity is at the core of the UVA's program: The integrity of its veterans, the integrity of its staff, and the integrity in its commitment to tirelessly work to improve the lives of

homeless veterans. The UVA has implemented an integrity contract which is integrated into a treatment model that promotes social responsibility. Psycho social services are augmented by employment, housing, educational and community service programs. Veterans develop self-awareness and personal grow through volunteer and supported work placements with community agencies. Veterans receive services from these agencies, yet more importantly, are given the opportunity to serve others. This enhances their self-respect, dignity and pride. The program constantly evaluates veterans' needs, and is poised to assist veterans returning from Iraq with the opportunity to self-determine their pathway to success.

UVA Employment Strategy

We perceive a gap between the skills of our veterans and the resistance of some employers to hire formerly homeless veterans. This is particularly true for those veterans who may have been incarcerated. This reality has led to significant shifts in our strategies on behalf of veterans in need of employment. The UVA practices employer oriented job development. We work to understand the needs of area employers, enabling the UVA to present qualified candidates ready to work.

The UVA has partnered with the Sheriff's Office in Berkshire County, Massachusetts and the Pittsfield Community Television, in Massachusetts, to initiate a program produced, directed and filmed by formerly homeless veterans titled **Operation: Rising Star**. This

program presents to the community employment experts, candidates from our population that are ready to re-enter the workforce. This thirty minute weekly program premieres in June 2005 and includes experts from the senior government and business offices in the Northeast. We are using Department of Labor funds to assist in this exciting utilization of media technology that allow veterans' to learn new skills and experience a sense of ownership of their work.

UVA Business Ownership Strategy

The UVA understands that our veterans do not necessarily seek full-time employment; therefore, creativity and flexibility are key factors in business opportunities for veterans. Two models of veteran owned businesses have been adopted. The vending operation has been converted to a veteran owned and operated business. Homeless veterans have purchased vending machines and inventory and serve our facilities. These businesses were funded with private sector funds. The United Veterans of America, Inc. is currently acquiring a "Juice and Java" franchise for two formerly homeless veterans. This business will employ two UVA owner/veterans and four to seven part-time employees. Additionally we have been approached by area manufacturers to create an "inventory measurement service" employing homeless veterans to accommodate the seasonal and part-time nature of this segment's local business demand. As we look at the potential of the veterans we serve, we see no end to the possible solutions for improving homeless veterans' lives in a way that encourages their particular abilities and career goals.

UVA Skills Development and Training

We develop individualized programs for each veteran at the UVA, which identifies the potential of each veteran and helps to stabilize their lives. These include: (1.) a personal resume development; (2.) issues related to past underemployment; (3.) definition of their personal support network, including counselors, advisors and family members; (4.) realistic career expectations; (5.) communication and presentation skills; (6.) follow up support. This UVA program ensures that each homeless veteran has access to professional help, while the veteran remains in control his/her own life decisions.

Changing the End of the Story

The United Veterans of America, Inc. has accepted the challenge of President Bush to end chronic homelessness during the next ten years (2002-2012). The UVA has implemented the strategy of "Changing the End of the Story" as our response to that challenge. A safe, sober environment in a transitional housing facility is no longer acceptable as a long term solution for homeless veterans. Rather, our goal becomes safe sober permanent living facilities that allows veterans "ownership" of their own housing.

Employment and a stable income are essential to meet this goal. We have come to the conclusion that employment which is limited by disincentives and that eliminates entitlements for veterans must be re-structured. Programs that stress job readiness skills

that are sensitive to the employer community are central to our strategy and present a realistic assessment of veterans' availability to the work force. Business ownership by homeless veterans offers creative and flexible work alternatives for veterans.

As program development continues we must create systems that provide easy access for veterans in all service areas.

We are committed to work with the Department's of Veteran Affairs, Housing and Urban Development and Labor, and all interested Members and organizations to help change the end of the story for homeless veterans.

Together, we can help our homeless veterans achieve *integrity, dignity and hope.*

NATIONAL COALITION *for* HOMELESS VETERANS

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Statement for the Record

Before the
Subcommittee on Economic Opportunity

Committee on Veterans' Affairs
U.S. House of Representatives
on
May 4, 2005

Linda Boone
Executive Director

Executive Summary

Part I—HVRP Reauthorization Act of 2005

- Reauthorize the Homeless Veterans Reintegration Program for a five-year period.
- Expand the eligible population for HVRP to include veterans at imminent risk of homelessness.
- Reauthorize HVRP at a $50 million level annual.
- Appropriate funds for HVRP at the full $50 million level currently authorized.

Part II—H.R. 419, Hire Veterans Act of 2004

- Withhold reauthorization of the President's National Hire Veterans Committee until questions are answered regarding the effectiveness of the HireVetsFirst Campaign and the Committee's efforts to encourage employers to hire veterans with serious barriers to employment.

PART III—Service Members' Enhanced Transition Services Act

- Enact the Service Members' Enhanced Transition Services Act to improve transition assistance provided for members of the Armed Forces being discharged, released from active duty, or retired.

PART IV—Reauthorization of VA Specialized Homeless Programs

- Reauthorize, strengthen, and expand the specialized homeless programs and authorities of the Department of Veterans Affairs.

Introduction

The National Coalition for Homeless Veterans appreciates the opportunity to submit recommendations regarding the draft Homeless Veterans Reauthorization Act of 2005 and H.R. 419, the Hire Veterans Act of 2004. Our statement also addresses current issues of likely interest to the Subcommittee regarding service member transition and reauthorization of the specialized homeless programs of the U.S. Department of Veterans Affairs.

The **National Coalition for Homeless Veterans** (NCHV), established in 1990, is a **nonprofit organization** with the **mission of ending homelessness among veterans** by shaping public policy, promoting collaboration, and building the capacity of service providers. NCHV's nearly 250 member organizations in 46 states and the District of Columbia provide housing and supportive services to homeless veterans and their families, such as street outreach, drop-in centers, emergency shelter, transitional housing, permanent housing, recuperative care, hospice care, food and clothing, primary health care, addiction and mental health services, employment supports, educational assistance, legal aid and benefit advocacy.

The VA estimates that approximately 250,000 veterans are homeless on any given night; more than 500,000 experience homelessness over the course of a year. *Conservatively, one of every three homeless adult males sleeping in a doorway, alley, box, car, barn or other location not fit for human habitation in our urban, suburban, and rural communities has served our nation in the Armed Forces.* Homeless veterans are mostly males (2 percent are females). 54 percent are people of color. The vast

majority are single, although service providers are reporting an increased number of veterans with children seeking their assistance. 45 percent have a mental illness. 50 percent have an addiction.

America's homeless veterans have served in World War II, Korea, the Cold War, Vietnam, Grenada, Panama, Lebanon, anti-drug cultivation efforts in South America, Afghanistan, and Iraq. 47 percent of homeless veterans served during the Vietnam Era. More than 67 percent served our nation for at least three years and 33 percent were stationed in a war zone.

Male veterans are twice as likely to become homeless as their non-veteran counterparts, and female veterans are about four times as likely to become homeless as their non-veteran counterparts. *Like their non-veteran counterparts, veterans are at high risk of homelessness due to extremely low or no income, dismal living conditions in cheap hotels or in overcrowded or substandard housing, and lack of access to health care.* **In addition to these shared factors, a large number of at-risk veterans live with post traumatic stress disorders and addictions acquired during or exacerbated by their military service. In addition, their family and social networks are fractured due to lengthy periods away from their communities of origin. These problems are directly traceable to their experience in military service or to their return to civilian society without appropriate transitional supports.**

Contrary to the perceptions that our nation's veterans are well-supported, in fact many go without the services they require and are eligible to receive. One and a half million veterans have incomes that fall below the federal poverty level. **Neither the VA, state or county departments of veteran affairs, nor community-based and faith-based service providers are adequately resourced to respond to these veterans' health, housing, and supportive services needs.** For example, the VA reports that its homeless treatment and community-based assistance network serves 100,000 veterans annually. *With an estimated 500,000 veterans experiencing homelessness at some time during a year and the VA reaching only 20 percent of those in need, 400,000 veterans remain without services from the department responsible for supporting them.* **Likewise, other federal, state, and local public agencies—notably housing and health departments—are not adequately responding to the housing, health care and supportive services needs of veterans.** Indeed, it appears that veterans fail to register as a target group for these agencies.

Our statement is organized in four parts. The first part focuses on the draft HVRP Reauthorization Act of 2005. The second part focuses on H.R. 419, the Hire Veterans Act of 2004. The third part focuses on service member transition. The fourth part presents our recommendations for reauthorization of the specialized homeless programs of the U.S. Department of Veterans Affairs.

PART I—HVRP Reauthorization Act of 2005

NCHV is privileged to testify today on the reauthorization of the Homeless Veterans Reintegration Program (HVRP) -- privileged in that NCHV, commemorating its 15-year anniversary this year, owes its founding to HVRP. It was at the first meeting of HVRP grantees that our organization's founders met each other and came to appreciate that they were not working in isolation -- that there were others sharing their concern with the tragedy of homelessness among our nation's former service members and taking action about it. Our founders learned at that first HVRP meeting that a network of allies existed across the nation. They determined that, perhaps, by joining forces, they could win the war against homelessness among veterans. And so NCHV was born.

At the same we are saddened to be a witness today -- saddened that there is still a need over 15 years later to hold a another Congressional hearing on homeless veterans, saddened further that there is still a need for the Homeless Veterans Reintegration Program. Frankly, our founders and members expected that by

now WE would be out of business, much less HVRP. That we are here today is a call to arms – a challenge to each American to **take immediate action to end homelessness, especially among those who have nobly served our nation.**

An immediate first step – shocking in fact that it has not yet come to pass -- would be to appropriate funding for HVRP in FY 2006 at its full authorization level of $50 million. *We challenge each member of the House Veterans' Affairs Committee to correspond with their counterparts on the Appropriations Committee singularly or as a body and demand that they honor the authorization level that this Committee set as a source of direction.* **An appropriation at the full authorization level would enable HVRP grantees to reach approximately 24,000 homeless veterans.**

The Homeless Veterans Reintegration Program (HVRP), within the Department of Labor's Veterans Employment and Training Service (VETS), provides competitive grants to community-based, faith-based, and public organizations to offer outreach, job placement and supportive services to homeless veterans. HVRP grants are intended to address two objectives: (a) to provide services to assist in reintegrating homeless veterans into meaningful employment within the labor force, and (b) to stimulate the development of effective service delivery systems that will address the complex problems facing homeless veterans.

HVRP is the primary employment services program accessible by homeless veterans and the only targeted employment program for any homeless subpopulation. *Homeless veterans have many additional barriers to employment than non-homeless veterans due to their lack of housing. HVRP grantees remove those barriers through specialized supports unavailable through other employment services programs.* **Grantees are able to place HVRP participants into employment for $2,100 per placement, a tiny investment for moving a veteran out of homelessness, and off of dependency on public programs.**

DOL estimates that 14,750 homeless veterans will be served through HVRP at the FY 2005 appropriation level of $21 million. **This figure represents just three percent of the overall homeless veteran population**, *which the Department of Veterans Affairs estimates numbers more than 500,000 over the course of a year.*

We appreciate the Subcommittee's obvious interest in the interest in HVRP as made evident by preparing the draft reauthorization bill. We are particularly grateful that the legislation proposes to continue to set a $50 million authorization level.

Reauthorize HVRP for a five-year period. A longer authorization period is particularly important given the current proposal by the Administration to fundamentally restructure our nation's veterans' workforce program within its "WIA Plus" proposal. While NCHV has received assurances that HVRP funds would not be eligible for consolidation within the "WIA Plus" consolidated grant, we remain cautious, particularly since early descriptions of "WIA Plus" did include HVRP within its scope.

We appreciate this Subcommittee's efforts to protect the integrity of DOL VETS programs overall within the larger discussion around reauthorization of the Workforce Investment Act. We urge you to continue in this direction by reauthorizing HVRP for a five-year period, if for no other reason than to send a clear message to your colleagues on Education and Workforce and to the Administration that this targeted, community-based and faith-based program is "off the table."

Expanding the eligible population for HVRP to include veterans at imminent risk of homelessness. HVRP in its present form is limited to veterans currently experiencing homelessness (38 U.S.C. 2021(a)).

This eligibility limitation prevents grantees from using HVRP funds for homelessness prevention. This eligibility restriction was appropriate when HVRP was first enacted in 1987. At the time, the hope was that homelessness could be resolved by an intensive infusion of resources to literally homeless people. In 2005, *restricting the program to veterans already homeless is out of step with the general thrust of both public policy and service delivery practice away from simply managing homelessness to also preventing it.* **Expansion of the eligible population for HVRP services to include veterans at imminent risk of homelessness would enable HVRP to have both preventative and remedial purposes.**

Also, HVRP is being used as the account to fund a joint Department of Labor and Department of Veterans Affairs initiative authorized by Congress to assist veterans incarcerated in their reentry to the community. Use of HVRP to fund this program is technically a violation of the statute in that veterans incarcerated are not homeless. This technical violation could be easily remedied by adding veterans at imminent risk of homelessness as an eligible population to the program.

Part II—H.R. 419, Hire Veterans Act of 2004

The National Coalition for Homeless Veterans generally supports efforts that generate employment opportunities for veterans. Veterans with jobs are less likely to lose their housing than are veterans without sources of income. As such, we had no reason to be anything other than supportive of Congress's decision to establish the President's National Hire Veterans Committee in the Jobs for Veterans Act.

At the time of the Committee's formation, NCHV received assurances that homeless veterans would be a target veteran subpopulation of the Committee's public awareness campaign. We now question the sincerity of that pledge as we have never received a communication from the President's National Hire Veterans Committee.

More broadly, we are interested in knowing how the Committee is tracking specific and measurable outcomes of its work, and what those outcomes are. How many veterans have actually been hired due to the HireVetsFirst campaign? And what actions is the Committee taking to promote hiring of veterans with serious barriers to employment?

We are also concerned that funding for the President's National Hire Veterans Committee and the HireVetsFirst campaign is drawn from the VETS State Grants (DVOP/LVER) program account, diverting precious resources that are known to put veterans to work to a public awareness campaign that has no evidence-base.

Given these concerns, we withhold support for the Hire Veterans Act of 2004 and recommend that the Committee postpone reauthorization of the President's National Hire Veterans Committee until its efficacy can be demonstrated.

NCHV would be pleased to reconsider our position if proponents of the Committee offer evidence of its effectiveness and provide assurances that the HireVetsFirst campaign will prioritize promotion of the hiring of veterans with serious barriers to employment such as homelessness, incarceration histories, and age.

PART III—Service Members' Enhanced Transition Services Act

Current law (10 U.S.C. 1142) requires the Departments of Defense and Homeland Security to provide individual preseparation counseling to each member of the armed forces whose discharge or release from active duty is anticipated. Matters covered during the counseling include: a discussion

of educational assistance, compensation, and rehabilitation benefits to which service members are entitled; information concerning job search and job placement assistance; information concerning relocation assistance; information concerning medical and dental coverage; financial planning assistance; and the creation of a transition plan for the service member. Preseparation counseling takes many forms, but tends to be brief group presentations to service members immediately prior to their separation.

Generally, in the case of an anticipated retirement, preseparation counseling shall commence as soon as possible during the 24-month period preceding the anticipated retirement date. In the case of a separation other than retirement, counseling shall commence as soon as possible during the 12-month period preceding the anticipated date. Counseling shall be made available no later than 90 days prior to separation. Service members being discharged or released before the completion of that member's first 180 days of active duty are not eligible for preseparation counseling, unless the separation is due to disability.

Current law (10 U.S.C. 1144) authorizes the Department of Labor to furnish counseling, assistance in identifying employment and training opportunities, help in obtaining such employment and training, and other related information and services to members of the armed forces who are being separated from active duty. Elements of this program, known as the Transition Assistance Program (TAP), include information concerning employment and training assistance; information concerning Federal, state, and local programs and programs of military and veterans' service organizations; information about small business loan programs for veterans; information about the geographic locations to which members are returning; and other matters. Participation in the program is encouraged, not required. TAP is a three-day group-level workshop.

Current law (10 U.S.C. 1142(c)) requires the Secretaries of Defense and Homeland Security to transfer the medical records of service members being medically separated or being retired to transmit a copy of the members' service medical records to the U.S. Department of Veterans Affairs.

Former service members with whom homeless veteran service providers are in daily contact report that the preseparation counseling and transition assistance programs are lacking in a number of areas. Among their concerns: the depth and content of preseparation counseling is quite variable across delivery sites. Preseparation counseling may be limited to brief group-level presentations rather than individualized transition planning (as is contemplated in the statute). **Service member participation in the Transition Assistance Program is at the will of the unit commander, and often allowed only during off-duty time. Neither program includes content on homelessness awareness or housing counseling assistance and referral.** Service member medical records are not automatically transferred to VA in a timely manner to ensure the former service members' access to clinically appropriate care when they first enter the VA health care system.

Weaknesses in the both the content and delivery of service member separation programs result in some service members failing to receive information necessary to ensure their stable health care, steady employment, and secure housing upon their return to civilian life. **This places service members at increased risk of homelessness.**

In response to these concerns, NCHV has developed a legislative proposal, the **Service Members' Enhanced Transition Services Act of 2005**, to improve transition assistance provided for members of the Armed Forces being discharged, released from active duty, or retired.

The Service Members' Enhanced Transition Services Act strengthens the existing programs of the Department of Defense, the military branches, and the Department of Labor that support our

nation's separating service members as they return to civilian life. *The legislation would ensure equity in access to preseparation counseling and transition assistance regardless of the service members' type of service, military branch, duty station, rank, or discharge condition. The bill would improve the quality of preseparation counseling currently available by making as much as eight hours of individualized transitional assistance available to service members in addition to group workshops. Further, the legislation would expand the scope of content to be covered in preseparation counseling and transition assistance to ensure the dissemination of full information on the health care, compensation, employment and housing benefits to which service members and veterans are eligible.*

We urge Committee members to introduce or co-sponsor the Service Members' Enhanced Transition Services Act and to ensure its enactment this session. *While we believe the Armed Services Committee would be assigned primary jurisdiction of the legislation, we welcome Veterans' Affairs Committee and committee member leadership to advance this important legislative proposal.*

PART IV—Reauthorization of VA Specialized Homeless Programs

In addition to the Homeless Veterans Reintegration Program, many other programs that Congress has authorized to address homelessness among veterans are scheduled to sunset in 2006 and merit extension. In addition, new issues affecting homeless veterans and a greater understanding of the gaps in supports for them have emerged that require a Congressional response. The National Coalition for Homeless Veterans urges Congress to reauthorize, strengthen, and expand the specialized homeless programs and authorities of the Department of Veterans Affairs. Our legislative recommendations follow.

A. Reauthorize and Strengthen Existing VA and DOL Specialized Homeless Programs

1. Reauthorize the Homeless Providers Grant and Per Diem Program through FY 2011 at at least the $200 million level annually. The Homeless Providers Grant and Per Diem (GPD) Program (38 U.S.C. 2011-2013) provides competitive grants to community-based, faith-based, and public organizations to offer transitional housing or service centers for homeless veterans. The GPD program is set to expire September 30, 2006. The current authorization level for the program is $99 million. Collectively, nearly 100 GPD providers offer nearly 10,000 transitional housing beds. More than 150 outreach and transportation vans are supported through the program.

The GPD program is an essential component of the VA's continuum of care for homeless veterans, assuring the availability of transitional housing, social services, employment supports, and direct treatment or referral to medical treatment. *Congress should continue the program for a five-year period.*

The current authorization level for GPD is simply insufficient to enable VA to meet the demand for transitional housing assistance expressed by homeless veterans. Data gathered by VA Medical Centers (VAMCs) through the Community Homelessness Assessment, Local Education, and Networking Groups (CHALENGs) process consistently document that the numbers of homeless veterans in their service areas far exceed the number of GPD beds currently available for them. Without an increase in the authorization level, VA will not be able to add new beds. Furthermore, as the per diem rate to cover the daily cost of care rises annually, there could be an actual reduction in the number of beds, if the authorization level is not increased. Accordingly, *Congress should double the authorization level.*

2. Require VA to pay GPD grantees per diem payments without adjustments. Congressional intent when it adopted 38 U.S.C. 2012(a) (2) was to simplify the process for paying GPD grantees. Regrettably, the construction of the statutory language itself has led to GPD grantees being required to submit extensive documentation on all of their sources of project funding in order to secure per diem payments at

the maximum rate permitted by statute (which is the rate authorized for State homes for domiciliary care), straining grantees and VA alike. *Congress should amend the statute to require VA to pay GPD grantees per diem payments without adjustments.*

3. Establish preference for current GPD grantees over new applicants in GPD "per diem only" competitions. Grantees receiving funds through GPD "per diem only" competitions are periodically subjected to re-competition against new applicants rather than treated as renewal applicants. This places current GPD projects at perpetual risk of closure. *Congress should insert a preference for current grantees in per diem only competitions.*

4. Include permanent housing assistance as an eligible use of GPD funds. Use of GPD grant funds is currently limited to expansion, remodeling, or acquisition of facilities for use as service centers, transitional housing, or other facilities to serve homeless veterans and to procurement of vans for use in outreach to and transportation for homeless veterans. Homeless veteran service providers struggle to secure placement of some of their program participants in permanent units following their completion of transitional programs due the shortage in low-income housing generally and veterans' ineligibility for or low priority for some types of assisted housing that is available. *Congress should insert permanent housing assistance as an eligible use of GPD funds.*

5. Reauthorize the Homeless Veterans Reintegration Program through FY 2011 at at least the $50 million level annually.

We discuss this recommendation in Part I of this statement for the record.

6. Expand eligible population for Homeless Veterans Reintegration Program to include veterans at imminent risk of homelessness.

We discuss this recommendation in Part I of this statement for the record.

7. Reauthorize Treatment and Rehabilitation for Seriously Mentally Ill and Homeless Veterans through FY 2011. Current law (38 U.S.C. 2031) authorizes VA to provide outreach services; care, treatment, and rehabilitative services; and therapeutic transitional housing assistance to veterans with serious mental illness, including veterans who are homeless. This authority expires December 31, 2006. Rates of mental illness are high within the veteran population, meriting continuing focused attention to veterans' mental health care. *Congress should continue this authority for a five-year period.*

8. Reauthorize Additional Services at Certain Locations Program through FY 2011. Current law (38 U.S.C. 2033) authorizes VA to provide comprehensive services centers to homeless veterans. VA's Comprehensive Homeless Centers place the full range of VA homeless efforts in a single medical center's catchment area and coordinate administration within a centralized framework. This authority expires December 31, 2006. *Congress should continue this authority for a five-year period.*

9. Reauthorize Grant Program for Homeless Veterans with Special Needs through FY 2011 at at least the $5 million level annually. Current law (38 U.S.C. 2061) authorizes VA to carry out a program to make grants available to health care facilities of the Department and to GPD providers to encourage development of programs for homeless veterans with special needs, including women (with and without children), frail elderly, terminally ill, or chronically mentally ill. This program is authorized through FY 2005 at the $5 million level annually. The special needs program has enabled VA and GPD providers to devote attention to underserved subpopulation within the homeless veteran population. *Congress should*

continue the program for a five-year period. Further, Congress should maintain the current authorization level of $5 million.

10. Reauthorize the Homeless Veteran Service Provider Technical Assistance Program through FY 2011 at at least the $1 million level annually. Current law (38 U.S.C. 2064) authorizes VA to make competitive grants to organizations with expertise in preparing grant applications to provide technical assistance to nonprofit community-based and faith-based groups with experience in providing assistance to homeless veterans in order to assist such groups in applying for homeless veteran grants and other grants addressing problems of homeless veterans. Community-based and faith-based organizations serving homeless veterans rely on a complex set of funding and service delivery streams with multiple agencies in order to assemble comprehensive housing and supportive services. These providers face a capacity gap around managing this complexity. *Congress should continue the program for a five-year period. Further, Congress should raise the authorization level from $750,000 to $1 million.*

11. Establish a specialized homeless program specific purpose account within the VA medical services appropriation and ensure that of such sums appropriated annually for VA medical services, the greater of $350 million annually or a fixed percentage (to be determined) **of the total medical services appropriation be reserved for specialized homeless programs.**

Presently Congress plays no role in determining funding levels for medical programs within VA, including the Department's specialized homeless programs. Funding for veterans medical care is appropriated in aggregate to four accounts (medical services, medical administration, medical facilities, prosthetics and medical research), from which the VA Secretary allocates appropriated funds across VA health care networks and through the Department's specific purpose programs.

Congress has routinely provided increased funding to VA for medical care. Regrettably, these increases have not been distributed equitably among VA programs. Specialized homeless programs are among those that do not receive their "fair share" of the annual appropriation increase. The establishment of a specialized homeless program specific purpose account within the VA medical services appropriation would serve to ensure that specialized homeless programs receive any increase in VA appropriations in proportion to their costs within the overall VA medical care budget. *Congress should codify the specialized homeless purpose account in statute in order to ensure that VA makes consistent and fair allocations to its specialized homeless programs.*

The statute should direct VA to use funds within the homeless specific purpose subaccount to operate: the program of the Department known as the Health Care for Homeless Veterans, the program of the department known as Domiciliary Care for Homeless Veterans, comprehensive service programs (GPD) (Section 2011, Section 2012), outreach program (Section 2022), therapeutic transitional housing assistance (Section 2032), comprehensive services centers (Section 2033), loan guarantee for multifamily transitional housing program (Section 2051), grant program for homeless veterans with special needs (Section 2061), technical assistance grants for nonprofit community based groups (Section 2064), advisory committee on homeless veterans (Section 2066), Stand Downs, the evaluation center for homeless veterans programs, and any new specialized homeless programs authorized by statute or initiated by the Department.

B. Establish New Specialized Homeless Authorities

12. Authorize grant program for benefit assistance to homeless veterans through FY 2011 at at least the $10 million level annually. Veterans who are disabled by injury or disease incurred or aggravated during active military service are eligible for VA Disability Compensation, a monthly payment. Veterans

are eligible for Social Security Disability Insurance and Supplemental Security Income benefits under the same conditions as any other person. Veterans are often eligible for both benefits. But because the programs themselves and their claims processes are distinct, a veteran must work their way through each one separately. Each process is grueling in and of itself. Navigation through both processes simultaneously merely compounds the complexity. In addition, scant attention is paid to assisting veterans in accessing mainstream health and income benefit programs for which they may be eligible including Medicaid, Food Stamps, and TANF. For homeless veterans—all of whom have higher priority needs such as securing a place to live, and some of whom either distrust or wish to avoid dependency on governmental programs—the various application processes may be insurmountable, without help.

Congress should authorize VA to carry out a program to make grants available to homeless veteran service providers for public benefit and veteran benefit outreach, application assistance, and reconsiderations and appeals support. Congress should authorize the program for a five-year period at the $10 million level annually.

13. Authorize a study on the intersection of military sexual trauma and homelessness and effective service models for addressing trauma among homeless veterans. The VA Secretary's Advisory Committee on Women Veterans recommended in 2004 that a study be conducted on the possible correlation between military sexual trauma and homelessness among veterans and effective service models for assembling various treatment modalities and environments. The study should also include an evaluation of the "Seeking Safety" intervention, a treatment regime being made available to homeless women veterans in eleven locations. Preliminary data from Seeking Safety participants indicates that over 80 percent reported a history of life-threatening trauma, over 60 percent had been raped (with over 40 percent of rapes occurring while serving in the military.)

C. Expand Health Care Benefits to Homeless Veterans

14. Expand eligible population for homeless veteran dental care benefit. Current law (38 U.S.C. 2062) establishes a limited dental care benefit for certain homeless veterans. Under the provision, homeless veterans in certain VA homeless programs are eligible for a one-time course of dental treatment which is medically necessary for veterans to gain employment, to alleviate pain, or to treat disease.

Early VA data indicates that only 1,147 additional homeless veterans received dental care in FY 2003 as a result of this provision. The requirement that a homeless veteran participate in a VA residential program for at least 60 days is a major contributor to the underutilization of the dental care provision. *Congress should eliminate the 60-day eligibility restriction.*

15. Ensure provision of Assertive Community Treatment for all eligible homeless veterans. The VA Secretary's Mental Health Task Force recommended in 2004 that the Department offer Mental Health Intensive Case Management (the Department's version of ACT) to all homeless veterans who meet clinical eligibility criteria for this type of mental health service. ACT offers comprehensive interdisciplinary services that are both flexible and mobile. *Congress should codify in statute MHICM as health care benefit for eligible homeless veterans.*

D. Prevent Homelessness among Veterans and Separating Service Members

16. Incorporate homelessness prevention content into VA outreach efforts. Current law (38 U.S.C. 7722) requires VA to conduct a range of outreach efforts to alert veterans to the programs and services available through the Department. Also, current law (38 U.S.C. 2022) requires VA to develop a coordinated plan by the Mental Health Service and the Readjustment Counseling Service for joint

outreach to veterans at risk of homelessness and an outreach program to provide information to homeless veterans and veterans at risk of homelessness. Individuals leaving the military are at high risk of homelessness due to a lack of job skills transferable to the civilian sector, disrupted or dissolved family and social support networks, and other risk factors that preceded their military service. Separating service members must be made aware of the factors that contribute to homelessness and receive information about sources of preventive assistance *before* they exit the military.

A robust outreach program not only informs veterans of services available to them should they become homeless, but also to guides them on steps they may take to avert homelessness. *Congress should require VA outreach plans and outreach efforts to add homelessness prevention matter as expected outreach content, including information on risk factors for homelessness, a self-assessment of risk factors, and contact information for preventative assistance associated with homelessness.*

17. Include separating service members as a target of VA outreach program. Current law (38 U.S.C. 2022) requires VA, in its outreach program, to target veterans being discharged or released from institutions after inpatient care. *Congress should add as an additional target population individuals separating from the armed forces.*

E. Ensure Oversight of VA Homeless Activities

18. Require VA to report on homeless veteran coordination efforts with other federal departments and agencies. Current law (38 U.S.C. 2065) requires VA to submit to Congress an annual report on assistance to homeless veterans. *Congress should amend the statute to require VA to include in the general contents of the report information on their efforts to coordinate the delivery of housing and services to homeless veterans with other federal departments and agencies*, including the Department of Defense, Department of Health and Human Services, Department of Housing and Urban Development, Department of Justice, Department of Labor, Interagency Council on Homelessness, and the Social Security Administration.

19. Reauthorize the Advisory Committee on Homeless Veterans through FY 2011. Current law (38 U.S.C. 2066) establishes an Advisory Committee on Homeless Veterans to provide a formal mechanism for the Secretary to gather advice from the homeless veteran service provider field and others with expertise on homeless veteran matters. The Committee is set to expire December 31, 2006. The Committee has proved invaluable in impacting the VA's delivery of medical care and supportive services to homeless veterans. *Congress should extend the Advisory Committee on Homeless Veterans for a five-year period.*

20. Add the Executive Director of the Interagency Council on Homelessness (ICH) to the Advisory Committee on Homeless Veterans. The ICH plays a leadership role in coordinating the federal government's response to homelessness. *Congress should add the ICH Executive Director as an ex-officio representative on the Advisory Committee on Homeless Veterans.*

F. Dispose Surplus Property to Homeless Service Providers

21. Require VA to use the McKinney-Vento Title V Program as its first method for transferring real property to homeless service providers. The Title V program requires federal departments and agencies, including VA, to make surplus properties available to nonprofit and public organizations serving homeless persons, including homeless veterans, at no cost. Under current law (38 U.S.C. 8122(d)), VA has been able to avoid declaring property excess, and thus avoid listing it through the Title V process, by determining that the property is suitable for services to homeless veterans under an

enhanced use lease. Enhanced use lease is less favorable to homeless service providers than Title V because under EUL, providers are expected to pay for the property, while under Title V the transfer is without charge. *Congress should require VA to select Title V as its first method for transferring real property to homeless service providers.*

22. Require VA to enter into lease agreements to rent space to homeless service providers at no charge or at least at no greater than an amount sufficient to cover the direct costs associated with making it available. Currently, VA enters into space agreements with nonprofit organizations to utilize VA capital assets for services to homeless veterans. The rates the Department negotiates with nonprofit organizations fluctuate greatly, and are sometimes above fair market rental rates or at rates that are cost-prohibitive to nonprofit organizations. *Congress should require VA to ensure that space agreements with homeless service providers are set without charge or at least at a rate not to exceed the direct costs associated with making it available.*

23. Make permanent VA's authority to transfer properties obtained through foreclosure on VA home mortgages. Current law (38 U.S.C. 2041) authorizes VA to sell, lease, or donate foreclosed properties to homeless service providers for purposes of assisting homeless veterans and their families in acquiring shelter. The authority expired December 31, 2003. The program has proven invaluable to federal and community efforts to provide permanent housing for persons experiencing homelessness. *Congress should renew and make permanent the transfer authority.* Further, Congress should require VA to dispose of at least ten percent of transferred properties via donation.

Conclusion

The National Coalition for Homeless Veterans looks forward to continuing to work with the Committee on Veterans' Affairs in ensuring that our federal government does everything within its grasp to prevent and end homelessness among our veterans. They have served our nation well. It is beyond time for us to repay the debt.

Curriculum Vitae

Linda Boone, Executive Director, took over the management of the National Coalition for Homeless Veterans in April 1996. Since then the organization has grown from a handful of members to nearly 250 community-based organizations, government agencies and businesses providing supportive services to more than 150,000 homeless veterans and their families every year.

Boone spent the first 20 years of her career in the high technology manufacturing environment before developing her own consulting and training business, working with multi-million dollar corporations to develop competitive management practices.

Boone's involvement with veteran issues began in 1969 as a volunteer in her local community. Her advocacy for homeless veterans began in 1990 after meeting veterans living under a boardwalk near her home. She went on to serve as the National President of the one million-member American Legion Auxiliary. During her administration, the organization contributed 10 million volunteer hours and $20 million to more than 11,000 communities worldwide.

Boone is recognized as one of the nation's foremost authorities on homeless veteran issues, and has had a significant impact on the development of and increased funding for many of the federal homeless veteran programs in existence today.

Federal Funding

The National Coalition for Homeless Veterans has received the following Federal grants:

FY03
HUD Grant to provide technical assistance to community-based organizations, $138, 502.

FY04
Department of Veterans Affairs Grant to provide technical assistance to community based organizations with experience in assisting homeless veterans, $517,422.

Department of Labor Grant to provide technical assistance to community based organizations with experience in assisting homeless veterans, $86,313.

FY05-06
Department of Veterans Affairs Grant to provide technical assistance to community based organizations with experience in assisting homeless veterans, two year total award is $1,112,500.

TESTIMONY OF
JACK R.M. PIERCE, Ed.D
DIRECTOR OF STUDENT SERVICES
MARYLAND CENTER FOR VETERANS EDUCATION AND TRAINING, INC.

BEFORE THE

UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY

MAY 4, 2005

MR. CHAIRMAN, MEMBERS OF THE SUBCOMMITTEE, MY NAME IS JACK R, M. PIERCE AND I AM THE DIRECTOR OF STUDENT SERVICES AT THE MARYLAND CENTER FOR VETERANS EDUCATION AND TRAINING, INC.: COMMONLY REFERRED TO AS MCVET.

MCVET WAS ESTABLISHED APPROXIMATELY TWELVE YEARS AGO WITH A MISSION TO PROVIDE HOMELESS VETERANS, AND OTHER VETERANS IN NEED, WITH COMPREHENSIVE SERVICES THAT WILL ENABLE THEM TO REJOIN THEIR COMMUNITIES AS PRODUCTIVE CITIZENS. MCVET OPERATES A MILITARILY STRUCTURED FACILITY WHERE VETERANS ARE REINTRODUCED TO THE MILITARY TYPE OF DISCIPLINE THAT WAS ACCUSTOMED TO THEIR SERVICE.

THE REAWAKENING OF THE ROUTINE MILITARY DISCIPLINE ENHANCES MCVET'S ABILLITY TO STABILIZE AND REORDER THE LIVES OF THESE VETERANS. EACH RESIDENT IS REQUIRED TO ATTEND

SUBSTANCE ABUSE CLASSESS AND ALCOHOLICS/NARCOTICES ANONYMOUS MEETINGS, AND WORK IN CONJUCNTION WITH A CASE MANAGER IN THE DEVELOPMENT OF AN INDIVIDUAL SERVICE STRATEGY PLAN WHICH IS A LONG-RANGE PLAN USED AS A TOOL IN REMAINING DRUG AND ALCOHOL FREE.

- DAY DROP-IN, EMERGENCY, TRANSITIONAL AND PERMANENT HOUSING
- SUBSTANCE ABUSE COUNSELING
- ASSISTANCER WITH PHYSICAL AND MENTAL HEALTH ISSUES, INCLUDING POST TRAUMATIC STRESS DISORDER (PTSD)
- JOB TRAINING AND PLACEMENT
- EDUCATION

MCVET OWES ITS VERY EXISTENCE TO THE FEDERAL GRANTS TO COMMUNITY BASED 501(C)(3) ORGANIZATIONS. WE HAVE UNIQUELY MARRIED THE HOUSING SERVICES AVAILABLE FROM HUD, THE MEDICAL AND SOCIAL SERVICE SUPPORT AVAILABLE FROM VETERANS AFFAIRS, AND THE JOB TRAINING/EDUCATION SERVICES AVAILABLE FROM THE DEPARTMENT OF LABOR IN ORDER TO MOVE HOMELESS VETERANS INTO THE SOCIETAL MAINSTREAM AS SELF-

SUPPORTING AND CONTRIBUTING MEMBERS TO THEIR FAMILIES AND THEIR COMMUNITIES.

FROM DEPARTMENT OF LABOR:

- HVRP (TRANSITIONAL HOUSING) 07/01/04-06/30/05 $248,364
- HVRP (TRANSITIONAL HOUSING) 07/01/03-06/30/04 $203,588

MCVET HAS USED THESE GRANTS TO PROVIDE A COMPLETE CONTINUUM OF CARE CONSISTING OF:

- A 50 PERSON CAPACITY DAY DROP-IN CENTER
- A 50 PERSON CAPACITY EMERGENCY SHELTER PROGRAM
- A 120 PERSON CAPACITY TRANSITIONAL HOUSING PROGRAM
- AN 80 ROOM PERMANENT HOUSING FACILITY (SRO)
- A COMPLETE KITCHEN, LEARNING CENTER, FITNESS GYM AND CLASSROOMS

THUS, A VETERAN CAN GO FROM BEING HOMELESS TP PERMANENT HOUSING WITHIN THE SAME PROGRAM WHILE MAINTAINING CONTINUITDY OF COUNSELING AND SUPPORT. WE ARE FOCUSED TODAY ON GRANTS PROVIDED BY THE HVRP

PROGRAM AND HOW THEY BENEFIT THE HOMELESS VETERAN. THE $248,364 FROM THE DEPARTMENT OF LABOR HAS ENABLED MCVET TO 214 VETERANS IN EDUCATION AND TRAINING PROGRAMS. 188 VETERANS WERE PLACED IN FULL-TIME UNSUBSIDIZED EMPLOYMEANT WITH A SALARY AVERAGE OF $12.39 PER HOUR. THE PERMANENT HOUSING PROGRAM SERVICED 88 VETERANS. CASE MANAGEMENT AND COUNSELING ARE ONGOING COMPONENTS OF THE VETERAN'S STAY IN PERMANENT HOUSING. ALSO, IT IS AT THIS HOUSING LEVEL THAT FEMALE VETERANS CAN ACCESS MCVET'S SERVICES.

AS ONE CAN READILY SEE, VETERANS WHO ARE EDUCATED, GAINFULLY EMPLOYED AND INDEPENDENT ARE ASSETS TO THEIR COMMUNITIES BECAUSE THEY ARE NO LONGER DRINKING AND DRUGGING AND COMMITTING MAYHEM ON AN UNSUSPECTING SOCIETY. RATHER, THEY ARE REUNIFYING WITH FAMILIES, PURCHASING THEIR OWN HOMES, STARTING THEIR OWN BUSINESSES AND PARTICIPATING IN THE ECONOMY RATHER THAN LANGUISHING ON WELFARE ROLES. BECAUSE OF OUR WORK WITH VETERANS, HUD DECLARED THE PROGRAM A NATIONAL MODEL ON 7 MAY 1997. THIS OCCURRED AFTER WE HAD BEEN SERVING VETERANS A LITTLE LESS THAN 3 YEARS.

IN CLOSING, I WOULD LIKE TO THANK YOU FOR THIS OPPORTUNITY TO APPEAR BEFORE YOU AND TO SHARE MCVET'S

STORY. HOMELESS VETERANS ARE LIKELY TO FACE GREATER CHALLENGES IN THE YEARS AHEAD AS SCARCE RESOURCES STRAIN A SERVICE DELIVERY SYSTEM THAT IS ALREADY OVERBURDENED. I URGE YOU, IN YOUR DELIBERATIONS, TO CONSIDER THE PLIGHT OF THOSE YOUNG MEN AND WOMEN WHO HAVE BEEN SENT TO DEFEND THE IDEALS OF THIS COUNTRY. MANY OF THEM ARE RETURNING HOME BROKEN OF BODY, MIND AND SOUL AND THIS COUNTRY NEEDS TO PROVIDE THEM WITH RESOURCES TO ENABLE THEM TO SHARE IN THE AMERICAN DREAM. I IMPLORE YOU TO PASS THE LEGISLATION FOR THE REAUTHORIZATION OF THE HVRP ACT OF 2005.

VITAE

Jack R.M. Pierce, Sr.
5211 Norwood Avenue
Baltimore, Maryland 21207
(410) 448-2783
(410) 576-9626
jpierce@mcvet.org

Education:

Hampton University — Hampton, Virginia
Bachelor of Science — June, 1959

Howard University — Washington, D.C.
Master of Social Work — June, 1968

The University of Maryland — Baltimore, Maryland
Post-Graduate Study (School Of Social Work) — October, 1984 to June, 1985

The University of Maryland — Baltimore, Maryland
Post-Graduate Study (College of Business and Management) — October, 1984 to June, 1985

Executive Development Program-Nonprofit Sector — Baltimore, Maryland
Post-Graduate Study — June, 1987 to June, 1988

Morgan State University — Baltimore, Maryland
Doctor of Education — May, 1995

Training:

Boys Village of Maryland — Cheltenham, Maryland
Graduate Student — September, 1966 to May, 1967

The Offender Rehabilitation Division — Washington, D.C.
Graduate Student — September, 1967 to May, 1968

The Baltimore City Detention Center — Baltimore, Maryland

Graduate Student (Doctorate) September, 1990 to May, 1992

Experience: Maryland Center for Veterans Education And Training, Inc. Baltimore, Maryland

Director of Student Services
July 2, 1995

- Identified problems, diagnosed causes and determined corrective actions.
- Wrote, designed and produced the program of services for the agency.
- Expedited communication between upper level management and general personnel.
- Executed daily operations of the Resident Services Division.
- Assisted subordinates and supervisors in identifying and resolving problems.
- Maintained case records and produced reports for various funding sources.

Bureau of Rehabilitation of the National Capitol Area, Inc. Washington, D.C.

Substance Abuse Counselor
February, 1971 to February, 1973

Responsible for providing the client with a range of social work, family counseling, vocational counseling and group counseling services to meet individual client needs. These needs are determined jointly by the counselor, paraprofessional ex-addict worker and the client. The establishment of a therapeutic relationship on a one-to-one basis is considered essential parts of this program.

The Prisoners Aid Association of Maryland, Inc. (PAA) Baltimore, Maryland

Executive Director
July 2, 1973

Responsible for the administration of the agency in accordance with policies determined by the Board of Directors and as required under the advice of the Executive Committee of the Board.

The Offender Rehabilitation Division of the Public Defender Service Washington, D.C.

Division Chief
February, 1970

In charge of the Division's activities. Responsible to the Director of the Public Defender Service and its Board of Trustees. Assumed responsibility for the program's total operation.

The Baltimore City Department of Social Services-DSS — Baltimore, Maryland

Caseworker
May, 1963

Provided Aftercare Supervision for delinquent boys and girls.

Worked with dependent and neglected children

Provided direct service to unmarried and pregnant girls

Investigated charges of child abuse

The Baltimore City Department of Social Services –DSS — Baltimore, Maryland

Supervisor

Supervised caseworkers in unmarried parent service and adoptions.

Community: The Leadership – A Program For Emerging Civic Leaders
January, 1986 to November, 1986

Advisory Board For Correction, Parole and Probation
January, 1986 to January, 1990

Foster Care Review Board
January, 1992 to January, 1996

The Homeless Relief Advisory Board – Baltimore City
January, 1993 to 2004

EXECUTIVE SUMMARY

OF TESTIMONY PRESENTED BY

JACK R.M. PIERCE, Ed.D
DIRECTOR OF STUDENT SERVICES
MARYLAND CENTER FOR VETERANS EDUCATION AND TRAINING, INC.

BEFORE THE

UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON VETERAN'S AFFAIRS
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY

MAY 4, 2005

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE. THE MARYLAND CENTER FOR VETERANS EDUCATION AND TRAINING, INC. WAS ESTABLISHED APPROXIMATELY TWELVE YEARS AGO WITH A MISSION TO PROVIDE HOMELESS VETERANS, AND OTHER VETERANS IN NEED, WITH COMPREHENSIVE SERVICES THAT WILL ENABLE THEM TO REJOIN THEIR COMMUNITIES AS PRODUCTIVE CITIZENS.

THE SERVICES OFFERED DURING A VETERAN'S STAY IN OUR FACILITY ARE DESIGNED TO REMOVE BARRIERS TO RECOVERY. THESE BARRIERS INCLUDE BUT ARE NOT LIMITED TO, DEBTS, COURTS, CHILD SUPPORT, TYPES OF DISCHARGES AND PHYSICAL/MENTAL HEALTH ISSUES.

THE HVRP GRANT HAS ALLOWED MCVET TO MOVE HOMELESS VETERANS INTO THE ECONOMIC AND SOCIETAL MAINSTREAMS AS SELF-SUPPORTING AND CONTRIBUTING MEMBERS TO THEIR FAMILIES AND THEIR COMMUNITIES. THE PROGRAM COORDINATOR AND THE ASSISTANT PROGRAM COORDINATOR, WHICH ARE POSITIONS FUNDED BY THE GRANT, ENABLED US TO PLACE VETERANS IN JOBS SUCH AS:

- DRIVERS WITH CDL (A & B) CLASS LICENSES
- HVAC TECHNICIANS
- INFORMATION TECHNOLOGY
- PAID APPRENTICESHIPS IN PAINTING, ELECTRICIAN, CARPENTRY, ELEVATOR MAINTENANCE, SHEET METAL, MACHINIST, HEAVY EQUIPMENT OPEREATOR
- SUBSTANCE ABUSE COUNSELORS
- YOUTH COUNSELORS
- MUNICIPAL DEPARTMENT OF PUBLIC WORKS
- PUBLIC SAFETY
- HOMELAND SECURITY

MCVET'S JOB OFFICE HAS PLACED VETERANS IN HIGH PROFILE JOBS SUCH AS DRAFTING, HOTEL HOSPITALITY MANAGEMENT, AND MAINTENANCE TECHNICIAN FOR A MUNICIPAL TRANSPORTATION SYSTEM, MASTER FITNESS TRAINER AND WEB MASTER.

THESE VETERANS ARE REUNIFYING WITH FAMILIES, PURCHASING THEIR OWN HOMES, STARTING THEIR OWN BUSINESSES AND PARTICIPATING IN THE ECONOMY RATHER THAN LANGUISHING ON WELFARE ROLES.

United States Government Accountability Office

GAO

Testimony
Before the Subcommittee on Economic Opportunity, Committee on Veterans' Affairs, House of Representatives

For Release on Delivery
Expected at 2:00 p.m. EDT
Wednesday, May 4, 2005

HOMELESS VETERANS

Job Retention Goal Under Development for DOL's Homeless Veterans' Reintegration Program

Statement of Cynthia A. Bascetta
Director, Health Care

GAO-05-654T

GAO
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Highlights

Highlights of GAO-05-654T, a testimony before the Subcommittee on Economic Opportunity, Committee on Veterans' Affairs, House of Representatives

May 4, 2005

HOMELESS VETERANS

Job Retention Goal Under Development for DOL's Homeless Veterans' Reintegration Program

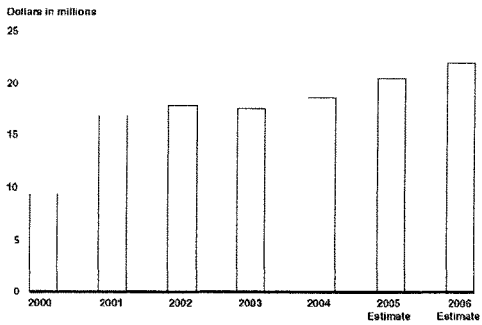
Why GAO Did This Study

The Department of Veterans Affairs (VA) has estimated that as many as 250,000 veterans may be homeless on any given day. Many other veterans are also considered at risk for homelessness because of poverty, lack of support from family and friends, and precarious living conditions in overcrowded or substandard housing. One federal program designed to help these veterans is the Department of Labor's (DOL) Homeless Veterans' Reintegration Program (HVRP)—a grant program that provides funding for employment and training services for homeless veterans. GAO was asked to assist the subcommittee with its consideration of HVRP reauthorization by providing information on DOL's (1) expenditures on HVRP grants and (2) measures and goals for assessing the effectiveness of HVRP. GAO reviewed VA and DOL documentation that included the amounts DOL expended for HVRP as well as information on HVRP grantees and performance goals. GAO also interviewed DOL program officials.

What GAO Found

DOL's expenditures for HVRP grants have increased from $9.5 million in fiscal year 2000 to over $18 million in fiscal year 2004. For fiscal years 2005 and 2006, DOL estimates that it will expend over $20 million on HVRP grants each year. Currently, DOL oversees 79 HVRP grants that help provide employment and job training services for homeless veterans.

DOL Actual and Estimated Expenditures on HVRP Grants for Fiscal Years 2000-2006



Source: DOL

In program year 2003 (July 1, 2003 through June 30, 2004), 63 percent of homeless veterans enrolled in HVRP funded programs entered employment, which exceeds the 61 percent entered-employment goal in DOL's fiscal year 2006 budget. DOL recently reported that for program year 2003, 35 percent of employed veterans served through the program retained their jobs for 180 days. However, DOL is in the process of developing a performance goal for this job retention measure. This goal along with the entered-employment goal will help DOL, Congress, and others evaluate the impact that HVRP has on homeless veterans.

www.gao.gov/cgi-bin/getrpt?GAO-05-654T

To view the full product, including the scope and methodology, click on the link above. For more information, contact Cynthia A. Bascetta at (202) 512-7101.

Mr. Chairman and Members of the Subcommittee:

We are pleased to be here today to discuss employment and job-training services for homeless veterans through the Department of Labor's (DOL) Homeless Veterans' Reintegration Program (HVRP). HVRP is a grant program that funds employment and training services for homeless veterans, as part of DOL's overall efforts under the Veterans' Employment and Training Service (VETS). The Department of Veterans Affairs (VA) has estimated that as many as 250,000 veterans may be homeless on any given day. Many other veterans are also considered at risk for homelessness because of health problems such as substance abuse and mental illness, poverty, lack of support from family and friends, and precarious living conditions in overcrowded or substandard housing. Multiple federal agencies such as VA, DOL, and the Department of Housing and Urban Development (HUD) administer programs that serve homeless veterans.

To assist the subcommittee with its consideration of HVRP reauthorization, my testimony today provides information on DOL's (1) expenditures on HVRP grants and (2) measures and goals for assessing the effectiveness of HVRP.

During the course of our work, we examined DOL's HVRP grant expenditures for fiscal years 2000 through 2004 and its projected budgets for 2005 and 2006. We reviewed our past work on federal efforts to address the needs of homeless veterans, including related veteran employment and training services. (See Related GAO Products at the end of this statement.) We also reviewed VA and DOL agency documentation that describes the services provided to homeless veterans, interviewed DOL program officials, and made a site visit to an HVRP grantee that provides training, education, and housing services in Baltimore, Maryland. DOL provided us with information on HVRP grantees, participants, and performance measures. However, we did not perform independent verification of its data. We discussed the information contained in this statement with DOL officials, who agreed with its contents. We performed our work in April 2005 in accordance with generally accepted government auditing standards.

In summary, DOL's expenditures for HVRP grants have increased from $9.5 million in fiscal year 2000 to over $18 million in fiscal year 2004. For fiscal years 2005 and 2006, DOL estimates that it will expend over $20 million on HVRP grants each year. Currently, DOL oversees 79 HVRP grants that help provide employment and job training services for homeless veterans. In program year 2003 (July 1, 2003, through June 30,

2004), 63 percent of homeless veterans enrolled in HVRP funded programs entered employment, which exceeds the 61 percent entered-employment goal in DOL's fiscal year 2006 budget. DOL recently reported that for program year 2003, 35 percent of employed veterans served through the program retained their jobs for 180 days. However, DOL has not developed a performance goal for this job retention measure, but plans to do so for 2007. Moreover, DOL has not provided the Congress with statutorily required reports on program effectiveness.

Background

VA has estimated that one-third of homeless adults have served in the armed forces and as many as 250,000 veterans may be homeless on any given day.[1] Further, according to VA, about 45 percent of homeless veterans have mental illnesses, and slightly more than 70 percent have alcohol and drug abuse problems.

Under VETS, DOL administers specific programs and activities designed to help veterans obtain employment and training assistance. DOL carries out its responsibilities through a nationwide network that includes staff in each of its 10 regions and staff in state offices. VETS funds three types of grant programs to support veterans—HVRP, the Jobs for Veterans' State Grants Program, and the Veterans Workforce Investment Program. HVRP is the only VETS program specifically targeted to homeless veterans.

HVRP was initially authorized in 1987, as part of the Stewart B. McKinney Homeless Assistance Act (McKinney Act).[2] Congress passed the McKinney Act in part because of concerns that the needs of homeless people were not being met beyond their immediate needs for food and shelter.[3] The McKinney Act was the first comprehensive law designed to address other needs of homeless people such as physical and mental health care, education, and job training. Currently, HVRP is authorized under the Homeless Veterans Comprehensive Assistance Act of 2001 (HVCAA), which provides that the Secretary of Labor shall conduct programs to

[1]VA bases its homeless veteran population estimate on the Urban Institute's analysis of a 1996 survey of homeless clients and providers conducted by the Census Bureau: *Homelessness: Programs and the People They Serve, Technical Report prepared by the Urban Institute for the Interagency Council for Homelessness, Sept. 1999.*

[2]See Pub. L. No. 100-77, § 738, 101 Stat. 482, 530-31 (1987).

[3]The act's definition of homeless includes individuals who lack a fixed, nighttime residence and whose primary nighttime residence is either a supervised temporary shelter, institution, or a place not ordinarily used for sleeping.

provide job training, counseling, and placement services to expedite the reintegration of homeless veterans into the labor force.[4]

HVRP grants are intended to address two objectives: (1) to provide services to assist in reintegrating homeless veterans into meaningful employment within the labor force and (2) to stimulate the development of effective service delivery systems that will address the complex problems facing homeless veterans. There are four types of grants that are administered under HVRP—urban, non-urban, intermediary, and grants to serve previously incarcerated veterans. DOL awards urban grants to applicants that provide services in the 75 most populated cities and non-urban grants to applicants that provide services in smaller cities and rural areas. Additionally, DOL awards grants to intermediaries that award a substantial portion of their grants to eligible local grass roots organizations to provide employment and training services. Finally, DOL awards Incarcerated Veterans' Transition Program grants for serving only previously incarcerated veterans at risk of homelessness.

Various organizations, for example state and local agencies, private industry, and nonprofit organizations are eligible to receive grants under HVRP. DOL assesses each application and awards grants based on a number of factors including applicants' strategies for employment and retention of employment, and program design as it relates to job training, counseling, mentoring and other assistance to expedite the reintegration of homeless veterans into the labor force. Currently, there are 79 active grants.

Grantees are required to provide an array of services utilizing a case management approach that directly assists homeless veterans and provides critical linkages for a variety of supportive services available in their local communities.[5] Job placement, training, career counseling, and resume preparation are among the services that are provided by grantees. Supportive services such as referral to medical and substance abuse treatment; provision of or referral to temporary, transitional, and

[4]See Pub. L. No. 107-95, § 5, 115 Stat. 903, 909-10 (2001).

[5]Case management is a client-centered approach for the delivery of intensive services. Case management is designed to prepare and coordinate comprehensive employment plans for participants, to help ensure access to the necessary training and supportive services, and to provide support during program participation and after job placement.

permanent housing; and transportation assistance are also provided to help meet the needs of homeless veterans.[6]

Prior to fiscal year 2003, HVRP grants included 1 additional year of optional funding after the year of award. Beginning in fiscal year 2003, DOL awards grants for one year, with the option of additional funding in each of the next two years based on grantee performance and the availability of funds.[7] DOL does not guarantee additional funding for option years when it awards HVRP grants.

DOL Expenditures on HVRP Grants Have Increased Since Fiscal Year 2000

DOL expenditures for HVRP grants increased from $9.5 million in fiscal year 2000 to over $18 million in fiscal year 2004. During fiscal year 2000, DOL awarded $9.5 million for 54 HVRP grants to provide employment and training services for 7,800 homeless veterans. During fiscal years 2001 through 2003, DOL spent about $17.5 million annually to fund 81, 62, and 77 grants, respectively, to serve about 14,000 homeless veterans each year.

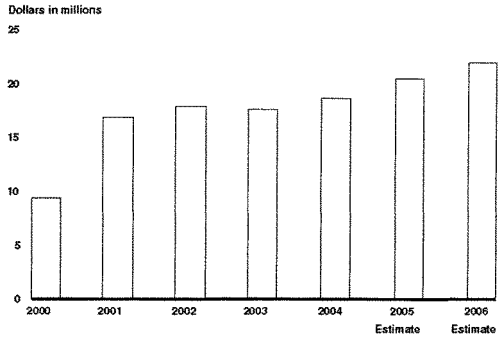
In fiscal year 2004, DOL spent about $18.6 million for HVRP grants—most of it for urban and non-urban grantees. It was also the first year that HVRP provided grants to intermediaries and, during that year, DOL expanded grants specifically to serve previously incarcerated veterans—$900,000 for intermediaries and $1.5 million for the Incarcerated Veterans' Transition Program.[8] HVRP is projected to grow modestly in fiscal years 2005 and 2006 from fiscal year 2004 funding levels. DOL estimates that it will spend about $20 million annually on HVRP grants for fiscal years 2005 and 2006. (Figure 1 shows DOL actual and estimated expenditures on HVRP Grants for fiscal years 2000-2006.)

[6]Transitional housing is generally housing in which homeless persons live for up to 24 months and receive supportive services that enable them to live more independently. Permanent housing is long-term community-based housing and supportive services for homeless persons with disabilities. The intent of this type of supportive housing is to enable this special needs population to live as independently as possible in a permanent setting.

[7]HVRP grants are made for a program year that runs from July 1 to June 30.

[8]DOL reports that a demonstration grant was provided to serve previously incarcerated veterans in fiscal year 2003.

Figure 1: DOL Actual and Estimated Expenditures on HVRP Grants for Fiscal Years 2000-2006



Source: DOL.

DOL Has Established an Entered-Employment Goal; an Employment-Retention Goal Is Under Development

For program years 2004 and 2005, DOL set an entered-employment goal of 58 percent for HVRP—defined as the percent of enrolled eligible participants who were placed in jobs or otherwise obtained employment as a result of grantee services. The Advisory Committee on Homeless Veterans and the National Coalition for Homeless Veterans also use entered-employment rates as a measure of the effectiveness of HVRP.[9] DOL's 2006 budget indicates that it plans to increase this goal to 61 percent. DOL reported to us that for program year 2003, the most current year for which data are available, HVRP grantees enrolled 13,060 homeless

[9]The Advisory Committee on Homeless Veterans is comprised of experts in the treatment of mental illness, substance use, housing alternatives, and vocational rehabilitation; representatives from community service providers with qualifications to deal effectively with care and treatment services for homeless veterans; veterans service organizations; advocates of homeless veterans and other homeless individuals; previously homeless veterans; and state veterans affairs officials. The National Coalition for Homeless Veterans is a nonprofit organization that serves as a resource for a network of nearly 250 community-based service providers and local, state and federal agencies that provide emergency and supportive housing, food, health services, job training and placement assistance, legal aid and case management support for hundreds of thousands of homeless veterans each year.

veterans and placed 8,191, or 63 percent, in employment—a rate that exceeds both DOL's current entered-employment performance goal and its goal for next year.

Sustained employment is another measure of program effectiveness. DOL recognizes that it is necessary to evaluate and measure this long-term result.[10] HVRP grantees must follow-up 90 and 180 days after placement to determine whether a veteran is in the same or similar job and must obligate sufficient funds prior to the end of the grant performance period to ensure that follow-up activities are completed and reported to DOL. These 90 and 180 day follow-ups are fundamental to assessing the success of the program, according to DOL.

However, while DOL requires grantees to measure and report on the effectiveness at 90 and 180 days after placement, it has not established a performance goal for employment retention for the program—the percent of veterans placed in employment who retain their jobs. DOL's data for program year 2003 show that while grantees achieved a 59 percent retention rate at 90 days, the rate dropped to 35 percent at 180 days. An employment-retention goal would provide DOL a better basis for assessing whether grantees are providing or referring homeless veterans to the services necessary for them to retain employment. Understanding why job retention drops could help develop effective interventions and provide information for establishing future performance goals. According to DOL, it plans to establish a performance goal for employment retention for fiscal year 2007.

The Congress has specifically recognized the importance of assessing the outcomes of services provided to homeless veterans by requiring DOL to report every two years on the effectiveness of HVRP. While DOL has taken some steps, it has not provided the required reports. DOL officials told us that the department plans to issue its first report to the Congress by the end of fiscal year 2005. Providing this information to the Congress will help with its oversight of the program and with its deliberations regarding program reauthorization.

[10]See 70 Fed. Reg. 15899, 15901 (Mar. 29, 2005): Department of Labor, Veterans' Employment and Training Service, Urban Homeless Veterans' Reintegration Program Grants for Program Year 2005: *Initial Solicitation for Grant Applications*.

Concluding Observations

Because employment retention is crucial to the overall success of transitioning veterans from homelessness, it is important that DOL continue to develop a realistic performance goal for employment retention to help assess the success of HVRP. Establishing such a longer-term goal for the program may help ensure that grantees provide veterans with longer-term follow up services necessary to retain employment. This goal along with the entered-employment goal will help DOL, Congress, and others evaluate the impact that HVRP has on homeless veterans.

Mr. Chairman, this concludes my prepared remarks. I will be pleased to answer any questions that you or other members of the subcommittee may have.

Contacts and Acknowledgments

For further information regarding this testimony, please contact Cynthia A. Bascetta at (202) 512-7101 or Michael T. Blair, Jr., at (404) 679-1944. Michael Tropauer also contributed to this statement.

Related GAO Products

Veterans' Employment and Training Service: Flexibility and Accountability Needed to Improve Service to Veterans. GAO-01-928. Washington, D.C.: September 12, 2001.

Homeless Veterans: VA Expands Partnerships, but Homeless Program Effectiveness Is Unclear. GAO/HEHS-99-53. Washington, D.C.: April 1, 1999.

Homelessness: Coordination and Evaluation of Programs Are Essential. GAO/RCED-99-49. Washington, D.C.: February 26, 1999.

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TESTIMONY
OF
CRAIG W. DUEHRING
PRINCIPAL DEPUTY ASSISTANT SECRETARY OF DEFENSE
RESERVE AFFAIRS

BEFORE THE
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES

HIRE VETERANS ACT OF 2004
HR 419

HOMELESS VETERANS REINTEGRATION PROGRAM
REAUTHORIZATION ACT OF 2005
DRAFT BILL

SERVICEMEMBERS HEALTH INSURANCE PROTECTION ACT OF 2005
DRAFT BILL

SERVICEMEMBERS TAXATION PROTECTION ACT OF 2005
DRAFT BILL

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MAY 4, 2005

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Craig W. Duehring

Principal Deputy Assistant Secretary of Defense for Reserve Affairs

Mr. Duehring is the Principal Deputy Assistant Secretary of Defense for Reserve Affairs. He also performs the duties of acting Assistant Secretary of Defense for Reserve Affairs in the absence of the ASD/RA. He was selected effective July 23, 2001.

As the Principal Deputy, Mr. Duehring serves as the senior deputy to the Assistant Secretary of Defense for Reserve Affairs in policy development and overall supervision of the National Guard and Reserve forces of the armed forces of the United States. He is the chief staff advisor to the assistant secretary for all functional areas and responsibilities assigned to the office.

Previously, Duehring served on the Bush-Cheney Transition Team and the Department of Defense Transition Team. He was the executive director of the Patrick Henry Center for Individual Liberty, a non-profit 501 (c)(3) educational and charitable foundation located in Fairfax, Virginia. Duehring was the endorsed Republican candidate for the Minnesota 2nd Congressional District in 1998. He is a 28-year military veteran, retiring as a colonel in the U.S. Air Force in February 1996. His final military assignment was as the U.S. Air Attaché to the Republic of Indonesia.

He is a decorated combat pilot, completing over 800 missions during the Vietnam War as a Forward Air Controller. Duehring has flown more than a dozen types of aircraft, amassing over 1,200 hours in the A-10 Thunderbolt II. His military awards and decorations include the Silver Star, the Defense Superior Service Medal, two Distinguished Flying Crosses, three Meritorious Service Medals, 27 Air Medals, two Air Force Commendation Medals, the Vietnamese Cross of Gallantry (individual award),and the Vietnamese Staff Service Honor Medal (1st Class). Duehring is also a recipient of the Air Force's highest individual award for leadership in the senior officer category, the Lance P. Sijan (SIGH-john) Award.

Duehring holds a bachelor of science in History and Sociology from Minnesota State University at Mankato, and a master of science in Counseling and Guidance from Troy State University.

He is a native of Mankato, Minnesota.

Mr. Chairman and members of the Subcommittee, thank you for giving me the opportunity to come before you this afternoon to discuss several proposed improvements to the Servicemembers' Civil Relief Act (SCRA) and the Uniformed Services Employment and Reemployment Rights Act (USERRA).

The Department of Defense supports enactment of the Servicemembers' Health Insurance Protection Act of 2005 and the Servicemembers' Taxation Protection Act of 2005, both of which would amend several provisions of the SCRA to reflect our experience with the SCRA during its first seventeen months. The proposed amendments in both draft bills address problems that have been encountered by servicemembers and brought to the attention of the Department through the legal assistance programs of the Military Services. Legal assistance attorneys play a key role in ensuring that servicemembers are able to fully exercise the rights and protections afforded by the SCRA, and we have been attentive to their experiences during the first year under the new law.

The Servicemembers' Taxation Protection Act of 2005 would amend section 511(c) of the SCRA (50 U.S.C. App. § 571(c)) to make clear that a tax jurisdiction may not impose a use, excise, or similar tax on the personal property of a nonresident servicemember when the laws of the tax jurisdiction fail to provide a credit against such sales, use, excise, or similar taxes previously paid on the same personal property to another tax jurisdiction. This technical correction is needed to protect servicemembers

from double taxation, which is possible under the current wording of section 511, as interpreted by the Supreme Court (Sullivan v. United States, 395 U.S. 169 (1969)) when it considered identical language in the previous Soldiers' and Sailors' Civil Relief Act. This problem was most notable when we had significant forces assigned to military installations in the Commonwealth of Puerto Rico, but it also exists in other state and local jurisdictions.

The Servicemembers' Health Insurance Protection Act of 2005 addresses problems we have noted in the SCRA and in USERRA, both relating to health insurance. Section 2 of that Act would amend section 704 of the SCRA (50 U.S.C. App. § 594) to prevent unfair rate increases in a returning servicemember's health insurance. The SCRA and USERRA both guarantee to a servicemember who is returning to civilian life the right to reinstate civilian health insurance policies he or she may have had before departing for military service. The SCRA is silent, however, as to the rate at which such reinstated coverage is available. Section 2 of the Servicemembers' Health Insurance Protection Act would require reinstated coverage to be made available at either the same rate as pre-service coverage, or at a rate no higher than general increases charged by the carrier for similar health insurance. This prevents the carrier from offering reinstated coverage at a rate so high as to discourage a returning servicemember from using the reinstated coverage. I would note that section 703 of the SCRA (50 U.S.C. App. § 593) provides exactly this type of protection for doctors, dentists, and other health care professionals, with respect to professional liability insurance. Section 2 of the draft bill

would provide servicemember patients the same cost guarantees that their doctors now enjoy under the SCRA.

Section 3 of the Servicemembers' Health Insurance Protection Act of 2005 offers a technical correction to address two groups of servicemembers who fall into gaps in coverage provided by the Uniformed Services Employment and Reemployment Rights Act's (USERRA's) right to immediate reinstatement of health coverage. First, some reservists who are notified or alerted that they may be called to active duty choose to terminate their employer-sponsored health coverage early (before entering military service) and enroll in the military TRICARE plan immediately upon notification. Since such reservists technically have no employer-sponsored health coverage when they actually leave to perform military duty, they are not entitled to immediate reinstatement when they return from military service. Second, other reservists who are notified or alerted that they may be called to active duty are not ultimately brought onto active duty. Under existing law, such reservists who terminate employer-sponsored health coverage are not entitled to elect immediate reinstatement, since they actually do not go onto active duty. (The right of immediate reinstatement is predicated on serving on military duty for some length of time.) Section 3 of the bill corrects these gaps in coverage and makes clear that both of these groups of reservists are entitled to immediate reinstatement in employer-sponsored health plans under 38 U.S.C. § 4317. Immediate reinstatement under § 4317 is important because it prevents gaps in coverage and the potential exclusions for so-called "pre-existing" conditions that such gaps in coverage may create.

The Department of Defense defers to the Department of Labor with regard to HR 419, the Hire Veterans Act of 2004, and to the Departments of Labor and Veterans' Affairs with regard to the Homeless Veterans Reintegration Program Reauthorization Act of 2005.

I would again like to thank the Committee and its staff for all of your efforts on behalf of our servicemembers. The Department of Defense appreciates this opportunity to discuss these important matters with you.

TESTIMONY OF
CRAIG W. DUEHRING
PRINCIPAL DEPUTY ASSISTANT SECRETARY OF DEFENSE
RESERVE AFFAIRS
MAY 4, 2005

Craig W. Duehring
Principal Deputy Assistant Secretary of Defense for Reserve Affairs

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I would again like to thank the Committee and its staff for all of your efforts on behalf of our servicemembers. The Department of Defense appreciates this opportunity to discuss these important matters with you.

STATEMENT OF T.P. O'MAHONEY
CHAIRMAN OF THE PRESIDENT'S NATIONAL HIRE VETERANS COMMITTEE

BEFORE THE

SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

ON

H.R. 419, THE "HIRE VETERANS ACT OF 2004"

May 4, 2005

Good afternoon, Chairman Boozman, ranking member Herseth and members of the Committee. I am T.P. O'Mahoney, Chairman of the President's National Hire Veterans Committee and it is my honor to appear before you today to address H.R. 419, the "Hire Veterans Act of 2004" that would among other things reauthorize the President's National Hire Veterans Committee.

In the Jobs for Veterans Act of 2002, the Congress gave the President's National Hire Veterans Committee the mission to make employers and businesses more aware of our veterans through the public workforce system. This proposed legislation will extend the President's National Hire Veterans Committee through December 31, 2008. It also will permit the Secretary of Labor to use funds from the allocation to the states for the Disabled Veterans' Outreach Program Specialists (DVOPs) and Local Veterans' Employment Representatives (LVERs) programs.

The nationwide network of One-Stop Career Centers is the common denominator between our Nation's employers and veterans who are seeking meaningful career employment. To emphasize this connection, The President's National Hire Veterans Committee launched a nationwide campaign with a Web site, www. hirevetsfirst.gov, as its cornerstone where any employer using the Web site will be able to locate the nearest One-Stop Career Center within four clicks.

I appreciate the issues connected with transitioning from the military and the challenges our veterans face every day searching for employment. I too, am a veteran. I was a Naval Aviator, commissioned in the United States Marine Corps, and was honorably discharged with the rank of Major. I also have experience with both veteran and labor issues having served as a Commissioner with the Texas Workforce Commission and on numerous panels at the State and National levels representing airline pilots.

While serving at the Texas Workforce Commission, I had the opportunity to appear before the House Veteran Affairs Committee in support of the Jobs for Veterans Act. I can tell you that, at that time, I knew the legislation to be sound and good, but did not know the impact that it was going to have in promoting the value of veterans across this great nation. I sit here now looking back to those hearings in 2002 and say thank you for being visionaries.

Our nation has a great number of men and women on active duty today serving in a variety of jobs and locations. Additionally, our active force is augmented more and more

by local Guard and Reserve units called up to serve in the Global War on Terrorism. These fine service members are dedicated to their task at hand - keeping America safe. When their deployment or enlistment ends they return home -- home to their families, home to their communities -- and many go home to look for a job. In a real sense of patriotism, they performed exactly like generations before them, they answered the call to duty, and when done laid down their sword and picked up the plowshare.

But unlike generations before them, the work system and environment has changed dramatically. Agriculture, manufacturing, and mining industries have given way to service, technical, and financial industries. These newer industries require higher levels of training, specialization, and experience. As the job requirements changed, business leaders looked to colleges, technical schools and existing workforce individuals to fill their employment openings. At times the quantity of skilled individuals was far less than the demand and businesses began seeking additional pools of talented staff.

Here is where The President's National Hire Veterans Committee comes in.

Today's veteran skills have changed, just like industry changed. Our service men and women are high tech, skilled and experienced in many of the same systems industry uses today. They are trained in state-of-the-art equipment, be it in medicine, computers, transportation or logistics, just to name a few. I can hear you ask, "if this is true why do we need to promote veterans today?" The answer is easy; there are fewer key leaders and hiring decision-makers that are veterans. Also, many making the hiring decision have

perceptions based on what they saw, experienced or knew. Be it two or thirty years ago only veterans remember what it means to have served.

The core values veterans offer today, what we are referring to as "soft skills" such as teamwork, leadership, triumph over adversity and integrity to name a few as opposed to the hard skills presented on a resume, are the same as those of past generations. However, there is a need to educate our businesses and employers about the new veterans' total skills, abilities and potential. This is our charge, which at this time is still ongoing but building momentum.

We know overwhelmingly that employers have a favorable impression of veterans in the workforce. Yet, few have ever used the public workforce system to find or hire a veteran. We are seeking to change that through the efforts of the President's National Hire Veterans Committee.

I would like to discuss what our Committee has accomplished this past year.

As I mentioned, during fiscal year 2004, the Committee launched a national campaign to promote the hiring of veterans and transitioning servicemembers. The purpose of such a program is to reach out to potential hiring authorities while informing our veterans' population of the resources available to them through the public workforce system. Second, a local, grassroots campaign was instituted to integrate the national message with the workforce investment system and employers at the State and local level. The goal of

the national campaign is to increase the nationwide awareness of the value veterans bring to the workforce. The strategy focuses on the key decision-makers and hiring authorities in business and the public sector. Using high impact methods that are integrated in a cost-effective way, the campaign is promoting veterans for employment and shows interested employers how to hire them.

The strategy takes a unique approach; rather than focusing on patriotic duty, it emphasizes veterans as highly valued workforce assets. Fundamental to the creation of this campaign was the development of strategies that embraced, rather than replaced, existing systems, and the establishment of a partnership with workforce organizations at the national, State and local levels.

The core of the campaign is the hirevetsfirst.gov Web site, which offers special zones for employers and veterans. To guide parties to the Web site, several national advertisements were used to attract human resource specialists, executives and veterans. A wrap-around cover "outsert" program, mailed to select executive readers of *Business Week*, contains interviews with business leaders who have a background as veterans and/or have hired numerous veterans to enhance their workforce. These leaders include Robert Lutz, Vice Chairman of the Board, General Motors; Jackson Moore, President - CEO designate of Regions Financial Corporation; Bob Nardelli, CEO of the Home Depot; Marty Evans, CEO of the American Red Cross; and John Potter, CEO of the Postal Service. A four-page insert in *HR Magazine* (the magazine for the Society of Human Resource Management) discusses the top ten reasons for hiring veterans and

includes an ad with the headline "Business is a Battle. We Suggest You Staff Accordingly." Also, banner ads were inserted into electronic job boards to drive employers seeking veterans in the private sector to the public sector One-Stop Career Centers.

These creative pieces show how veterans present economic value to the employer not only because of their training, but more importantly because of their ability to learn new skills, a propensity for teamwork, self-discipline, loyalty and many other character factors that translate into productivity for the employer.

Anticipating that not all of the targeted audience attracted by the advertisements would visit the Web site first, the Committee established a protocol that was integrated within the Department of Labor's toll-free help line to refer callers to the nearest One-Stop Career Center.

To maximize exposure of the campaign within the public workforce system and to ensure coordinated service delivery, a joint letter from the Veterans' Employment Training Service (VETS) and Employment and Training Administration (ETA), plus a supplemental fact sheet, were sent electronically to over 4,500 regional, State, and local officials of the public workforce system, the national leaders of veterans organizations, and directors of State agencies involved in assisting veterans. The letter and fact sheet articulated the goals for the campaign and emphasized the implementation of a coordinated service delivery strategy between One-Stop Career Center business services

staff, job counselors, and Local Veterans Employment Representatives (LVERs) and Disabled Veterans Outreach Program Specialists (DVOPS).

To supplement the national campaign efforts, the Committee established a grassroots component that is focused at the State and local levels. The Committee, with the support of VETS, implemented a communications strategy that included partnering with several States to have local veteran representatives from particular states serve as a regional marketing representatives. Five individuals are now in place providing support to Regional, State and local areas on behalf of the Committee.

Concurrent with the national launch, Committee members and staff started briefing State officials, local workforce boards, and veteran groups about the mission of the Committee and the nature of the campaign. The Committee members and staff participated in over 100 events in 25 States, in 2004 to highlight the HireVetsFirst message. Coordinating with State workforce directors, they encouraged the issuance of proclamations by the individual State governors for a HireVetsFirst month to reflect State support of the campaign. Through the end of calendar year 2004, 16 governors had signed *Hire a Veteran Month* declarations: Arkansas, Florida, South Dakota, Illinois, Alabama, Connecticut, Delaware, Idaho, Indiana, Maryland, Montana, Nebraska, Ohio, Oklahoma, Texas, and Tennessee.

And thus far this year we have had 12 more governors sign Hire Veterans Month proclamations, including Oregon. Louisiana's Governor will sign their proclamation on June 23, 2005 and California's proclamation is pending. Our goal this year is to have all

states, the District of Columbia, Puerto Rico and the Virgin Islands issue a proclamation promoting Hire Veterans months. To date we have 28 signed, with 15 more scheduled to be signed by the end of June 2005. We will achieve our complete goal this year.

The Committee members have been a catalyst for local and statewide initiatives for the campaign. One Committee member spoke to an audience of over 4500 veterans and guests at a Veterans Day ceremony to promote the Committee and its objectives. This event was videotaped for showing to our servicemembers in Iraq. Another member has had meetings with his Fortune 500 human resource colleagues to explain the known qualities of veterans in the workplace and the value of the HireVetsFirst Web site, www.hirevetsfirst.gov. One member simply walked a company representative through the Web site and within 10 minutes placed him in touch with a Local Veterans Employment Specialist who helped that company "hire" a veteran to establish a franchise for the company. The Secretary of Defense's representative has proposed to the Department of Defense that our HireVetsFirst Web site be permanently included on the DD 214 form given to all discharged veterans. At the national level, during the Department of Labor's annual Salute to America's Veterans ceremony, HireVetsFirst was the theme of an address by the Executive Director of the Veterans of Foreign Wars.

Moreover, Home Depot, General Motors, Boeing, Regions Bank, Leo Burnet and Medco Health are represented on the Committee. And at hearings before this Committee, Ford Motors, Diamler Chrysler, CALPINES, CISCO Systems and UPS among others have testified of their commitment to hiring Veterans.

Mac Tools, the largest distributor of quality tools, recently became a HireVETSFirst employer, a designation available through the HireVetsFirst Web site. In fact Mac Tools announced a program to award a $13,000 full mechanic tool kit to a veteran each quarter. The first award was made to Seargent Alfred Kalous in February, less than 60 days after he was discharged as a disabled veteran, at a job secured for him through the public workforce system before he left Walter Reed Hospital.

The Committee has been very active in highlighting the skills of veterans and is working closely on the needs of disabled veterans. In late 2004, the Committee started a liaison with the newly established program, REALifelines (Recovery and Employment Assistance Lifelines). REALifelines is a Department of Labor initiative in which the Veterans' Employment and Training Service and the Department's Office of Disability Employment Policy and Employment and Training Administration address the needs of transitioning wounded and injured servicemembers who have been fighting the War on Terrorism. The Committee will be developing information for REALifelines on our Web site, www.hirevetsfirst.gov very soon.

To reach out to veterans who have an interest in entrepreneurship, the Committee will add information on self-employment to its Web site to complement salaried employment opportunities. We will be working with the Small Business Administrator, an ex-officio member, in reaching out to franchisors as potential "employers" of veterans who desire an entrepreneurial employment track.

As you can see, the Committee has only just begun a very ambitious program. The Committee is promoting the attributes of a unique class of employee – the veteran. The members of the Committee are eagerly reaching out to their counterparts and within their communities to highlight the qualities of our veteran workforce. Each member is establishing opportunities to herald the excellent qualities of our veterans to tie into the national outreach campaign. Many are veterans themselves who remember their service as a milestone in their careers and are carrying this personal testimony in their messages. All of the Committee members are driven to make sure that, as our servicemembers transition to the civilian job sector, their veteran status is recognized as a powerful cornerstone for a vigorous national economy.

Our goal for the President's National Hire Veterans Committee is to make sure that every veteran who wants a job will be able to find it. Also we seek to have the veteran recognized for the training and skills he or she acquired while serving our country. This is most ambitious, but is attainable because more and more today, Americans in the position to create a job or hire a new employee are impacted by what they see daily displayed by the media reporting the War on Terror. The faces employers see today are tomorrow's leaders for their businesses.

With our limited funds we are beginning to make an impact, but outreach to employers is all about repetitive contacts to positively reinforce perceptions. We are reaching new

employers everyday, but we cannot contact all businesses individually. To raise awareness is to market the veteran and his or her skills on a consistent basis to employers.

You recognized the need and took the steps in creating The President's National Hire Veterans Committee. We are on the ground, actively engaged in energizing employers to hire veterans.

In closing, I thank the Subcommittee for having a hearing to address the Hire Veterans Act of 2004 and I appreciate this opportunity to inform you of what the President's National Hire Veterans Committee has accomplished. Speaking for all the members of the Committee, we continue to look forward to a strong partnership with the House Veterans Affairs Committee and the Congress in its pursuit of creating more job opportunities for our veterans. We seek to reach all employers, large and small, old and new, with the good news that, "hiring a veteran is not goodwill, but good business." Working together we will bring a better tomorrow for the many who have served and those who wish to serve their country by wearing its uniform.

President's National Hire Veterans Committee
Chairman T.P. O'Mahoney
Executive Summary of Testimony on H.R. 419
May 4, 2005

Good afternoon, Chairman Boozman ranking member Herseth, and members of the Committee, I am T.P. O'Mahoney, Chairman of the President's National Hire Veterans Committee and it is my honor to appear before you today to address H.R. 419 and to discuss the mission, goals and accomplishments of the President's National Hire Veterans Committee.

As a veteran myself, I appreciate the issues of transition from the military to the civilian sector and the challenges our veteran's face every day searching for employment. The House Veterans Affairs Committee was right in understanding that raising the awareness of employers as to the attributes of veterans was needed then, is needed today, and will still be important tomorrow.

The President's National Hire Veterans Committee has been busy promoting veterans as the employee of first and best choice to our nation's businesses since its beginning. We have launched a national campaign to promote the hiring of veterans and transitioning servicemembers. The strategy focuses on the key decision-makers and hiring authorities in business and the public sector. The strategy takes a unique approach; rather than focusing on patriotic duty, it emphasizes veterans as highly valued workforce assets. The core of the campaign is the www.hirevetsfirst.gov website, which offers special zones for employers and veterans. We have used a series of advertisements in Business Week and HR Magazine to reach our desired national audience.

Concurrent with the launch of the national marketing campaign, at the grassroots level Committee members and staff have worked closely with State officials, local workforce boards, career one-stop centers and veteran groups explaining the mission of the Committee and the nature of the campaign. We encouraged the issuance of proclamations by the individual State governors for a HireVetsFirst month. Through the end of calendar year 2004, 16 governors proclaimed a ***Hire Veterans Month***. So far in 2005 we have had 12 more state proclamations issued with others pending. This year, we expect all states, the District of Columbia, Puerto Rico and the Virgin Islands to issue a HireVetsFirst proclamation.

Among our currently appointed Committee members **Home Deport**, **General Motors**, **Boeing, Regions Bank**, **Leo Burnet** and **Medco Health** are represented as well as several small business individuals. The Committee in its regional meetings has heard strong commitments for hiring veterans from **Ford Motors**, **DiamlerChrysler, CALPINES, CISCO Systems and UPS.** Additionally, **Mac Tools,** the largest distributor of quality tools, recently became a HireVetsFirst employer and announced a program to award a $13,000 dollar full mechanic tool kit to a veteran each quarter. The first award was made in February at Fort Riley, Kansas.

I fully support the work of this Committee and sincerely feel the investment put forth today will reap significant benefits for veterans. I commend The Economic Opportunity Subcommittee for its support of this initiative. The President's National Hire Veterans Committee continues to look forward to a strong partnership with the House Veterans Affairs Committee and this Subcommittee in its pursuit of creating more job opportunities for our nation's transitioning veterans.

HireVetsFirst

American Excellence at Work.

www.HireVetsFirst.gov

Members

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Office of Personnel Management

Honorable
Hector V. Barreto, Administrator
Small Business Administration

William L. Offutt
Executive Director

June 2, 2005

Congressman John Boozman
Chairman, Subcommittee on Economic Opportunity
House Committee on Veterans Affairs
335 Cannon House Office Building
Washington, DC 20515

Dear Mr. Chairman,

I have received your letter requesting information on the effectiveness of The President's National Hire Veterans Committee's (PNHVC) programs, and how we measure that effectiveness.

The Committee's mission, as stated in the Jobs for Veterans Act, is to "furnish information to employers…(and)…facilitate employment of veterans…" through a national program. More specifically, the Committee is charged with reaching out to America's employers to "market veterans as a unique national resource." H.R. Rep. No. 107-476, at 20 (2002). The Committee answered this charge with a multi-faceted, integrated marketing approach to reach businesses and hiring decision-makers.

The consensus is that business is our customer and the veteran is our product!

PNHVC continues to assess the effectiveness of its activities. Our marketing campaign began in the fall of 2004. I have attached a summary of our efforts and activities to effectively influence businesses and promote the value of hiring veterans.

Toward that end, I believe that the PNHVC is effectively accomplishing the mission for which it was created.

I appreciate this opportunity to respond to the Chairman's question.

Sincerely,

T P O'Mahoney

T.P. O'Mahoney
Chairman, President's National Hire
Veterans Committee

STATEMENT OF JOHN M. MCWILLIAM
DEPUTY ASSISTANT SECRETARY
VETERANS' EMPLOYMENT AND TRAINING ADMINISTRATION
U.S DEPARTMENT OF LABOR

BEFORE THE

SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
COMMITTEE ON VETERANS' AFFAIRS

U.S. HOUSE OF REPRESENTATIVES

May 4, 2005

Chairman Boozman, Ranking Member Herseth, and distinguished members of the subcommittee:

It is my honor to appear before this subcommittee today on behalf of Secretary Elaine Chao. My testimony today covers four areas: H.R. 419, the "Hire Veterans Act" (a bill to extend the authorization of the President's National Hire Veterans Committee (PNHVC)); and three draft bills: the "Homeless Veterans Reintegration Program Reauthorization Act of 2005," the "Servicemembers Health Insurance Protection Act of 2005," and the "Servicemembers Taxation Protection Act of 2005."

H.R. 419 Hire Veterans Act of 2004

H.R. 419 would extend the President's National Hire Veterans Committee through December 31, 2008 and authorizes the Secretary of Labor to support this committee through the use of funds appropriated for the state Disabled Veterans Outreach Program (DVOP) specialists and Local Veterans Employment Representative (LVER) programs to fund the activities of the Committee. As you know, the Committee was authorized by the Jobs for Veterans Act (Public Law 107-288) and was established to:

1. furnish information to employers with respect to the training and skills of veterans and disabled veterans, and the advantages afforded employers by hiring such veterans; and

2. facilitate employment of veterans and disabled veterans through participation in the national labor exchange and other means.

We believe it is imperative to connect veterans and employers through the use of the nation-wide network of One-Stop Career Centers. In 2004, the Committee launched its national campaign to promote the hiring of veterans for private sector employment. Using a new sophisticated web site (www.hirevetsfirst.gov), the campaign is designed to reach out to employers to make One-Stop Career Centers their first choice when

considering hiring veterans. The web site informs employers of the advantages of hiring veterans as well as the benefits of the public workforce investment system.

The mission of the Department of Labor, Veterans' Employment and Training Service, is to help veterans get good jobs and the training needed for those jobs. We must commit our resources to best serve veterans. We constantly strive to do just that. We believe that the PNHVC is fulfilling its mandates of raising employer awareness and improving the connectivity of employers with the One Stop Career Centers. If the Committee decides to reauthorize the PNHVC, we will continue to take the PNHVC in the direction intended by Congress.

Having said that, Mr. Chairman, the Administration has not taken a position on this legislation. I do want to reiterate that the Department of Labor believes in the work of the PNHVC.

Mr. T.P. O'Mahoney was appointed by Secretary Elaine Chao to be Chairman of the Committee. Mr. O'Mahoney is here to provide additional testimony on the activities of the Committee.

HVRP Reauthorization Act of 2005

We appreciate the foresight of this Committee to introduce the Homeless Veterans Reintegration Program (HVRP) Reauthorization Act, and we support the extension of this program. HVRP is the only federal employment program designed specifically to address the employment problems faced by our Nation's homeless veterans. The approach to ending homelessness among this population is multi-faceted and needs the cooperation and collaboration of Federal agencies, such as the Departments of Labor (DOL), Veterans Affairs (VA), Housing and Urban Development (HUD), and Health and Human Services (HHS), as well as the community service providers who fight this battle every day.

I commend you and your Committee for focusing national attention on the need for America to do more to help homeless veterans. We at DOL share your commitment to President's Bush's goal of ending chronic homelessness. Like you, we are deeply disturbed by the high number of veterans among the homeless population. According to the Department of Veterans Affairs, it is estimated that nearly one-quarter of all homeless adults are veterans; and, among men who are homeless, one-third are veterans. This is an unacceptable situation for so many who have served our country.

Working together with Congress, our federal and state partners, and private sector grantees, DOL has made helping homeless veterans a top priority. We have put our energy and resources into customized employment programs and have had tremendous success over the past four years.

By addressing the employment problems of homeless veterans, we believe we can make a positive impact by breaking the cycle of homelessness for these veterans. Employment

may be the most important component in the continuum of care for people who are homeless. Meaningful career employment enhances a person's self-esteem and makes them self-sufficient and independent. Once employed, a homeless veteran can climb the ladder from a shelter environment, to subsidized housing and ultimately unsubsidized housing. Without career employment, the cycle of poverty and homelessness continues.

The HVRP is DOL's only program dedicated to helping homeless veterans secure employment, and ultimately, economic self-sufficiency. The purpose of the HVRP is to provide services to assist in reintegrating homeless veterans into meaningful employment within the labor force and to stimulate the development of effective service delivery systems that will address the complex problems facing homeless veterans. Employment is the linchpin by which a homeless veteran may start a successful journey back to society, regardless of whether the homelessness is long term or short term, first time or cyclical, or whether the veteran is living on the street, in a shelter, or with a friend or relative.

This intervention program provides counseling, job placement, and training services. It also as helps to leverage other funding streams that provide supportive services such as housing, transportation, medical care, and substance abuse treatment. Over the past few years, we have seen significant improvement in employment outcomes of homeless veterans through measurable results of the HVRP.

The HVRP was initially authorized under Section 738 of the Stewart B. McKinney Homeless Assistance Act in July 1987. It is currently authorized under 38 U.S.C. 2021, as added by Section 5 of the Homeless Veterans Comprehensive Assistance Act of 2001, Public Law 107-95. The authorization of appropriations in the amount of $50 million for the HVRP was from Fiscal Year (FY) 2002 through FY 2006, and will expire at the end of FY 2006. We fully support an extension of the existing authorization of HVRP for an additional two years.

The HVRP funds are awarded through a competitive grants process as outlined in the Solicitation for Grant Applications. Eligible entities include state and local Workforce Investment Boards; public agencies; for-profit/commercial entities; and non-profit organizations, including faith- and community-based organizations. These grants are awarded to both urban and non-urban areas. We also recently awarded demonstration grants to assist incarcerated veterans, who are at high risk of homelessness, to transition into the workforce.

Grantees provide an array of services utilizing a case management approach that directly assists homeless veterans as well as provide critical linkages for a variety of supportive services available in their local communities. The program is "employment focused." As such, veterans receive the employment and training services they need in order to enter the labor force. Job placement, training, job development, career counseling, and resume preparation are among the services that are provided. Since its inception, HVRP has featured an outreach component using veterans who have themselves experienced homelessness. In recent years, this successful technique was modified to allow the

programs to utilize formerly homeless veterans in various other positions where there is direct client contact, such as counseling, peer coaching, intake, and follow-up services.

The emphasis on helping homeless veterans obtain and retain jobs is enhanced through many linkages and coordination with various veterans' services programs and organizations, such as: the DVOP and the LVER stationed in local One-Stop Career Centers; Veterans' Workforce Investment Program; the American Legion; Disabled American Veterans; Veterans of Foreign Wars; the National Coalition of Homeless Veterans (NCHV); and the VA, HUD, and HHS.

Results

HVRP is administered on a Fiscal Year (FY) basis but the funding to grantees is provided on a Program Year (PY) basis (July 1 to June 30). Accordingly, our performance data are reported consistent with the funding cycle on a PY basis.

In FY 2003, with a performance period of July 1, 2003 through June 30, 2004, HVRP was appropriated $18,131,000. With this funding, 78 HVRP grantees provided services to 13,060 homeless veterans and placed into employment 8,191 participants for a 63% entered employment rate at an average hourly wage of $9.43 per hour. This is an average cost per placement of $2,214. As we establish our baseline data for retention purposes, we find that 59% of the 8,191 formerly homeless veterans placed into employment are still employed after 90 days.

In FY 2004, with the performance period of July 1, 2004 through June 30, 2005, HVRP was authorized $18,888,000. We awarded second-year funding to 42 grantees in the amount of $10.3 million. We competitively awarded 38 grants in the HVRP categories for Urban (16), Non-Urban (11), Intermediaries (4), and Incarcerated Veterans' Transition Program pilots (7) for a total at $8 million. Therefore, we had a total of 80 active HVRP grants in FY 2004. Preliminary 4th quarter grantee reports for the performance period July 1, 2003 through June 30, 2004, indicate that we have assisted 11,631 homeless veterans, with 8,021 of those homeless veterans entering employment, for a 69% entered employment rate and a 58% 90-day retention in employment rate. We are still in the process of programming our new Internet-based HVRP reporting system to extract the 90-day final and 180-day follow-up reports, and we expect the final performance figures, including the average cost per placement, within the next couple of weeks. We do expect these prelimary performance numbers to increase slightly when we analyze the final performance statistics.

In FY 2005, with a performance period of July 1, 2005 through June 30, 2006, HVRP is authorized $20,832,000, of which $18.7 million has been obligated for 2nd and 3rd year funding cycles of the current 80 grantees. We expect to receive extension grant application requests for 2nd and 3rd year funding, including revised goals from grantees by May 15, 2005, with all grants awarded by July 1, 2005. A $2 million HVRP competition was announced in the Federal Register on March 29, 2005, with awards to be granted by

July 1, 2005. Once all of the HVRP grants have been awarded, planned performance goals will be integrated into the new HVRP Internet-based reporting system.

Incarcerated Veterans

In 2001, the Homeless Comprehensive Assistance Act of 2001 was passed and required that DOL, in concert with the VA and Department of Justice (DOJ), assist incarcerated veterans to transition from incarceration into civilian life. The Incarcerated Veterans' Transition Program (IVTP) is designed to help incarcerated veterans who are at risk of homelessness to reenter the workforce. The program provides direct services to veterans within 18 months of release from incarceration – through a case management, or career coaching approach – to link incarcerated veterans with appropriate employment and life skills support as they transition from a correctional facility into the community.

In FY 2004, we competitively awarded seven IVTP demonstration grants as authorized under 38 U.S.C. 2023, as added by Section 5 of the Homeless Veterans Comprehensive Assistance Act of 2001, P.L. 107-95, with existing funds in the amount of $1,450,000 or about 8% of FY 2004 HVRP funding. In addition, we funded our first IVTP demonstration grant in Denver, Colorado in the amount of $245,000 with FY 2003 HVRP funding.

While DOL has only three quarters of data for the period ending December 31, 2004, we have served 546 incarcerated veterans with 225 of them placed into employment for a 41% entered employment rate. The average hourly wage at placement was $8.52. We plan to continue to learn and work with our partners in the VA and DOJ with second year funding of these IVTP demonstration grants that began April 1, 2005. A full joint report is required by law and this will be provided to the committee.

As evidence of the success and attractiveness of the IVTP demonstration grants, one Governor has advised DOL that he intends to expand the IVTP in his state, from the current two prisons to 23 prisons, following our IVTP model.

In addition, we funded a demonstration project to develop a training course to teach service providers how to effectively assist incarcerated veterans with their transition into the workforce. We are administering this training through the National Veterans Training Institute. State and federal veteran employment staff will learn how to better assist incarcerated veterans transition from institutional living and enter the 21st century workforce.

Partnerships

President Bush and his Administration are deeply dedicated to making sure that no veteran is left behind and that we help these men and women regain self-sufficiency and self-respect. While DOL is proud of the services it is providing to homeless veterans, we know that we cannot do it alone. The general approach of this program is to put veterans into meaningful employment through linkages and coordination with veterans' service programs and organizations. Successful HVRP programs focus on partnering with HUD,

the VA, and HHS, as well as local faith-based and community-based organizations and social service agencies.

DOL's collaboration and cooperation with other agencies includes our Deputy Assistant Secretary for Veterans' Employment and Training serving as an Ex-Officio member of the Department of Veterans' Affairs Advisory Committee on Homeless Veterans, alongside other Ex-Officio members from the Department of Defense, HUD and HHS. He plays an active role with this committee, providing updates of DOL programs and technical assistance and advice that help committee members navigate through the myriad programs and services available through DOL. Many of the committee members are also homeless service providers. So the information they receive helps them in their day to day work with this population.

DOL is also one of four lead departments that make up the Interagency Council on Homelessness (ICH). The other three are the Department of Veterans' Affairs, HUD and HHS. We are an active participant in all of the ICH activities, which help coordinate government efforts to address homelessness.

We have also established an interagency work group on homelessness within DOL. This work group takes a proactive approach to addressing homelessness issues for all people who are homeless, with an emphasis on homeless veterans.

We are also pleased to partner with the Department of Veterans' Affairs on their Multi-family Housing Loan Guaranty Program for homeless veterans. We are working closely with the Department in this pilot program that will help restore freedom and hope to homeless veterans by providing a dedicated employment specialist on site in Chicago and in other cities.

Standdowns

DOL has found collaboration and outreach key to helping homeless veterans. We have a program in place to support homeless veteran Standdowns held in local areas to provide a variety of services and referrals for homeless veterans. In conjunction with federal, state and local organizations, Standdown events are often the catalyst that enables homeless veterans to begin to get back into mainstream society. Through Standdowns, homeless veterans are brought together in a single location for one to three days and are provided access to the community resources needed to begin addressing their individual problems and rebuild their lives. These are grassroots, community-based outreach tools designed to help the nation's homeless veterans become aware of the services available to them and renew their spirit, health and overall sense of well-being. Services provided at these events typically include: temporary shelter, showers, haircuts, meals, clothing, hygiene care kits, medical exams, immunizations, legal advice, identification cards, veterans benefits information, training opportunities, and employment services. The Standdowns are funded in part through the HVRP programs and supported by the Disabled Veterans' Outreach Specialists (DVOPS) and Local Veterans' Employment Representatives (LVERS).

We expect and encourage all of our HVRP grantees to participate in all local Standdown events and have outlined this requirement in the grant special provisions. With the implementation of the new Internet-based reporting system for HVRP, we have specifically requested that grantees report all Standdown expenditures beginning PY 2005. Currently there is no reporting mechanism to evaluate the effectiveness of Standdowns, but we are moving toward evaluations by our grantees that will provide that type of information.

Veterans' Workforce Investment Program

We are constantly looking at ways to serve homeless veterans through innovative and preventive measures at DOL. We have had great success with the Veterans' Workforce Investment Program (VWIP) as authorized by Section 168 of the Workforce Investment Act (WIA) of 1998, P.L. 105-220. Often times homeless veterans service providers receive funding through VWIP. The primary objectives of VWIP are to provide services to assist in reintegrating eligible veterans into meaningful employment within the labor force and to stimulate the development of effective service delivery systems that will address the complex problems facing eligible veterans. VWIP eligible participants include veterans with service-connected disabilities, veterans who have significant barriers to employment, veterans who served on active duty in the armed forces during a war or in a campaign or expedition for which a campaign badge has been authorized, and recently separated veterans (within 48 months of discharge).

Servicemembers Health Insurance Protection Act of 2005

The Servicemembers Health Insurance Protection Act of 2005 extends USERRA's continuation coverage protections to individuals subject to a delayed-effective-date active-duty order who elect TRICARE coverage before they commence military service. The draft bill also protects such persons against the risk of an exclusion or waiting period upon reinstatement in their employment-based health plan if the duty orders are cancelled. The proposal makes clear that the employment-based health plan may not impose an exclusion or waiting period on such employees when they seek reinstatement in the plan, either upon reemployment following military service or in the situation where their civilian employment is continued because the military orders were cancelled prior to mobilization.

However, the draft bill does not address the situation of service members who continue TRICARE coverage after reemployment, rather than promptly seeking reinstatement under their employment-based health plan. Section 4317(b)(1) of USERRA provides that an exclusion or waiting period may not be imposed in connection with the reinstatement of a service member in the employment-based health plan upon reemployment, but does not clearly cover the situation where the service member seeks reinstatement in the employment-based plan at a point in time after he or she is reemployed. We would like to offer to provide technical assistance to the committee to ensure that any amendment

addresses both the front-end and back-end issues relating to extended TRICARE coverage under section 4317.

Servicemembers Taxation Protection Act of 2005

DOL generally supports appropriate legislation that benefits service members, but DOL respectfully defers to the Departments of Defense and Veterans' Affairs, as well as the Internal Revenue Service, on the Servicemembers Taxation Protection Act of 2005.

Mr. Chairman, that concludes my testimony. I am pleased to respond to any questions.

EXECUTIVE SUMMARY

H.R. 419 Hire Veterans Act of 2004

H.R. 419 would extend the President's National Hire Veterans Committee (PNHVC) through December 31, 2008 and authorizes the Secretary of Labor to use funds from the allocation to the states for the Disabled Veterans Outreach Program (DVOP) specialists and Local Veterans Employment Representative (LVER) programs.

If the Committee decides to reauthorize the PNHVC, we will continue to take the PNHVC in the direction intended by Congress.

Homeless Veterans Reintegration Program (HVRP) Reauthorization Act of 2005

We support the extension of this program. HVRP is the only federal employment program designed specifically to address the employment problems faced by our Nation's homeless veterans.

The HVRP is the Department of Labor's hallmark homelessness program. This intervention program provides counseling, job placement, and training services as well as helping to leverage other funding streams that provide supportive services such as housing, transportation, medical care, and substance abuse treatment. Over the past few years, we have seen significant improvement in employment outcomes of homeless veterans through measurable results of the HVRP.

Servicemembers Health Insurance Protection Act of 2005

We would like to offer to provide technical assistance to the committee to clarify the protection from unfair rate increases and to ensure that any amendment addresses both the front-end and back-end issues relating to extended TRICARE coverage.

Servicemembers Taxation Protection Act of 2005

DOL generally supports appropriate legislation that benefits service members, but DOL respectfully defers to the Departments of Defense and Veterans' Affairs, as well as the Internal Revenue Service, on the Servicemembers Taxation Protection Act of 2005.

Information for the Record - Line 1751
House Committee on Veterans Affairs
Hearing, May 4, 2005
Response to Representative Herseth

DoD/VA Memorandum of Understanding

The Memorandum, "For Purposes of Defining Data-Sharing Between the Departments," was signed effective as of June 27, 2005, and is attached.

MEMORANDUM OF UNDERSTANDING BETWEEN THE DEPARTMENT OF DEFENSE AND THE DEPARTMENT OF VETERANS AFFAIRS

FOR PURPOSES OF DEFINING DATA-SHARING BETWEEN THE DEPARTMENTS

SUBJECT: The sharing of Protected Health Information (PHI) and other individually identifiable information between the Department of Defense (DoD) and the Department of Veterans Affairs (VA) and its components.

1. Purpose:

The purpose of this memorandum is to state throughout the Department of Defense (DoD) and the Department of Veterans Affairs (VA) those circumstances in which it is appropriate to share Protected Health Information (PHI) and other individually identifiable information. In addition, the memorandum is intended to establish the respective responsibilities and authorities of DoD and VA to share data as defined by the Health Insurance Portability and Accountability Act (HIPAA), the Privacy Act, and other applicable authority. These responsibilities and authorities will enable the rapid transfer of data between the agencies to ensure timely delivery of health care benefits and the processing of VA disability compensation claims and other benefit applications. This Memorandum of Understanding (MOU) does not address data sharing covered by separate agreements required by law, e.g., computer matching agreements under the Privacy Act, where DoD and VA have decided as a matter of policy that a separate agreement is appropriate, or where the data sharing is incident to a separate agreement required by law.

2. Scope:

This MOU addresses the transfer of information, including protected health information, on all service members who transition from DoD to VA during the life cycle of service to their country or who are eligible for benefits administered by VA during their military service. It is designed to become an enduring process that will support the services of DoD and VA that have interdependence on sharing of data. For the purposes of the authorities section of this MOU, the term "DoD TRICARE" indicates the HIPAA-covered functions of DoD, "DoD" indicates all functions of DoD, "VHA" indicates the HIPAA-covered functions of VA, and "VA" indicates all functions of VA.

3. Objective:

The objective of this understanding is to identify the authorities by which VA and DoD may share protected health information, other individually-identifiable information or aggregate or de-identified data for the purpose of meeting the statutory responsibilities of both departments. This includes, but is not limited to:

a. Providing service members with comprehensive benefits counseling.
b. Assisting them in filing claims.
c. Obtaining all of their relevant service medical records, including Physical Examination Board (PEB) proceedings.
d. Advising them of, and providing them with, VA or DoD health care as indicated.
e. Providing any necessary assistance with enrollment and appointments in the VA health system.
f. Expeditiously processing Veterans Benefits Administration (VBA) benefits application(s) for service members who are, or may be, eligible for VA benefits.
g. Providing for automated documentation of service in a combat zone to ensure easy confirmation of eligibility for the 24 months of care for conditions related to that service.

4. Authorities: It is critical that these authorities be administered by Department (VA and DoD) or Administration (VHA and TRICARE) as indicated below. Some are only applicable between the health care functions (covered entities under HIPAA) and/or their business associates and some apply to all components of the Departments.

a. Department of Defense:

i. Shall provide VHA with information necessary for VHA to provide medical treatment to veterans or transitioning military personnel when appropriate (45 CFR §164.506(c)(2)), and/or
ii. Shall share information with VHA for payment purposes when appropriate (45 CFR §164.506(c)(3)), and/or
iii. Shall disclose protected health information when appropriate to VHA for its health care operations, such as for purposes of health care quality assessment and improvement activities (45 CFR §164.506(c)(4)), and/or
iv. Shall disclose information to VHA as necessary and appropriate to coordinate the covered functions of their programs or to improve administration and management relating to the functions (45 CFR §164.512(k)(6)(ii)), and/or
v. Shall provide a service member's information to VA, including all Administrations, pursuant to prior written authorization by the service member (45 CFR §164.508), and/or

vi. Shall disclose information to VA, including all Administrations, when such use or disclosure is required by law and the use or disclosure complies with, and is limited to, the relevant requirements of such law, or as necessary to comply with law relating to disability compensation for service-related injuries or illnesses or other title 38 benefits. (45 CFR §164.512(a)(1); 45 CFR § 164.512(l); 38 U.S.C. § 5106).

vii. Shall provide information to VA upon the separation or discharge of an individual from military service for the purpose of determining eligibility for, or entitlement to, benefits under laws administered by the Secretary of Veterans Affairs (45 CFR §164.512(k)(1)(ii)).

b. Department of Veterans Affairs:

i. Shall provide DoD TRICARE with information necessary for DoD TRICARE to provide medical treatment to veterans or transitioning military personnel when appropriate (45 CFR §164.506(c)(2)), and or

ii. Shall share information with DoD TRICARE for payment purposes when appropriate (45 CFR §164.506(c)(3)), and/or

iii. Shall disclose protected health information when appropriate to DoD TRICARE for its health care operations, such as for purposes of health care quality assessment and improvement activities (45 CFR §164.506(c)(4)), and/or

iv. Shall disclose information to DoD TRICARE as necessary and appropriate to coordinate the covered functions of their programs or to improve administration and management relating to the functions. (45 CFR §164.512(k)(6)(ii);), and/or

v. Shall provide a veteran or service member's information to DoD, including all Services, pursuant to prior written authorization by the service member (45 CFR §164.508).

vi. Shall disclose information to DoD, including all Services when such use or disclosure is required by law and the use or disclosure complies with, and is limited to, the relevant requirements of such law (45 CFR §164.512(a)(1), and/or

vii. Via VBA, shall make the determinations as to the service-connected status of veterans, as well as the degree of disability associated with a service-connected disability (38 USC §7703).

c. Other Disclosure Authorities.

i. Each Department shall ensure that appropriate Privacy Act authority exists to make the disclosures covered by this MOU.

ii. Authority exists under 38 U.S.C. § 7332, and 42 U.S.C. § 290dd-2, where applicable, to make the disclosures covered by this MOU.

iii. This MOU recognizes authority for a request by DoD for information from VA under 38 U.S.C. § 5701(b)(3).
iv. This MOU does not address the sharing of medical quality assurance information protected by 10 U.S.C. § 1102 and 38 U.S.C. § 5705.

d. Other Organizations:

Organizations which, or individuals who, request the PHI of hospitalized service members in order to help them apply for benefits, may not receive PHI unless a HIPAA-compliant authorization is completed by the individual service member and provided to VHA or DoD TRICARE, or other legal authority for the disclosure exists. DoD and VA may disclose other individually-identifiable information consistent with applicable legal requirements.

5. Additional Responsibilities:

a. Department of Defense:

i. Will ensure that each of the Services identifies a point of contact (POC) to facilitate coordination of issues related to this program.
ii. Will ensure that VA receives a list of all service members who have served in a Theater of Operations so that VA will be able to readily document all service members who are eligible for VA's special two-year treatment authority for certain combat veterans.

b. Department of Veterans Affairs:

i. Will ensure that VHA and VBA identify points of contact from each program to facilitate coordination with DoD on issues related to the benefit application and discharge planning processes.
ii. Will coordinate the role of VHA in the rapid processing of service members being medically retired/separated.
iii. Will provide reports to DoD on veterans' health care issues and the number of service members treated.
iv. Will expedite enrollment of service members in the VA health care system.

6. Issue resolution:

Throughout the course of this agreement, issues such as scope of coverage of this MOU, interpretation of its provisions, unanticipated technical matters, and proposed modifications can be expected. The Departments agree to appoint their respective points of contact and to work together in good faith to resolve such issues in a manner that is fair, equitable, and supportive of the objectives of VA/DoD information sharing.

7. Review:

A review of this MOU will be conducted to assess the effectiveness of the program 180 days from the date of this agreement and bi-annually thereafter.

8. Modification and Termination.

a. This MOU may be modified at any time by agreement of the parties.

b. This agreement may be terminated by either party if the party terminating the agreement provides sixty days written notice of the intent to terminate the MOU

9. Effective date:

This agreement becomes effective upon completion of the signatures of all parties to the agreement. The agreement may be modified with the mutual consent of all parties.

10. Approval:

William Winkenwerder, Jr., MD
Assistant Secretary of Defense
for Health Affairs

21 June 2005
(Date)

Jonathan B. Perlin, MD, PhD, MSHA, FACP
Under Secretary for Health
Department of Veterans Affairs

MAY 19 2005
(Date)

Charles S. Abell
Principal Deputy Under Secretary
of Defense for Personnel and Readiness

June 27, 2005
(Date)

Daniel L. Cooper
Under Secretary for Benefits
Department of Veterans Affairs

19 May 2005
(Date)

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