LEGISLATIVE HEARING ON H.R. 4791, THREE DRAFT BILLS, AND A PROPOSED AMENDMENT TO H.R. 3082

HEARING

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS

HOUSE OF REPRESENTATIVES

SUBCOMMITTEE ON ECONOMIC OPPORTUNITY

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LEGISLATIVE HEARING ON H.R. 4791, THREE DRAFT BILLS, AND A PROPOSED AMENDMENT TO H.R. 3082

THURSDAY, APRIL 27, 2006

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

The Subcommittee met, pursuant to call, at 1:36 p.m., in Room 334, Cannon House Office Building, Hon. John Boozman [Chairman of the Subcommittee] presiding.

Present: Representatives Boozman, Brown-Waite, Herseth, and Hooley.

Mr. Boozman. The meeting will be in order. Today we are going to receive testimony on two bills, an amendment for H.R. 3082 and H.R. 4791, as well as three draft bills.

The proposed amendment is for bill I introduced earlier in the session, H.R. 3082, and would provide new tools and procedures for VA contracting officers to enable them to do more business with veteran and disabled veteran entrepreneurs and put veteran businesses at the head of the line for small business set-asides.

Given this new set of acquisition tools, there will be no reason for VA not to meet the veteran and service-disabled veteran small business contracting goals. I expect the Department to make a significant effort to ensure that its contracting officers understand that we are serious about this and are giving them a chance to perform.

H.R. 4791 is Ms. Herseth's bill to increase Adapted Housing Grant amounts, and I will recognize her in a moment to explain its provisions.

One draft bill focuses on improving the State Grant Program for Disabled Veterans Outreach Program Specialists and Local Veteran Employment Representatives by setting hiring and retention guidelines, improving reporting of employment data, setting certain requirements for grants, implementing a pilot contract program in areas of high veteran unemployment, and revising the current Incen-

tive Award Program.

Another draft proposed by Ms. Brown-Waite seeks to improve licensing and certification for those coming out of the military. And I will also ask her to explain her bill.

Finally, we have a draft bill to begin the process of modernizing the GI Bill Education Benefit Program. One of the things we have found is that about 30 percent of veterans never use their educational benefit because they do not want to attend traditional degree programs or cannot spend two to four years in schools because of circumstances.

Therefore, the draft focuses on improving the usefulness of the GI Bill for the 30 percent of veterans who do not use the program by increasing the types of training courses eligible for accelerated benefits. The draft also improves work study, equalized monthly payments for certain students, and requires VA to provide a report on streamlining administration.

I feel strongly that many of the restrictive rules and regulations in the current program need to be eliminated or significantly modified where possible as long as we do not open the program to waste, fraud, and abuse.

I take Mr. Steve Kime's observation at our Arkansas field hearing to heart that current rules and regulations treat all schools and veterans like potential lawbreakers. We spend so much time and resources trying to screen out possible problems that we negatively impact service to our veterans. And certainly it is not right to go too far. That situation is not a good situation.

We can use technology to maintain the integrity of the program, improve timeliness, education benefits for prime candidates, for rules-based processing. And I intend to have a conversation with VA leadership about increasing the investment in that type of information technology to speed up processing.

Regarding the Draft Education Bill, I felt we needed to begin exploring ideas and potential cost. And I want to make sure that everyone understands that it is not a finished product by any means. The eventual changes will likely cost a significant amount of money and we must do this right to get the most effective use of taxpayer funds.

I understand the DoD/VA GI Bill Working Group will report to the Joint Executive Council in July, and the Armed Services Committee is also taking a hard look at the issue. We will work with the VA/DoD Working Group not for the quickest change but for the best.

I now recognize our Ranking Member, Ms. Herseth, for her opening remarks.

Ms. Herseth. Well, thank you, Mr. Chairman. Good afternoon to you and to those who have joined us today. I want to thank you for holding this legislative hearing.

I very much appreciate your efforts as I have stated in the past, but I do not think it can be stated often enough of your willingness and

the work of our staffs to conduct our Subcommittee in a very bipartisan and effective manner.

I also appreciate your flexibility in scheduling that allows us to attempt to participate in all of the events that we have going on throughout the week when we are in session.

Like you, Mr. Chairman, I also want to welcome the witnesses today and look forward to receiving their views and insights and responses to some of our questions on the many bills we have before the Subcommittee.

I am particularly pleased that we have included in today's agenda House Resolution 4791, the Disabled Veterans Adapted Housing Improvement Act, a bill that I introduced along with a number of my colleagues earlier this year.

The bill would increase the amounts available for adapted housing grants for certain disabled veterans. It would also establish an index that reflects a uniform national average annual increase in the cost of residential home construction so that the future disabled veterans eligible for this grant would continue to maintain their purchasing power.

Additionally, I am pleased we are examining other measures aimed at enhancing the VA's ability to contract with veteran-owned small business owners and improving employment services and job training opportunities for veterans seeking employment and providing more flexibility to the Montgomery GI Bill.

Nearly 200,000 servicemembers separate from military service each year. These men and women who have given their best in defense of the nation deserve our best efforts here in the Congress. Indeed, after protecting and sustaining our freedom and our way of life, they and their families have earned the right to live the American dream. And many of these initiatives that we will be talking about today facilitate the ability to meet and live that dream.

So, Mr. Chairman, I appreciate the witnesses' views and their efforts to assist us in crafting effective legislation. I know that we will use the testimony to guide us in making some helpful and reasonable improvements in the measures before us.

So thank you, and I yield back.

MR. BOOZMAN. Thank you.

Ms. Hooley.

MS. HOOLEY. Thank you, Mr. Chair and Ranking Member, for holding these hearings today. I, too, am excited about the legislation that is before us. And since my election, one of my priorities have been to make sure that veterans and their spouses get what they so richly deserve.

I really believe the federal government has a debt of honor to pay back all the veterans and I will continue to fight to make sure that American veterans receive the benefits which they so clearly deserve

in return for their service to the nation and its people.

The bills we are considering today are important and they are common-sense measures that will not only improve the lives of our veterans but keep the promise our nation made to take care of them.

Proposals like increasing benefits for our disabled veterans to adapt their houses to fit their needs, very important, or initiatives to help veterans with their employment, be it a veteran-owned small business trying to get its foot in the door or placement programs for disabled veterans.

But I am particularly pleased to see the Subcommittee considering draft legislation that would provide great flexibility to our veterans as they use our education benefits that they have earned under the Montgomery GI Bill.

Too many of our veterans find claiming and using their earned education benefits to be a cumbersome process filled with red tape, and this draft legislation will hopefully make it a little a little easoier for them to get the education they need. However, there is one issue, and I hope both the Chair and the Ranking Member pay attention, that has not been addressed. It is something I believe to be a harsh penalty upon our veterans and I hope it can be fixed.

Under current law, once a soldier has been separated from service, he or she only has ten years to use that education benefit or they lose it. I do not think this is right. It is a program that they paid into and they cannot reclaim their own money if they do not enroll in school before the ten years are up.

Currently only 57 percent of soldiers who pay into the GI Bill Fund actually use their earned education benefits within that time frame.

And what I found is there are some young people that have come back from the service and in some cases, they need help. They do not know what they are going to do. They do not know where they are going. Sometimes they have mental health problems. Sometimes they have drug problems. And at about 30, they decide, gee, I think I want to go back to school only to find out they cannot use the benefits.

So I think something is wrong with that system, and hopefully we will look at that in this particular piece of legislation. And, again, I think these veterans should be able to reclaim their education benefits whenever they are ready to attend school and it is long past the time to repeal this outdated ten-year limit.

Mr. Chairman, Ranking Member Herseth, I look forward to working with both of you to address this issue as we continue to look at ways to make the GI Bill more flexible and education benefits more accessible to our veterans, and look forward to our panel today.

Thank you.

Mr. Boozman. Thank you, Ms. Hooley. And we certainly were paying attention.

Ms. Hooley. Okay.

MR. BOOZMAN. Our first --

MS. HOOLEY. You always do, by the way.

MR. BOOZMAN. Thank you.

Our first panel includes the Honorable Gordon Mansfield, Deputy Secretary of the Department of Veterans' Affairs.

And it seems like yesterday I had won a special election and went over and asked to be on the Veterans' Affairs Committee. Went over and Gordon gave me a little pin, a little challenge coin, and he said, Congressman, you are going to get a lot of these, but I want to give you the first one that you get. And it was very neat, and we appreciate all that you are doing.

Also, we are very pleased to have the Honorable Charles Ciccolella, Assistant Secretary of Labor for Veterans' Employment and Training, and Mr. Donald Ingram, Chairman of the Veterans' Committee for the National Association of State Workforce Agencies.

Secretary Mansfield.

STATEMENTS OF GORDON MANSFIELD, DEPUTY SECRETARY, DEPARTMENT OF VETERANS AFFAIRS; ACCOMPANIED BY JACK MCCOY, ASSOCIATE DEPUTY UNDER SECRETARY FOR POLICY AND PROGRAM MANAGEMENT, VETERANS BENEFITS ADMINISTRATION; SCOTT F. DENNISTON, DIRECTOR, OFFICE OF SMALL BUSINESS AND DISADVANTAGED BUSINESS UTILIZATION, DEPARTMENT OF VETERANS AFFAIRS; CHARLES CICCOLELLA, ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT AND TRAINING, DEPARTMENT OF LABOR; DONALD INGRAM, VETERANS' AFFAIRS COMMITTEE CHAIRMAN, NATIONAL ASSOCIATION OF STATE WORKFORCE AGENCIES

STATEMENT OF GORDON MANSFIELD

MR. MANSFIELD. Thank you, Mr. Chairman and Ranking Member Herseth and member Hooley.

Accompanying me today are Scott Denniston, our Director of the Office of Small and Disadvantaged Business Utilization, my expert advisor and advocate in that area, and Mr. Jack McCoy, the Associate Deputy Under Secretary for Policy and Program Management at VBA where we administer these important benefit programs.

I would request that my written statement be submitted for the record and make the point that I am here today to present the Administration's views on several proposed measures which would affect VA programs and benefits and services and make the point that any support that VA expresses for particular provisions is contingent on

accommodating the provisions within the President's budget.

Mr. Chairman, it struck me as I was sitting here waiting for the hearing to begin that this is really important because you are the inheritor, this Subcommittee, you are the inheritor of the GI Bill from World War II which was the vehicle that I believe, and I know, Mr. Chairman, you have expressed this too, that really built the middle class of the United States of America, advanced us in education and advanced us in housing.

And two of those issues are being brought forward again today as this Committee continues to do its excellent work on a bipartisan basis to advance the needs and the earned benefits of America's veterans. I want to thank you on behalf of Secretary Nicholson and myself and the VA for your continued excellent work in that area.

I want to make a couple of comments on some of the bills. And as I said, my statement for the record goes into some detail.

We support improved access to education and veterans' earned benefits, be they efforts to better use technology or to streamline administrative processes. And I would urge the Subcommittee to consider these improvements while not adversely impacting entitlement.

I am concerned that the GI Bill Flexibility Act introduces a concept of authorizing greater payments for service-disabled veterans or other veterans in the same chapter, and there is some concern about that.

Vocational rehabilitation and employment services are available under Chapter 31 for eligible service-disabled veterans for whom Montgomery GI Bill benefits are insufficient for a proper readjustment to civilian life. So, therefore, VA would oppose Section 2 of that bill. The other concerns in that area are outlined in my written statement.

VA also cannot support Section 3 of a draft bill exempting federal, state, or local government institutions from certain refund provisions. Veterans should not be disadvantaged because the institution involved is a government entity or supported with government funds. If veterans meet the requirements and withdraw after proper notification and within the context of the applicable regulations of the program or the university, they should not be penalized.

Under the determination of full- or part-time status, we understand that Section 4 is intended to ease certain administrative burdens. VA supports that goal and offers to consult with the Subcommittee staff and assist, as a technical service, in crafting appropriate language.

In the area of extension of work-study activities for veterans, we believe that extending work-study opportunities for veteran students and eligible dependents to assist with the TAP and DTAP Program is a productive idea, but such students should not provide employment assistance briefings unless they have the required specialized training and/or certification that may be required in this area.

In the area of reports on the improvement and administration of educational assistant benefits, we would beg the Committee's attention that the time element in the current bill may not be enough. Given the complexity of our education programs, we would have no objection if this were extended to six months in which to submit the required report.

In restoration of lost entitlement for those who are ordered to full-time National Guard duty, Section 7 would restore entitlement to Chapter 35 to certain National Guardsmen ordered to duty after September 11th, 2001.

The VA would recommend that that date be used as the effective date to determine how far back in time Title 32 service could occur. As I understand it, that would comport with other titles within the Federal Code.

Regarding specially-adapted housing, Section 2 of House Resolution 4791 would increase the amounts of assistance available. VA would support the increases proposed by Section 2. However, we would oppose the indexing proposal and would make the point that the Administration believes that any indexing proposal should be in conformity across the entire Executive Branch, not singled out individually.

And also VA believes that there was an inadvertent omission of an amendment to allow us to be able to extend this program to active-duty personnel, and we request that it be reinstated.

In small business issues, the Secretary is committed to veteran-owned small businesses. He will continue to make procurement contracts with this deserving and able group a priority in the department. I, too, support that vision and his commitment to this important goal.

And I can tell you that I made this issue a reportable item for the VA's monthly reporting requirement and would also make the point that I now require in addition to the previous departmental levels, that it be broken down into the specific administrations or offices. I can also make the report, Mr. Chairman and members, that we had such a report this morning I can tell you that we continue to do well. We have targets that we are striving to meet and we are doing a better job. Mr. Denniston and his folks have been instrumental in allowing us to do that.

So, we would support amendments to House Resolution 3082. However, there are some minor changes fully noted in my written testimony that we would request be made. And, again, we would be more than happy to provide technical assistance.

Again, in the area of quarterly reports, we would request a revision to require annual reporting. This again would put it in line with other reports that we understand that our contracting partners, those that are doing this have to do, the prime contractors in many cases,

and would allow us not to put an additional burden on folks who we are asking to meet us in this important goal.

Mr. Chairman, I would just make the point that we appreciate again your efforts to move forward in these areas. We are very supportive and would make every effort to provide whatever assistance my staff can to yours as we move forward.

Thank you very much.

MR. BOOZMAN. Thank you very much, Mr. Secretary.

[The statement of Gordon Mansfield appears on p. 48]

MR. BOOZMAN. Mr. Ciccolella.

STATEMENT OF CHARLES CICCOLELLA

MR. CICCOLELLA. Thank you very much, Mr. Chairman, Ranking Member Herseth, and Congresswoman Hooley, and Congresswoman Brown-Waite. I want to thank you for the opportunity to appear before the Committee to testify on the two bills that impact the Veterans' Employment and Training Service.

And I want to say from the outset that the legislation contains some very positive ideas and we appreciate the Committee's bipartisan work in coming up with these bills.

We do feel it is important to point out some of the issues which come to mind with regard to implementation of these provisions so that the Committee is aware of them. And my written testimony contains some of those issues, at least the ones that we have identified so far. And we look forward to working with the Committee on those provisions.

Let me begin with a few particulars. With regard to Section 2 of the Veteran State Employment Grant Improvement Act, that requires the Secretary of Labor to maintain guidelines for States and establishing the professional qualifications required for determining both the eligibility and the continued employment of the veteran employment representatives, the DVOPs and LVERs.

And we say that we agree with this idea in principle. However, since the States already have standards in place for selecting their DVOPs and LVERs, I think the selection criteria would probably be pretty general, the ones that we prescribe.

The continuing employment requirements could be accomplished through the National Veterans Training Institute and, of course, should be implemented through the DVOP and LVER performance plans. We would also want to coordinate any guidelines that we come up with with the National Association of State Workforce agencies.

Now, we already have NVTI working in this direction and that is moving along very nicely. There will necessarily be additional cost associated with this effort, certainly potentially with the States be-

cause they classify their merit staff positions.

So that could impact the numbers of DVOPs and LVERs if the JVA grant is not increased. And it would also definitely require more funds for NVTIs. You know that budget has been pretty well level funded at $2 million.

With regard to Section 3, that defines the DVOP, LVER part-time work provision as meaning not less than half-time basis. In other words, performing those duties on a not less than half-time basis.

We think it is necessary to have a clear standard on this and we know what the intent was in the Jobs for Veterans Act that part time means half time. We feel that that policy should be continued so that the States are not confused and so that we do not have a significant tracking issue with regard to the accountability of the time for the DVOP and LVER.

With regard to Section 4, that requires the States to establish local performance information system within three years following enactment. We totally support that provision and believe it should come on line at the same time that the Department of Labor introduces its new reporting system.

Meanwhile, between now and then, we are working with the States to look at what information can be obtained with regard to outcomes and what the cost may be associated with those States in so doing that. The GAO identified some 21 States where it was difficult for the State to obtain that information. So we are working with that already.

In Section 5, that establishes the State licensing and certification programs for veterans. I think that is absolutely a step in the right direction. They probably need a little bit of time to think through that in terms of the impact on the States. And we are absolutely ready to work with the Committee in that regard.

Section 6 requires that newly-hired DVOPs and LVERs be training at the National Veterans Training Institute within three years after they are hired and extends the training to existing employees. We can do that more practically if we recognize that the training is done by NVTI as opposed to at NVTI because it is more economical to send the NVI team, for example, to Florida to train 30 or 40 people than it is to send those people to Denver.

The other thing is that NVTI again needs to be funded accordingly because the demand for NVTI training right now is very high and it is also impacted by the annual turnover of the DVOPs and the LVERs. That annual turnover runs about 15 percent. So if you look at a three-year period, there is a backlog of training that is required for the DVOPs and LVERs as we have it right now.

With regard to Section 7, it establishes the demonstration project on contracting for placement of veterans in high unemployment areas. We do not think that provision is needed. States conduct their

own analyses of the workforce areas and they have the capability to determine how and where best to use their resources. We would certainly be involved in that and want to be involved in that through our State Directors of Veterans' Employment and Training.

With regard to Section 8, which modifies the incentive awards that were established under the Jobs for Veterans Act, we totally support that measure. We just believe that the Assistant Secretary should be the final authority on it.

With regard to Section 9, which requires DoL, the Department of Labor, to publish regulations implementing priority of service, we understand it is a very important issue with the Committee. We do not believe that regulations are necessary because we believe that priority service is best implemented through policy.

On the second proposed bill, which is the Veterans Certification and Licensure Act of 2006, the Department of Veterans' Affairs already has a Committee that is established and is looking at that issue. And I know that that Committee is doing some very good work.

I have thought about this for a long time with regard to whether it makes sense to form another Committee to look at this because a lot of Committees have been formed to look at licensing and certification and making that path smoother from the military to those civilian occupations, but not a lot has been done over the years in that regard.

So I have some ideas on that that I would be happy to discuss during the question and answer period because I know my time is limited here. And we will defer to the VA and support them on the GI Bill Flexibility Act and the Veteran-Owned Small Business Promotion Act.

And with that, Mr. Chairman, I am prepared to answer your questions.

MR. BOOZMAN. Thank you, sir.

[The statement of Charles Ciccolella appears on p. 61]

MR. BOOZMAN. Mr. Ingram.

STATEMENT OF DONALD INGRAM

MR. INGRAM. Good afternoon, Chairman Boozman, Ranking Member Herseth, and members of the Subcommittee. On behalf of the National Association of State Workforce Agencies, I thank the Subcommittee for the opportunity to share the views of our members.

NASWA members constitute the State leaders of the publicly-funded workforce investment system which is vital to meeting the employment needs of veterans through the Disabled Veterans Outreach Program and the Local Veterans Employment Representatives Program.

My remarks will be limited to the legislative discussion draft that

would establish the Veterans Employment State Grant Improvement Act of 2006.

Mr. Chairman, NASWA supports the intent of the Subcommittee's proposal to require the Secretary of Labor to establish and maintain guidelines for States to develop the professional qualifications for LVERs and DVOPs.

We believe giving States the flexibility to develop the professional qualifications for LVERs and DVOPs will ensure these professionals are highly qualified to serve veterans while enabling them to function within the range of State personnel structures. It is important the guidance established by the Secretary allow for these variations among States.

In addition to NASWA's support for the intent of the Subcommittee's legislative proposal to improve DVOP and LVER qualifications, we offer the following comments and recommendations:

NASWA applauds the Subcommittee for clarifying the definition of part-time DVOPs and LVERs to mean those working no less than half time. State flexibility in hiring or assigning part-time DVOPs and LVERs to rule in satellite offices provides veteran services in areas that are not otherwise served.

NASWA recommends the local performance information on veteran services be collected and monitored at the State workforce agency level. The capability to collect performance information, it exists in many States already.

The three-year time period for implementation of the information collection system is necessary for all States to meet the compliance requirements. Once information on performance is collected, it will provide useful feedback to ensure workforce center services provide veterans that exceeds performance standards.

NASWA supports State licensing and certification programs for veterans. However, NASWA recommends additional funds be appropriated by Congress to cover the cost to implement these programs. If additional funds are not appropriated, it is requested that the Act clarify the costs for establishing and implementing licensing and certification programs be an allowable cost under the DVOP and LVER State grants.

NASWA supports the National Veterans Training Institute training for DVOPs and LVERs within three years of their designation as DVOPs or LVERs. However, the law should permit exceptions for instances where there exists State travel bans, unavailable NVTI training, when disabled personnel cannot attend training, or just any other unusual circumstances.

Further, the reduction to the State grant for noncompliance under this requirement should be taken from the next fiscal year, not the current fiscal year, as funds are obligated already.

NASWA recommends contractors applying to deliver veteran ser-

vices under the $3 million pilot should be required to obtain a letter from the State Workforce Agency to ensure their service delivery is consistent with the State workforce plan and the State policies. We request that funds for this pilot not be taken from State grants.

NASWA recommends States have the option of providing incentive awards to individuals, offices, or smaller units within the offices. We recommend administration of these incentive awards be managed through the Assistant Secretary of Labor for Veterans' Employment and Training, not the Director for Veterans' Employment and Training as proposed, just to ensure a certain level of consistency and fairness of awards across the nation.

Finally, we support the requirement for the Secretary of Labor to develop regulations that would ensure veterans receive priority of service.

Mr. Chairman, we look forward to working with this Subcommittee to continue providing veterans the highest level of service. Thank you very much.

MR. BOOZMAN. Thank you.

[The statement of Donald Ingram appears on p. 65]

MR. BOOZMAN. We have been joined by Ms. Brown-Waite.

Would you like to talk about your bill?

STATEMENT OF HON. GINNY BROWN-WAITE

MS. BROWN-WAITE. Certainly. Thank you very much, Mr. Chairman. And I appreciate the opportunity to testify before the Subcommittee today.

Each year, over 180,000 American soldiers make a decision to leave the Armed Forces. After serving honorably in defense of our country, many of these individuals seek employment in the civilian world hoping to capitalize on the skills that they have gained during their time in the military.

However, the job search for veterans can be difficult. According to the Bureau of Labor Statistics, the average unemployment rate for recently discharged veterans is 6.9 percent. Now, we need to compare that with the national average of 4.7 percent.

Unfortunately, many employers do not understand the skills that an individual obtains while serving in the military. Moreover, many civilian occupations require employees be certified or licensed within their field, something that is sometimes difficult to obtain while serving in the Armed Forces.

This virtually renders the individual ineligible for some of the jobs that they seek that they easily could do. For example, a soldier who has driven a truck during their time in the service, a large tractor trailer truck, is not eligible for a job that requires a CDL. They have

to then spend thousands of dollars. Whether they use the GI Bill or their own money, they then have to spend thousands of dollars to be eligible to take the CDL license.

This result certainly is undesirable. And some veterans want to find employment in the fields for which they are over-qualified or in fields that have nothing to do with the skill set that they have learned while in the military. Although the Department of Defense, Labor, and Veterans' Affairs have worked to address this issue, we certainly must do more.

This week, I will introduce, the Veterans Certification and Licensure Act of 2006. The bill would establish a Veterans' Advisory Committee on Certification, Credentialling, and Licensure within the Department of Labor.

This Committee would include experts from the business realm, human resources industry, labor unions, and veterans service organizations. The Committee would focus on improving the transition of military personnel to the civilian world through certification, credentialling, and licensing efforts. It would examine the current programs within DoD and DoL as well as the VA. It would make recommendations to the Secretary of Labor.

The Veterans' Advisory Committee on Certification, Credentialling, and Licensing would meet each fiscal quarter and would have to provide a report on its efforts to Congress within one year of its creation. The Committee would also submit a detailed report to the Secretary of Labor addressing some of the important questions with respect to the employment of veterans.

I believe that as members of Congress, we have an obligation to ensure that veterans obtain employment after leaving the Armed Forces. This bill would take those important steps toward achieving that goal. It is my sincere hope that my colleagues on both sides of the aisle recognize this and will lend their support to the Veterans Certification and Licensure Act of 2006.

Once again, Mr. Chairman, I would like to thank the Subcommittee for allowing me to testify today.

MR. BOOZMAN. Thank you.

[The statement of Ginny Brown-Waite appears on p. 46]

MR. BOOZMAN. Ms. Herseth.

MS. HERSETH. Thank you for allowing me to pose some questions first to our panel. Appreciate that.

Well, thank you for your insights. Let me start with Mr. Ciccolella and Mr. Ingram. I thank you both for your testimony and appreciate the insight that you have offered as we have drafted the Veterans Employment Bill.

I am very supportive of enhancing the Vets State Grant Program. I think better data management and accountability procedures, the

increased training and qualifications of staff, and, of course, improved results are, I am sure, everybody's goal.

However, perhaps along the lines of Mr. Ingram's caution, I am a little bit concerned that without additional funding for training and services that the added mandates within the draft bill may have some unintended negative consequences.

Particularly I am concerned that in some rural States or just some States whose -- well, that have a number of the conditions by which Mr. Ingram said, you know, there are some exceptions, if they have got a ban on travel and what have you.

But if they are already under some tight budgets and in some cases limited supply of expert professionals available for veterans' employment services, may we see reductions in staff dedicated to working with veterans and disabled veterans seeking employment?

Mr. Ciccolella, could you comment on that matter in terms of -- I do not mean to put you in the position of having to say, yeah, we need more funding or we are going to have problems. That is not necessarily the response I am looking for.

But how much information do we have available to use that would help us anticipate what some of these problems might be in some of the areas that are sort of strapped the most for resources in being able to meet some of the new requirements that will lead to improved results?

Mr. Ciccolella. Congresswoman Herseth, the National Veterans Training Institute has, I think, proven itself over the years to be a very, very dynamic, flexible, and effective way to raise the standards of the DVOPs, LVERs to a consistent level.

I think the key thing, where we have had tremendous success with NVTIs not only in the quality of the instruction that they give but also in the flexibility and how they go about it and where they go about it.

The other thing that we have done, of course, is to make the training free, including the travel, free to the State. There are situations in the States where due to the turnover or for other reasons, some of the DVOPs and LVERs do not receive the training that they really need. And we do have a bit of a backlog of DVOPs and LVERs that we are trying to train. So we are always trying to catch up.

To implement the continuing employment requirements would take some level of additional funding, resources, staffing, and we have to build the capacity for that. I think the capacity could be built very quickly. There are a lot of good people who can do that. But the main thing is the resources would have to be increased.

I am not sure if I responded to your question.

Ms. Herseth. I think so. I mean, I think we all understand, especially within the agencies in which you all work, that we do our best to make whatever resources are available from year to year go a long

way and being innovative like you just mentioned in terms of offering the free training and that it would include travel that would allow, you know, us to kind of get around, you know, what might be happening with a particular State on the budgets that they are allocating to meet some of the needs for veterans that we know various States have done more effectively than others.

MR. CICCOLELLA. Yeah. With the flexibility of the NVTI and the quality of their instructions, I do not see that as the real issue with raising the standards through the continuing education requirements. I think the issue may be on the other end because the States have their classification systems.

And so, you know, you have got to look at how much you upset the apple cart back there and what impact, consequences, unintended and intended, you have in terms of the pay that those individuals get and that sort of thing.

MS. HERSETH. Okay.

MR. CICCOLELLA. But the idea is absolutely on point.

MS. HERSETH. In some of the capacity building that you refer to, you know, we may have a sense if additional resources that we think may be necessary may end up being necessary more in a shorter-term capacity building basis than necessarily adding those additional costs on the longer-term basis. I am not saying that that will be the case, but it is possible if we are imposing some new -- that the cost may not be level over time. Is that true?

MR. CICCOLELLA. Definitely, yes.

MS. HERSETH. Okay. Then taking a point that Mr. Ingram made about the utilization of the services provided by part-time DVOPs and LVERs and making mention that oftentimes that is particularly useful for rural or satellite offices.

Mr. Ciccolella, do you know how many part-time DVOPs and LVERs that Vets is currently funding?

MR. CICCOLELLA. We have that number. I do not have it with me, but we certainly have that number.

MS. HERSETH. And do you track working with the States where those part-time individuals are -- what is the word I am looking for -- where they are based or where they are appointed, if they are serving a rural office or a satellite office? Do you track that information?

MR. CICCOLELLA. Well, it is tracked at the State level.

MS. HERSETH. So it would be available for us in terms of the overall number that you have and then being able to get from at the State level the breakdown of how those part-time folks are being utilized?

MR. CICCOLELLA. Oh, yes, we could do that. And with regard to the half time for the DVOPs, I think it is -- the figures that I have, 109 of them. And with the LVERs, it is 324. And there are a total of about 2,400 DVOPs and LVERs.

MS. HERSETH. Okay. Thank you.

Secretary Mansfield, thank you for your testimony today. It appears that the VA supports the policy of considering the increases to specially-adapted housing grants on an annual basis.

But I was going to ask you based on your written testimony to explain the opposition to establishing the annual index. But I think as you explained here today, it is because you think that it should be across the entire Executive Branch. It should be in comport across the entire Executive Branch.

But my question would be, don't we do this in terms of it is just essentially cost-of-living adjustments for other benefits just based on CPI?

MR. MANSFIELD. They said that we support the increase that you recommended for the total amount this one time. The problem is the Administration's position is that there should not be the individual indexing, that it should be tied into other indexing programs across the system, and that would be an Administration initiative. Therefore, we opposed it.

MS. HERSETH. So if it was tied into other indexing, we could do --

MR. MANSFIELD. In other words, the Administration --

MS. HERSETH. -- we could tie it to CPI for the cost-of-living adjustments?

MR. MANSFIELD. Well, I think what the Administration position is is rather than having a number of different types, for example, VA may be tied into the CPI and the VA -- or HUD may be tied into the HUD index and then --

MS. HERSETH. I see.

MR. MANSFIELD. -- Commerce might be tied into something else. That instead of having a whole number of these, there should be one way to do it across --

MS. HERSETH. Okay.

MR. MANSFIELD. -- the entire Executive Branch --

MS. HERSETH. Given what you just described, that is a broader goal of the Administration is to try to find some equalizing measure across agencies?

MR. MANSFIELD. Yes.

MS. HERSETH. And that once we find that, that you are not opposed to the index per se, but what the index is?

MR. MANSFIELD. This is one where I have to be careful.

MS. HERSETH. Okay.

MR. MANSFIELD. You know, I think the position is that if you can find an index that meets the needs of all these different programs, then it would be, you know, approved.

MS. HERSETH. In light of your --

MR. MANSFIELD. But that is not an Administration --

MS. HERSETH. In light of your understandingly cautious response, do you have any suggestions on what an appropriate index might

be?

MR. MANSFIELD. Well, the other part of this I would make a point, too, which the testimony says, we would be more than happy to work with the Committee each and every year in an effort to make sure that when the appropriate time is, we do go forward with an increase that meets the needs.

Obviously over the course of the last few years with a steady and high rise in real estate values, it has been the time to do this. In other years, it may be flat and you may not need to do it. But we would continue to work --

MS. HERSETH. Okay.

MR. MANSFIELD. -- with the Committee on making sure that the veterans, which is what we are here for --

MS. HERSETH. Right.

MR. MANSFIELD. -- are taken care of.

MS. HERSETH. And along that line, and I appreciate your willingness to work with us on that, is sort of in trying to determine, say, an appropriate index. It might be to ask you the question of whether or not you are aware of what adaptations are made most frequently to a veteran's residence through the Specially-Adaptive Housing Program.

MR. MANSFIELD. Well, there are two parts of this program, and the one is the Total House Program and that is a methodology to conform to the VA established requirements for accessibility within the house. That is the large program.

The smaller program with the smaller amount is set up to deal with the individual veteran's specific needs. And in that case, a blinded veteran might have certain needs. A spinal cord-injured veteran might have certain needs. An amputee might have other needs. And those needs are then addressed by the smaller dollar amount program.

MS. HERSETH. Okay.

MR. MANSFIELD. If you wish, for the record, I can supply you with exactly what the different requirements are.

MS. HERSETH. That would be fine. I do not know that it is necessary. I think we can access that information separately. But if that is easily transferred over to us, that would be helpful.

Does the VA maintain the number of disabled veterans who are eligible for specially-adapted housing grants or do you only track those who actually apply for or utilize the benefit?

MR. MANSFIELD. There is a medical determination that has to be made for the entitlement to invest, so to speak. So we would have that. I do not have it with me. Again, we can supply it for the record. But, you know, it requires the medical determination of whether you can meet the needs. So we would have that on record.

And then Jack may be able to help you out. It goes to the regional

offices, right?

MR. MCCOY. We can get you some information on that because, as the Deputy said, it does go to our regional offices. At each regional office now especially we are tracking severely injured. So it would be much easier for us to track that. And then the rating decision on each individual, we make a determination at what level they would be entitled to the full grant, to the adaptation grant.

MS. HERSETH. So just to be clear, and I know I have gone over time, but it is a medical determination that is independent from any other -- veterans have to go through a lot of interviews and determinations for the variety of different benefits that they have earned.

And so is this a medical determination that any of our disabled veterans go through as an initial matter that is comprehensive to our different benefits or is it -- it is not one that is separate --

MR. MCCOY. No, ma'am.

MS. HERSETH. -- for this particular program?

MR. MCCOY. For example, if the veteran filed a claim for service-connected disability, we would make a determination by -- even if the person did not apply, it is an inferred issue. If we saw that person was entitled, we would make that determination. It would be part of that rating, and we would send them information on how they could apply for the benefit.

MS. HERSETH. Okay. So going back however many years when we had the medical determination for the rating, okay, so for any service-connected disabled veteran going through that process to get a rating, the regional offices have the ability to track that?

MR. MCCOY. I cannot tell you how far back we can track that.

MS. HERSETH. Okay. If you could just follow-up with us so that we -- you know, especially, I think, now my hunch is, and I mean no disrespect, my hunch is we are doing a better job tracking our severely-injured service men and women who are returning from Iraq and Afghanistan than perhaps we did as they returned in the '70s and before.

But if you can just give us some sense as to what the Committee can do as we seek to meet the needs of even some of our veterans, say, from the Vietnam era who are just now some of them coming around to utilize and getting over some of their distrust of government or unease with dealing with the VA or what have you, that because some of their fellow veterans are starting to utilize different benefits that have been available to them for some time, and I just want to make sure we are in a position to meet their needs.

So thank you.

I may have a few other questions on the GI Bill, but I will turn it over to others on the Committee.

MR. BOOZMAN. Ms. Brown-Waite.

MS. BROWN-WAITE. Thank you very much, Mr. Chairman. Thank

you for holding this hearing.

Mr. Ciccolella, I understand that you have concerns about some of the provisions in the bill that we are introducing this week and feel that it may be duplicative of the entity that is within Department of Veterans Affairs right now, that being the Professional Certification and Licensure Committee.

It is my understanding that that Committee is primarily concerned with administering the VA Reimbursement Program for licensing and certification testing fees as opposed to setting up a model of this is the career path that the veteran had when he was in the military and here is a similar career path, but rather the existing Committee is more into paying the reimbursement and the fees for that certification.

If we could come up with a group -- and there are entities out there that are willing to do this -- if we could come up with a method of gaining that certification, which is the goal of my bill, without spending a lot of money, rather breaking through some of the red tape, it seems to me as if that would be a win-win.

And I also understand that the Committee, the PCLAC, under the Department of Veterans Affairsis due to expire December 31st of this year.

So having said all that, why do you believe that this would be conflicting with what you are doing? There are two separate issues. One is paying fees for certification and another one is here is the certification, Mr. Employer, that this person has done X, Y, Z, and here are what the requirements are in the outside world.

Let me tell you why I introduced the bill. I had a young man come to me who spent 20 years in the Air Force and he was a meteorologist in the Air Force. When he came out, he went into HR. And I said to him, now, that certainly is a different career path. And I like people who change careers, but that is a really drastic change.

And he said, oh, I loved being a meteorologist. The problem was I was not certified. And he said I had a family to support and did not have the time to spend three or four years in college again to get that certification.

So if we can say, okay, your meteorological skills were learned in the military and a meteorologist on the outside world needs these qualifications and this kind of experience, why should that person have to go to college for three years? And that is what we are trying to accomplish in the bill.

So I would like to have your comments in light of the fact that the Committee actually is one that is about to expire, the existing Committee.

Mr. Ciccolella. Thank you, Congresswoman.

First of all, let me just say that we at the Department of Labor, I personally and I think the Administration, very much appreciate

your interest in this area.

I think you are right with regard to how you defined the VA Committee's responsibility. I think they may also have picked up where the Veterans Corporation left off. And the Veterans Corporation also had a Committee that looked at that. I think there is probably very good work being done by the PCLAC, the VA Committee.

I also would like to say that licensing and certification is exactly the way you have described it. It is an issue when you leave the service. I had the same experience. I wanted to be a teacher. I had to go back to school for two or three years, pay $10,000 a year to get tuition and whatnot. So I decided not to do that.

So I applaud the Committee's efforts. Now, this is a very complex issue and there have been a lot of Committees and a lot of studies and a whole lot of conferences by a lot of different entities, but we still do not have much in the way of the path that you have described and any clear-cut assistance, I think, that truly makes it easier to transition with your skills to a license or a certification.

So I will say that it is an important issue. I applaud your efforts. It needs to be addressed. My question is whether or not we need another Committee to do this. I think what we are after here is the path. I think what we are after is some information.

And I have given this a lot of thought. I think we need to move to the next step and I think the next step should be more operational. I think that we should take a look at a sampling, 20, 30, maybe 100 of the occupational specialties in the military that clearly relate to the high- demand occupations, the high-growth industries that lead to good careers.

And I think that we should look at the training that has been provided by the military because they spend so much money on training and the certificates or certifications that the military provides. We ought to look at the 50 States or 52 States and territories and look at these comparable civilian occupations and we ought to list what the requirements are for those occupations that correspond to those military occupational specialties.

Then that would tell us what the gap is. And then we could do a gap analysis and then it might be time to form a Committee to make some recommendations with regard to how we deal with the States and how we ask the States to accept some of the military training.

And as with everything else in life, it just seems to me that if we get this started on a smaller level and do it for 20 or 30 occupations and facilitate and make it easier, maybe instead of having to go through four out of five wickets to get a State license or a State certification, you could reduce that to one or two, then we are on the path toward making progress on this. And then we could expand that list of the occupational specialties and how they transition.

So what I am saying, Congresswoman, is that I applaud the idea. I

think the Committee could be effective. But I think it would be much more effective to do something operational as opposed to more reports and more recommendations by the Secretary because we have done a lot of that, but we still do not have, I think, what we need.

Ms. Brown-Waite. But, sir, what you are admitting is that it has not worked.

But, you know, that is exactly one reason why this bill went through about 30 iterations, because I do not want it to just be another study Committee. Basically the bill, I tightened up a lot on it and gave some deadlines for accomplishing things because I do not want it to drag on forever.

You know, hopefully we will be bringing some troops home. You know, we need to have them have the availability of transitioning into a job. Some jobs will require certification.

So, first of all, we put some deadlines in here and asked them to identify any area of employment in which credentialling and certification systems could be established where this is a mutuality. And so that is called for in here.

I think without specific deadlines, and we are asking it to be done within an 18-month period, without specific deadlines, I am told that nobody could ever get together and really agree on this.

And if you look at the composition of the panel that we have, we have people from Labor. We have people from the various VSOs, certainly the VA. We want to make sure that this happens and that it is not just another study.

But I do not think we can go out there and wave a magic wand tomorrow and say,you sir, are now a meteorologist because you spent almost 22 years in the military doing that. We need to make sure that there is a comparative skill set there from the military to the private sector.

And I want to make sure that it does get done. As I say, this bill went through lots of iterations because I do not believe in putting a bill out there without having a sunset and without having some achievable goals because to me, that is three-quarters of what Washington has missed in the big picture. They say go forth and do, but never give any deadlines. And so, therefore, it just goes ad nauseam.

So we wanted to make sure that we did set some reasonable deadlines in here. And, quite honestly, there are a couple of firms out there that say that they can do this. I did not want to steer business their way. However, there is some language in here that allows this Committee, if they feel that it is expeditious, it allows this Committee to contract with someone to help them to achieve this goal.

So there are lots of tools in the bill that -- I can tell you that we have spoken to the Veterans Service Organizations. They support it. We need to stop talking, sir, and start doing something. And if this group says, you know, hey, we have tried this before and we are incapable,

then you have the ability to hire it out to various companies that say, hey, we can do this for you.

But, you know, what I do not want to do is I do not want to be in an adversarial position. I want to work with you so that we can help our young men and women coming out of the military.

MR. CICCOLELLA. Well, Congresswoman, we certainly are not on different sides on this. I think I applaud the intent behind the Committee. Something does need to be done. I think we just differ on how we go about it.

Committees, I believe, can be so effective and I think the Committee, the way the legislation is written, I think it would identify the issues, and that serves a purpose. And I am not disputing that at all. I do not think we have a difference.

My contention is that I would like to see some real progress made on this just like you would. And I think the way you make that progress is we start profiling the military occupational specialties against the State requirements and we establish 20 or 30 paths.

And then, you know, we make sure that Defense Department does their piece and Labor and VA do their piece, and we look at how we have actually facilitated transition and then we sort of expand that list.

And it is not that I think the Committee is a waste of time or that it would not do good work because I know it would, and the composition is very good. And I think a great deal of thought has gone into it. The objectives of the Committee are very good.

Again, I just think it is time to draw a straight line on this and move toward a product. And I think given the work that has been done by Department of Veterans' Affairs and other entities that have looked at this, I truly believe we are ready to move in a more operational manner. So we may just differ on that point.

MS. BROWN-WAITE. If you have any suggestions that you would like to add on this, I would certainly be very happy to work with you. But I do not mean this the way it sounds. You have not done it thus far, so this member of Congress does not believe unless it is written thou shalt that it will be done. So, therefore, this is why the bill evolved into this manner.

Now, if you would prefer, I will rewrite a bill that says let us go to a group that has the expertise, that can do this, but you might not like the outcome.

So I believe that your involvement is very important. I believe that the Department of Labor involvement is very important. Their veterans' outreach is very important. And I want to see that very delicate blend of expertise there so that we can get moving on this.

I would love it to be in six months, sir. But one thing I had to learn when I came to Washington, D.C. and that is how slowly government works. For somebody who came from a State legislative background,

it is very frustrating how slowly Congress works. And you know what? It is even more frustrating for our constituents back home who cannot understand why it takes so long.

I will tighten up on the time line in here, sir. If you think 18 months is too long, we can make it three months or six months, but we need to get going and stop talking about it.

Thank you, Mr. Chairman.

MR. CICCOLELLA. I think we agree. I think we agree on that point, Congresswoman. And I would be more than pleased to work with you and your staff and the Committee's staff to come up with a viable plan.

MR. BOOZMAN. Ms. Herseth.

MS. HERSETH. Thank you for indulging me, Mr. Chairman. Just listening to the exchange, it is clear to me that both the Congresswoman and Mr. Ciccolella have given this a lot of thought and agree on more than they disagree.

And my only suggestion, even though understanding Ms. Brown-Waite's frustration because she and I have both been -- she has been here a little bit longer than I have, not too much, and we both want to just see the results. And so much has been done, but we have never followed through. We have not connected the dots.

And I think that if we can make a bipartisan commitment to reforming a GI Bill that provides flexibility, that intersects directly with this issue that we can move in an operational way to perhaps add a new section to the GI Bill that matches this up, matches up the training with the governors' involvement and the certification by every State and how we make this a more fluid transition perhaps in a more comprehensive bill even though I know that Ms. Brown-Waite and I agree sometimes we can get the results a little bit faster if we approach it in a more incremental way, but just a suggestion that if we can get the political will to do what we want to do with the GI Bill that this might make a great sort of new section on how we do it.

MR. CICCOLELLA. I completely agree. We need to get something done.

MR. BOOZMAN. Thank you.

And I think that is our frustration. You know, we are with you and we really do appreciate the fact that you have thought about this a lot. And hopefully, we will mesh this out and be able to move forward.

Let me just ask a couple things real quick and then we need to move on.

First of all, Mr. Secretary, I want to assure you that the language on the disabled business owners and spouses that it in no way was meant to imply that a disabled veteran was not capable of running a business. And the record certainly shows just the opposite and our report language will reflect that as we go forward.

Second, today several witnesses on the second panel will disagree with the deletion of the nine percent mandatory acquisition goals that was in the first draft of House Resolution 3082. They feel like the VA will not take this bill seriously without the provision. And I want to note that this year, the VA has set aside just 2.16 percent for service-disabled veteran-owned businesses.

So we have talked about this. And I really know that your heart is in the right place on this, but can you talk a little bit about a commitment that you would make in establishing under Public Law 106-50, the Secretary's goals for the department?

MR. MANSFIELD. Yes, sir, Mr. Chairman. I made the point in my introductory statement that one of the things that I did was move this requirement into the monthly performance review report so that I got a chance to look at it.

Originally, that was on a departmental basis and we had an opportunity to see what was happening across the department.

Recently, I moved it to Office and Administration basis so we could allow each Office and Administration to be able to see where they were in the picture and that I could see where they were and we could then be able to take action as needed.

I would make the point that the Secretary has indicated in directives to the staff that he is committed to this. I would make the point that I am committed to this. I have to tell you that I am concerned that I sit here with the numbers you just mentioned as a part of our record and that is not good. We need to do better, obviously.

The other part of it is is that we are the Department of Veterans' Affairs and I believe we need to focus on and concentrate on within the context of existing statutes the veterans' issues and make that a priority. And I have attempted to do that and I would tell you and the Committee and the world that I would continue to make that a priority, continue to push it and continue to try and get those numbers higher. And I know that we will.

MR. BOOZMAN. Thank you very much.

Another thing that just came up, the National Student Clearinghouse, we received a letter from them saying that they were proposing to conduct a one-year pilot program to assist VA enrollment, certification, and other issues of veterans attending institutes of higher learning at no cost to the VA.

You know, on the surface, this seems like a good idea. I guess would you all be willing to sit down with our staff and discuss that as far as looking at a Clearinghouse pilot project, not committing you in any way, but just, you know, sitting down and looking at their proposal and --

MR. MANSFIELD. Yes, sir.

MR. BOOZMAN. -- going forward?

MR. MANSFIELD. I would definitely do that. I make the point, too,

for example, in a recent visit to Ft. Benning to talk to our folks involved in the Benefits at Discharge Delivery Program that that office has the benefit of a work study-type person in there to help in the administrative duties.

I think what I was trying to say is that in this area, we need to make sure that we do not put unqualified people in jobs that are advising or giving direction to veterans that require a certain qualification or certification.

MR. BOOZMAN. Okay. One other question about the withholding. It was suggested that withholding funds from the subsequent year rather than the current year. Can you explain that comment?

MR. MCCOY. Would you repeat the question, please?

MR. BOOZMAN. Mr. Ingram, I am sorry. It was suggested that withholding funds from the subsequent year rather than the current year. Can you explain that comment?

MR. INGRAM. Yes, sir, I can. This would enable States to do better planning as far as their budget goes for the following year. The budgets had already been established and so to take it from that year would impede the planning for the following year.

MR. BOOZMAN. And so is this something that VETS would concur with or --

MR. CICCOLELLA. The issue here is the negative incentive if they do not send their DVOPs and LVERs to NVTI to arrange that training. I am not in favor of taking money away from States. I do not think it helps at all.

But if the money were going to be taken away, I think as a practical matter, it would be taken out of the next year's allocation. The next year's allocation would be reduced. Just as a matter of course, it would take that long to process that.

Again, I would go on record saying that I am just simply not in favor of taking money away from States. It is a job of our State Directors and it is a job of our National Office to work with the States and help them in every way to get their DVOPs and LVERs trained and to get their outcomes up. And we have a lot of tools to do that. And I am just not sure that taking money away from States -- I just think it makes it a lot worse.

MR. INGRAM. Chairman Boozman, another point is that the State grant received in the current year has already been obligated for services to the veterans and this would just give us additional time to coordinate the service delivery based on the projected reductions in the next fiscal year.

MR. BOOZMAN. Have you got any other things, Ms. Herseth?

MS. HERSETH. One last, and I know we are keeping the second panel waiting, but I never pass up an opportunity to ask for an update on Chapter 1607 and the Reserve Education Assistance Program.

Could either you, Mr. Secretary, Mr. McCoy, address sort of where

we are in terms of the implementation of the New Electronic Payment System and the like?

MR. MCCOY. As far as the Chapter 1607, I believe, as you know, when we established our payment system in February, we had 15,000 cases pending. As of this morning, we had approximately 1,500 and we are going to make every effort to have those gone and worked by Monday morning. Our goal has been to finish by the end of April.

MS. HERSETH. Thank you for the good news. I appreciate it.

MR. MANSFIELD. I might make the point that that, too, is a part of the monthly performance review.

MS. HERSETH. Okay. Thank you.

Thank you, Mr. Chairman.

MR. BOOZMAN. Thank you. I thank the panel so much for appearing. We appreciate your testimony, and I think we really accomplished a lot and got some real insight. So thank you with your help on these bills and we appreciate your service. Thank you.

Our second panel today includes David Greineder, the Deputy Legislative Director for AMVETS; John Lopez, Chairman of the Association for Service Disabled Veterans; Brian Lawrence, Assistant National Legislative Director for the DAV; Mr. Morgan Brown, Co-Chairman of the Military Coalition; Mr. Joseph Sharpe, Deputy Director of the Economic Commission of the American Legion; Mr. Carl Blake, Associate Legislative Director for the Paralyzed Veterans of America; Mr. Eric Hilleman, Assistant Director of the VFW National Legislative Service; Mr. Rick Weidman, National Legislative Director of the Vietnam Veterans of America.

Let us start out with Mr. Lawrence. Thank you all. I apologize that we are running a little late and yet we are not. You know, that is the idea of these hearings - to be here and try and get all the useful information that we can. So we do appreciate you being here. And so again, let us start with Mr. Lawrence.

STATEMENTS OF BRIAN E. LAWRENCE, ASSISTANT NATIONAL LEGISLATIVE DIRECTOR, DISABLED AMERICAN VETERANS; CARL BLAKE, ASSOCIATE LEGISLATIVE DIRECTOR, PARALYZED VETERANS OF AMERICA; JOHN K. LOPEZ, CHAIRMAN, ASSOCIATION FOR SERVICE DISABLED VETERANS; JOSEPH C. SHARPE, JR., DEPUTY DIRECTOR, ECONOMIC COMMISSION, THE AMERICAN LEGION; RICHARD WEIDMAN, GOVERNMENT RELATIONS DIRECTOR, VIETNAM VETERANS OF AMERICA; MORGAN BROWN, CO-CHAIR, VETERANS COMMITTEE, THE MILITARY COALITION; ERIC HILLEMAN, ASSISTANT DIRECTOR, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES; DAVID GREINEDER, DEPUTY NATIONAL LEGISLATIVE DIRECTOR, AMVETS

STATEMENT OF BRIAN E. LAWRENCE

MR. LAWRENCE. Thank you. Chairman Boozman, Ranking Member Herself, and members of the Subcommittee, on behalf of the 1.3 million members of the Disabled American Veterans, I appreciate the opportunity to present our views on the legislation being considered today. I will limit my remarks to the measures that are most pertinent to the DAV mission.

First, I would like to commend the Subcommittee for its leadership and bipartisan commitment to assist the most severely disabled veterans. The DAV thanks Ranking Member Herseth for introducing the Disabled Veterans Adaptive Housing Improvement Act and Chairman Boozman for recognizing its merit and fostering its success.

This bill is important not only because specially-adapted homes are more expensive than conventional homes, but also because the grant amount has remained relatively flat while building costs have risen.

Along with providing an immediate increase, the bill would help to ensure that grant amounts remain viable by providing for annual adjustments based on the national average increase in the cost of residential home construction.

This will have a huge impact on the lives of catastrophically injured men and women returning from the War on Terror. In accordance with resolutions adopted by delegates to the National Convention, the DAV strongly supports this legislation.

The DAV also supports the effort to increase VA contracting opportunities for small businesses owned and controlled by service-connected disabled veterans. No other category of business owner has contributed more to our nation or is more deserving of special consideration for federal contract opportunities than disabled veterans.

The amendment to House Resolution 3082 would require VA to establish a percentage goal for each fiscal year for such contracts. While we would prefer to see mandates rather than goals, it is a worthy measure, especially since it provides an incentive for procurement officers to meet the established goals. The DAV hopes this additional measure will encourage adherence to the amendment's intent.

Generally the DAV does not take action on legislation that is based upon other than wartime service-connected disabilities; therefore, we would not usually have a position regarding the Montgomery GI Bill. But because the GI Bill Flexibility Act of 2006 provides special consideration for disabled veterans, we support its goal to provide flexibility for accelerated payments.

The Act would provide special rules authorizing payments for service-connected disabled veterans to equal 75 percent of established charges. The DAV supports this legislation.

Though we have no resolutions pertaining to the remaining mea-

sures, their purposes are meritorious and we have no objection to their favorable consideration.

Mr. Chairman, that concludes my statement, and I will be happy to respond to any inquiries you or any other members may have.

MR. BOOZMAN. Thank you, Mr. Lawrence.

[The statement of Brian E. Lawrence appears on p. 71]

MR. BOOZMAN. Mr. Blake.

STATEMENT OF CARL BLAKE

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

And, Ms. Herseth, PVA would like to particularly thank you for introducing House Resolution 4791 that would increase the amount of the Specially Adapted Housing Grant from 50 to $60,000. PVA members are the highest users of this very important grant.

In accordance with the recommendations of the Independent Budget, we also support the provision that would require the Secretary to establish a residential home cost of construction index to be used to automatically adjust the amount of these grants each year.

As the housing market has continued to boom, these grants have not kept pace. Without an annual adjustment to the grants, inflation will continue to erode their purchasing power.

I would also like to suggest to the Subcommittee that they consider looking at changes to the grant that provides for adaptive equipment for the purchase of an automobile as well as you move this legislation forward.

PVA supports the Veterans Employment State Grant Improvement Act. PVA is very encouraged by the requirement for the States to establish a licensing and certification program as a condition of a grant or contract.

PVA welcomes the GI Bill Flexibility Act as a means for more separating veterans to take advantage of the opportunities earned while in uniform. Providing increased versatility to veterans to take advantage of their benefits will provide greater opportunities in civilian employment.

Currently rules severely limit the ability for veterans to receive lump sum or accelerated payments of educational benefits. By expanding this access, many training programs that have been off limits to veterans will now become available. PVA believes that this legislation is only the first step in needed changes to all veterans' education benefits.

Perhaps the most overlooked section of this population is National Guard and Reserve forces mobilized for the Global War on Terror.

These soldiers serving on active duty earn as much as $22,000 in educational benefits during their mobilizations. However, if these soldiers choose to retire or leave military service following their return from combat, they would lose these benefits automatically. Any active-duty military who choose to do the same will not lose their benefits.

PVA sees this as inherently unfair. Military leaders are quick to point out that retention is their prime concern and see this program as a tool in keeping soldiers in the Guard and Reserves. We understand these concerns, but disagree that these soldiers who honorably served should be denied this benefit that they have rightfully earned. We hope the changes to the GI Bill do not end with this legislation.

PVA supports the Veterans Licensing and Credentialing Act as another step to ensure individuals separating from the military have every opportunity to seamlessly transition to civilian life.

The training and experience achieved during military service makes veterans well suited to be successful in civilian employment. It is troubling that many of these veterans leave military service with skills and experiences often well above their civilian counterparts who have not served and, yet, they struggle to find employment. These veterans are hampered because they do not have the specific State license or certification that can allow them to immediately enter a civilian profession.

The establishment of a Veterans' Advisory Committee on Certification, Credentialling, and Licensure can improve this process. However, we believe to be really successful, it must be fully supported by the Department of Defense, Department of Veterans' Affairs, and the Department of Labor.

PVA is disappointed to see the changes to House Resolution 3082 proposed in the amendment being considered. In July 2005, we first testified on this legislation and we welcomed the substantial move to require nine percent of procurement contracts entered into by the VA to be awarded to small business concerns owned by veterans or service-connected disabled veterans.

It is unfortunate that the Subcommittee is moving away from such meaningful legislation. Replacing this requirement with a goal that the Secretary shall establish does nothing to improve the current situation.

Though the nine percent requirement may be large or difficult to meet, government agencies almost without exception have shown that they are wholly incapable of meeting the procurement goals for veteran-owned businesses.

When working towards passage of Public Law 106-50, the VSOs worked tirelessly to get real requirements for procurement included in the legislation. It is unfortunate that years after the passage of Public Law 106-50, there has been no change in the attitudes towards

veteran business owners, particularly those with service-connected disabilities.

Mr. Chairman, I would like to thank you again for the opportunity to testify and I would be happy to answer any questions that you might have.

MR. BOOZMAN. Thank you, Mr. Blake.

[The statement of Carl Blake appears on p. 77]

MR. BOOZMAN. Mr. Lopez.

STATEMENT OF JOHN K. LOPEZ

MR. LOPEZ. Good afternoon, Mr. Chairman, Ranking Member, and members of the Committee.

Attempts by the nation's service-disabled and prisoner of war military veterans to participate in the economic system for which they have ensured security and prosperity have been an embarrassment.

In spite of the commitment of the United States Congress and the efforts of individuals in the Federal Administration, the systemic abuse of service-disabled veteran aspirations by an insulated bureaucracy has threatened the foundation to our national patriotism.

The recalcitrant behavior of those officials charged by the United States Congress and Presidential Executive Order to enhance and implement opportunity for service-disabled veterans makes a chilling statement that the rehabilitation of America's heros is irrelevant to the agenda of the major corporations and their subservient procurement officials.

As an example, consider that the top 100 billion dollar contracts to the Department of Veterans' Affairs are among the worst providers of opportunities for service-disabled veterans seeking to maintain their rehabilitation as owners and operators of small business.

The United States Department of Veterans' Affairs will not meet even negotiated goals unless those goals are specifically enumerated. The intent of the provisions of House Resolution of 3082 is absolutely needed by the service-disabled veterans of the United States and their families.

The proposed amendments are also necessary to clarify and more clearly focus on the complexity and practice of procurement awards by the United States Department of Veterans' Affairs. Each of the House Resolution 3082 provisions and amendments address a real and specific experience or concern of service-disabled veterans in pursuing and maintaining their rehabilitation practices.

This unique and most deserving population requires a complete and total commitment of our nation's resources and the support of the United States Congress.

I will be pleased to answer any questions you may have. Thank

you.

[The statement of John K. Lopez appears on p. 86]

MR. BOOZMAN. Thank you, sir.

Mr. Sharpe.

STATEMENT OF JOSEPH C. SHARPE, JR.

MR. SHARPE. Mr. Chairman and members of the Subcommittee, thank you for this opportunity to submit the American Legion's views on the issues being considered by the Subcommittee today.

House Resolution 4791, the Disabled Veterans Adapted Housing Improvement Act. Given the rising cost of construction materials and services, the American Legion is pleased to support this pending legislation that would raise these allowances and allow the grants to be paid to adapt the homes of parents and siblings caring for disabled veterans.

Draft bill Veterans Employment State Grant Improvement Act of 2006, the American Legion is supportive of the Veterans Employment State Grant Improvement Act of 2006 and other measures that will improve employment services for veterans provided under the Veterans' Employment and Training Services.

Draft bill GI Bill Flexibility Act of 2006, the American Legion supports the provisions of the GI Bill Flexibility Act of 2006. In addition, the American Legion strongly supports the expansion of the program to include other short-term programs of value that could lead to the immediate employment of veterans.

Draft bill Veterans Licensing and Credentialling Act of 2006, a concern of the American Legion is that the Veterans Service Organizations be adequately accounted for on any establishment of a Veterans' Advisory Committee on Certification, Credentialling, and Licensure.

The American Legion suggests that approximately half of the Committee be made up of VSO representatives. The American Legion supports the provisions of the Veterans Licensing and Credentialling Act of 2006.

And, finally, a proposed amendment to House Resolution 3082, the Veteran Owned Small Business Promotion Act of 2005, the American Legion still supports the original bill House Resolution 3082 that requires that nine percent of procurement contracts entered into by the Department of Veterans' Affairs be awarded to small business concerns owned by veterans.

We are very concerned about the elimination of the minimum goals and any other measures that might hinder contracting opportunities for veteran-owned businesses. The American Legion supports certain provisions of this proposed legislation. However, there needs to be a federal-wide national procurement policy in conjunction with

Mr. Chairman, that concludes my statement.

MR. BOOZMAN. Thank you very much, sir.

[The statement Joseph C. Sharpe, Jr. appears on p. 93]

MR. BOOZMAN. Mr. Weidman.

STATEMENT OF RICHARD WEIDMAN

MR. WEIDMAN. Mr. Chairman, Ranking Member Herseth, Vietnam Veterans of America, first of all, I want to thank you for allowing us to testify today.

House Resolution 4791, this Disabled Veteran Adaptive Housing Grant, we strongly support the increase from 50 to 60,000 and from 10,000 to 12,000. However, there is a need for a regional instead of a national average increase in order to keep up with rising housing costs. Housing costs in high-cost areas such as Washington, D.C., New York, California, et cetera, Miami are rising much faster than they are in many of our rural States.

Secondly, while it may not be appropriate to this legislation, it is something that we would suggest that the Committee needs to look into, is that the decision as to whether or not to allow someone adaptive housing and various aspects of adaptive housing is supposed to be a clinical decision. All too often, particularly in the last year and a half, two years, it has become a fiscal decision with fiscal people overriding the Prosthetics Committee of three at VA medical centers.

Secondly, the bill that would allow more flexibility in the GI Bill by allowing acceleration of pay for particular vocational rehabilitation programs, we strongly favor that kind of flexibility and, frankly, would note at this point that we continue to advocate for a World War II GI Bill such as our fathers had be made available to our sons and daughters who even now are in harm's way in the Global War on Terrorism around the world.

In regard to the amendments to House Resolution 3082, the performance review noted in that that is for the chief procurement officers for the various divisions should also extend to those decision makers within that decision. We laud Secretary Nicholson and Deputy Secretary Mansfield as well as Under Secretary Perlin. They have now given each network director that as a specific requirement in their performance evaluation. And I believe we are going to see a much improved situation when it comes to procurement from the Veterans Health Administration which is, of course, 85 percent of all procurement by the VA.

The third thing there or second thing is Vietnam Veterans of America also favor keeping the nine percent goal because even though we have strong support at the VA now from the Secretary on down, we

may not always have that kind of support from the very top in regard to this issue.

Number three, the sole source provisions need to be even further clarified because there is much willful ignorance out there on the part of contracting officers as well as decision makers.

And, lastly, applaud you for putting in the succession provision when a veteran dies or becomes totally incapable, a disabled vet, of running their business.

In regard to the Veterans Certification Committee, applaud Ms. Brown-Waite for her strong and assertive leadership on this issue. It is something that is much overdue. The veterans' community has been floundering and trying to get something done in this for 20 years. And it is a good start.

We would encourage you to think about adding the Department of Education since the State approving agencies in many States falls under the Department of Education.

Next, CPC is not something we can recommend be on that Committee as essentially it is a not-for-profit that is wholly owned by a for-profit corporation. Instead we would encourage you to put in there the U.S. Chamber, National Association of Manufacturers, or the National Federation of Independent Business, or all three.

Lastly is any vestiges of the responsibility for this function, we believe should be removed from the Veteran Corporation. They have enough to do trying to accomplish their primary mission, and given to Labor.

And last but not least, we would encourage you to add to this Committee the National Governors Association between the State Department of Educations and the National Governors. If they are not going to make it work in approval at the State level, it is not going to work which is the problem with implementing the small business flexibility you allowed in legislation two years ago.

Lastly, in regard to the Veterans State Employment Improvement Grants of 2006, VVA remains strongly opposed to part-time DVOPs and, in fact, part-time LVERs. We never get 50 percent of those people. The way to accomplish that in our view is to have people who are itinerant when you have small offices who go from office to office and then you can guarantee more fully that you are getting a bang for the buck out of the staff time you are actually devoting.

We very much agree that training should be a requirement for DVOPs and LVERs who come on board, but we would urge you to shorten that time from three years to two years and also include the managers of the local offices. Many of them just never go for training and they do not even know what the law is much less have a commitment to fulfilling it.

The other thing we would note is the Jobs for Veterans Act never has had implementing regulations published by the Secretary of La-

bor. Therefore, there is only the flexibility part of the Act that has been implemented and not the accountability of the Act.

And we would encourage you to follow-up on the GAS study on this issue with Secretary Chow to ensure that there is regulation and enforcement of all of the accountability parts of that Act which passed four years ago now.

And very much agree with the Statistical Metropolitan Statistical Area Standard, Metropolitan -- the DEMO Project for three million, and that is something that needs to be done.

Very last, in 2000, this Committee took the lead in revamping the system that would hold the States harmless. In other words, no DVOPs or LVERs would have been laid off and, yet, we would move towards the money that goes to the State Workforce Development Agencies following performance. And it failed at the very last minute in September of 2000.

We are still very much in favor of that and, frankly, do not believe anything else is going to start to improve the workforce development system for veterans in this country. And it is the key readjustment program for veterans returning from OIF, OEF, and we owe them nothing less than to take the steps necessary to help them find meaningful work at a living wage.

Mr. Chairman, Ms. Herseth, thank you very much.

MR. BOOZMAN. Thank you, Mr. Weidman.

One thing, if it is okay with Ms. Herseth, Mr. McCoy, he mentioned the fiscal concerns overriding the Prosthetic Committee. Can you comment about that?

MR. WEIDMAN. Well, we have --

MR. BOOZMAN. I was going to get Mr. McCoy to --

MR. WEIDMAN. Sir?

MR. BOOZMAN. Mr. McCoy is still here. I was going to get him to comment from the --

MR. WEIDMAN. There is actually an instance now where I am collecting the names of veterans, although a lot of them are afraid to come forward in VISN 2 --

MR. BOOZMAN. Okay.

MR. WEIDMAN. -- where the Prosthetics Committee met. There are three people on that. All three are clinicians. And the individual who is from accounting was sitting there and nixed the replacement sea legs for the veterans who were amputees, Vietnam veterans, because of fiscal concerns.

MR. BOOZMAN. Okay. Mr. --

MR. WEIDMAN. It would give them another regular leg but not another sea leg, and their original sea leg had worn --

MR. BOOZMAN. Okay.

MR. WEIDMAN. -- had become worn out.

MR. BOOZMAN. Mr. McCoy, will you comment about that and tell us

what is going on.

MR. MCCOY. I do not believe I can comment in regards to the loss of the prosthetics, that not being approved. But as far as the original question in regards to special adaptive housing, as much as one has to do with the other, I believe what Rick is talking about is not something that would cause us to disallow a request for special adaptive housing.

MR. BOOZMAN. Okay.

MR. MCCOY. The person has the loss or loss of use and the entitlement is there.

MR. BOOZMAN. Okay. I think as a Committee, that is something that we would like for you to follow-up on and --

MR. MCCOY. Okay.

MR. BOOZMAN. -- tell us what -- does that come out of the RBA account?

MR. MCCOY. Yes, sir.

MR. BOOZMAN. Okay.

MR. MCCOY. I will be glad to --

MR. BOOZMAN. Thank you for your help.

MR. WEIDMAN. Mr. Chairman, we were not saying it is a matter of policy. It has to do with quality assurance at the local level. And the national policy is very clear. It is the quality assurance at the VA medical center level that is sometimes lacking.

MR. BOOZMAN. And thank you. And I appreciate your bringing it up. Certainly that is something that all of the members of this Subcommittee, all of the members of the Committee period are concerned about those kind of things. So thank you.

Mr. Brown.

STATEMENT OF MORGAN BROWN

MR. BROWN. Good afternoon, sir, and Ranking Member Herseth. On behalf of the Military Coalition and its five and a half million members, I want to express our views on the legislation under consideration today.

Before I begin with my comments, we support all five pieces of legislation. In the interest of moving things along, I am just going to take a moment to comment on two of them.

House Resolution 4791 aims to help disabled veterans return to the normalcy of a home life by expanding eligibility for VA adaptive housing assistance. And the increases proposed in this draft bill as well as the indexing are long overdue and, therefore, the Military Coalition supports its passage.

The Military Coalition also supports the accelerated payment of the Montgomery GI Bill benefit. The payment structure that is currently in place is outdated and was designed for veterans pursuing

four-year degrees at universities.

The draft bill entitled GI Bill Flexibility Act of 2006 would accelerate payment of the GI Bill benefits to accommodate some of the compressed schedule of modern-day courses that lead to certification or licensure or in an industry that is experiencing a high growth rate.

We endorse this bill, but we do note a couple shortcomings with it. And, unfortunately, this worthy Montgomery GI Bill improvement would be available only to active-duty veterans and not to the Guard and Reserve as was previously noted.

Additionally, the proposed flex benefit would be employ and accelerated burn rate of 1.5 months entitlement for the up-front payments, meaning the individuals that take advantage of the provision would ultimately lose a portion of their overall entitlement.

Obviously this change will benefit some individuals and we cannot discount its value in that regard. However, the limitations I have described are unfair and limit the Montgomery GI Bill's ability to make an impact on all veterans in this area.

And, finally, in regards to the proposed amendment to House Resolution 3082, we join with our peers and express concern that by not establishing a standard rather than a goal, the government's past record of meeting goals is pretty poor and we would prefer putting some teeth into this legislation and making a standard that must be met versus a goal that could be easily ignored.

And the Military Coalition expresses its profound gratitude for the extraordinary work this Subcommittee does on a day-to-day basis. And on behalf of the military veterans and their families, I thank you.

MR. BOOZMAN. Thank you, sir.

[The statement of Morgan Brown appears on p. 102]

MR. BOOZMAN. Mr. Hilleman.

STATEMENT OF ERIC HILLEMAN

MR. HILLEMAN. Thank you, Mr. Boozman, and Ranking Member, Ms. Herseth.

Mr. Chairman and members of the Subcommittee, on behalf of the 2.4 million men and women of the Veterans of Foreign Wars of the United States of America, thank you for this opportunity to testify today and present our views on the pending legislation.

Our positions on the bills are as follows:

House Resolution 3082, the Veterans Owned Small Business Promotion Act would require nine percent of all Department of Veterans' Affairs' procurement contracts be awarded to veterans. We enthusiastically support this bill. Job security and business development are among our highest goals for our veterans.

We prefer the original language of this bill in place of the amendment that has been offered. The original bill would do much more to further the interest of veterans than the amendment.

House Resolution 4791, Disabled Veterans Adaptive Housing Improvement Act would increase the matching grant for disabled veterans' home purchase and modifications. The current grant maximum is $50,000. The new amount, $60,000, may go far in rural areas of America, but veterans residing in major population centers, as pointed out by other members on this panel, would not go quite as far. We ask Congress to consider a regional housing cost average to determine the maximum grant amount.

The draft bill entitled the Veterans Employment State Grant Improvement Act seeks to improve performance and increase the accountability of veterans' employment representatives under the Department of Labor. We vigorously support this bill, but ask Congress to consider a more timely implementation of its prescribed measures.

Taking three years to phase in performance evaluations, waiting two years to phase in licensing and certification on a State level and requiring training sessions sometime within the first three years of employment of an employment representative should all be accomplished in a shorter period of time.

The draft bill entitled GI Flexibility Act is written to expand licensure and certification, thus allowing lump sum payments in areas of industry experiencing critical shortages that are deemed high growth by the Secretary of Labor.

The VFW has long called for expansion of licensure and certification programs which lead to rewarding careers, but we have several concerns about this legislation. We are wary that some industries included in this expansion are overly broad and that in some cases would lead to careers that lack long-term employability.

The Department of Labor's definition includes areas of hospitality and retail. These can provide rewarding careers, but we do not believe these industries are the target areas of this legislation. We feel the GI Bill should be a key to unlock a career, not just a door to another job.

Our second concern is oversight. With such a wide expansion of lump sum payment, we can envision unscrupulous companies attempting to take advantage of veterans. Many companies and businesses will rise to meet the demand for short-term training programs. We must be cautious. With this invaluable educational benefit, we support the idea behind the bill, but cannot support the draft legislation as written until these concerns are met.

The draft bill entitled Veterans Certification and Licensure Act would establish a Committee to bridge the gap in certification, credentialling, and licensure for troops transitioning from active duty

into the workforce. We believe military experience in many fields, including heavy equipment operation, transportation, electronics, mechanical repair, and construction, are all highly transferrable. The VFW strongly supports the enactment of this bill and the creation of the Committee.

Thank you, ladies and gentlemen, for this opportunity to present the VFW's views before this Committee, and it has been my pleasure and I welcome all questions.

MR. BOOZMAN. Thank you.

[The statement of Eric Hilleman appears on p. 108]

MR. BOOZMAN. Mr. Greineder.

STATEMENT OF DAVID GREINEDER

MR. GREINEDER. Thank you, Mr. Chairman, Ranking Member Herseth. Thank you for inviting AMVETS to testify before you today.

House Resolution 4791 would increase the amount of adaptive housing assistance available to the disabled veterans. This bill would be very helpful to veterans who sustained traumatic life-altering injuries so they may live their lives as independently as possible. AMVETS fully supports this legislation.

The Veterans Employment State Grant Improvement Act draft bill would implement professional qualification for DVOP and LVER programs. The heart and soul of the Department of Labor Veterans' Employment and Training Service is the dedicated staff tasked with facing the employment challenges of veterans. AMVETS supports the goals of this legislation.

The GI Flexibility Act draft bill would enhance GI Bill educational benefits for veterans wanting to use tuition assistance for certain training programs. This bill will make short-term, high-cost training programs more affordable to veterans. This legislation would also help address the serious unemployment rate of veterans between the ages of 20 and 24.

Veterans in this age bracket have an unemployment rate of over 15 percent, nearly double the rate of nonveterans in the same group. Accelerating the benefit would help place veterans in a good-paying, long-term, and secure job. AMVETS endorses this legislation.

The Veterans Licensing and Credentialling Act draft bill would establish an Advisory Committee to review and improve certification and licensing procedures for veterans. The Advisory Committee's overall goal will be to facilitate servicemembers with a seamless transition back into civilian life.

AMVETS believes there is no greater responsibility of DoD and VA to properly take care of returning soldiers and to provide them with as many tools as possible to assist them back into civilian life. There-

fore, we support the goals of this legislation.

The proposed amendment to House Resolution 3082 seeks to increase VA contracting opportunities for service-connected disabled veteran small businesses. The amendment will require VA to establish a goal for each fiscal year for such contracts.

AMVETS supports the amendment, but we do note, however, that Public Law 106-50 established similar goals and ideas which have not yet been met. AMVETS would really like to see full implementation and enforcement of 106-50 before any additional legislation is passed.

In closing, Mr. Chairman, AMVETS looks forward to working with you and others in Congress to ensure employment opportunities of all America's veterans are strengthened and improved.

Thank you again. This concludes my testimony.

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

[The statement of David Greineder appears on p. 112]

MR. BOOZMAN. A couple things. Mr. Blake, you mentioned the automobile adaptation. Again, I think that is something that is - Counsel is telling me that that is not our jurisdiction and, yet, I agree with you. That is probably something that needs to be looked at. I think what we can do is push that over to the appropriate staff and members that it is and see if we can help in that regard.

One thing I think you know that our commitment on this nine percent thing and trying to get this squared away that we really are committed to doing that. And so what we have tried to do is figure out what is another approach in order to get that done.

And so, as you know, in this bill, it basically says that if you do not get on the stick that the senior contracting officials will not receive award or are not eligible for award in doing that. And so it is a different way of doing it. And I think that that has some merit in trying. It is being tried in different ways.

And we have got two things that we are facing here. We have got something that we can get done. And, like I say, I think this is something that is a different approach, but I understand your concern and I have the same concern. And I know that the minority has the same concern also. This is something that we are really working hard to get done. But that is the effort is just approaching it a little bit differently.

Ms. Herseth.

MS. HERSETH. I do not have any questions directly to any one particular individual on this panel. Thank you for your thoughts on all of the bills that we are dealing with today. But let me just comment on the idea of a regional index or a regional housing cost variable here on the Adaptive Housing Grant.

I am open to what we might -- I mean, you heard the testimony in

the first panel, so we first have to figure out, you know, can we find an index that everyone seems to agree on.

And I understand certainly and worked with Congresswoman Susan Davis in the last Congress as it related to what we were doing not for the Specially-Adapted Housing Grants, but the program that just was providing for any veteran. And we worked on some issues of housing for Native American veterans separately.

But, you know, she is from San Diego. I know that the costs of home ownership in San Diego are probably a lot higher than they are in Aberdeen, South Dakota. But in Sioux Falls, South Dakota, the housing market is much higher as it is in Rapid City, South Dakota than the rest of the State.

So when you talk about State by State, you will end up with veterans who may be living in larger communities in these States who will then be at a disadvantage even though they may face some of the same situations in terms of higher housing costs as a fellow veteran who lives in a different State or a different region.

I mean, the broader issue here is the availability of affordable housing period for anybody regardless of the size of the community. But I am open to making sure whether it is in establishing the amount of the grant itself, although right now in this budget environment, you know, we are just trying to get kind of the overall increase for everybody.

But then at that point, let us look at a fair regional index if we can find the consensus that perhaps marries the variables of region, of size of community, of maybe some of what our real estate friends can help us do in terms of various housing markets that will allow for a fair indexing of that benefit rather than some arbitrary issues that have developed over time on a regional basis that do not reflect the size and growth of certain communities in perhaps more rural regions, but, yet, a growing community that lacks affordable housing.

So I appreciate the comments that you have made in that regard as to the overall amount of the grant as well as what we do for the index, whether it is a national uniform average or some sort of regional index that is currently available or one that we could work to construct. But that is going to be, you know, a tougher task.

And so I would be interested to hear your thoughts on the prospect of being able to move this forward and increasing the overall level utilizing a national uniform average right now versus maybe taking more time to accommodate some of the legitimate concerns that you have raised or manners in which we could improve the grant for veterans in different geographic areas.

MR. BLAKE. Ms. Herseth, I would say that this is an issue that is probably nearer and dearer to PVA's heart than any other organization given that our membership probably is the highest percentage user of the grant due to the nature of our membership's disabilities.

On its face, I agree with all of the ideas about a regional index. I think it only makes sense given the difference in cost of living in every area around the country.

The IB does not actually recommend that type of index or that variable in an index because we also recognize to get to that point, we need an index in the first place. There needs to be some kind of annual adjustment in the grant in the first place.

It seems that just that principle in itself makes sense. We get cost of living adjustments for everything else under the sun, yet something that probably has the most impact on these veterans' lives is not adjusted. And this is probably the most significant and certainly the most expensive thing that these veterans will ever purchase in their lifetime in all likelihood.

I would suggest that we will have to, you know, work this out over time. But if we could get an index enacted in the first place, I would say we have made a great leap forward in improving this benefit.

I listened to Secretary Mansfield say that he would be willing to work with the Committee every year to ensure that the grant is increased to meet the need. Well, it sounds like to me that is saying we are willing to spend more of our man hours and money to try to help you develop something that an index would do anyway. So I think that makes the argument for why an index is necessary.

Mr. Weidman. I would say move forward with the floor that you have in the bill now and get that established and then look beyond that.

The National Association of Home Builders keeps housing costs on a county-by-county as well as standard metropolitan statistical area basis and then use that as an add-on to raising the national floor, if I may be so bold as to suggest to you all.

Mr. Lopez. Mr. Chairman, you commented on performance review. I believe the consensus is not -- we applaud performance review. The question is is that we have had six years of goals from the Department of Veterans' Affairs. They have never even come close to meeting them. And we have never seen indications where even their data when they report is reliable.

So you can understand our concern, all of us, with the absence of specific, enumerated, legislated goals.

Mr. Boozman. Thank you all very much.

I think Rick has a special guest with him today. I have got three daughters. And his daughter, Marjorie Anna Weidman is here. And I have been watching her. She has just been excellent. It is good to have you here. We appreciate you sharing your daddy with us for a little bit.

Again, we do appreciate the testimony. They are very informative and certainly it looks like we have got a little bit of work to do before the markup in May. But we want to assure all of you, all of the stake-

holders, that we really do value your input as we go forward.

So if there is nothing further, the meeting is adjourned.

[Whereupon, at 3:33 p.m., the Subcommittee was adjourned.]

APPENDIX

Honorable John Boozman
Legislative Hearing
April 27, 2006

Good afternoon.

Today we are going to receive testimony on two bills, HR 3082 and HR 4791 as well as three draft bills. HR 3082 is a proposed amendment to the bill I introduced earlier in the session and would provide new tools and procedures for VA contracting officers to enable them to do more business with veteran and disabled veteran entrepreneurs and put veteran businesses at the head of the line for small business set asides. Given this new set of acquisition tools, there should be no reason for VA not to meet the veteran and service-disabled veteran small business contracting goals. I expect the Department to make a significant effort to ensure that its contracting officers understand that we are serious about this and are giving them a chance to perform.

HR 4791 is Ms. Herseth's bill to increase adapted housing grant amounts and I will recognize her in a moment to explain its provisions.

One draft bill focuses on improving the state grant program for Disabled Veterans Outreach Programs Specialists and Local Veterans Employment Representatives by setting hiring and retention guidelines, improving reporting of employment data, setting certain requirements for grants, implementing a pilot contract program in areas of high veteran unemployment, and revising the current incentive award program.

Another draft, proposed by Ms. Brown-Waite, seeks to improve licensing and certification for those coming out of the military and I will also ask her to explain her bill.

Finally, we have a draft bill to begin the process of modernizing the GI Bill education benefit program. One of the things we have found is that about 30 percent of veterans never use their education benefit because they do not want to attend traditional degree programs or cannot spend two to four years in school because of circumstances. Therefore, the draft focuses on improving the usefulness of the GI Bill for the 30 percent of veterans who do not use the program by increasing the types of training courses eligible for accelerated benefits. The draft also improves work study, equalizes monthly payments for certain students, and requires VA to provide a report on streamlining administration.

I feel strongly that many of the restrictive rules and regulations in the current program need to be eliminated or significantly modified where possible as long as we do not open the program to waste, fraud and abuse. I take Mr. Steve Kime's observation at our Arkansas field hearing that current rules and regulations treat all schools and veterans like potential law breakers to heart. We spend so much time and resources trying to screen out possible problems that we negatively impact service to our veterans and that's not right. We can use technology to maintain the integrity of the program and improve timeliness. Education benefits are prime candidates for rules-based processing and I intend to have a conversation with VA leadership about increasing the investment in that type of information technology to speed up processing.

Regarding the draft education bill, I felt we needed to begin exploring ideas and potential costs and I want to make sure that everyone understands this is not a finished product by any means. The eventual changes will likely cost billions of dollars and we must do this right to get the most effective use of taxpayer funds. I understand the VA-DoD GI Bill working group will report to the Joint Executive Council in July and the Armed Services Committee is also taking a hard look at the issue. We will work with the HASC and the VA-DoD working group not for the quickest change, but for the best.

Statement of the Honorable Stephanie Herseth
Ranking Democratic Member
Subcommittee on Economic Opportunity
House Committee on Veterans Affairs
April 27, 2005

Good afternoon Mr. Chairman and thank you for holding this legislative hearing. I very much appreciate your efforts, and those of our staffs, to conduct the subcommittee in a bipartisan and effective manner. I also appreciate your flexibility in scheduling that allows us to attempt to participate in all of the events that may be occurring here in Congress.

Like you Mr. Chairman, I also want to welcome the witnesses today and look forward to receiving their views and insights on the many bills before the subcommittee.

Mr. Chairman, I am particularly pleased that we have included on today's agenda, H.R. 4791, *the Disabled Veterans Adaptive Housing Improvement Act*, a bill I introduced along with a number of my House colleagues. The bill would increase the amounts available for adaptive housing grants for certain disabled veterans. It would also establish an index that reflects a uniform, national average annual increase in the costs of residential home construction so that future disabled veterans eligible for this grant would continue to maintain their purchasing power.

Additionally, I am pleased we are examining other measures aimed at enhancing the VA's ability to contract with veteran-owned small business owners; improving employment services and job-training opportunities for veterans seeking employment; and providing more flexibility to the Montgomery GI Bill.

Nearly 200,000 servicemembers separate from military service each year. These men and women who have given their best in defense of the Nation deserve our best efforts here in Congress. Indeed, after protecting and sustaining our freedom and way of life, they and their families have earned the right to live the American dream.

Mr. Chairman, I appreciate the witnesses' views and their efforts to assist us in crafting effective legislation. I know that we will use such testimony to guide us in making helpful and reasonable improvements to the measures before us.

Thank you Mr. Chairman, I yield back the balance of my time.

Statement of Congresswoman Ginny Brown-Waite on the "Veterans Certification and Licensure Act of 2006"
Before the Subcommittee on Economic Opportunity
Committee on Veterans' Affairs
U.S. House of Representatives
April 27, 2006

Thank you Mr. Chairman,

I appreciate having the opportunity to testify before the subcommittee today.

Each year, over 180,000 American soldiers make the decision to leave the armed forces. After serving honorably in defense of our country, many of these individuals seek employment in the civilian world, hoping to capitalize on the skills they have gained during their time in the military. However, the job search for veterans can be difficult. According to a Bureau of Labor Statistics, the average unemployment rate for recently discharged veterans is 6.9 percent, compared with the current national average of 4.7 percent.

Unfortunately, many employers do not understand the skills an individual obtains while serving in the armed forces. Moreover, many civilian occupations require that employees be certified or licensed within their field, something that is difficult to obtain while serving in the armed forces. This can render an individual ineligible for a job they could easily do. For example, a soldier who has driven a truck during their time in the service might not be eligible to drive a commercial truck because they do not possess the requisite certification.

The result is undesirable - some veterans find employment in positions for which they are overqualified or in fields that have nothing to do with their skill set. Although the Departments of Defense, Labor, and Veterans' Affairs have worked to address this issue, we must do more.

This week, I will introduce the "Veterans Certification and Licensure Act of 2006." My bill would establish the Veterans Advisory Committee on Certification, Credentialing, and Licensure within the Department of Labor. This committee would include experts from the business world, human resources industry, labor unions, and veterans' service organizations.

The committee would focus on improving the transition of military personnel to the civilian world through certification, credentialing, and licensure efforts. It would examine current programs within the DOD, DOL, and the VA, and would make recommendations to the Secretary of Labor.

The Veterans Advisory Committee on Certification, Credentialing, and Licensure would meet each fiscal quarter, and would provide a report on its efforts to Congress. Within one year of its creation, the committee would also submit a detailed report to the Secretary of Labor addressing some important questions with respect to the employment of veterans.

As Members of Congress, we have an obligation to ensure that veterans obtain employment after leaving the armed forces. This bill would take important steps toward achieving this goal. It is my sincere hope that my colleagues on both sides of the aisle recognize this and lend their support to the "Veterans Certification and Licensure Act of 2006." Once again, I would like to thank the Subcommittee for allowing me to testify today.

STATEMENT OF
GORDON H. MANSFIELD
DEPUTY SECRETARY
OF VETERANS AFFAIRS
DEPARTMENT OF VETERANS AFFAIRS
BEFORE THE HOUSE VETERANS' AFFAIRS
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
April 27, 2006

Good afternoon Mr. Chairman and Members of the Subcommittee:

Thank you for inviting me here today to present the Administration's views on (1) H.R. 4791, (2) a draft education benefits bill, and (3) a proposed amendment to H.R. 3082, each of which would affect Department of Veterans Affairs (VA) programs of benefits and services. I understand two other draft bills pertaining to programs administered by the Department of Labor (DOL) also are the subject of today's hearing. VA defers to DOL as to those draft bills.

Before I discuss the bills the Subcommittee is considering today, I would like to note that, as you know, these measures would affect direct spending and receipts. Accordingly, the support VA expresses here for particular bill provisions is contingent on accommodating the provisions within the President's Budget request if the costs are discretionary, and would require acceptable offsetting legislation if the costs are mandatory.

G.I. Bill Flexibility Act of 2006

Flexibility in Accelerated Payment of Basic Educational Assistance.

Mr. Chairman, I will begin by addressing the draft bill entitled the "G.I. Bill Flexibility Act of 2006." Section 2 of this bill would expand the programs of education for which accelerated payment of educational assistance may be made under the chapter 30 Montgomery GI Bill (MGIB) program. Specifically,

this measure would permit accelerated payment of the basic educational assistance allowance to veterans pursuing an approved program of education that leads to a certification or licensure in an occupation; does not lead to an associate or higher degree; and leads to employment in an occupation in an industry that has a critical shortage of employees or that is a high growth industry, as determined by the Department of Labor.

Under current law, only an MGIB participant pursuing high-cost courses leading to employment in a high technology occupation in a high technology industry has the option of receiving an accelerated benefit payment. This optional lump-sum accelerated benefit payment may cover up to 60 percent of the cost of such a course, provided the pro-rated course costs exceed 200 percent of the applicable monthly MGIB rate. The lump-sum payment is deducted from the veteran's MGIB entitlement balance in the same manner as if paid on a monthly basis and may not exceed that balance.

The draft bill provision would allow for accelerated payment for pursuit of the covered licensure and certification programs up to 60 percent of the cost of the course, provided the pro-rated course costs exceed 200 percent of the applicable monthly MGIB rate, or $10,000 dollars, whichever is the lesser. It would also allow for payment of up to 75 percent of the course costs if the veteran has a service-connected disability. The payment would be deducted from the veteran's entitlement at one and one half times the current rate, unless the veteran has a service-connected disability.

Mr. Chairman, we have several objections to this section of the bill. First, it would introduce into chapter 30 the novel concept of authorizing greater payments for service-disabled veterans than for other veterans, which would set a precedent to which we are opposed. We have, and will continue to support, when appropriate, preferences, including additional benefits, for service-disabled veterans when needed and reasonably related to achieving the legislative objective in providing veterans benefits. In this case, however, we do not find that the mere existence of a service-connected disability requires or justifies affording the higher accelerated payment amount. It seems to us that the

accelerated benefits payment reflects an economic need as to which the existence of a 0 percent service-connected disability, for example, is not a reliable predictive indicator. Moreover, we note that vocational rehabilitation and employment services are available under chapter 31 of title 38, United States Code, for eligible service-disabled veterans for whom MGIB benefits are insufficient to allow a proper readjustment to civilian life.

Next, this section would change the entitlement charge for receiving the accelerated payment. Currently, an individual's entitlement charge is computed by dividing the amount of the accelerated payment by the full-time monthly rate of basic educational assistance allowance. The proposed new computation would multiply this calculated entitlement charge by 1.5, thus, charging more entitlement than is currently being charged. While we find this objectionable, its impact is not clear. In fact, it may have no effect since, unlike the existing law, section 2 contains no provision limiting the accelerated payment amount to the aggregate amount of basic educational assistance to which the individual remains entitled at the time of the payment. Absent such limitation, VA could effectively pay more benefits than the individual has in remaining entitlement if the individual's remaining entitlement is less than the proposed maximum $10,000 accelerated payment.

If enacted, VA estimates section 2 would cost $10 million during FY 2007 and approximately $109 million over the period FYs 2007-2016. The latter cost estimate would need to be reassessed annually because DOL changes the listing of critical jobs yearly.

Exception for Government-Supported Institutions Administering Nonaccredited Courses to Requirement of Refunding Unused Tuition.

Section 3 of the draft bill would exempt Federal, State, or local government institutions, as well as those primarily supported by Federal. State, or local government funds, from the requirement that public or private, profit or nonprofit, educational institutions refund the unused portion of tuition, fees, and other charges for nonaccredited courses to an individual if that individual fails to

enter the course or withdraws or is discontinued therefrom any time prior to completion of the course.

Under current law, such institutions must comply with the refund policy requirements for nonaccredited courses pursuant to chapter 36, United States Code.

VA cannot support this section since we are aware of no reason why veterans should be disadvantaged by not receiving refunds in appropriate circumstances merely because the institution involved is a governmental entity or supported with government funds.

Determination of Full-Time or Part-Time Status for Purposes of Educational Assistance Payments.

Section 4 would, for purposes of determining the amount of monthly chapter 30 MGIB educational assistance allowance payable to an eligible individual who is enrolled in a program of education offered on a term, quarter, or semester basis, require VA to determine, at the beginning of the term, quarter, or semester, whether the individual is pursuing such program on a full-time or less-than-full-time basis by counting the total number of credit hours for which the individual is enrolled for the entire term, quarter, or semester. The amount so determined would be payable for each month of the term, quarter, or semester, as applicable, unless the individual thereafter reduced such number of credit hours, in which event the monthly allowance would be reduced accordingly.

The objective of this provision is not entirely clear to us. We note that, generally, VA already determines training time on this basis for payment purposes and that other provisions of title 38, United States Code, as well as VA regulations, currently set forth extensive requirements governing the same matters. For example, section 3680(a) of that title addresses in depth the period for which educational benefits may be paid for course enrollment and pursuit; section 3680(g) grants the Secretary the authority to determine what constitutes course enrollment, pursuit, and attendance; and section 3688 details training time measurement not only for courses offered on a term, quarter, or semester

basis, but also courses offered on a clock-hour basis. The latter courses are not covered by this proposal.

We do note that section 3680(a)(1) recognizes and permits payment for an actual period of pursuit of one or more unit subjects pursued for a period of time shorter than the enrollment period at the educational institution. This would apply, for instance, to students who attend mini-semesters (one-month sessions) during the summer and other extended intersession breaks. VA currently pays these students for the time that they are attending school, not necessarily for the full term, quarter, or semester. Thus, were a student to attend school full-time during one of three mini-semesters in the summer, VA would pay the student the full-time rate for that one month of attendance at the conclusion of the month.

Perhaps the instant section is meant to address pursuit of such mini-term enrollments. In that case, we do not necessarily object to the approach, but it could result in some unintended and undesired results. Given the case above, for example, where the student enrolls full time for one of three summer mini-sessions, section 4 would require that VA pay the student the ½-time rate for each of the 3 months in the summer semester. The student would end up receiving an extra payment at the ½-time rate in this scenario. There are other scenarios, however, where the student may receive less.

We believe a new approach to paying education benefits for pursuit of "mini-courses" may have merit and should be studied. However, we cannot support the section 4 proposal as drafted for the reasons stated above and because its relationship to the above-referenced title 38 requirements is not apparent, it would create ambiguity, and it could unintentionally alter the long-established policies embodied therein. Nevertheless, we would be pleased to consult with the Subcommittee staff and, as a technical service, assist in crafting appropriate language tailored to the intended objective.

Extension and Provision of Additional Qualifying Work-Study Activities for Veterans.

Section 5 of the draft bill would extend through December 26, 2011, work-study opportunities for veteran-students and eligible dependents to include: outreach services furnished by State approving agencies to servicemembers and veterans; activities for veteran-students and/or dependents (who have declared an academic major) within the department of an academic discipline that complements and reinforces the program of education pursued by the student; services in connection with provision of domiciliary care and nursing home and hospital care to veterans (including state veterans' homes) under chapter 17 of title 38, United States Code; for those receiving educational assistance under chapter 1606 of title 10, activities relating to the administration of that chapter at Department of Defense (DoD), Coast Guard, or National Guard facilities; and activities relating to the administration of national and state veterans' cemeteries. With regard to this provision, VA has data showing that that these work-study activities have been consistently performed and, therefore, believe that rather than extending the ending date for these work-study opportunities, they should be made permanent.

Under current law, VA makes additional educational assistance allowance payments (so-called work-study allowances) to eligible individuals who agree to perform certain specified services, such as assisting in outreach to service members and veterans regarding available benefits. To participate, the individual must be pursuing a program of rehabilitation, education, or training under chapter 30, 31, 32 , 34, or 35 of title 38 or chapter 1606 or 1607 of title 10 United States Code.

Section 5 of the draft bill also would expand the term "work-study activity" for qualifying individuals to include (a) the provision of assistance in identifying employment and training opportunities, as well as related information and services under the Transition Assistance Program (TAP) and the Disabled Transition Assistance Program (DTAP) to members of the Armed Forces being

separated from active duty and their spouses (under the supervision of a Disabled Veterans Outreach Program (DVOP) specialist or Local Veterans Employment Representative); and (b) any activity approved by VA in support of a Senior Reserve Officers' Training Corps program at an educational institution or military installation (under the supervision of an administrator or instructor referred to in section 2111 of title 10).

With regard to work-study students assisting with the TAP and DTAP programs, we agree with the intent of the provision. However, we are concerned, on the one hand, with some of the functions the student would be permitted to perform and, on the other hand, with certain restrictions imposed on their performance of other functions. We don't believe, for example, that work-study students, in most cases, could provide the employment assistance in identifying employment and training opportunities provided for in this section because such assistance requires specialized training. Accordingly, we would suggest deleting reference to such functions. Further, this section would unnecessarily restrict use of work-study students in support of the TAP and DTAP programs to activities under the supervision of DOL employees. In many cases, however, VA, DoD, or contractor personnel would be appropriate supervisors, as well. Therefore, we would suggest including language that would permit work-study students to assist with the TAP and DTAP programs in ways consistent with their abilities.

Finally, with regard to using work-study students to support Senior ROTC programs at educational institutions and military installations, VA has no objection to this portion of section 5.

If enacted, VA estimates section 5 of this draft bill would cost $1.6 million during FY 2007 and $8.3 million over the period FYs 2007-2016.

Report on Improvement in Administration of Educational Assistance Benefits.

Section 6 would require VA, within 90 days from the date of enactment of the draft bill, to submit a report to Congress that proposes methods to streamline

the processes and procedures of administering education benefits under chapters 30, 31, 32, 34, 35, and 36 of title 38 and chapters 1606 and 1607 of title 10, United States Code.

Given the breadth of the request and the complexity of the programs in chapters 30, 31, 32, 34, 35 and 36 of title 38 and chapters 1606 and 1607, of title 10, United States Code, it is, we believe, unrealistic to expect such a report to be written in 90 days. We would have no objection to this section if VA were given 6 months in which to submit the required the report.

Restoration of Lost Entitlement for Individuals Who Had to Discontinue a Course of Education Because of Being Ordered to Full-Time National Guard Duty.

Section 7 would make a technical amendment to restore entitlement under the chapter 35 education benefits program that eligible persons lost as a result of being involuntarily ordered to full-time National Guard duty after September 11, 2001, pursuant to 32 U.S.C. §502(f) .

In enacting Public Law 107-103, Congress restored education benefits to National Guard personnel called to active duty under specific sections of title 10, United States Code, and extended their delimiting period for using those benefits. Public Law 108-183 likewise extended the delimiting date for National Guard personnel entitled to chapter 35 benefits who had to discontinue course pursuit as a result of being called to full time National Guard duty under section 502(f) of title 32, United States Code, but inadvertently omitted provisions restoring entitlement for those persons as it had for similarly circumstanced individuals called to active duty under title 10. Section 7 would remedy this oversight. We note that the effective date provision is clear as to the enrollment periods to which this section applies. It is unclear, however, as to whether there is any limit as to how far back in time the title 32 service could occur. VA recommends the effective date be September 11, 2001, to accommodate those ordered to full-time National Guard duty under section 512(f) of title 32 on or after that date.

VA supports section 7 and suggests this provision be extended to MGIB participants under section 3013(f)(2)(A), as well.

If enacted, VA estimates section 7 of this draft bill would cost $3 thousand during FY 2007 and $96 thousand over the period FYs 2007-2016.

Technical Amendments

Section 8 contains technical corrections to the work-study program provisions. VA has no objection to this section.

H. R. 4791

Disabled Veterans Adaptive Housing Improvement Act

Increase in Amount of Assistance Available to Disabled Veterans for Specially Adapted Housing.

Section 2 of H.R. 4791 would increase the amounts of assistance available to eligible service-disabled veterans under VA's Specially Adapted Housing (SAH) program (38 U.S.C. §§ 2101 et seq.).

The SAH program provides monetary assistance to help certain service-disabled veterans acquire housing units or needed residence adaptations suitable for their physical needs. Current law establishes two eligibility categories for such program assistance, based on the nature of the veteran's permanent and total service-connected disability, and caps the amount of assistance for each category at $50,000 and $10,000, respectively. These cap amounts were established by Public Law 108-183 effective December 16, 2003. H.R. 4791 would increase these caps to $60,000 and $12,000, respectively. VA supports the increases proposed by section 2 as an appropriate adjustment to the current levels of SAH program assistance, given the significant increase in residential construction costs that have occurred since the end of 2003.

Index of Amount of Assistance Available to Reflect Increase in Cost of Residential Home Construction

Section 3 of this bill would mandate that the Secretary increase the SAH assistance caps each fiscal year, commencing October 1, 2007. Such increases would be based on the percentage by which the residential home cost-of-construction index for the preceding calendar year exceeds the index for the year immediately preceding that calendar year. The residential home cost-of-construction index, which would be established for such purpose by the Secretary, would reflect a national average increase in the cost of residential home construction determined on a calendar-year basis. The Secretary would be authorized to use an appropriate private sector index for this purpose.

VA cannot support section 3. Construction costs generally are not indexed in other government programs, and the Administration does not support making an exception for this program. We would, however, be pleased to work with Congress each year to determine if an increase in these caps is necessary.

Finally, Mr. Chairman, in connection with the subject of this bill, we note that, in the enactment of certain Public Law 108-454 amendments, the Secretary's previously existing authority to make SAH assistance available to active duty service members was omitted without discussion. VA believes this omission was inadvertent and, accordingly, recommends that a technical amendment be added to H.R. 4791 to reinstate that authority.

We estimate that the enactment of section 2 would have a first year benefits cost of $5,784,000, a five year cost of $28,920,000, and a ten year cost of $57,840,000, and that enactment of section 3 would result in further additional benefits cost of $0 for the first year, $22,500,642 for the first five years, and $112,540,174 for the first ten years. We do not anticipate any additional costs for the aforementioned technical amendment, as those costs are already factored into existing assumptions.

AMENDMENT TO H. R. 3082

Department of Veterans Affairs Goals for Participation by Small Businesses Owned and Controlled by Veterans in Procurement Contracts.

Section 2 of H.R. 3082 would amend subchapter II of chapter 81 of title 38, United States Code, to add a new section 8127 governing VA contracting goals and preferences for participation by small business concerns owned and controlled by veterans and small business concerns owned and controlled by veterans with service-connected disabilities. Section 3 would, in addition, add a new section 8128 to such subchapter mandating contracting priority for certain small business concerns owned and controlled by veterans when goods and services are being procured pursuant to contracting preferences under title 38 or other law. Current law establishes a 3% government-wide prime and subcontracting goal for small business concerns owned and controlled by veterans with service-connected disabilities.

VA supports the Amendment to H.R. 3082. However, we request that the following changes be made before the bill moves forward.

In Sole Source Contracts, section 8127(c), we recommend revising the language to read that Contracting Officers may award a contract using other than competitive procedures. The amendment reads "shall" which is inconsistent with subparagraphs (b) and (d) of this section.

In Database of Veteran-owned Businesses, section 8127(f), we recommend that subparagraph (4)(A) be revised to read that the Secretary shall verify that veterans own at least 51% of the business. The current language reads "verification that each person listed in the database is a veteran." The database does not list all persons who own the business.

In Change In Ownership or Control, section 8127(i), we suggest replacing word "terminate" with "end." For Federal procurement purposes, the word "terminate" has a very specific meaning. When an existing term is completed, the contract ends and is then closed out. We would further recommend revising the section to remove the parenthetical phrase. Currently, it leads the reader to believe that options may be executed after the change of ownership, which we believe is not the intent of the section. The following paragraph establishes that

after a change in ownership, one option may be exercised. We understand this may be necessary to accomplish re-procurement.

In Quarterly Reports, section 8127(k), we recommend revising subparagraphs (1) through (3) to read "percentage of contract dollars awarded." This has very different meaning than "percentage of contracts awarded" and is consistent with reporting of all small business program accomplishments.

We do have some concern about the Quarterly Reports. This amendment will establish a single, consolidated goal which will collect information from both prime and subcontract actions with veterans and a separate consolidated goal for accomplishments with service-disabled veterans. Currently, most prime contractors report their subcontracting actions annually or semi-annually. To obtain quarterly reports from VA's prime contractors will require contract modifications which will cost the Department as this quarterly reporting will be unique in Federal government. These same contractors will continue to report accomplishments with other small business programs annually or semi-annually. We believe this will be both costly and confusing for prime contractor personnel. Therefore, we request that the amendment be revised to require annual reporting on these contracting accomplishments, which should not add additional reporting burdens on our prime contractors.

In section 8127(l), Definitions, we have concern with the language where it attempts to define 'small business concern owned and controlled by veterans.' In subparagraph (2)(B), it addresses "the management and daily business operations of which are controlled by one or more veterans or, in the case of a veteran with a service-connected disability that is permanent and severe, the spouse of such veteran." This implies that when a veteran has such a disability, his/her spouse must control daily business operations to be considered. We do not believe that was the intent of the committee. Public Law 106-50, "The Veterans Entrepreneurship and Small Business Development Act of 1999," and implementing regulations define small businesses owned and controlled by service-disabled veterans to include situations where there is a spouse or permanent caregiver who is legally designated in writing to undertake

responsibility for managing the well-being of the service disabled veteran. We request the language be amended to reflect that situation.

VA has been a leader in use of the service-disabled veteran-owned small business set-aside tool. However, for many reasons, VA has not recently achieved the Secretary's veteran-owned small business goal. We believe the flexibility in the proposed amendment will give contracting officers the opportunity to "Choose Veterans First." This legislation will offset the negative impression that some veterans have about being left out of the Federal procurement process. The VA-specific set-aside tool will deliver an important message of support to these veteran-owned small businesses.

Mr. Chairman, this concludes my prepared statement. I would be pleased to answer any questions you or any of the other members of the Subcommittee may have.

TESTIMONY OF
CHARLES CICCOLELLA

ASSISTANT SECRETARY FOR
VETERANS' EMPLOYMENT AND TRAINING
U.S. DEPARTMENT OF LABOR

BEFORE THE

SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
COMMITTEE ON VETERANS AFFAIRS

U.S. HOUSE OF REPRESENTATIVES

APRIL 27, 2006

Chairman Boozman, Ranking Member Herseth, and distinguished members of the Committee:

It is my honor to appear before this committee today on behalf of Secretary Elaine Chao to present the views of the Department of Labor (DOL) regarding several draft bills.

The Veterans State Employment Grant Improvement Act of 2006

Section 2: Requires the Secretary of Labor to "maintain guidelines for use by States in establishing the professional qualifications required . . . for determining the eligibility for employment, and eligibility for the continued employment" for Disabled Veteran Outreach Program (DVOP) specialists and Local Veterans Employment Representatives (LVER).

We agree with the idea that our Nation's veterans deserve the highest quality of service provided from DVOPs and LVERs that are highly trained and motivated. Federal guidelines would assist the states in establishing professional qualifications for veterans' employment representatives and still allow the states to retain the overall flexibility to accommodate their unique personnel rules and guidelines. However, there are potential problems that may limit the implementation of these guidelines. They include but are not limited to state personnel and merit staffing requirements and union bargaining agreements.

The states will be required to submit their professional qualifications as a condition of the state grant. We would offer our assistance to the states to assure compliance with this provision and further ensure their qualifications meet the guidelines.

Past experience leads us to believe that guidelines issued at the federal level will vary widely in their implementation with each individual state entity. State incentive awards, as established in the Jobs for Veterans Act (P.L. 107-288), are a recent example of the difficulties inherent in enforcing federally-mandated guidelines within a disparate and decentralized system. Key proponents of the legislative mandate in 2002 assumed that this provision would be embraced by the states and implemented with relative ease. In practice, implementation has proven very difficult. States were forced to contend with legislative, regulatory, policy or union agreements that prohibited or limited the types of incentives that could be provided, thus placing them at odds with federal and state mandates.

A second expected consequence is likely to be an increased workload burden on state staff. Most state personnel systems have similar qualification standards for both DVOP/LVER and comparable positions. Our concern is that federal mandates that add qualifications for DVOP/LVERs might result in higher salaries that cannot be absorbed in the existing budget structure, leading to fewer positions. While the staff hired may well be higher quality with more experience, fewer veterans may receive services. It is our opinion that federally mandated qualifications established outside of the grant-negotiation process, while potentially leading to better-qualified DVOP/LVERs, will decrease the staff to veteran ratio nationwide.

Section 3: This section defines DVOP/LVER part-time work provision as meaning, "not less than a half-time basis." The Jobs for Veterans Act provided valuable flexibility as it allowed DVOPs and LVERs to be employed part-time, but it did not define part-time. To reduce uncertainty by the States about the definition, DOL's current grant language defines part-time as half-time. In spite of our guidance, there remains confusion in some states over what "half-time" means, which makes it more difficult to monitor state compliance with the grant provisions. Our concern is that the language in the draft bill would add to the States' confusion. Consequently, DOL recommends that this provision be changed to state that part-time means "half-time," which DOL believes provides adequate flexibility to the States.

Section 4: This section will require the states to establish a "local performance information system" within three years following enactment. The states have undergone several reporting system changes in recent years. On July 1, 2005, states again were required to adapt their reporting to the set of common outcome measures used by other training and employment programs in DOL, as well as other agencies. To improve the accuracy and reduce the costs associated with collecting the new measures, DOL is formulating a new reporting system. While DOL agrees with the intent of the provision, to improve services at the local level and aid in the determination of resource allocation, we request that the Committee tie the timeline to the roll-out of the new reporting system rather than to a legislative timeline. In so doing, DOL will keep the Committee apprised of ongoing progress. In the interim, we are exploring ways for states to provide the requested information within their existing reporting systems.

Section 5: Establishes "State Licensing and Certification Programs for Veterans." We believe this provision would have additional budgetary implications and may also have other unanticipated consequences since certification, credentialing, and licensing go well beyond a single state's jurisdiction. Moreover, not all military training and experiences need formal licensing or certification for veterans to find civilian jobs. The Veterans Certification and Licensure Act of 2006, that we comment on below, establishes the Veterans Advisory Committee on Certification, Credentialing, and Licensing. If established, such an advisory committee could review this issue and make recommendations on the best approach to addressing this at the state and sub-state levels.

Section 6: This section requires that newly hired DVOPs and LVERs be trained at the National Veterans Training Institute (NVTI) within three years following the date of their hiring, and extends training requirements to additional existing employees. Currently, NVTI provides such training, funded by DOL, to all DVOPs and LVERS. NVTI was originally established to provide consistent training for these staff. However, not all staff have been able to attend.

This section has additional budgetary implications that we are currently reviewing. We suggest amending this language to allow NVTI to provide training at a site located in the state or through an online distance training arrangement.

Section 7: This section establishes a "Demonstration Project on Contracting for Placement of Veterans in High Un-Employment Areas." This demonstration has additional budgetary implications.

We believe such legislation is unnecessary. One of the underlying principles of the Jobs for Veterans Act was for states to have the flexibility to determine where best to deploy their DVOPs and LVERs. We believe enough flexibility exists for states to focus on their high unemployment areas and areas in greatest need.

The draft also discusses "a locality where the unemployment rate for veterans exceeds the national average unemployment rate." Veteran's unemployment data are not available for specific localities.

Section 8: This section modifies the incentive awards that were established in the Jobs for Veterans Act. The Department supports this measure as written with the exception that the Assistant Secretary makes the final decision on the incentive awards.

Section 9: Requires DOL to publish regulations implementing priority of service. We do not believe regulations are needed. After enactment of the Jobs for Veterans Act, a DOL work group assessed the impact of establishing such regulations and determined that policy guidance is the method that could be adopted most quickly and still have the same impact as a regulatory approach. Policy guidance was subsequently published in September 2003. Nineteen DOL programs are subject to the priority service provisions and these programs change from time to time. As the regulatory process is time consuming, it would be difficult to respond quickly to changes in these programs. With

policy guidance, adjustments can be made in a relative short period of time as opposed to the more time-consuming process of establishing or changing regulations.

The Veterans Certification and Licensure Act of 2006

We would like to bring to the Committee's attention the existence of the Department of Veterans Affairs (VA) Professional Certification and License Advisory Committee (PCLAC). DOL believes that creating the proposed advisory committee in DOL is duplicative of efforts already underway at the VA. We recommend that just one committee address the issue of certification and licensure for veterans.

G.I. Bill Flexibility Act of 2006

For the most part this draft legislation affects the G.I. Bill administered by the VA and we defer to the VA except for the following comments:

Section 5. The authority for work study activities, under this section, would be expanded to include programs that provide assistance to transitioning service members and to the Transition Assistance Program (TAP) and Disabled Transition Assistance Program (DTAP). If this provision is enacted, DOL will work with the VA to identify opportunities, where and when appropriate, for work-study students to provide assistance in connection with TAP employment workshops.

Veteran-Owned Small Business Promotion Act of 2006

DOL generally supports appropriate legislation that benefits veterans, but DOL respectfully defers to the Department of Veterans Affairs on the draft bill to increase contracting opportunities for service disabled veterans and establish certain goals in VA contracting for these businesses.

That concludes my testimony and I will be happy to respond to any questions.

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NATIONAL ASSOCIATION OF STATE WORKFORCE AGENCIES (NASWA)
EXECUTIVE SUMMARY OF TESTIMONY
ON VETERANS STATE EMPLOYMENT GRANT IMPROVEMENT ACT OF 2006

Submitted By
Donald Ingram, Chair of the NASWA Veterans Affairs Committee
and
Employment Service Administrator,
Tennessee Department of Labor and Workforce Development

April 27, 2006

NASWA has reviewed the Subcommittee's legislative discussion draft that would amend Title 38 of the United States Code to improve employment services for veterans provided under the Veterans Employment and Training program. We support the intent of this proposed legislation to improve services to veterans and strengthen the DVOP and LVER programs and respectively request the Subcommittee's consideration of the following recommendations to make sure this goal is achievable in each state:

- Secretary of Labor guidance to states on DVOP and LVER qualifications should accommodate the variation in state organizational structures, staffing requirements and procedures, personnel classification systems, bargaining-unit agreements, and demographics.
- The clarification of the definition of part-time DVOPs and LVERs is appreciated and should be included in statute.
- The local performance information should be managed by the state workforce agency.
- NASWA supports state licensing and certification (L&C) programs for veterans but recommends additional appropriations to cover administrative costs. If additional funds are not appropriated for this purpose, it is requested the Act clarify that costs for establishing and implementing L&C programs be an allowable cost under the DVOP and LVER state grants.
- NASWA supports requiring DVOP and LVER training at the NVTI, but language should be included to permit exemptions. Reduction of funds for non-compliance should not be taken from current year funds.
- Contractors applying for funds should be required to submit a letter from the state workforce agency to show the proposal is consistent with the state workforce plan and state policies. State grant funds should not be reduced to provide funding for these services.
- Incentive awards grants should be available to individuals, offices, or units within offices and administered by the Assistant Secretary of Labor for Veterans' Employment and Training.
- Regulations for priority of service to veterans should be prescribed.

NATIONAL ASSOCIATION OF STATE WORKFORCE AGENCIES (NASWA) STATEMENT ON THE VETERANS EMPLOYMENT STATE GRANT IMPROVEMENT ACT OF 2006

SUBMITTED BY DONALD INGRAM, CHAIR OF THE NATIONAL ASSOCIATION OF STATE WORKFORCE AGENCIES (NASWA) VETERANS AFFAIRS COMMITTEE AND EMPLOYMENT SERVICE ADMINISTRATOR, TENNESSEE DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

April 27, 2006

Chairman Boozman, Congresswoman Herseth, and Members of the Subcommittee, on behalf of the National Association of State Workforce Agencies (NASWA), I thank you for the opportunity to share information regarding states' perspectives on the Veterans Employment State Grant Improvement Act of 2006. Although we are interested in all areas related to employment of veterans, our comments will focus on the Employment State Grant Improvement Act, referred to as "the Act" in our testimony. The National Association of State Workforce Agencies (NASWA) respectfully submits this testimony for the record.

The members of our association constitute state leaders of the publicly-funded workforce investment system vital to meeting the employment needs of veterans through the Disabled Veterans' Outreach Program (DVOP) and the Local Veterans' Employment Representatives (LVER) programs. The mission of NASWA is to serve as an advocate for state workforce programs and policies, a liaison to federal workforce system partners, and a forum for the exchange of information and practices. Our organization was founded in 1937. Since 1973, it has been a private, non-profit corporation, financed by annual dues from member state agencies.

Our members are committed to providing the highest quality of service to our nation's veterans, National Guard members and Reservists. We are focused on our highest priority, serving recently separated veterans and disabled veterans. With the war efforts in Iraq and Afghanistan, this is a critical time to ensure high quality workforce services are available for those who served our country in time of war. During Program Year 2004 (July 1, 2004, through June 30, 2005), our DVOPs and LVERs assisted 365,435 veterans in entering employment for an entered employment rate of 61 percent.

The Jobs for Veterans Act (P.L. 107-288) provides greater flexibility for the Veterans Employment and Training Service (VETS), states, and the DVOP and LVER staff in serving veterans. This flexibility allows states to tailor programs to meet the unique needs in each state and local area, while instituting minimum standards to ensure consistently high quality programs are available to veterans across the nation.

On July 27, 2005, NASWA submitted written testimony for the record to this Subcommittee on the draft discussion paper regarding minimum qualifications for DVOPs and LVERs. In that testimony, NASWA recommended the Subcommittee consider our concerns and recommendations before movement of the proposed legislation. We sincerely appreciate your efforts to further study the proposal before conducting a hearing.

NASWA supports the intent of this proposed legislation to amend Title 38, United States Code, to improve the DVOP and LVER programs and to ensure services to our nation's veterans are provided in an efficient manner.

Section 2 of the Act directs the Secretary of Labor to establish and maintain guidelines for use by States in establishing the professional qualifications for the DVOP and LVER positions. NASWA supports this approach to give states the latitude under guidelines to establish their own qualifications and hiring standards. The establishment of guidelines would ensure states' DVOP and LVER representatives are properly skilled while enabling them to function within each state's structure. Our understanding of this language is the Secretary is to provide guidance – and not directives - to states and states are to report annually in their grant requests describing the criteria in this section. Since there is wide variation in state organizational structures, staffing requirements and procedures, personnel classification systems, bargaining-unit agreements, and demographics, it is important the guidance allows for these variations among states.

The ability to hire or assign part-time DVOPs (per P.L. 107-288) has greatly benefited states by allowing them to stretch their limited positions to more offices and cover larger areas. We appreciate the clarification of the definition of part-time DVOPs and LVERs means performing their respective functions no less than half-time.

Regarding the local performance information system requirements, most states have some capability to capture local information, but others will need to implement programming and process changes in order to meet this requirement. Many states also rely on software produced and distributed by the U.S. Department of Labor Employment and Training Administration (ETA) for generating performance reports. The ETA software currently does not allow reporting local performance information. According to ETA, it is in the process of changing this specification, but the three year time period allowed for developing local reporting seems reasonable. For many states, the ability to meet the requirements in Section 4 of this Act will depend on this software. ETA is likely to focus on common measures and other initiatives when developing criteria.

NASWA recommends the local performance information be collected and monitored at the state workforce agency level. We believe local information should be managed at the state level and would be too cumbersome to be sent to the U.S. Department of Labor on a regular basis. The local information will assist state workforce agencies to ensure services are provided appropriately in every workforce center, to ensure veterans are served proportionate to the population in a local area, and to manage and verify individual and office performance. The local information would be available for monitoring, auditing, or study purposes by the U.S. Department of Labor or the Government Accountability Office (GAO) as needed.

We applaud the inclusion in this Act of state licensing and certification (L&C) programs for veterans. There are currently several resources available to crosswalk military occupational classifications (MOC) and skills with civilian classifications and skills. The O*NET Online Crosswalk Search, available at http://online.onetcenter.org/, is a good example. However, the ability to crosswalk skills is only the first step in the L&C process. Some states have initiated a few L&C programs for veterans; most would need to begin the process. NASWA recommends additional funds be appropriated by Congress to cover the cost to implement state level L&C programs. If additional funds are not appropriated for this purpose, it is requested the Act clarify that costs for establishing and implementing L&C programs be an allowable cost under the DVOP and LVER state grants.

The proposed legislation cited as "The Veterans Certification and Licensure Act of 2006" would be very helpful for states to carry out the L&C requirements in the Act. We suggest the state workforce agencies be represented on the Veterans Advisory Committee on Certification, Credentialing, and Licensure.

NASWA supports and appreciates the sections in this Act to require all DVOPs and LVERs to attend training at the National Veterans Training Institute (NVTI) within three years of being designated as a DVOP or LVER. The National Veterans Training Institute (NVTI) is an invaluable resource to provide such professional development for DVOPs and LVERs. However, the current language does not appear to allow for exceptions. We believe there should be exceptions allowed in unusual cases, for example: state travel bans, NVTI not being able to provide the training, or inability for disabled individuals to attend such training. Also, we request it be clarified that the reduction of funds for non-completion of required NVTI training be applied for the following year and not retroactively. The exceptions and clarification should apply to both new DVOPs and LVERs designated after the enactment of this Act and those hired prior to enactment.

Section 7 of the Act allows the U.S. Department of Labor to contract up to $3,000,000 for placement of veterans in high-unemployment areas. Although we do not oppose this new option, we recommend the contractor be required to coordinate with the State workforce agency and the DVOPs and LVERs in the area. We recommend any contractor applying for these funds be required to submit a letter from the state workforce agency indicating the proposal is consistent with the state workforce plan and state policies. We also request the Act clarify state grants funds are not to be reduced in order to contract these services. Funds for these projects should be from new funding, recaptured funds or national level funds.

The performance incentive awards required in the Jobs for Veterans Act has been successfully implemented in most states; however, several states have been unable to implement the awards because of state law, state policy or philosophical concerns regarding the provision of awards to individuals. NASWA's May 12, 2005, testimony advocated more flexibility in the incentive awards program. We appreciate the change in this Act which allows awards to be presented to local offices. We recommend states be allowed to continue to award individuals if they choose. NASWA requests clarification that the new language would allow states to provide the incentives to individuals, offices, or units within offices.

We do not support changing the administration of the incentive awards grants from the Assistant Secretary of Labor for Veterans' Employment and Training to the Director for Veterans' Employment and Training (DVET) for each of the states. Although we promote state flexibility, the policies and approval for the incentive awards should be established at the national office level. In the current system, the DVET must review and transmit the incentive awards to the national office. Maintaining the responsibility at the national level ensures a certain level of consistency and fairness of awards across the nation.

NASWA supports Section 9, which requires the Secretary of Labor to prescribe regulations for priority of service for veterans. However, the 180-day requirement may not be realistic.

In conclusion, NASWA thanks the Subcommittee for its dedication to ensure workforce services are provided to all veterans, especially to newly-separated and disabled veterans. NASWA is willing to assist the Subcommittee and the U.S. Department of Labor in any way possible.

Thank you for the opportunity to address these important issues.

Federal Grant Disclosure Statement

The National Association of State Workforce Agencies has not received a federal grant in the past two years.

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
APRIL 27, 2006

Executive Summary

H.R. 4791, the Disabled Veterans Adaptive Housing Improvement Act, would increase the amount of assistance available to disabled veterans for specially adapted housing and would provide for annual increases in the amount based on the cost of living. The DAV supports this legislation and encourages its approval by the Subcommittee.

The Veterans Employment State Grant Improvement Act of 2006 section 2 would establish professional qualifications and standards for Disabled Veteran Outreach Program (DVOP) specialists, and Local Veterans Employment Representatives (LVERs). The DAV supports this measure. The DAV has no resolutions specific to sections 3, 4, or 5. Section 6 would require all new DVOP/LVER employees to attend training at the National Veterans' Training Institute (NVTI). The DAV supports this measure along with adequate funding for NVTI. The DAV has no resolutions with regard to sections 7 and 8. Section 9 would direct the Secretary of Labor to prescribe regulations to ensure priority of service for veterans at employment offices. The DAV supports this measure.

The G.I. Bill Flexibility Act of 2006 would allow Montgomery GI Bill (MGIB) payments to be used for tuition for education programs that lead to certification or licensure. The limitation on maximum accelerated payments would be $10,000, except for veterans with service-connected disabilities. The Act would provide special rules to authorize the amount of the accelerated payment for service-connected disabled veterans to equal 75 percent of the established charges. Because this draft bill contains a provision with the specific purpose of assisting disabled veterans, it is aligned with our mission and the DAV encourages the Subcommittee to favorably consider this draft bill.

The Veterans' Certification and Licensure Act of 2006 would establish an advisory committee to improve certification and licensing procedures for veterans. Though the DAV has no resolutions specific to this legislation, its purpose is meritorious and we have no objection to the favorable consideration of this draft bill.

An amendment to H.R. 3082 would endeavor to increase VA contracting opportunities for small businesses owned and controlled by service-connected disabled veterans. In accordance with resolutions adopted by the delegates to the DAV National Convention, the DAV supports this measure.

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
APRIL 27, 2006

Mr. Chairman and Members of the Subcommittee:

On behalf of the 1.3 million members of the Disabled American Veterans (DAV), I appreciate the opportunity to present our views on the legislative measures being considered today.

H.R. 4791, the Disabled Veterans Adaptive Housing Improvement Act, would increase the amount of assistance available to disabled veterans for specially adapted housing and would provide for annual increases in the amount based on the cost of living. Section 2101(a) of title 38, United States Code, authorizes the Department of Veterans Affairs (VA) to provide assistance in the form of a specially adapted housing grant to veterans who have incurred service-connected disabilities consisting of loss or loss of use of both lower extremities, total blindness together with loss or loss of use of one lower extremity, or loss or loss of use of one lower extremity together with either the loss or loss of use of an upper extremity or other organic disease that requires use of a wheelchair or the use of braces, crutches, or canes. The purpose of this grant is to enable severely disabled veterans to construct, purchase, or remodel homes with structural features to accommodate special needs. Section 2102 of title 38, United States Code, limits the amounts VA may provide to such veterans. Currently, VA may approve a grant of not more than 50 percent of the cost of building, buying or remodeling adapting homes or paying indebtedness on those homes already acquired, up to a maximum of $50,000. VA may approve a grant for the actual cost, up to a maximum of $10,000, for adaptations to a veteran's residence that are determined by VA to be reasonably necessary. The grant also may be used to help veterans acquire a residence that already has adaptations for the veteran's disability.

H.R. 4791 would amend section 2102 of title 38, United States Code to increase the $50,000 grant to $60,000, and increase the $10,000 grant to $12,000. Additionally, the bill would provide for automatic annual adjustments based on the national average increase in the cost of residential home construction. In accordance with resolutions adopted by the delegates to the DAV National Convention, the DAV supports legislation to increase the amount of assistance available to disabled veterans for specially adapted housing and to provide for annual increases in such amount. Additionally, H.R. 4791 is reflective of the recommendations of *The Independent Budget* (IB), which is a budget and policy document that sets forth the collective views of the DAV, AMVETS, the Paralyzed Veterans of America, and the Veterans of Foreign Wars of the United States. As the Subcommittee is aware, increases in housing and home adaptation grants have been infrequent, although real estate and construction costs rise continually. Unless the amounts of the grants are periodically adjusted, inflation erodes the value and effectiveness of these benefits that are payable to some of the most severely service-connected disabled veterans. We urge that the proposals contained in the Disabled Veterans Adaptive Housing Improvement Act be favorably acted upon by the Subcommittee.

A draft bill, the Veterans Employment State Grant Improvement Act of 2006, would enact a number of measures intended to improve employment services for veterans provided under the Veterans' Employment and Training program. Section 2 would establish professional qualifications and standards for Disabled Veteran Outreach Program (DVOP) specialists, and Local Veterans Employment Representatives (LVERs) that are consistent with the duties and functions of their positions. DVOP/LVER personnel help disabled veterans make the difficult and uncertain transition from military to civilian life. They help provide jobs and job training opportunities for disabled and other veterans by serving as intermediaries between employers and veterans. They maintain contacts with employers and provide outreach to veterans. They also develop linkages with other agencies to promote maximum employment opportunities for veterans. Though the DAV has no resolutions specific to professional qualifications for DVOP/LVER employees, we acknowledge the importance of filling such positions with capable, qualified individuals. Disabled veterans deserve to have employment representatives who are trained specifically to meet their unique requirements. Section 3 establishes rules for part-time employment for DVOP/LVER employees. Specifically, it would provide that DVOP/LVER employees shall perform the functions of their jobs on not less than a half-time basis. Section 4 would establish local performance information systems to measure the performance of DVOP/LVER employees. Section 5 would require the State to provide a licensing and certification program under which a veteran may receive credit toward a license or certification based on training or experience the veteran acquired while serving in the Armed Forces. The DAV has no resolutions specific to sections 3, 4, or 5.

Section 6 would require all new DVOP/LVER employees to attend training at the National Veterans' Training Institute (NVTI). NVTI was established to develop and enhance the professional skills of veterans' employment and training service providers throughout the United States. NVTI provides consistency of training to ensure veterans receive a uniform, high quality level of service throughout the country. The DAV believes making NVTI training mandatory for new DVOP/LVER employees is a worthy goal; however, the 2006 IB expressed concern that several years of level funding along with reduced appropriations for FY 2005 compromises the vitality of NVTI and its ability to provide quality training. The IB recommended an adequate level of funding for NVTI to ensure quality training for veterans' employment specialists. We hope this recommendation will be considered along with the Subcommittee's consideration of establishing professional qualifications for DVOP/LVERs. Section 7 would establish a demonstration project for placement of veterans in high-unemployment areas, and section 8 would establish performance incentive awards for employment service officers. The DAV has no resolutions with regard to these provisions. Section 9 would direct the Secretary of Labor to prescribe regulations to implement section 4215 of title 38 United States Code, which ensures priority of service for veterans at employment offices. The DAV supports this measure.

A draft bill, the G.I. Bill Flexibility Act of 2006, would provide flexibility in the programs of education for which accelerated payments of educational assistance under the Montgomery GI Bill (MGIB) may be used. Specifically, it would allow MGIB payments to be used for tuition for education programs that lead to certification or licensure in an occupation, or leads to occupation in an industry that has a critical shortage of employees or is an industry that is experiencing a high growth rate. The limitation on maximum accelerated payments would be $10,000, except for veterans with service-connected disabilities. The Act would provide special rules to authorize the amount of the accelerated payment for service-connected disabled veterans to equal 75 percent of the established charges. The DAV was founded on the principle that our nation's first duty to veterans is the rehabilitation and welfare of its wartime disabled. Generally, we will not take action on legislation

designed to provide benefits that are based upon other than wartime service-connected disability. While we acknowledge and recognize the important and praiseworthy purpose of the MGIB, our mission does not encompass issues pertaining to the program because it is not specific to service-connected disabled veterans. However, because this draft bill contains a provision with the specific purpose of assisting disabled veterans, it is aligned with our mission and the DAV encourages the Subcommittee to favorably consider this draft bill.

A draft bill, the Veterans' Certification and Licensure Act of 2006, would establish an advisory committee to improve certification and licensing procedures for veterans. The overall purpose would be to assist veterans seeking to utilize their military training and experience to obtain employment in the civilian job market. Such improvement would facilitate the seamless transition of members of the Armed Forces and generally enhance veterans' employment opportunities. Though the DAV has no resolutions specific to this legislation, its purpose is meritorious and we have no objection to the favorable consideration of this draft bill.

An amendment to H.R. 3082 would endeavor to increase VA contracting opportunities for small businesses owned and controlled by service-connected disabled veterans. The amendment would require VA to establish a percentage goal for each fiscal year for such contracts. The established goal could not be less than the 3 percent procurement goal established by Public Law 106-50, the Veterans Entrepreneurship and Small Business Development Act Of 1999. The annual performance review of the senior procurement official of each Administration of the VA would include an assessment of whether or not the goal had been met. In accordance with resolutions adopted by the delegates to the DAV National Convention, the DAV supports this legislative measure to assist disabled veteran owned businesses. While we appreciate and strongly support the intent of this amendment, we are somewhat disappointed it does not require VA to ensure that a set percentage of procurement contracts are awarded to disabled veteran owned businesses. An estimated 300,000 service-disabled veterans are small business owners. No other category of business owner has contributed more to our nation, or is more deserving of special consideration for Federal contract procurement opportunities, than service-connected disabled veterans. The federal government's dismal failure to meet the procurement goal established by Public Law 106-50 clearly illustrates that goals are meaningless without mandates. The only marked difference between this amendment and earlier efforts to increase contracting opportunities for disabled veteran owned businesses is the provision to include an assessment of whether or not the goal had been met in the annual performance review of the senior procurement officials. The DAV hopes this additional measure to encourage adherence will prove successful.

We appreciate the Committee's interest in these issues, and we appreciate the opportunity to present the DAV's views, which we hope will be helpful.

DAV DISABLED AMERICAN VETERANS
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FACT SHEET

BIOGRAPHICAL INFORMATION

BRIAN E. LAWRENCE
Assistant National Legislative Director
Disabled American Veterans

Brian E. Lawrence, a service-connected disabled veteran of the Persian Gulf War, was appointed Assistant National Legislative Director of the million-member-plus Disabled American Veterans (DAV) in August 2002. He is employed at DAV National Service and Legislative Headquarters in Washington, D.C.

As a member of the DAV legislative team, Mr. Lawrence works to support and advance the federal legislative goals and policies of the DAV to assist disabled veterans and their families, as well as guarding current veteran's benefits and services from legislative erosion.

Mr. Lawrence joined the DAV professional National Service Officer (NSO) staff as an NSO Trainee at the DAV NSO Training Academy in Denver, Colorado in March 1995. He graduated as a member of Academy Class II in July 1995 and was assigned as an NSO to the DAV National Service Office in Salt Lake City, Utah, where he was promoted to Supervisor in July 1996. He was transferred to the National Service Office in St. Petersburg, Fla. in September 1997. He served there, as Assistant Supervisor, until his current appointment.

A native of Muscatine, Iowa, Mr. Lawrence enlisted in the U.S. Navy in 1984. After training as a U.S. Navy Diver, his assignments included Special Boat Unit XIII, Coronado, Calif., and Explosive Ordnance Disposal, Mobile Unit 9, San Francisco. He fractured his right leg, during a parachute landing at Ft. Benning, Ga., in 1991 and was honorably discharged in 1992 at the rank of Petty Officer 2nd Class.

Mr. Lawrence earned his Bachelor of Science degree at Southern Illinois University and his Master of Business Administration degree from Florida Metropolitan University.

A life member of DAV Chapter 1, Washington, D.C., Mr. Lawrence and his wife, Linda, reside in Millersville, MD.

08/05

DAV DISABLED AMERICAN VETERANS
Building Better Lives for America's Disabled Veterans

DISCLOSURE OF FEDERAL GRANTS OR CONTRACTS

The Disabled American Veterans (DAV) does not currently receive any money from any federal grant or contract.

During fiscal year (FY) 1995, DAV received $55,252.56 from Court of Veterans Appeals appropriated funds provided to the Legal Service Corporation for services provided by DAV to the Veterans Consortium Pro Bono Program. In FY 1996, DAV received $8,448.12 for services provided to the Consortium. Since June 1996, DAV has provided its services to the Consortium at no cost to the Consortium.

STATEMENT OF CARL BLAKE

SENIOR ASSOCIATE LEGISLATIVE DIRECTOR

PARALYZED VETERANS OF AMERICA

BEFORE THE HOUSE COMMITTEE ON VETERANS' AFFAIRS,

SUBCOMMITTEE ON ECONOMIC OPPORTUNITY

CONCERNING

H.R. 4791, THE "DISABLED VETERANS ADAPTIVE HOUSING IMPROVEMENT ACT;"

THE "VETERANS EMPLOYMENT STATE GRANT IMPROVEMENT ACT OF 2006;"

THE "GI BILL FLEXIBILITY ACT OF 2006;"

THE "VETERANS LICENSING AND CREDENTIALING ACT OF 2006;" AND

AND AN AMENDMENT TO H.R 3082, THE "VETERAN-OWNED SMALL BUSINESS PROMOTION ACT OF 2005"

APRIL 27, 2006

Chartered by the Congress of the United States
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EXECUTIVE SUMMARY

H.R. 4791, the "Disabled Veterans Adaptive Housing Improvement Act"

- PVA fully supports the provisions of this legislation
  - Would increase Specially Adapted Housing Grant from $50,000 to $60,000 and grant for veterans with service-connected blindness from $10,000 to $12,000
- Establishes an automatic annual index
  - This is a recommendation of *The Independent Budget*

The "Veterans State Employment Grant Improvement Act"

- PVA supports this proposed legislation
- There have always been challenges with various states in achieving services from Disabled Veterans' Outreach Program specialists (DVOP) and Local Veterans' Employment Representatives (LVER)
- PVA is also pleased to see that submission of annual professional qualifications will be a condition of state receipt of funds under VETS programs
- PVA has no specific views on the changes to part-time employment DVOP and LVER aspects of the bill

The "GI Bill Flexibility Act of 2006"

- PVA supports this legislation
- We believe that additional changes need to be made to ensure that National Guard and Reserve soldiers have the opportunity to take advantage of this benefit
  - If these soldiers choose to retire or leave military service following their return from combat, they lose these benefits

The "Veterans Certification and Licensure Act of 2006"

- PVA supports this legislation as another step to ensure individuals separating from the military have every opportunity to seamlessly transition to civilian life
- The establishment of a Veterans Advisory Committee on Certification,
- Credentialing and Licensure can improve this process, if it is fully supported by the Secretaries of Defense, Veterans Affairs and Labor

Amendment to H.R. 3082, the "Veteran-Owned Small Business Promotion Act"

- PVA is disappointed to see the changes to H.R. 3082 proposed in this amendment
  - PVA supported the original legislation that required at least 9 percent of procurement contracts in the VA be held by veteran-owned or disabled veteran-owned small businesses
- Government agencies almost without exception have shown that they are wholly incapable of meeting procurement goals for veteran owned businesses
- It is unfortunate that, years after the passage of P.L. 106-50, there has been no change in the attitudes towards veteran business owners, particularly those with service-connected disabilities

Chairman Boozman, Ranking Member Herseth, members of the Subcommittee, Paralyzed Veterans of America (PVA) would like to thank you for the opportunity to testify today on H.R. 4791, the "Disabled Veterans Adaptive Housing Improvement Act;" the "Veterans Employment State Grant Improvement Act of 2006;" the "GI Bill Flexibility Act of 2006;" the "Veterans Licensing and Credentialing Act of 2006;" and an amendment to H.R. 3082, the "Veteran-Owned Small Business Promotion Act of 2005." We appreciate the subcommittee addressing our long-running concerns about the viability of the Specially Adapted Housing (SAH) grant. We are also pleased that this legislation addresses much needed improvements in education benefits as well as employment.

H.R. 4791, the "Disabled Veterans Adaptive Housing Improvement Act"

Currently, the Department of Veterans Affairs (VA) has the authority to provide the SAH grant up to a maximum of $50,000 to service-connected disabled veterans with severe disabilities. PVA fully supports this proposed legislation that would increase amount of the grant from $50,000 to $60,000. PVA members are the highest users of this very important grant. This grant allows veterans with severe service-connected disabilities to realize the dream of owning their own home when they otherwise may not have had the opportunity. PVA also supports the increase in the grant for veterans with service-connected blindness from $10,000 to $12,000.

In accordance with recommendations of *The Independent Budget*, we also support the provision that would require the VA Secretary to establish a residential home cost-of-construction index to be used to automatically adjust the amount of these grants each year. As

the housing market has continued to boom, these grants have not kept pace. Without an annual adjustment to the grants, inflation will continue to erode their purchasing power.

The "Veterans State Employment Grant Improvement Act"

PVA supports this proposed legislation as a continued attempt to ensure veterans, in particular disabled veterans, receive the best services possible. There have always been challenges with various states in achieving services from Disabled Veterans' Outreach Program specialists (DVOP) and Local Veterans' Employment Representatives (LVER). Most of the services in state employment offices are controlled by the office manager or administrator. They set the tone and direction of the office. If they do not believe in focusing extra effort on veterans, they can often make it difficult for DVOPs and LVERs to be as effective as they might be in an office that accords veterans their proper level of respect and deference. Furthermore, the myriad of state rules and regulations necessitates federal rules to insure a minimum standard is applied to funds and grants provided to state entities by the federal government.

PVA hopes that this legislation will reinforce those standards. PVA is also pleased to see that submission of annual professional qualifications will be a condition of state receipt of funds under Veterans Employment and Training Service (VETS) programs. However, implementation of these professional qualifications will require greater effort on the part of VETS, specifically the National Veterans Training Institute, as well as the Education and Training Administration. The program will only be effective if it is enforced and states are punished for not meeting the requirements. Too often in the past, states have been granted exemptions for various reasons that have made established rules ineffective.

PVA has no specific views on the changes to part-time employment DVOP and LVER aspects of the bill. We welcome the specific language requiring these employees to be employed at no less than a half-time basis. This should prevent abuses of the part time provisions by state entities. However, PVA is most concerned with the services that are provided to our veterans. If this program can improve those services, and improves them in a way that can be documented and verified, PVA sees no problem with these provisions. However, we look to VETS to ensure that these services are met by the states. The record of many states in the proper and effective use of DVOPs and LVERs has not always been encouraging. We will continue to closely monitor this program to ensure it does serve veterans and not just the states.

PVA is very encouraged by the requirement for the state to establish a licensing and certification program as a condition of a grant or contract. Together with legislation establishing the Veterans Advisory Committee on Certification, Credentialing and Licensure, it is possible that this roadblock to delayed employment of newly transitioned servicemembers can be reduced or eliminated.

The "GI Bill Flexibility Act of 2006"

PVA welcomes the "GI Bill Flexibility Act" as a means for more separating veterans to take advantage of the opportunities earned while in uniform. Providing increased versatility to veterans to take advantage of their benefits will provide greater opportunities in civilian employment. Currently rules severely limit the ability for veterans to receive lump-sum or

accelerated payments of educational benefits. By expanding this access, many training programs that have been off limits to veterans will now become available.

Though PVA supports these changes, it is only the first step in needed changes to veteran's education benefits. Perhaps the most overlooked section of this population is National Guard and Reserve forces mobilized for the Global War on Terrorism. These soldiers serving on active duty earn as much as $22,000 in educational benefits during their mobilizations. However, if these soldiers choose to retire or leave military service following their return from combat, they lose these benefits. Active duty military who choose to do the same will not lose benefits. PVA sees this as inherently unfair. Military leaders are quick to point out that retention is their prime concern and see this program as a tool in keeping soldiers in the Guard and Reserves. We understand these concerns, but disagree that these soldiers who honorably served should be denied this benefit that they have earned. We hope that changes to the GI Bill do not end with this legislation.

The "Veterans Certification and Licensure Act of 2006"

PVA supports this legislation as another step to ensure individuals separating from the military have every opportunity to seamlessly transition to civilian life. The training and experience achieved during military service makes veterans well-suited to be successful in civilian life. New veterans are motivated, dedicated and drug-free. An employer could not ask for a better type of employee.

It is troubling to Veterans Service Organizations that many of these veterans leave military service with skills and experiences often well above their civilian counterparts who did not serve. However, these veterans are hampered because they do not have the specific state license or certification that can allow them to immediately enter their civilian profession. This is compounded by the unlikelihood that they reside in the state in which they will separate. Everything that can be done to improve the opportunities for veterans should be done. The establishment of a Veterans Advisory Committee on Certification, Credentialing and Licensure can improve this process. If this committee is fully supported by the Secretaries of Defense, Veterans Affairs and Labor, it may be able to help direct programs to overcome some of the challenges facing transitioning servicemembers.

Amendment to H.R. 3082, the "Veteran-Owned Small Business Promotion Act"

PVA is disappointed to see the changes to H.R. 3082 proposed in this amendment. In July 2005, when PVA first testified on this legislation, we welcomed the substantial move to require 9 percent of procurement contracts entered into by the VA to be awarded to small business concerns owned by veterans and service-connected disabled veterans. PVA fully supported this proposal and it is unfortunate that the committee is moving away from such meaningful legislation. Replacing this requirement with a goal that the Secretary shall establish does nothing to improve the situation. Though the 9 percent requirement may be too large or too difficult to meet, government agencies almost without exception have shown that they are wholly incapable of meeting procurement goals for veteran owned businesses. Goals are simply feel good window dressing and an empty attempt to persuade a constituency that something is being done.

This legislation attempts to soften the retreat from the original legislation by putting in place a performance review of the senior procurement official of each administration within the VA. Webster's Dictionary defines a goal as "the end toward which effort is directed." PVA expects that these procurement officials will simply show that they are meeting the intent of working toward the arbitrary goal and will continue to receive their performance awards. When working towards passage of P.L. 106-50, "Veterans Entrepreneurship and Small Business Development Act of 1999," VSOs worked tirelessly to get real requirements for procurement included. We were thwarted by members of the House and Senate who had no interest in seeing veterans potentially gain on other small business constituencies. It is unfortunate that, years after the passage of P.L. 106-50, there has been no change in the attitudes towards veteran business owners, particularly those with service-connected disabilities.

PVA would like to thank you again for the opportunity to testify on the proposed legislation. We look forward to working with the Subcommittee to ensure that meaningful legislation that benefits veterans the most is enacted. I would be happy to answer any questions that you might have.

William Carl Blake
Senior Associate Legislative Director
Paralyzed Veterans of America
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Carl Blake is the Senior Associate Legislative Director with Paralyzed Veterans of America (PVA) at PVA's National Office in Washington, D.C. He is responsible for federal legislation and government relations, as well as budget analysis and appropriations. 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, son Jonathan and daughter Brooke.

Testimony

Of

John K. Lopez, SDV, Chairman

Association for Service Disabled Veterans

To

The Subcommittee on Economic Opportunity

of

The Committee on Veterans' Affairs

U.S. House of Representatives

Thursday, 27 April 2006

334 Cannon House Office Building

Washington, DC

Executive Summary

The intent of the provisions of H.R. 3082 is absolutely needed by the service disabled veterans (SDV) of the United States and their families.

The proposed amendment are also necessary, to clarify and more clearly focus on the complexity and practice of procurement awards by the U.S. Department of Veterans Affairs.

Each of the H.R. 3082 provisions and amendments address a real and specific experience or concern of SDV in pursuing and maintaining their rehabilitation practices.

This unique and most deserving of populations requires a complete and total commitment of our nations resources and the support of our U.S. Congress.

Good morning Mr. Chairman, Ranking Member and Members of the Committee.

Thank you for your attention and without objection, I shall submit a written statement for the record and summarize my testimony for the Committee.

Since the beginnings of our nation, the people of the United States of America have placed great confidence in that interpretation of the United States Constitution that permits our government to conscript or seduce our citizens to be killed, disabled and tortured in military service, for the security and prosperity of the total population.

Complicit in that application, has been the presumption that our nation, thru its government, would provide rehabilitation for our service disabled veteran (SDV) survivors of the resulting horror.

This has not been the case when SDV have attempted to maintain their rehabilitation as owners and operators of smaller businesses (SDVOB).

It has been nearly six (6) years since the U.S. Congress first provided support for the service disabled and prisoner of war veteran enterprise initiatives, by enacting P.L. 106-50 and P.L. 108-183.

The Administration followed that direction by invoking President Executive Order 13360, directing aggressive and immediate implementation of those laws and specifying actions to be taken.

Those activities took place in October 2004 and since that time frustration has continued and subsequently, **the legislated intent of the U.S. Congress has been variously interpreted by regulators; due to the necessity for inserting and parsing of the required language, statements and reference to existing regulations and laws.**

This bureaucratic abuse has had the effect of confusing and impeding the effort to increase the participation of the service disabled veteran (SDV) in government procurement and contracting opportunities.

The policy of the nation and the intent of the government has been ignored and the Congressional compact for our security has been violated.

Consequently, it is imperative that the Congress enact H.R. 3082 "The Veteran Owned Small Business Promotion Act" and amendments which clarify and reemphasize the intent of the U.S. Congress. The intent is a splendid example of the concern, focus and Congressional response to the veteran's need for rehabilitation and transition assistance.

H.R. 3082 gives specific authority to the Department of Veterans Affairs (USDVA) to confirm the eligibility of service disabled veteran businesses and to accept direct responsibility for the provision of benefit to the veteran. Especially, the service disabled veteran. It puts the task to that agency specifically established, for the purpose of serving "those who have borne the battle".

The amendments are necessary because the focus must be placed on those persons that actually make procurement awards, not on the readily manipulated regulations.

H.R. 3082 also clarifies the misconception that Veterans Entrepreneurship, and the proposed act, are a socioeconomic development initiative or a cultural inequity panacea.

H.R. 3082 is a specified contribution to that continuing obligation of our nation to **REHABILITATE** those veterans that sacrifice for our nations security and prosperity.

THE SERVICE DISABLED VETERANS GOVERNMENT SERVICE INCURRED MISERY, IS UNIQUE!

There is no justification for requiring that service disabled veteran indemnification and rehabilitation be adjusted to the conduct of any other socio-economic program. The neglect to support the rehabilitation of service disabled veteran businesses has also placed unnecessary stress on the family of the SDV.

The age old adage that; "BESIDE EVERY SUCCESSFUL MAN STANDS A WOMAN"; pales in significance when compared to the role of the wives', mothers', sisters' and daughters' who care for those service disabled and prisoner of war veterans (SDV) that are enhancing their **REHABILITATION** through the ownership and management of a smaller business (SDVE).

Besides, the enormous burden of caring for the SDV's life long disabilities, incurred in sacrifice for the well being of all the free world, these women are vested participants in the daily management of the SDV enterprise. Without their participation the SDVE is surely doomed to failure.

For too long, this extraordinary contribution has gone unrecognized and the unique investment of Vested Women (VW) uncompensated.

Present legal application states that the legal entitlement of the SDV business ceases when the SDV owner dies or is incapacitated, leaving the significantly invested VW with a practically totally devalued business. The actual VW role as a defacto partner and enabling force in the enterprise, is discarded.

This is an unacceptable disposition of the accomplishments of the SDV and the sacrifice of the VW. Disgracing the responsibility of the nation for the sacrifices of the veterans' families unique initiative. H.R. 3082 will alleviate this injustice and provide for SDV business succession.

In the words of one Vested Woman (VW); **"WOMEN HAVE STOOD BY TOO LONG WHILE OUR DISABLED VETERAN LOVED ONES HAVE TAKEN ABUSE AND DISRESPECT FOR THEIR SACRIFICE FOR THIS NATION EVEN WHILE THEY STRUGGLE WITH REHABILITATION.**

It is estimated that over 2,500,000 women are integral in the operation of SDVE and over 15,000,000 in all veteran owned business.

Future generations of American military heroes will be forever indebted to the Congress, and especially the 109th Congress, for their commitment to honor and support those killed, maimed, and tortured in the continuing struggle to provide security and prosperity for the people of the world.

Those Iraqi-Afghanistan veterans returning from harms way are experiencing a far different outreach from others who have served, and that is a tribute to the conscience of the Members of the U.S. Congress.

The 25 million military veterans of our nation thank the Chairman and Ranking Members of the Committee and Subcommittees, **the 500 thousand grandmothers, 12 million wives and 6 million granddaughters that are direct stakeholders and beneficiaries of veteran's entrepreneurial investment and the 30 million employees of veteran enterprises (SDVE)**, thank the U.S. Congress for the compassionate and responsible leadership that they have demonstrated in the development of veterans entrepreneurship.

However, H.R. 3082 only addresses the symptoms of the governments neglect of responsibility for our nations disabled veteran. To finally and accurately respond to that responsibility, the U.S. Congress is urged to amend the Small Business Act by added a new section: **"THE SERVICE DISABLED VETERAN COMPREHENSIVE ELIGIBILITY"** amendment as follows;

"The U.S. Congress hereby authorizes businesses owned and operated by veterans with service connected disabilities (SDVOB), adjudicated by the United States Department of Veterans Affairs (DVA), to enter into contracts with the United States Government and any department, agency, officer or government contractor, thereof having procurement powers obligating the entity to furnish articles, equipment, supplies, services, or materials to the Government or to perform construction work for the Government. In any case in which the procurement officers certify to any officer of the Government having procurement powers, that the SDVOB is competent and responsible to perform any specific

Government procurement contract to be let by any such officer, such officer shall be authorized and directed in his discretion to let such procurement contract to the SDVOB upon such terms and conditions as may be agreed upon between the SDVOB and the procurement officer. Whenever the procurement officers and the SDVOB disagree on the basis for not awarding a contract to the SDVOB, the resolution of the disagreement and the actual award of the contract shall be determined by the Secretary of the Department of Veterans Affairs.

Thank you for your attention, I would be pleased to answer any questions the Members may ask.

STATEMENT OF
JOSEPH C. SHARPE, JR., DEPUTY DIRECTOR
NATIONAL ECONOMIC COMMISSION
THE AMERICAN LEGION

BEFORE THE

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

ON

H.R. 4791, THE "DISABLED VETERANS ADAPTIVE HOUSING IMPROVEMENT ACT; AND THREE DRAFT BILLS: THE VETERANS EMPLOYMENT STATE GRANT IMPROVEMENT ACT OF 2006;" THE "GI BILL FLEXIBILITY ACT OF 2006;" THE "VETERANS LICENSING AND CREDENTIALING ACT OF 2006;" AND A PROPOSED AMENDMENT TO: H.R. 3082, THE "VETERAN-OWNED SMALL BUSINESS PROMOTION ACT OF 2005"

APRIL 27, 2006

EXECUTIVE SUMMARY OF
JOSEPH C. SHARPE JR., DEPUTY DIRECTOR
NATIONAL ECONOMIC COMMISSION
THE AMERICAN LEGION
BEFORE THE
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
April 27, 2006

Mr. Chairman and Members of the Subcommittee:

Thank you for this opportunity to submit The American Legion's views on the issues being considered by the Subcommittee today.

H.R. 4791, the "Disabled Veterans Adaptive Housing Improvement Act"

Given the rising costs of construction materials and services, The American Legion is pleased to support this pending legislation that would raise these allowances and allow the grants to be paid to adapt the homes of parents or siblings caring for disabled veterans.

Draft Bill, "Veterans Employment State Grant Improvement Act of 2006"

The American Legion is supportive of the "Veterans Employment State Grant Improvement Act of 2006" and other measures that will improve employment services for veterans provided under the Veterans' Employment and Training Service.

Draft Bill, "GI Bill Flexibility Act of 2006"

The American Legion supports the provisions of the "GI Bill Flexibility Act of 2006". In addition, The American Legion strongly supports the expansion of the program to include other short-term programs of value that could lead to the immediate employment of veterans.

Draft Bill, "Veterans Licensing and Credentialing Act of 2006"

A concern of The American Legion is that Veterans' Service Organizations (VSOs) be adequately accounted for on any establishment of a Veterans Advisory Committee on Certification, Credentialing, and Licensure. The American Legion suggests that approximately half of the committee be made up of VSO representation.

The American Legion supports the provisions of the "Veterans Licensing and Credentialing Act of 2006".

A Proposed Amendment to H.R. 3082, the "Veteran-Owned Small Business Promotion Act of 2005"

The American Legion still supports the original bill H.R. 3082 that requires that 9 percent of procurement contracts entered into by the Department of Veterans Affairs be awarded to small business concerns owned by veterans. We are very concerned about the elimination of minimum goals and any other measures that might hinder contracting opportunities for veteran owned businesses. The American Legion supports certain provisions of this proposed legislation, however there needs to be a federal wide national procurement policy in conjunction with P.L.106-50.

STATEMENT OF
JOSEPH C. SHARPE JR., DEPUTY DIRECTOR
NATIONAL ECONOMIC COMMISSION
THE AMERICAN LEGION
BEFORE THE
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

ON

H.R. 4791, THE "DISABLED VETERANS ADAPTIVE HOUSING IMPROVEMENT ACT;" AND THREE DRAFT BILLS: THE "VETERANS EMPLOYMENT STATE GRANT IMPROVEMENT ACT OF 2006;" THE "GI BILL FLEXIBILITY ACT OF 2006;" THE "VETERANS LICENSING AND CREDENTIALING ACT OF 2006;" AND A PROPOSED AMENDMENT TO: H.R. 3082, THE "VETERAN-OWNED SMALL BUSINESS PROMOTION ACT OF 2005."

APRIL 27, 2006

Mr. Chairman and Members of the Subcommittee:

Thank you for this opportunity to submit The American Legion's views on the issues being considered by the Subcommittee today. The American Legion commends the Subcommittee for holding a hearing to discuss these important and timely issues.

H.R. 4791, the "Disabled Veterans Adaptive Housing Improvement Act"

H.R. 4791 seeks to amend title 38, United States Code, to increase the amount of assistance available to disabled veterans for specially adapted housing and to provide for annual increases in such amount. If enacted, the bill would increase from $50,000 to $60,000 the amount that a veteran can be assisted with for one housing unit and from $10,000 to $12,000 the amount that a veteran can be assisted with for a residence already adapted with special features. The Secretary would establish a residential home cost-of-construction index, which shall reflect a uniform national average increase in the cost of residential home construction, determined on a calendar year basis.

The American Legion believes that with the increasing numbers of disabled veterans returning from Iraq and Afghanistan, the need for specially adapted housing is paramount. Specially adapted housing grants are available for the installation of wheel chair ramps, chair lifts, modifications to kitchens and bathrooms and other adaptations to homes for veterans who cannot move about without the use of wheelchairs, canes or braces or who are blind and suffer the loss or loss of use of one lower extremity. Special home adaptation grants are available for veterans who are legally blind or have lost the use of both hands. Given the rising costs of construction materials and services, The American Legion is pleased to support this pending

legislation that would raise these allowances and allow the grants to be paid to adapt the homes of parents or siblings caring for disabled veterans.

Draft Bill, "Veterans Employment State Grant Improvement Act of 2006"

The "Veterans Employment State Grant Improvement Act of 2006" seeks to amend title 38, United States Code, to improve employment services for veterans provided under the Department of Labor's Veterans' Employment and Training Services (VETS) program, and for other purposes.

The American Legion's position regarding VETS program is that this is and should remain a national program with Federal oversight and accountability. The mission of VETS is to promote the economic security of America's veterans. This stated mission is executed by assisting veterans in finding meaningful employment. The American Legion views VETS program as one of the best-kept secrets in the Federal government. It is comprised of many dedicated individuals who struggle to maintain a quality program without substantial funding and staffing increases.

Annually, DoD discharges approximately 250,000 service members. Recently separated service personnel are likely to seek immediate employment or are preparing to continue their formal or vocational education. In order for VETS program to assist these veterans to achieve their goals, it needs to:

- Improve by expanding its outreach efforts with creative initiatives designed to improve employment and training services for veterans;
- Provide employers with a labor pool of quality applicants with marketable and transferable job skills;
- Provide information on identifying military occupations that require licenses, certificates or other credentials at the local, state, or national levels;
- Eliminate barriers to recently separated service personnel and assist in the transition from military service to the civilian labor market;
- Strive to be a proactive agent between the business and veterans' communities in order to provide greater employment opportunities for veterans.

The American Legion believes staffing levels for Disabled Veterans' Outreach Program (DVOP) specialists and Local Veterans' Employment Representatives (LVERs) should match the needs of the veterans' community in each state and not be based solely on the fiscal needs of the state government. Such services will continue to be crucial as today's active duty service members, especially those returning from combat in Iraq and Afghanistan, transition into the civilian world. Education and vocational training and employment opportunities enable these veterans to succeed in their future endeavors. Adequate funding will allow the programs to increase staffing to provide comprehensive case management job assistance to disabled and other eligible veterans. The American Legion believes that the military experience is essential to understanding the unique needs of the veteran; therefore, we strongly recommend that all LVERs, as well as all DVOPs, should be honorably discharged veterans.

The American Legion is supportive of the "Veterans Employment State Grant Improvement Act of 2006" and other measures that will improve employment services for veterans provided under the Veterans' Employment and Training Service.

Draft Bill, "GI Bill Flexibility Act of 2006"

The "GI Bill Flexibility Act of 2006" seeks to amend title 38, United States Code, to provide for additional flexibility in the accelerated payment of basic educational assistance for certain courses of education, and for other purposes. The bill would aim to help veterans enrolled in an approved program of education that leads to a certification or licensure in an occupation; does not lead to an associate or higher degree; and leads to employment in an occupation in an industry that has a critical shortage of employees or that is a high growth industry, as determined by the Secretary of Labor.

Not every veteran is destined for college; therefore, the Montgomery GI Bill needs to be more accessible for those veterans with vocational aspirations other than college. The overall costs of these "short-term" vocational training and licensing programs far exceed the monthly stipend provided under the traditional "college-student-for-36-months" approach in the current Montgomery GI Bill.

Veterans should be afforded the opportunity to attend compressed high-front-end-cost programs that will lead to the vocation of their choice. Veterans, who attend these programs, should have the opportunity to use a portion of their earned benefits at an accelerated rate, but may not be permitted to exhaust all of their earned benefits. Expanded options will also increase utilization of the Montgomery GI Bill that now stands at a little over 50 percent.

In addition, a higher percentage of today's service members are married (with children in the majority of cases) when they are discharged. Meeting the financial obligations to sustain and maintain a household is paramount, and often serves as a major obstacle to their timely use of the Montgomery GI Bill. Every effort must be made to empower these, and every veteran with options to make the best vocational choice to help them achieve the American dream.

The American Legion supports the provisions of the "GI Bill Flexibility Act of 2006" because the current unemployment rate for veterans ages 18 to 24 is 15 percent, compared to the private sector rate of 8 percent. Increasing the educational benefit available through the MGIB would provide a better incentive for veterans to complete a program with immediate employment results, without the concern of going into short-term debt. In addition, The American Legion strongly supports the expansion of the program to include other short-term programs of value that could lead to the immediate employment of veterans.

Draft Bill, "Veterans Licensing and Credentialing Act of 2006"

The "Veterans Licensing and Credentialing Act of 2006" seeks to establish the Veterans Advisory Committee on Certification, Credentialing, and Licensure. The Committee shall establish and carry out a national program to do the following: (1) To facilitate the seamless transition of members of the Armed Forces from serving on active duty to employment in the

private sector through credentialing. (2) To collect and disseminate data on certification, licensing, and credentialing programs of the Department of Defense, the Department of Labor, The Department of Veterans Affairs, and of States. (3) To advise the Secretary of Labor on all matters relating to certification, licensing, and credentialing issues related to converting the skills acquired by veterans while serving in the Armed Forces to skills relevant to civilian occupations.

The American Legion supports the provisions of the "Veterans Licensing and Credentialing Act of 2006" because it is our position, as supported by The American Legion 2004 Resolution, number 292, that efforts should be made to eliminate employment barriers that impede the transfer of military job skills to the civilian labor market. Furthermore The American Legion supports that the Department of Defense should take appropriate steps to ensure that the service members be trained, tested, evaluated and issued any licensure or certification that may be required in the civilian workforce; and making the Montgomery GI Bill eligibility available to pay for all necessary civilian license and certification examination requirements, including the necessary preparatory courses; and to support the efforts to increase the civilian labor market's acceptance of the occupational training provided by the military.

A concern of The American Legion is that Veterans' Service Organizations (VSOs) be adequately accounted for on any establishment of a Veterans Advisory Committee on Certification, Credentialing, and Licensure. The American Legion suggests that approximately half of the committee be made up of VSO representation.

A Proposed Amendment to H.R. 3082, the "Veteran-Owned Small Business Promotion Act of 2005"

The proposed amendment to H.R. 3082, the "Veteran-Owned Small Business Promotion Act of 2005" changes the bill striking all after the enacting clause and inserting a revised version of the bill that may be cited as the "Veteran-Owned Small Business Promotion Act of 2006." The amendment eliminates minimum goals for contract awards for veterans and replaces it with a goal to be determined by the Secretary. It also adds "Enforcement Penalties for Misrepresentation." This would bar any small business concern from contracting with the Department for five years. The amendment also adds language that concerns issues of change in ownership or control of a business, priority for contracting preferences, and oversight in the form of a Comptroller General Report Study.

The American Legion views small businesses as the backbone of the American economy. It is the driving force behind America's past economic growth and will continue to be the major factor as we move further into the 21st century. Presently, more than nine out of every ten businesses are small firms, which produce almost one-half of the Gross National Product. Veterans' benefits have always included assistance in creating and operating veteran-owned small businesses.

The American Legion still supports the original bill H.R. 3082 that requires that 9 percent of procurement contracts entered into by the Department of Veterans Affairs be awarded to small business concerns owned by veterans. We are very concerned about the elimination of

minimum goals and any other measures that might hinder contracting opportunities for veteran owned businesses. The American Legion supports certain provisions of this proposed legislation, however there needs to be a federal wide national procurement policy in conjunction with P.L.106-50.

Conclusion

Thank you again, Mr. Chairman, for allowing The American Legion to provide written comments on these measures. As always, The American Legion welcomes the opportunity to work closely with you and your colleagues on enactment of legislation that is in the best interest of America's veterans and their families.

★ WASHINGTON OFFICE ★ 1608 "K" STREET, N.W. ★ WASHINGTON, D.C. 20006-2847 ★
(202) 861-2700 ★

April 27, 2006

Honorable John Boozman, Chairman
Subcommittee on Economic Opportunity
Committee on Veterans' Affairs
335 Cannon House Office Building
Washington, DC 20515

Dear Chairman Boozman:

The American Legion has not received any federal grants or contracts, during this year or in the last two years, from any agency or program relevant to the subject of the April 27th hearing, concerning H.R. 4791, The "Disabled Veterans Adaptive Housing Improvement Act;" and Three Draft Bills: The "Veterans Employment State Grant Improvement Act of 2006;" The GI Bill Flexibility Act of 2006;" The "Veterans Licensing and Credentialing Act of 2006;" and a Proposed Amendment to: H.R. 3082, The" Veterans –Owned Small Business Promotion Act of 2005."

Sincerely,

Joseph C. Sharpe, Jr., Deputy Director
Economic Commission

JOSEPH C. SHARPE JR.
DEPUTY DIRECTOR
NATIONAL ECONOMIC COMMISSION
THE AMERICAN LEGION

Joseph C. Sharpe Jr. began serving as Deputy Director of the Economics Division in January 2002. Prior to serving as Deputy Director, he served as a Health Care Field Representative and Assistant Director of the Veterans Affairs and Rehabilitation Commission.

He is a graduate of The Johns Hopkins School of Advance International Studies in Washington, DC, where he earned a M.A. in International Relations and Economics. He also has two Graduate Certificates in International Business and Trade and Health Care Management from Georgetown University. Joseph also earned his B.A. in Sociology from the University of Maryland, College Park, MD. He is currently enrolled in a part time MBA program with Johns Hopkins University.

In 1982, he entered the United States Army. After completing initial training at Ft. Sill, OK, and Ft. Sam Houston, TX, he served as a Drug and Alcohol Counselor with the 2nd Infantry Division in South Korea. He also served as a Mental Health Counselor in Ft. Benning, GA, worked as a Behavioral Science Research Specialist at the Walter Reed Institute of Research, Heidelberg, Germany, and was appointed as the Non Commissioned Officer in Charge of Inpatient Social Work and Psychiatry Service, Walter Reed Army Medical Center, in Washington, DC. In addition to his active duty service, Joseph is currently serving with the 354th Civil Affairs Brigade, U.S. Army Reserve, Riverdale, MD, as the Non Commissioned Officer in Charge of the Brigades Economics and Commerce Team.

During his military service with the Army Reserve Sergeant First Class Sharpe was deployed twice overseas, in Operation Joint Forge, Bosnia-Herzegovina, and recently for the Global War on Terrorism, in which he received the Bronze Star Medal for work completed in the restoration and improvement of public and private financial institutions and banking services in Iraq.

Originally from Chicago, Illinois, he and his family currently reside in Bristow, Virginia.

THE MILITARY COALITION

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STATEMENT

of

THE MILITARY COALITION

on

Veterans Education and Benefits Legislation

before the

Subcommittee on Economic Opportunity
House Veterans' Affairs Committee
April 27, 2006

Presented by

Morgan Brown, USAF (Ret.)
Air Force Sergeants Association
Co-Chairman, Veterans' Committee
The Military Coalition

MISTER CHAIRMAN AND DISTINGUISHED MEMBERS OF THE SUBCOMMITTEE. On behalf of The Military Coalition, a consortium of nationally prominent uniformed services and veterans' organizations, I am grateful to the Subcommittee for this opportunity to express our views concerning issues affecting the uniformed services community. This testimony provides the collective views of the following military and veterans' organizations, which represent approximately 5.5 million current and former members of the seven uniformed services, plus their families and survivors.

- Air Force Association
- Air Force Sergeants Association
- Air Force Women Officers Associated
- American Logistics Association
- Army Aviation Association of America
- Association of Military Surgeons of the United States
- Association of the United States Army
- Chief Warrant Officer and Warrant Officer Association, U.S. Coast Guard
- Commissioned Officers Association of the U.S. Public Health Service, Inc.
- Enlisted Association of the National Guard of the United States
- Fleet Reserve Association
- Gold Star Wives of America, Inc.
- Jewish War Veterans of the United States of America
- Marine Corps League
- Marine Corps Reserve Association
- Military Chaplains Association of the United States of America
- Military Officers Association of America
- Military Order of the Purple Heart
- National Association for Uniformed Services
- National Guard Association of the United States
- National Military Family Association
- National Order of Battlefield Commissions
- Naval Enlisted Reserve Association
- Naval Reserve Association
- Navy League of the United States
- Non Commissioned Officers Association
- Reserve Enlisted Association of the United States
- Reserve Officers Association
- Society of Medical Consultants to the Armed Forces
- The Retired Enlisted Association
- United Armed Forces Association
- United States Army Warrant Officers Association
- United States Coast Guard Chief Petty Officers Association
- Veterans' Widows International Network

The Military Coalition, Inc., does not receive any grants or contracts from the federal government.

Testimony of The Military Coalition: Executive Summary

H.R. 4791, the "Disabled Veterans Adaptive Housing Improvement Act" would help our severely disabled veterans live their lives in the most independent manner possible.

The Military Coalition supports this legislation.

Draft bill, H.R. ____ "the "Veterans Employment State Grant Improvement Act of 2006" seeks to enact a number of measures that would improve employment services for veterans provided under the Veterans' Employment and Training program.

The Military Coalition believes the success of this program revolves around the availability of a cadre of highly skilled and qualified personnel and therefore supports this legislation.

Draft bill H.R. _____, the "G.I. Bill Flexibility Act of 2006" which would authorize accelerated payment for certain courses and seeks to restore the MGIB entitlements reserve component members lose when mobilized.

The Military Coalition supports this legislation and encourages this Subcommittee to continue working towards a Total Force MGIB benefit for the 21st Century.

Draft bill H.R. _____, the "Veterans' Certification and Licensure Act of 2006" could facilitate a "seamless transition" for some separating service members.

The Military Coalition recommends favorable consideration of this bill.

The proposed amendment to H.R. 3082 would establish a goal that 3 percent of VA contract opportunities should go to small businesses owned by service-connected disabled veterans.

Whereas the intent of this legislation is commendable, past history and the lack of a mandatory component suggests this effort will not result in enhanced business opportunities for these veterans. The Military Coalition does not oppose the measure and recommends the Subcommittee consider adding a mandatory component to ensure the VA is proactively working to meet the 3 percent goal.

H.R. 4791, the "Disabled Veterans Adaptive Housing Improvement Act"

This legislation aims to help disabled veterans return to the normalcy of home life by expanding eligibility for VA adaptive housing assistance. As written, the proposed legislation would increase from $50,000 to $60,000 the maximum amount authorized to be provided by the Department of Veterans Affairs to certain disabled veterans for the construction of specially adapted housing; and from $10,000 to $12,000 the maximum amount authorized for specially adapted features in a home. Additionally, the bill would require the VA to annually increase these amounts in such a manner so as to reflect increases in the cost of residential home construction. ***This legislation will help our severely disabled veterans live their lives in the most independent manner possible and The Military Coalition supports its passage.***

H.R. ____ , the "Veterans Employment State Grant Improvement Act of 2006"

This draft bill would enact a number of measures intended to improve employment services for veterans provided under the Veterans' Employment and Training program. ***Without question, the success of this program lies primarily on the availability of a cadre of highly skilled and qualified personnel. Therefore, the Military Coalition supports the purpose and intent of this legislation.***

H.R. _____, the "G.I. Bill Flexibility Act of 2006"

The payment structure of the current MGIB was designed to provide assistance to veterans pursuing traditional 4-year degrees at universities by offering benefits, distributed monthly for up to 36 months. Today most veterans have to work and support families so traditional degrees are not always the best option. With heightened job, financial, and family responsibilities, more and more veterans are pursuing and education using the condensed learning schedules which most colleges and universities are now offering. Presently, lump-sump payments under the MGIB are available for certain high tech courses and for licensure and certification exams.

This draft bill would allow accelerated payment of MGIB benefits to accommodate the compressed schedule of modern-day courses that lead to certification or licensure in an occupation in an industry that has a critical shortage of employees, or is an industry that is experiencing a high growth rate. The limitation on maximum accelerated payments would be $10,000, except for veterans with service-connected disabilities. The Act would provide special rules to authorize the amount of the accelerated payment for service-connected disabled veterans to equal 75 percent of the established charges.

The draft bill also contains language which would restore lost MGIB entitlements to mobilized reserve component members. Currently if a reserve component member has to discontinue a course of study for recall, under MGIB, Chapter 1606, those months of study are charged against the 36 months entitlement period because of failure to receive

credit for the course. Strictly as a matter of fairness, mobilized reservists should not have to forego the benefits they literally risk their lives for.

Earlier this year, Chairman Buyer indicated his desire to renovate and restructure the Montgomery GI Bill into a Total Force Benefit for the 21st Century that better supports military recruitment and retention and veterans' readjustment. One major improvement sought by TMC and the other members of The Partnership for Veterans Education is to integrate Chapters 1606 and 1607, 10 USC, with the active duty MGIB under Title 38. This action would facilitate the coordination of benefits between the active duty and reserve programs and streamline the oversight and management of the MGIB. ***TMC endorses the GI Bill Flexibility Act of 2006 but we note that, unfortunately, a worthy MGIB improvement will be available only to active duty veterans.***

Mobilized reservists who have gone into harm's way will be ineligible for proportional benefits under the draft legislation, since the bill applies only to Title 38. TMC strongly urges the Subcommittee to work towards early enactment of a Total Force MGIB that provides benefits in proportion to military service rendered to the nation.

H.R. _____, the "Veterans' Certification and Licensure Act of 2006"

This draft bill calls for an advisory committee to improve certification and licensing procedures for veterans. Its overall purpose would be to assist veterans seeking to utilize their military training and experience to obtain civilian employment. ***This move could facilitate a "seamless transition" for some separating service members. Therefore The Military Coalition recommends favorable consideration of this bill.***

Proposed amendment to H.R. 3082

The language of this proposed amendment seeks to increase VA contracting opportunities for small businesses owned and controlled by service-connected disabled veterans. The amendment would require VA to establish a goal of 3 percent each fiscal year for such contracts. ***The Military Coalition has no objection to this measure. However we note that Public Law 106-50, the Veterans Entrepreneurship and Small Business Development Act of 1999, established similar levels which to date have yet to be met. The veterans community might be better served by putting "teeth" into the proposed amendment and make the 3 percent level a mandatory number verses a goal that can be easily ignored.***

CONCLUSION

The Military Coalition wishes to express its profound gratitude for the extraordinary work this subcommittee does on a day-to-day basis on behalf of military veterans and their families. The Coalition is eager to continue its work with the Subcommittee and thanks you for the opportunity to present the Coalition's views on these important topics.

CURRICULUM VITAE

MSgt (Ret.) Morgan D. Brown is the Manager, Military and Government Relations (M&GR) for the Air Force Sergeants Association. As such, he works for the M&GR Director who is responsible to the Executive Director. This directorate serves as the association's liaison with Congress, the Administration, the military services, and other military and veterans' associations. Sergeant Brown served 22 years in the United States Air Force at numerous stateside and overseas locations. His last assignment was as a First Sergeant on Andrews AFB, in Maryland. He has served in his current position since May 2003.

VETERANS OF FOREIGN WARS OF THE UNITED STATES

STATEMENT OF
ERIC A. HILLEMAN, ASSISTANT DIRECTOR
NATIONAL LEGISLATIVE SERVICE
VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE

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

WITH RESPECT TO

H.R. 3082, VETERAN-OWNED SMALL BUSINESS PROMOTION ACT OF 2006
H.R. 4791, DISABLED VETERANS ADAPTIVE HOUSING IMPROVEMENT ACT
DRAFT BILL, VETERANS STATE GRANT IMPROVEMENT ACT OF 2006
DRAFT BILL, GI BILL FLEXIBILITY ACT OF 2006
DRAFT BILL, VETERANS CERTIFICATION AND LICENSURE ACT OF 2006

WASHINGTON, D.C. APRIL 27, 2006

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the 2.4 million men and women of the Veterans of Foreign Wars of the U.S. (VFW) and our Auxiliaries, I appreciate the opportunity to present our views on legislation included in today's hearing.

H.R. 3082, the "Veteran-Owned Small Business Promotion Act of 2005" would require that nine percent of all Department of Veterans Affairs procurement contracts be awarded to veterans. The VFW enthusiastically supports H.R. 3082. Job security and business development for veterans and disabled veterans are one of the VFW's priority goals. Through contracts and partnering with large companies, veteran-owned small businesses can thrive, thus raising the standard of living among veterans and promoting small business ownership.

H.R. 4791, the "Disabled Veterans Adaptive Housing Improvement Act" would increase the one-time grant amount of matching funds for disabled veterans' home purchases and modifications. The grant would be indexed yearly to keep pace with housing and building costs. The VFW supports the spirit of H.R. 4791, but we question the use of national averages to measure the increase of housing costs.

The current matching grant maximum is $50,000 for structural manipulation and purchase; and $10,000 for hardware and mechanics required for adaptive living. A $60,000 benefit may go

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AREA CODE (202)-543-2239 ● FAX NUMBER (202)-543-6719

far in the rural areas of America, but veterans that reside in major population centers face a much higher cost-of-living. We ask that Congress to consider regional housing cost averages, when determining the maximum grant amount.

The draft bill entitled "Veterans Employment State Grant Improvement Act of 2006," seeks to increase accountability and improve performance among Department of Labor (DOL) veterans' employment representatives. The VFW recognizes the need to assist veterans in obtaining employment in all professions nationwide. We believe this legislation will serve to improve current deficits in training for DOL outreach program specialists and local veterans' employment representatives.

We vigorously support this bill, but ask Congress to consider the timely implementation of this legislation. Implementing performance evaluations three years after this bill's enactment fails to measure current populations of veterans returning from Iraq and Afghanistan. Furthermore, the proposed two-year phase-in of licensing and certification on a state level puts currently discharging veterans at a disadvantage. Finally, requiring a national training session for local veterans' employment representatives would be better served upon their hiring, as opposed to attending training within the suggested first three-year employment time frame. We also favor ongoing training for current veterans' employment representatives.

The draft bill entitled "GI Bill Flexibility Act" aims to expand licensure and certification by allowing lump-sum payments to areas of industry that have "a critical shortage of employees or that [are a] high growth industry, as determined by the Secretary of Labor."

The VFW has long called for the expansion of licensure and certification programs, which can frequently lead to rewarding careers, and we have also supported expanding the GI Bill by making it more flexible and adaptable to the real needs of veterans. Despite this, we have several concerns about this legislation.

We are wary that the definition of the industries this would cover is overly broad, and that in some cases, it could lead to careers that might not provide much long-term benefit. The Department of Labor's definition currently includes such broad industries as "hospitality" and "retail." While certainly rewarding careers can be found within those industries, we do not believe that those industries are the intent of the legislation. We believe that the definition of which types of programs are eligible needs to be tightened up, making it easier for veterans to find truly rewarding careers in high-paying jobs.

Our second concern has to do with oversight. With the expansion of the program, we can also envision companies and businesses springing up to provide these educational training opportunities for veterans. While the vast majority of companies are sure to provide legitimate service, there will likely be opportunity for fraud and abuse. We cannot let unscrupulous companies take advantage of veterans, especially when it comes to their invaluable education benefits. We need to see that there is vigorous oversight, meaningful evaluation, and accreditation of these companies.

We support the idea behind the bill, but cannot support the draft legislation as written until these concerns are addressed.

The draft bill entitled "Veterans Certification and Licensure Act of 2006" would establish a committee within the Department of Labor comprised of numerous organizations with the goal of certification, credentialing, and licensure of troops transitioning from active duty into the workforce. The committee's intent would be to bridge the gap between active duty and workforce licensure.

Many job fields in the military provide troops with the necessary skills and knowledge to perform civilian jobs requiring licensure. Military experience in areas requiring licensure in the private sector such as heavy equipment operation, transportation, electronics, and construction are highly transferable skills. This committee would serve to close the gap in transition that is currently faced by many troops leaving the military. The VFW encourages improvements to the transferability of certifications and increased employability for all veterans. The VFW strongly supports the enactment of this bill and the creation of this committee.

Thank you for this opportunity to present the VFW's views on pending legislation before this subcommittee.

Eric A. Hilleman, Assistant Director
National Legislative Service
Veterans of Foreign Wars of the United States

Eric A. Hilleman, a native of St. Louis, Missouri, was appointed to the position of Assistant Director of the VFW National Legislative Service in February 2006.

Mr. Hilleman entered the United States Marine Corps in 1994 and was assigned to the logistics section of the headquarters battalion in Camp Fuji, Japan. Following that assignment, he served as a Marine Security Guard at the American Embassy in Manila, Philippines, and Riyadh, Saudi Arabia. He was honorably discharged in 1999.

After his service, he attended Utah State University (USU). While at USU Eric was chosen as a Boren Scholar and studied Arabic at the American University in Cairo, Egypt from 2002 to 2003. He graduated in 2004 from USU with a Bachelor's of Arts in Political Science.

Currently, Eric resides in Arlington, Virginia, where he enjoys running, weight training, and yoga. He continues to study Arabic at the Middle East Institute in Washington, DC. Eric is the elected Junior-Vice Commander of VFW Post 9274 in Falls Church, VA.

-vfw-

The Veterans of Foreign Wars is not in receipt of any federal grants or contracts.

SERVING
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STATEMENT OF

DAVID G. GREINEDER
AMVETS DEPUTY NATIONAL LEGISLATIVE DIRECTOR

BEFORE THE

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

ON

H.R. 4791, THE DISABLED VETERANS ADAPTIVE HOUSING IMPROVEMENT ACT;
H.R. __, THE VETERANS EMPLOYMENT STATE GRANT IMPROVEMENT ACT OF 2006;
H.R. __, THE GI BILL FLEXIBILITY ACT OF 2006;
H.R. __, THE VETERANS LICENSING AND CREDENTIALING ACT OF 2006; AND
AN AMENDMENT TO H.R. 3082, THE VETERANS-OWNED SMALL BUSINESS PROMOTION ACT OF 2005.

THURSDAY, APRIL 27, 2006

A M V E T S

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EXECUTIVE SUMMARY

H.R. 4791, the Disabled Veterans Adaptive Housing Improvement Act

- Increases the adaptive housing grant for disabled veterans.
- AMVETS fully supports the bill.

H.R. __, the Veterans Employment State Grant Improvement Act of 2006

- Requires the Secretary of the Department of Labor to establish professional qualifications for DVOPs and LVERs.
- AMVETS supports the goals of this legislation. Will do ask that the Committee work with the veterans service organizations on how DOL-VETS will implement the new standards.

H.R. __, the GI Bill Flexibility Act of 2006

- Enhances GI Bill educational benefits for eligible veterans wanting to use tuition assistance for certain training programs.
- AMVETS endorses the legislation.

H.R. __, the Veterans Licensing and Credentialing Act of 2006

- Establishes an advisory committee to review and improve certification and licensing procedures for veterans.
- AMVETS believes there is no greater responsibility of DOD and VA than to properly take care of returning soldiers. Therefore, we support the goals of this legislation.

Amendment to H.R. 3082, the Veteran-Owned Small Business Promotion Act of 2005

- Seeks to increase VA contracting opportunities for small businesses owned and controlled by service-connected disabled veterans.
- AMVETS supports the bill, but we would like to see enforcement of P.L. 106-50.

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

Mr. Chairman, on behalf of AMVETS National Commander Edward Kemp and the nationwide membership of AMVETS (American Veterans), I am pleased to offer our views to the Subcommittee on Economic Opportunity regarding the bills before you today.

AMVETS is a staunch advocate of providing veterans with the benefits and services they *earned* through honorable military service. As a leader since 1944 in helping to preserve the freedoms secured by America's Armed Forces, our organization continues its proud tradition providing not only support for veterans and the active military in procuring their earned entitlements, but also an array of community services that enhance the quality of life for this nation's citizens.

AMVETS applauds this Subcommittee and its efforts to identify, examine and pursue the legislative initiatives necessary for veterans to obtain the services and benefits they richly deserve.

H.R. 4791, the Disabled Veterans Adaptive Housing Improvement Act

H.R. 4791 would increase the amount of adaptive housing assistance available to eligible disabled veterans. Specifically, it would increase the grant allotment that helps disabled veterans make adaptations to their homes. The bill raises the Specially Adaptive Housing grant from $50,000 to $60,000 for the most severely disabled veterans, and increases the grant for other disabled veterans from $10,000 to $12,000. This bill will be very helpful to veterans who sustained traumatic, life-altering injuries so they may live their lives as independently as possible. AMVETS supports this legislation.

H.R. __, the Veterans Employment State Grant Improvement Act of 2006

This draft legislation would require the Secretary of the Department of Labor to establish professional qualifications for employment in the Disabled Veteran Outreach Program (DVOP) and

the Local Veterans Employment Representatives (LVER) program. The heart and soul of the Department Labor's Veterans Employment and Training Service (DOL-VETS) is the dedicated DVOPs and LVERs staff tasked with facing the employment challenges of hard-to-place veterans. For decades, they have been the cornerstone of employment services for veterans. AMVETS supports the goals of this legislation. Will do ask that the Committee work with the veterans service organizations on exactly how DOL-VETS will implement these new qualifications standards.

H.R. __, the GI Bill Flexibility Act of 2006

This draft bill would enhance GI Bill educational benefits for eligible veterans wanting to use tuition assistance for certain training programs. Specifically, the bill will expand the range of programs for which accelerated payments of educational assistance can be used. Under current law, only veterans seeking jobs in "high tech" industries are eligible to receive accelerated benefits. This bill would expand eligibility to an approved training program as determined by the Secretary of Labor.

The draft bill will make short-term, high-cost training programs more affordable to veterans. Currently, GI Bill benefits are paid as a monthly stipend to the maximum amount of $1,000. However, any high growth training programs run anywhere from 4 to 6 weeks, and can cost upwards of $6,000. At most, the GI Bill benefits only offsets about $1,500 of the veterans' tuition. Accelerated benefits would cover upwards of 60% of the cost of the training program, to a maximum of $10,000.

Most importantly, this legislation would help address the serious unemployment rate of veterans between the ages of 20 and 24. Veterans in this age bracket have an unemployment rate of over 15 percent - nearly double the rate of non-veterans in the same age group. Accelerating GI Bill benefits for training in high-growth occupations would help place veterans in a good paying, long-term, and secure job. AMVETS endorses this legislation.

H.R. __, the Veterans Licensing and Credentialing Act of 2006

This draft bill would establish an advisory committee to review and improve certification and licensing procedures for veterans. The advisory committee's overall mission will be to facilitate service members with a seamless transition back into civilian life. AMVETS believes there is no greater responsibility of DOD and VA than to properly take care of returning soldiers, and to provide as many tools as possible to assist them in settling back into civilian life. Therefore, we support the goals of this legislation.

Amendment to H.R. 3082, the Veteran-Owned Small Business Promotion Act of 2005

The proposed amendment seeks to increase VA contracting opportunities for small businesses owned and controlled by service-connected disabled veterans. The amendment would require VA to establish a goal for each fiscal year for such contracts. AMVETS supports the amendment.

However, we note that Public Law 106-50, the Veterans Entrepreneurship and Small Business Development Act of 1999, established similar goals and ideas which have not yet to been met. The goals of 106-50 were highly noble, but sadly, in the years since its passage, little has been done by the executive agencies to meet them. As a participant in the Task Force for Veterans' Entrepreneurship, AMVETS has many concerns with the lack of implementation of current law. AMVETS would really like to see full implementation and enforcement of 106-50 before any additional legislation ignored.

In closing Mr. Chairman, AMVETS looks forward to working with you and others in Congress to ensure the earned benefits of all of America's veterans are strengthened and improved. As we find ourselves in times that threaten our very freedom, our nation must never forget those who ensure our freedom endures. AMVETS thanks the panel for the opportunity to address these issues.

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April 27, 2006

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 April 27, 2006, Subcommittee hearing on the legislation before the panel.

Sincerely,

David G. Greineder
Deputy National Legislative Director

A M V E T S

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David G. Greineder
AMVETS Deputy National Legislative Director

David Greineder joined AMVETS (American Veterans) on May 10, 2004. As the Deputy National Legislative Director (currently serving as Acting National Legislative Director), he is the primary individual responsible for promoting AMVETS legislative, national security, and foreign affairs goals before the administration and the Congress of the United States.

Prior to assuming his current position, David worked nearly five years on Capitol Hill as a legislative staff aide in the offices of Pennsylvania Reps. George W. Gekas and Timothy F. Murphy. He was a key policy advisor for a wide range of issues, including veterans' affairs, and helped manage federal appropriations efforts in both congressional offices.

David completed undergraduate work at Millersville University of Pennsylvania, where he was an assistant of data collection for the Keystone Poll.

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