AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

LEGISLATIVE HEARING ON H.R. 1911, H.R. 240, H.R. 1263, H.R. 120, H.R. 2274, H.R. 2301, H.R. 2302, H.R. 2345, AND H.R. 2329

HEARING

BEFORE THE

SUBCOMMITTEE ON ECONOMIC OPPORTUNITY

OF THE

COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED TWELFTH CONGRESS

FIRST SESSION

JULY 7, 2011

Serial No. 112–21

Printed for the use of the Committee on Veterans' Affairs

U.S. GOVERNMENT PRINTING OFFICE

68–457 WASHINGTON : 2012

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512–1800; DC area (202) 512–1800
Fax: (202) 512–2104 Mail: Stop IDCC, Washington, DC 20402–0001

COMMITTEE ON VETERANS' AFFAIRS

JEFF MILLER, Florida, *Chairman*

CLIFF STEARNS, Florida
DOUG LAMBORN, Colorado
GUS M. BILIRAKIS, Florida
DAVID P. ROE, Tennessee
MARLIN A. STUTZMAN, Indiana
BILL FLORES, Texas
BILL JOHNSON, Ohio
JEFF DENHAM, California
JON RUNYAN, New Jersey
DAN BENISHEK, Michigan
ANN MARIE BUERKLE, New York
TIM HUELSKAMP, Kansas
Vacancy
Vacancy

BOB FILNER, California, *Ranking*
CORRINE BROWN, Florida
SILVESTRE REYES, Texas
MICHAEL H. MICHAUD, Maine
LINDA T. SÁNCHEZ, California
BRUCE L. BRALEY, Iowa
JERRY MCNERNEY, California
JOE DONNELLY, Indiana
TIMOTHY J. WALZ, Minnesota
JOHN BARROW, Georgia
RUSS CARNAHAN, Missouri

HELEN W. TOLAR, *Staff Director and Chief Counsel*

SUBCOMMITTEE ON ECONOMIC OPPORTUNITY

MARLIN A. STUTZMAN, Indiana, *Chairman*

GUS M. BILIRAKIS, Florida
BILL JOHNSON, Ohio
TIM HUELSKAMP, Kansas
JEFF DENHAM, California

BRUCE L. BRALEY, Iowa, *Ranking*
LINDA T. SÁNCHEZ, California
TIMOTHY J. WALZ, Minnesota

Pursuant to clause 2(e)(4) of Rule XI of the Rules of the House, public hearing records of the Committee on Veterans' Affairs are also published in electronic form. **The printed hearing record remains the official version.** Because electronic submissions are used to prepare both printed and electronic versions of the hearing record, the process of converting between various electronic formats may introduce unintentional errors or omissions. Such occurrences are inherent in the current publication process and should diminish as the process is further refined.

CONTENTS

July 7, 2011

Page

Legislative Hearing on H.R. 1911, H.R. 240, H.R. 1263, H.R. 120, H.R. 2274, H.R. 2301, H.R. 2302, H.R. 2345, and H.R. 2329 1

OPENING STATEMENTS

Chairman Marlin A. Stutzman 1
Prepared statement of Chairman Stutzman 36
Hon. Bruce L. Braley, Ranking Republican Member 2
Prepared statement of Congressman Braley 36
Hon. Bill Johnson 3

WITNESSES

U.S. Department of Veterans Affairs, Curtis L. Coy, Deputy Under Secretary for Economic Opportunity, Veterans Benefits Administration 28
Prepared statement of Mr. Coy 57

American Association of State Colleges and Universities, Susan C. Aldridge, Ph.D., President, University of Maryland, University College, Adelphi, MD . 21
Prepared statement of Dr. Aldridge 53
American Legion, Jeff Steele, Assistant Director, National Legislative Commission 8
Prepared statement of Mr. Steele 43
Iraq and Afghanistan Veterans of America, Tom Taratino, Senior Legislative Associate 4
Prepared statement of Mr. Tarantino 37
National Association of Independent Colleges and Universities, Arthur F. Kirk, Jr., President, Saint Leo University, Saint Leo, FL 19
Prepared statement of Mr. Kirk 50
Reserve Officers Association of the United States, Major General David Bockel, USA (Ret.), Executive Director, also on behalf of Reserve Enlisted Association of the United States 9
Prepared statement General Bockel 46
Veterans of Foreign Wars of the United States, Shane Barker, Senior Legislative Associate, National Legislative Service 6
Prepared statement of Mr. Barker 41

SUBMISSIONS FOR THE RECORD

Gold Star Wives of America, Inc., Vivianne Cisneros Wersel, Au.D., Chair, Government Relations Committee, statement 62
Paralyzed Veterans of America, statement 65

MATERIAL SUBMITTED FOR THE RECORD

Post-Hearing Questions and Responses for the Record:

Hon. Bruce L. Braley, Ranking Democratic Member, Subcommittee on Economic Opportunity, Committee on Veterans' Affairs, to Major General David Bockel, USA (Ret.), Executive Director, Reserve Officers Association of the United States, letter dated July 13, 2011, and General Bockel's responses 67

Hon. Bruce L. Braley, Ranking Democratic Member, Subcommittee on Economic Opportunity, Committee on Veterans' Affairs, to Arthur F. Kirk, Jr., President, Saint Leo University, National Association of Independent College and Universities, letter dated July l3, 2011, and Dr. Kirk's responses 68

Page

Post-Hearing Questions and Responses for the Record—Continued

Hon. Bruce L. Braley, Ranking Democratic Member, Subcommittee on Economic Opportunity, Committee on Veterans' Affairs, to Susan C. Aldridge, Ph.D., President, American Association of State Colleges and Universities, letter dated July 13, 2011, and response from Ed Elmendorf, Senior Vice President, Government Relations and Policy Analysis, American Association of State Colleges and Universities, letter dated August 18, 2011 69

Hon. Bruce L. Braley, Ranking Democratic Member, Subcommittee on Economic Opportunity, Committee on Veterans' Affairs, to Curtis L. Coy, Deputy Under Secretary for Economic Opportunity, Veterans Benefits Administration, U.S. Department of Veterans Affairs, and VA responses 72

LEGISLATIVE HEARING ON H.R. 1911, H.R. 240, H.R. 1263, H.R. 120, H.R. 2274, H.R. 2301, H.R. 2302, H.R. 2345, AND H.R. 2329

THURSDAY, JULY 7, 2011

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

The Subcommittee met, pursuant to notice at 10:08 a.m., in Room 334, Cannon House Office Building, Hon. Marlin A. Stutzman [Chairman of the Subcommittee] presiding.

Present: Representatives Stutzman, Bilirakis, Johnson, Denham, Braley, and Walz.

OPENING STATEMENT OF CHAIRMAN STUTZMAN

Mr. STUTZMAN. Good morning and welcome to the Subcommittee on Economic Opportunity of the Committee on Veterans' Affairs.

We are here to receive testimony on nine bills today, including bills by Ranking Member Braley and I as well as other Members. These bills cover a variety of issues ranging from the Servicemembers Civil Relief Act (SCRA) to the U.S. Department of Veterans Affairs (VA)/U.S. Paralympics Program.

As always, we ask witnesses to summarize their statements and to observe the 5-minute rule.

I introduced H.R. 2301 to reduce the administrative burden on both the VA and the schools as a means to speed up processing by cutting down on the number of transactions per student due to changes in enrollment. The bill would direct the VA to pay chapter 33 tuition and fees after receiving a bill from a school reflecting all the changes in enrollment during the academic period.

After reviewing the testimony, it is obvious that some institutions may have concerns because of cash flow and other reasons.

I would point out that veterans make up less than 10 percent of all college students for many schools, but witnesses have pointed out other problems, some due to State laws and regulations and technical issues such as needing to update the schools' information technology (IT) systems and varying lengths of academic periods.

To that end, the two major stakeholders in this process, VA and the schools, need to get together and figure out how to make this work. The schools have a right to expect payment, but they also have an obligation to their veterans to adjust their process.

We cannot write a bill that will account for every variation in how schools operate. On the VA's part, perhaps it is time for the

VA and the U.S. Department of Education (ED) to adopt a common payment system to make things easier on the schools.

One thing I can promise you that this will not be the last time we meet on this particular issue.

I have also introduced H.R. 2302, a bill that would require the VA to report the estimated cost of conferences and any other type of meeting that meet certain thresholds. The bill also would require the VA to report the final cost of those conferences.

While I have no objection to bringing together VA staff and others at a conference, I believe a measure of transparency on the cost is important.

And finally, the VA/U.S. Paralympics Programs appears to be meeting the goals set in Public Law 110–389. In that law, former Chairmen Buyer and Filner saw the benefit of using sports as part of rehabilitating injured servicemembers. Initial indications are that the program has brought hundreds of disabled veterans back to adaptive sports and we are seeing a few of them succeed even at the elite levels.

I am also proud to note that the Turnstone Center for Adults and Children with Disabilities, located in my district in Fort Wayne, Indiana, is a participant in the Paralympics Sports Club's program. Therefore, I believe it is important to see this program continue and my bill would extend the program through fiscal year 2018.

I look forward to hearing from today's witnesses on all the bills. And at this time, I will yield to the Ranking Member, Mr. Braley.

[The prepared statement of Chairman Stutzman appears on p. 36.]

OPENING STATEMENT OF HON. BRUCE L. BRALEY

Mr. BRALEY. Thank you, Mr. Chairman.

About 7 years ago, I had the honor of bringing my mother to Washington for the dedication of the World War II Memorial.

And I know, Mr. Chairman, you and your family, my family and I had an opportunity to spend a little bit of the 4th of July period here.

And I cannot think of a better time to rededicate ourselves to the work of taking care of America's veterans and having had the opportunity to be here and celebrate that important holiday.

I want to thank you for holding this legislative hearing because the bills included in today's hearing represent some of the current critical needs veterans have such as foreclosure protection for servicemembers and spouses, veteran small business contracting opportunities, housing loans for surviving spouses of disabled veterans, and the need to extend paralympic funding.

I am pleased that one of the bills we will be discussing today is H.R. 1911, the "Protecting Veterans Home Act," a bill I introduced to help veterans returning from combat who are facing the foreclosure of their homes.

This legislation would protect veterans from being foreclosed upon by banks and would give these soldiers time to get their finances in order after long deployments.

Our veterans often return from combat only to face new challenges, whether it is an injury or financial crisis caused by long de-

ployments and time off from their civilian jobs. Our veterans deserve to know that we are standing up for them.

This bill will give soldiers enough time to get back on their feet and get their finances in order before being kicked out of their homes. It is the least we can do for the brave men and women who serve this country.

Providing veterans the opportunity to succeed means that we have to generate programs or benefits that will allow them to establish small businesses, careers, or own a home.

One of the major hurdles veterans face when they become civilians is that while they are on active duty, their personal lives and careers are put on hold while their civilian counterparts do not have those same challenges.

Their service to our country can make it difficult to obtain a home loan, successfully compete for Federal contracts, or even put them at risk of losing their home in the event of financial difficulty.

Today's bills recognize the many challenges that our veterans face. I look forward to today's discussion on how these bills will help veterans overcome some of the challenges they face and welcome any ideas on how to improve them.

I am also anxious to hear from the testimony of our distinguished witnesses.

And with that, I thank you and yield back.

[The prepared statement of Congressman Braley appears on p. 36.]

Mr. STUTZMAN. Thank you, Mr. Braley.

And at this time, I understand, Mr. Johnson, you have an opening statement and I do not know if Mr. Walz would like to make one.

Okay. Mr. Johnson.

OPENING STATEMENT OF HON. BILL JOHNSON

Mr. JOHNSON. Thank you, Mr. Chairman, and I appreciate the time to discuss these important pieces of legislation.

As many of you know, I have introduced H.R. 2329, the "Ensuring a Response for Servicemembers Act." The Servicemembers Civil Relief Act was created to protect the legal interests of our troops whose service to our Nation may interfere with their ability to meet certain financial obligations. The SCRA temporarily suspends certain judicial administrative transactions and proceedings during active-duty military service that would otherwise adversely affect their legal rights.

Unfortunately, some financial institutions legally bound by the provisions of the SCRA have been uncooperative and unresponsive in assisting servicemembers to meet their legal obligations in a timely manner.

H.R. 2329 will correct this situation by amending the SCRA to add the requirements for lending institutions in two ways.

They must designate a compliance officer who is responsible for ensuring that the institution is complying with the provisions of the SCRA and distributing information to servicemembers.

And then lending institutions with fiscal earnings of $10 billion or more per year are to maintain a toll-free telephone number and

make that number available on the institution's primary Internet Web site.

It is not only in our Nation's best interest, but it is our responsibility to ensure that our troops will be able to continue to protect and defend our Nation without fear of financial difficulties stemming from their service.

So I look forward to discussing these today, Mr. Chairman. Thank you very much.

Mr. STUTZMAN. Okay. Thank you.

And as Mr. Braley mentioned, I think this is a wonderful opportunity for us to remember our veterans and so I want to thank each one of you for being here today.

And at this time, I will make the introductions and then we will yield to you for your testimony.

With us today are Tom Tarantino, thank you for being here, from the Iraq and Afghanistan Veterans of America (IAVA); Mr. Shane Barker, thank you as well, from the Veterans of Foreign Wars (VFW); Mr. Jeff Steele from the American Legion; and also Major General David Bockel from the Reserve Officers Association (ROA).

Thank you for being here. And I appreciate each of you and what you are doing serving our veterans.

So let's begin with Mr. Tarantino, with your testimony and we will begin with you for 5 minutes.

STATEMENTS OF TOM TARATINO, SENIOR LEGISLATIVE ASSOCIATE, IRAQ AND AFGHANISTAN VETERANS OF AMERICA; SHANE BARKER, SENIOR LEGISLATIVE ASSOCIATE, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES; JEFF STEELE, ASSISTANT DIRECTOR, NATIONAL LEGISLATIVE COMMISSION, AMERICAN LEGION; AND MAJOR GENERAL DAVID BOCKEL, USA (RET.), EXECUTIVE DIRECTOR, RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES, ALSO ON BEHALF OF RESERVE ENLISTED ASSOCIATION OF THE UNITED STATES

STATEMENT OF TOM TARANTINO

Mr. TARANTINO. Thank you, Mr. Chairman and Ranking Member and Members of the Subcommittee.

On behalf of Iraq and Afghanistan Veterans of America's 200,000 member veterans and supporters, I want to thank you for inviting me to testify at this hearing to share our members' views on these very important issues.

My name is Tom Tarantino. I am a Senior Legislative Associate with IAVA and I proudly served 10 years in the United States Army, beginning my career as an enlisted Reservist and leaving service as an active-duty cavalry officer.

Throughout these 10 years, my single most important duty was to take care of other soldiers. In the military, they teach us to have each other's backs. Although my uniform is now a suit and tie, I am proud to work with Congress to ensure that the entire country has the backs of America's servicemembers and veterans.

IAVA supports H.R. 210, 240, 1236, 911, 2274, 2329, 2302, and 2345. And we thank the Committee for their work on these important bills and urge Congress to swiftly pass them..

For the remainder of my testimony, however, I would like to address some of our serious concerns with H.R. 2301. It is the "Streamlining Education Claims Processing Act of 2011."

IAVA strongly opposes H.R. 2301. And although we believe this legislation was well intentioned, it could, in its current form, result in late fees or nonpayment charges to thousands of student veterans and may cause them to be barred or disenrolled from their current academic programs.

This bill seeks to move VA educational assistance payments to the schools to the end of the term. However, that is not how schools work. This could cause veterans to be disenrolled after the add/drop period and could potentially delay Basic Allowance for Housing (BAH) payments throughout the entire term and that is in the best case.

So without any sort of clause in this law that would protect veterans from penalties, from fees, and from any other measures resulting in delayed payments, the unintended consequence of this bill may be completely and totally destructive to veterans' academic careers and may act as even a disincentive for schools to go out and try to enroll veterans.

Additionally, the second part of this bill creates a per school standard for determining the maximum cost per credit hour based on full-time enrollment. Gentlemen, this is a regressive proposal and it violates the whole intent of the Post-9/11 Educational Improvement Act of 2010. That bill was meant to correct an error that the VA made when formulating the regulations for the Post-9/11 GI Bill.

In 2008, those regulations created 50 tuition caps and 50 fee caps that were not connected. It created a system where veterans could not predict what benefits they got. The benefits from State to State varied widely.

For example, in California, you could barely, in fact, you could barely attend public school whereas in Texas or New York, you could go to any private or graduate school you wanted under the GI Bill.

Moreover, tuition and fees under a cap system varied 700 percent between 2009 and 2010. They were unpredictable and, frankly, they were unsustainable, which is why we removed the tuition and fee caps which was the intent when the GI Bill was passed in 2008.

This simply adds potentially 30,000 tuition and fee caps, one per school, and it will disadvantage veterans for not going to school full time. The way that this works is it creates a cap based on full-time enrollment on tuition.

The language of the law is a little fuzzy on fees. So under the best case scenario, when fees are included in that equation and fees are not rated based on per credit hour, they are technically—they tend to be very standard whether you take five, ten, or twelve units.

If a student takes a full load, they will not notice the difference. They will not care. It will not matter to them. However, if they take less than a full load, they could be on the hook for hundreds of dollars because the fee charges do not reduce with the amount of credit hours you take.

And in my testimony, I have a chart that outlines how this math works.

I understand where I think Congress was going with this, but the math does not work out. And that is the best case scenario. And the worst case scenario, fees are not even mentioned and the student could be on the hook for the total cost of fees anyway.

Gentlemen, these calculations just do not work out. And we support streamlining the GI Bill. That is why we supported the House version of the Post-9/11 Educational Assistance Act, which was a much more robust bill, but the Committee chose not to push it forward. And so what we got was an incomplete version out of the Senate.

And I want to applaud this Committee for its very hard work in helping fix some of the errors that came out of that Senate bill. And we are looking forward to passing specifically H.R. 1383 this year.

I want to thank you for your time and your efforts, but, frankly, H.R. 2301 is fixing something that does not need fixing. The system that will take place August 1st actually will work much better administratively and was the original intent of the Post-9/11 GI Bill.

So I thank you for your time and attention and I look forward to taking any questions.

[The prepared statement of Mr. Tarantino appears on p. 37.]

Mr. STUTZMAN. Thank you, Mr. Tarantino.

Mr. Barker, you have 5 minutes.

STATEMENT OF SHANE BARKER

Mr. BARKER. Chairman Stutzman, Ranking Member Braley, and Members of this Subcommittee, on behalf of the 2.1 million members of the Veterans of Foreign Wars of the United States and our auxiliaries, I thank you for this opportunity to present our views on today's pending legislation.

In the interest of time, I will limit my remarks to a select number of bills before the Committee.

The VFW is pleased to support H.R. 120, the "Disabled Veterans Surviving Spouses Home Loans Act." This bill would extent VA home loan eligibility to surviving spouses of servicemembers who were disabled when they became deceased.

Regardless of the extent a deceased veteran may have been disabled, spouses should have access to VA home loan benefits. Few things could be more important to a surviving spouse than knowing they can remain in their home after the passing of a husband or wife and we strongly support this legislation.

The VFW does not support H.R. 240 which requires VA to use sole-source contracting methods when they can determine a veteran-owned small business can perform the necessary work. We are concerned that many such contracts may be routine and contracting officers may have some familiarity with established veteran-owed small businesses that would put others at a disadvantage.

VA should be focusing their energies on processing and validating applications more quickly and efficiently, which we believe is the best way to foster more successful veteran-owned businesses.

The VFW strongly supports H.R. 1263, which would amend the Servicemembers Civil Relief Act to protect the spouses of servicemembers who die on active duty from home foreclosure. Current law does not provide such protections and we believe that it should. Giving survivors this added protection is the right thing to do for those who have lost a loved one in defense of our country.

The VFW supports H.R. 1911, the "Protecting Veterans Homes Act of 2011," but believes it should go further to address the serious challenge of home foreclosure in the military.

Servicemembers and their families need options to renegotiate the terms of their loan agreement and a lender who will provide reasonable accommodations, not simply more time mired in an intractable situation.

We are particularly concerned about those serving in the Guard and Reserve as many take a pay cut and put their financial well-being at risk when they deploy.

My written testimony provides concrete suggestions to achieve this goal. We are adamant that military members should not lose their homes when they are making good-faith efforts to make payments on time, but are unable to meet their commitment solely because they made a choice to defend our freedom and security.

The VFW supports the intent of H.R. 2301, the "Streamlining Educational Claims Processing Act of 2011," but it should include specific protections for educational institutions who would disenroll students or limit their registration options until they receive payment from VA.

We all know that many veterans have experienced discord with VA and their college or university because invoices are not getting paid on time because of complications when they drop a class or when they deploy, for other reasons including initial implementation hiccups.

We want to see these and other problems addressed, but we also urge the Committee to be very cautious in their approach. In the short time since the Post-9/11 GI Bill was created, it has been altered significantly and this would be another significant change.

Veterans are struggling to keep up with these changes when they should be free to focus on their education. And because schools use a wide variety of methods to establish the length of a credit-worthy class, we are also concerned with the definition of credit this bill would use to prorate payments.

We hope the Committee will address these concerns when considering changes in an effort to bring equity to the Post-9/11 GI Bill once and for all.

Finally, the VFW supports H.R. 2329, the "Ensuring a Response for Servicemembers Act." This bill would address problems brought to light earlier this year by mandating that all major lending institutions must employ an SCRA compliance officer and by requiring the posting of a toll-free number on the main page of their Web site to connect servicemembers directly to specially-trained customer service professionals. It is a common-sense bill that we are pleased to support.

Mr. Chairman, this concludes my statement. I would be happy to answer any questions that you or Members of the Subcommittee may have.

[The prepared statement of Mr. Barker appears on p. 41.]

Mr. STUTZMAN. Okay. Thank you.

Mr. Steele, 5 minutes.

STATEMENT OF JEFF STEELE

Mr. STEELE. Chairman Stutzman, Ranking Member Braley, and distinguished Members of the Subcommittee, thank you for this opportunity for the American Legion to present its views on legislation pending before the Committee.

I will limit my remarks to three bills we would like to highlight for today's hearing.

In 2008, Public Law 110–389 authorized the Department of Veterans Affairs to award grants to the U.S. Olympic Committee to plan, manage, and implement an adaptive sports program for disabled veterans and disabled members of the Armed Services.

In addition, it authorized a monthly subsistence allowance to qualifying disabled veterans in training or competing for the Paralympics to help them more easily take part in competitive sports.

Furthermore, both were authorized during fiscal years 2010 through 2013. H.R. 2345 now before this Committee would extend these authorizations through 2018.

Since its foundation in 1919, the American Legion has identified as its most important issue the rehabilitation and reintegration of the disabled veteran. We are also strong believers in the physical and psychological benefits that come from involvement in sports and recreation.

Thus, we support such programs of the U.S. Olympic Committee to facilitate the rehabilitation and reintegration of our disabled veterans and servicemembers. We know that sports and physical activity can have a transformative effect on those with physical disability and the continued provision of funds will help to expand and provide greater access to sports programs for injured veterans and disabled members of the Armed Forces.

Therefore, the American Legion supports this bill.

H.R. 2329 seeks to encourage compliance with the Servicemembers Civil Relief Act by mandating that large lending institutions subject to the SCRA designate an employee as a compliance officer who is responsible for ensuring the institution's compliance with the provisions of the SCRA relating to the maximum rate of interest on debts incurred before military service and for distributing information to servicemembers whose obligations and liabilities are covered by those provisions.

In addition, it requires these lending institutions to maintain a toll-free telephone number and make such telephone number available on the primary interest Web site of the institution.

Earlier this year when a report that one of America's largest banks had been overcharging about 4,000 servicemembers on their home loans and had improperly foreclosed on the homes of 14 military families, we wholeheartedly joined the chorus of justifiable outrage about this shocking situation and called upon all financial institutions that handle mortgage for military families to review policies and practices to make sure they are obeying Federal law.

While the bank involved has issued a mea culpa and made efforts to reassure the men and women of our military their commitment to make this right, the episode makes it clear that further strengthening of the SCRA is called for. It is a national security imperative that servicemembers be able to fight this Nation's wars without having to worry about their rights being trampled at home.

The tragic stories of those who have been adversely affected by the failure of our financial institutions to play by the rules further highlight the necessity of enhancing the effectiveness of the legal and regulatory protections for our servicemembers and veterans.

The American Legion supports this bill.

Finally, H.R. 1263 would amend the SCRA to afford surviving spouses of servicemembers who die while in the military and whose death is service-connected the same protections against sale, foreclosure, and seizure of property currently applicable to their husbands who while in military service are unable to meet an obligation on real or personal property.

Military families serve our country with pride, honor, and quiet dedication. We know that every member of the military family sacrifices just as much for this country. When one member of the family goes to war, the whole family goes with them.

Currently spouses of servicemembers who have died while in the service have no mortgage protections leaving grieving families vulnerable to losing their home and being put out on the street. Extending mortgage foreclosure protection to surviving spouses will allow these families to explore their options so they may keep their home.

The American Legion supports this bill.

This completes my statement and I would be pleased to answer any questions you or the Subcommittee might have. Thank you.

[The prepared statement of Mr. Steele appears on p. 43.]

Mr. STUTZMAN. Okay. Thank you very much.

And, General, thanks for being here and I turn it over to you for 5 minutes.

STATEMENT OF MAJOR GENERAL DAVID BOCKEL, USA (RET.)

General BOCKEL. Thank you, Mr. Chairman and Members of the Subcommittee. The Reserve Officers Association thanks you for the invitation to appear and give testimony.

I am Major General David Bockel, Executive Director of the Reserve Officers Association. I am also authorized to speak on behalf of the Reserve Enlisted Association (REA).

Though contingency operations in Afghanistan and Iraq are expected to draw down, currently there are still high levels of mobilizations and deployments and many outstanding citizen soldiers, sailors, airmen, Marines, and Coast Guardsmen who sacrifice much in order to serve. It is important, therefore, that we do not squander this valuable resource of experience nor ignore the benefits that they are entitled to because of their selfless service to their country.

The legislation being discussed today shows support of our Guard and Reserve members, veterans, and survivors. ROA and REA support the passages of both H.R. 2274, introduced by Representation Bilirakis and H.R. 2301, introduced by Representative Stutzman,

both of which would provide better oversight and streamlining of the Post-9/11 GI Bill.

Currently many flaws exist in regards to the implementation of the GI Bill in part caused by a lack of oversight of the program. Many veterans are left to fall through the cracks of the Department of Veterans Affairs' system, many waiting months to receive benefits that they have earned.

Also it is essential to build a more concise system of payment for educational benefits from the VA under the GI Bill.

ROA and REA appreciate that Congress, the Administrative, and the U.S. Department of Defense have acknowledged the importance of family support including spouse support.

ROA and REA urge Congress to pass H.R. 120 introduced by Representative Virginia Foxx which would provide certain surviving spouses of veterans with eligibility to both housing loans and monthly dependency and indemnity compensation from the VA.

Spouses of deceased veterans must cope with the loss of the veterans while also getting their finances back in order and adapting to life without a partner. Furthermore, these spouses have made sacrifices for the United States and should be compensated for their losses.

Thus, ROA and REA firmly believe that spouses of deceased veterans should be able to receive both dependency and indemnity payments and eligibility for VA's Home Loan Guarantee Program.

Moreover, ROA and REA support expanding the eligibility of surviving spouses to receive the survivor benefit plan, dependency indemnity compensation payments with no offset.

ROA and REA encourage Congress to support H.R. 1263, which would amend the Servicemembers Civil Relief Act to provide surviving spouses with certain protections relating to mortgages and mortgage foreclosures.

Returning veterans often face new challenges upon their arrival home such as dealing with injury or having to find a new civilian job. For troops facing these hardships, getting their finances together to avoid foreclosure, sale, or seizure of their homes can seem almost impossible. And some of these protections provided in SCRA are set to expire at the end of 2012.

ROA and REA strongly support the passage of H.R. 1911, the "Protecting Veterans Homes Act," introduced by Representative Braley, which would permanently extend protections against foreclosure for servicemembers and would extend this grace period from 9 months to 12 months.

ROA and REA also request support of H.R. 2329, the "Ensuring a Response for Servicemembers Act," introduced by Representative Bill Johnson, which would amend SCRA to provide financial protection for servicemembers.

ROA and REA further recommend amending SCRA to broaden the types of leases and contracts which the person entering active duty can terminate without penalty and to forbid exorbitant overdraft fees and late fees for the deployed servicemembers.

As an aside, ROA Servicemember Law Center provides fee information regarding SCRA as well as other legal issues relating to

their service to all members of the military, their families, and counselors.

ROA and REA appreciate that the House passed H.R. 1657 in May, which revises the enforcement penalties for misrepresentation of a business concern owned and controlled by veterans or is a small business concern owned or controlled by service-disabled veterans.

ROA and REA support initiatives to provide small business owners with protection for their businesses to be sustained while on deployment.

As such ROA and REA ask for Congressional support of H.R. 240, which promotes jobs for veterans through the use of sole-source contracts by the VA in order to meet contracting goals and preferences of the VA for small business concerns owned by and controlled by veterans.

ROA and REA also support passage of H.R. 2302 introduced by Representative Stutzman that would require VA to inform Congress of conferences sponsored by VA.

ROA and REA believe this is a good way for Congress to stay informed of the VA's activities and interests, which leads to greater transparency.

Finally, ROA and REA support passage of H.R. 2345 introduced by Representative Stutzman, which would extend authorization for the Secretary of VA to pay a monthly assistance allowance to disabled veterans training for or competing for the Paralympic team as well as authorizes the Secretary to provide assistance to the United States Paralympics.

Once again, I would like to thank the Subcommittee for the opportunity to testify today. Please let me know if you have any questions.

[The prepared statement of General Bockel appears on p. 46.]

Mr. STUTZMAN. Thank you, General.

And I will begin the questions. And my first is to Mr. Tarantino.

You mentioned your opposition to H.R. 2301. If we would add a hold harmless provision and drop the section on deleting credit hours, would you change the position on the bill or what are some of your thoughts regarding that?

Mr. TARANTINO. I think the only way we would conceive of supporting this bill is dropping the credit hours provision and ensuring that there are Federal protections for students from incurring any penalties. That would be the only way we would conceive of it.

But overall, Congressman, I do not think this is necessary. A lot of the problems that came with processing the GI Bill was assigning structures to things that are by their own nature not very structured, things like tuition and fees. Tuition and fees, we have this loose understanding of what tuition is and this loose understanding of what fees are, but there is nowhere in any regulation or law is it defined.

And so that is why when you assign caps or a structure to this system, you end up getting outliers that affect thousands of veterans. And that was the biggest flaw with the VA's initial regulations.

Mr. STUTZMAN. So you do not think there is any problem with—I mean, I remember how it was. You change classes. You maybe

drop a class. Your bill is kind of fluctuating there for some time. Do you think there is a problem of overpayment anywhere or——

Mr. TARANTINO. I mean, when you talk about overpayment and underpayment, this is actually a much deeper problem and it even goes so far into that the Veterans Benefits Administration (VBA) and VA Debt Management do not even have a method of effectively communicating with each other.

I mean, and that is a whole other hearing that we could talk about it. I mean, up until a few months ago, they did not even have a phone number to call a guy from Debt Management and the guy in VBA . That is how bad it is.

Mr. STUTZMAN. Yes.

Mr. TARANTINO. But, again, that is a separate issue. I think it is worth further exploring this, but I think it needs to be thought out and looked at a little bit more because, again, we are talking about roughly 30, 40,000 institutions that all have similar but not exactly the same policies and procedures when it comes to add/drop dates, when it comes to fiduciary management, when it comes to student accounts.

And so if we are to put a structure on to something that is not very structured, we run the risk of causing a lot of outliers. And in the end, it could be and it usually is the students that pay the price.

So if we are going to explore changing the payments, I think it is worth discussing this a lot more and actually, and I hate to use the word, but really study how this is going to affect it before we do this.

Mr. STUTZMAN. Yes.

Mr. TARANTINO. You know, when we passed the GI Bill, it was the result of 2 years of discussion and thought and hearings and sort of working through, you know, ways that we can fix it.

So I think it is worth talking about and I think it is a discussion that Congress, the veteran, the student veteran community, the veteran community, and the higher education community I think actually come together and figure out a solution that works.

And I think that is a discussion that I know IAVA is extremely willing to have and I would hazard to say the higher education community would definitely like to have because I think ultimately what we want is a system that works for students and that both the VA and higher education find easy to administer. I think our goals are the same. So, yes, I think it is worth having this conversation more.

Mr. STUTZMAN. Okay. Thank you very much.

Mr. TARANTINO. Thank you.

Mr. STUTZMAN. And I am going to go ahead and yield to Mr. Braley.

Mr. BRALEY. To follow-up on that, Mr. Tarantino, you had testified that the bill as it currently exists will disadvantage veterans not going to school full time. Do you remember that?

Do you have any sense of the magnitude of those veterans as part of the overall veterans seeking educational assistance under this program?

Mr. TARANTINO. In sheer terms of numbers of veterans that are not attending the GI Bill full time, you can try asking the VA and they might get back to you sometime in 2025.

Mr. BRALEY. But you raised this concern.

Mr. TARANTINO. Right.

Mr. BRALEY. So I am interested in your perspective on how serious that problem is.

I can tell you I have about 3,000 Iowa National Guard soldiers who will soon be returning home from Afghanistan. Many of them hopefully are returning to jobs they had before they were deployed, but a lot of them in this high level of unemployment for Iraq and Afghanistan veterans, they will probably be looking at educational options.

And I assume that a lot of them are going to be working and going to school at the same time. So I am guessing a lot of them are going to fall into this. I am just interested in your perspective to support that statement in terms of how big that problem is.

Mr. TARANTINO. Without having hard core numbers, I would say it is a severe problem. I mean, and this is just anecdotal evidence from our membership. A significant number are taking school part time because you have to work.

I had a full ROTC scholarship and I had to work full time to get through college.

And so, you know, the nature of modern education and especially the nature of the Guard and the Reserve, you are going to have to take part time, especially when you are talking about the disabled student veteran population who may not be able to physically get through 15, 12 to 15 units.

So in a system where they are going to have to pay out of pocket because they cannot take a full load, that is a severe, severe problem.

Mr. BRALEY. Thank you.

Mr. Barker, you had raised a concern about H.R. 1911 in that it did not go far enough in terms of giving veterans the opportunity to try to negotiate lower terms during the period of a deployment. And so I have a couple questions for you.

You know, obviously we in Congress are dealing with the aftermath of a recession that was ignited in part because of home lending practices and because of that, home lenders are under great scrutiny in order to have credit-worthy loans to back up their portfolio.

Have you or anybody in the VFW or any other veterans service organizations (VSOs), are aware or reached out to home lenders as a group and asked them to be involved in structuring a solution to this problem that could or could not result in a legislative response?

Mr. BARKER. The short answer is not to my knowledge.

Mr. BRALEY. And what is your recommendation to us in terms of what types of options would best serve veterans in allowing them the ability to renegotiate terms of their loans with lenders who are in this predicament we find ourselves in?

Mr. BARKER. Sure. It is a simple concept, but it would require us to find a solution. The basic concept is when people, especially Guard and Reserve, are deploying and they take a tremendous pay

cut, to re-amortize their loans or just work out prior to deployment, you know, before people go have a negotiation in place, have an agreement in place that would reduce payments, you know, perhaps by the amount of income that they are losing because of their deployment for that time, for the time of their deployment and perhaps shortly thereafter so that they do not get behind on their payments, so that there is no negative credit impact.

The follow-on complications can be serious for many, many years. Even if a servicemember and their family has to leave their home, the complications do not end there. They continue on. So our idea is to give them the option and have willing participants, i.e. with the lending institutions to temporarily renegotiate the terms of their loan during the period of deployment.

Mr. BRALEY. I am not unsympathetic to the problem. In fact, I am very sympathetic to the problem. I can also tell you that the political reality of the world we work in is if you can bring stakeholders to the table to try to craft a solution before it gets to the legislative process, you are going to have a much better opportunity to get consensus on how you structure that.

I would just encourage all of the VSOs who are interested in this issue to work with you, reach out outside of the hearing that we are conducting today. I would be more than happy to work with you in trying to come up with a reasonable solution to this problem.

Mr. BARKER. We appreciate that wise counsel.

Mr. BRALEY. Mr. Steele, you had raised the issue about mortgage foreclosure protection for surviving spouses and we all know this is a huge issue.

And one of the things that I am interested in in terms of your recommendations is when you deal with this problem, you are dealing with the probate courts of 50 separate States who become involved in the death of any servicemember. You have the lending practices of the lenders themselves and how you take that loan with a surviving spouse who is probably a co-signer of the loan and becomes legally responsible.

So have you and the American Legion thought through how we can do a better job of helping surviving spouses wrestling with this in light of this legislation, know where they need to go to find their way through this maze and get to a result that works best for them?

Mr. STEELE. The short answer would be no, but we appreciate the question and that can serve as a prompt for giving thought to that question.

Mr. BRALEY. Great.

Mr. STEELE. So thank you.

Mr. BRALEY. We would welcome any suggestions you might have. This is a big, big challenge for mostly widows who are struggling to cope with a lot of changes in their lives and anything we can do to remove that burden from their plate would be greatly appreciated. So I would welcome that insight as well.

Mr. STEELE. Thank you.

Mr. BRALEY. Major General, I want to just ask you briefly. You had talked about the fact that there have been a number of calls received at the Servicemembers Law Center. Eighty percent of

those calls were on Uniformed Services Employment and Reemployment Rights Act (USERRA).

Can you just briefly share with us what the main items of concern were that were coming in on those calls?

General BOCKEL. We receive approximately 500 calls a month and these are, you know, the first line of defense for the Guard and Reserve and their ombudsman. If they cannot find relief there, we are the only other source they have. And most of them are USERRA, as we mentioned.

And as to specifics, do they fit in any particular category, I cannot really tell which ones are which, but somebody who was denied employment, somebody who was not put back in a position they would have attained had they stayed. I cannot tell you how many of those there are.

But we do get a certain number of SCRA calls. And interestingly, I was discussing with majority counsel earlier a government agency that deals with credit protection setting up a separate branch to deal with SCRA issues.

So it has reached a level that the Federal Government beyond just this law is taking an interest in. Of course, we will be involved in that as well.

Mr. BRALEY. If the organization has the capability of categorizing and quantifying the nature of those calls, that could be of benefit to us in helping us understand the nature of the concerns and where the major attention needs to be focused. We would appreciate receiving that.

General BOCKEL. I will make sure that we send you a summary depending if you just want a——

Mr. BRALEY. Absolutely.

General BOCKEL [continuing]. Snapshot of a particular month or a 6-month period or quarter, something like that. I will gather that information and we will have it back over to you.

[General Bockel subsequently provided the following information:]

2011 ROA Servicemember's Law Center Stats as of 10/25/11

Subject	January	February	March	April	May	June	July	August	September	October	November	December	Total
	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total
USERRA	161	180	288	337	295	223	187	296	272	0	0	0	2,239
State Leave Laws	1	0	2	3	0	7	0	1	5	0	0	0	19
Federal Leave Laws	3	5	1	5	5	3	0	7	6	0	0	0	35
SCRA	15	24	6	13	15	15	95	3	14	0	0	0	200
Military Family Law	5	45	2	1	3	6	2	9	15	0	0	0	88
Military Personnel Admin	4	7	8	5	5	12	27	32	29	0	0	0	129
VA Benefits	4	3	5	1	4	5	8	1	2	0	0	0	33
Military Voting	85	50	33	74	60	97	95	140	80	0	0	0	714
Veterans Preference	0	0	2	5	5	2	2	19	3	0	0	0	38
Military Justice	2	1	1	1	0	1	1	0	0	0	0	0	7
Ethics Rules	0	0	0	0	0	0	0	0	0	0	0	0	0

Personnel Law (Federal)	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	8	6	13	9	19	9	13	13	29	0	0	0	119
Total	**288**	**321**	**361**	**454**	**411**	**380**	**430**	**521**	**455**	**0**	**0**	**0**	**3,621**

Mr. BRALEY. Thank you.

With that, I will yield back. Thank you.

Mr. STUTZMAN. Mr. Johnson.

Mr. JOHNSON. Thank you, Mr. Chairman.

First of all, I would like to thank all of you for your support of H.R. 2329.

Do you believe, and I have heard in your testimony, I think I know the answer to this, but just want to make sure, do you believe this legislation will be effective in assisting servicemembers, veterans, and their families to receive more effective and responsive assistance from lending institutions regarding their mortgages?

I know we have heard some horror stories in previous hearings. Any of you, all of you.

Mr. TARANTINO. I will go ahead and start, Congressman.

Yes. One of the biggest problems with the SCRA that we have seen out in the wild is that nobody knows about the SCRA.

You know, a few weeks ago, I attended a veterans and law conference at the John Marshall Law School in Chicago and the biggest complaint from lawyers around the country, especially law clinics, is that most employers, they just do not know about the provisions of the SCRA. This is largely because, you know, prior to 2001, we had a 20-year period where it was pretty much a peacetime military and these issues just did not come up as much. Now they do and the business community is way behind in catching up.

So I think this is a really sensible way to ensure that the institutions that could potentially hurt veterans the most and hurt servicemembers the most have a clear and nondescript way to have access to not just the information but actually the protection of the SCRA.

So we thank you very much for the legislation.

Mr. BARKER. I think we believe it is a clear indication from Congress that you are taking it seriously, which we very much appreciate. We want to be a part of that and we do think it will help.

Mr. JOHNSON. Good. Any recommendations on anything else that we can add that would strengthen the bill to make sure that our servicemembers, veterans, and their families are protected where they engage with the lending institutions?

Mr. BARKER. I think I would suggest that it may be best to see how this goes and take it from there, but we think it is a great start.

Mr. JOHNSON. Okay. Good.

With that, Mr. Chairman, I yield back.

Mr. BRALEY. Mr. Chairman, may I just follow-up with the gentleman's comment about awareness and follow-up with Mr. Tarantino on that?

Mr. STUTZMAN. Sure.

Mr. BRALEY. I am a big fan of self-help. I wonder if any groups or whether you collectively have considered reaching out to the U.S. Chamber. They had representatives testify in front of this Subcommittee about the possibility of doing some public service announcements (PSAs) on the specific issues that you have identified, Mr. Tarantino, that were raised at this conference on how employers are lacking basic information about the law and how it func-

tions. But they certainly have a lot of resources and those type of PSAs should not be that expensive to put together, but I can tell you I have never seen any type, a similar type of a PSA run. And with the high volume of returning unemployed veterans, I think it would be something worth exploring.

Mr. TARANTINO. I mean, I know that the Chamber has been incredibly proactive in helping veterans not just with employment but also with information. That had not occurred to me. I think that is actually an excellent idea. And, I mean, that is definitely something we can look into.

And, I mean, the Chamber has been one of the best partners in the last 2 years in helping veterans with employment issues. And so it is something that I think would be worth further discussion.

Mr. STUTZMAN. Okay. Thank you to each of you for being here. That completes our first panel discussion. And I thank you again for your testimony and for your participation.

Our second panel is comprised of Dr. Susan Aldridge, President of University of Maryland's University College, who is here representing the American Association of State Colleges and Universities (AASCU), and also Mr. Arthur Kirk, Jr., the President of Saint Leo University, who is here representing the National Association of Independent Colleges and Universities (NAICU), and welcome them to the table.

Thank you to both of you for being here today. And, Mr. Kirk, we will start with you for 5 minutes to hear your testimony.

STATEMENTS OF ARTHUR F. KIRK, JR., PRESIDENT, SAINT LEO UNIVERSITY, SAINT LEO, FL, ON BEHALF OF NATIONAL ASSOCIATION OF INDEPENDENT COLLEGES AND UNIVERSITIES; AND SUSAN C. ALDRIDGE, PH.D., PRESIDENT, UNIVERSITY OF MARYLAND, UNIVERSITY COLLEGE, ADELPHI, MD, ON BEHALF OF AMERICAN ASSOCIATION OF STATE COLLEGES AND UNIVERSITIES

STATEMENT OF ARTHUR F. KIRK, JR.

Mr. KIRK. Thank you, Chairman Stutzman, Ranking Member Braley, and Members of the Subcommittee. I appreciate having the opportunity to appear today to discuss pending legislation dealing with the Post-9/11 GI Bill.

I am, as you heard, Art Kirk, President of Saint Leo University.

Saint Leo University is an independent Catholic university founded in 1889. It offers over 40 undergraduate and graduate degree programs on its residential campus in Florida and to adult students on 16 military bases in six States, to students in all States and overseas through our Center for Online Learning, and on ten Florida community college campuses.

Saint Leo University enrolled 4,743 veterans during the past academic year, 2,790 or 59 percent of whom were chapter 33 or Post-9/11 veterans. The University awarded 678 associate, bachelor, and graduate degrees to our veterans. The University also educated 5,026 active-duty military and Reservists during the course of this last academic year. All tolled, this equals 37 percent of the students who took at least one course with us during the year.

I represent today my University, one of the leaders in educating our veterans and active-duty military, but I also represent the member institutions of the National Association of Independent Colleges and Universities, an organization that represents the diversity of private, nonprofit higher education in the United States.

The bill that I will address today is H.R. 2301, which would change the reimbursement procedures for veterans and colleges and universities.

This bill would reduce the need for the Department of Veterans Affairs to make adjustments to their payments for veterans. However, it would also clearly increase the need for adjustments that would have to be made at the school level for other financial aid for veterans, particularly title 4 student financial aid.

Program participation would become much more complicated both for the veteran students and for schools. Issues related to billing and to the assignment of responsibility for payment will be less clear. The management information systems in most schools will require reprogramming, but the more likely solution will be more manual adjustments.

A particular concern is the impact this change would have on small colleges and the veterans who choose to attend them. While I would be quite pleased if every veteran looking for a college were to choose Saint Leo, I also deeply believe in the goal of the GI Bill to give veterans the widest choice possible of educational options.

Over half of our Nation's private, nonprofit colleges have fewer than 5,000 students and a quarter have fewer than 2,000. Many veterans choose to attend these institutions. While they serve only a fraction of the veterans that we do at Saint Leo, these schools will struggle with more new procedures and consequent cash flow problems.

The typical semester is 15 weeks. This bill would move payment from the beginning of the semester when most students' accounts are collected to 30 days after the semester ends. That is 19 weeks in which to wait for payment. The school will, of course, have had to pay all of their faculty and staff and other bills during that time.

The problem will not necessarily be limited to small schools. The medium endowment of private, not-for-profit colleges is about $18 million. Indeed, while Saint Leo was not small 14 years ago, we found our cash flow was tight year round at that time. Delayed payment would have been a hardship for us. Thankfully we would now have the cash reserves to handle this.

Another concern for many small colleges would be coping with changing procedures. Among other things, these changes would involve things such as manually voiding late payment fees and future registration blocks, which are automatically set when a student's bill is not paid.

Saint Leo has several experts to handle the many different services and administrative procedures for veterans. We also have personnel who train other staff in these procedures. Small colleges or colleges with relatively few numbers of veterans will not have these expert resources.

At Saint Leo University, we are already implementing a system we believe will resolve the problems this bill seeks to address. We are implementing a two-step veteran certification process.

Our veteran certifying officers will enter the veteran as a student, but will certify zero tuition and fees in VAOnce, the VA GI Bill database system, at the semester's start. This allows the veterans to receive their housing and living stipend.

After the period for adding and dropping the course ends, we will then reenter in VAOnce and add the tuition and fee charges for all the courses in which the veteran is actually enrolled.

In summary, there are some pluses to H.R. 2301. Student accounts do stabilize after add/drop deadlines. So if passed, the bill would provide a truer picture in most cases.

The VA would pay after the term, so debt collection letters to the students or the institutions would decline significantly. Every one of those letters must be researched.

However, on the downside, cash flow to institutions and veterans would be problematic for many. More title 4 aid adjustments for veterans' accounts are likely to be needed. It will be hard to pay title 4 credit balances to students since they will not have a credit on their account from the VA. Veterans would face difficulties registering in many colleges without payment in advance or in places like Saint Leo without the bill settled for the previous term before the next term begins.

Many colleges and university information systems will not be able to accommodate these changes without at least some reprogramming.

Greater confusion about who owes what, the veteran, the VA, or title 4 will ensue. Schools will not know what VA will pay or what to bill the veteran. Such confusion increases the barriers to successful completion for our vets.

We believe that the problems that H.R. 2301 is intended to solve would be better addressed if greater efforts were made to work within the framework the institutions now use to deliver financial aid to their students.

We believe, for example, that Saint Leo's approach will have no adverse effects on the veterans and will reduce the need for billing adjustments by the VA. An approach like ours or others that may be devised by other colleges would offer a better solution.

Saint Leo, NAICU, and many others in the higher education community stand ready to assist the Subcommittee in identifying ways to serve our veterans effectively and efficiently.

Thank you.

[The prepared statement of Mr. Kirk appears on p. 50.]

Mr. STUTZMAN. Thank you, Mr. Kirk.

And, Dr. Aldridge, thank you for being here. Five minutes for your testimony.

STATEMENT OF SUSAN C. ALDRIDGE, PH.D.

Dr. ALDRIDGE. Thank you, Chairman Stutzman, Ranking Member Braley, and distinguished Members of the Subcommittee.

My name is Susan C. Aldridge and I am the President of the University of Maryland, University College. And today I represent and present the perspective of the American Association of State Colleges and Universities or AASCU.

The University of Maryland, University College has a 64-year history of serving the military and veterans both stateside and

overseas. Of our 94,000 students, we serve 50,000 active-duty servicemembers and veterans. Even today as I speak, we are on the ground in Afghanistan and in Iraq delivering face-to-face courses to active-duty servicemembers.

In summary, AASCU's written statement regarding H.R. 2301 points out that there is a need to streamline the claims process for the payment of VA education benefits. However, the bill as introduced, while well-intended, has the potential to harm rather than benefit student veterans.

I will now bring your attention to three areas of concern identified by AASCU.

First, a delay in payment up to 30 days after the end of the quarter, semester, or term is unprecedented and in many cases will prohibit student veterans from enrolling in subsequent courses until payment has been made by the VA. This puts student veterans at a significant disadvantage in comparison to their civilian contemporaries and will unnecessarily delay their time to degree.

With our younger veterans facing high rates of unemployment, we cannot afford to impede their academic progress.

Second, if H.R. 2301 as introduced is made law, institutions, particularly public institutions, may be faced with unpalatable prospects of requiring student veterans to pay out of pocket until funding is received from the VA.

The increasing budget cuts faced by public institutions do not provide for a reasonable expectation that tuition and fees can be deferred past the end of the term. Out-of-pocket costs will be prohibitive for an unknown but surely high number of veterans who cannot afford to pay these fees up front.

Third, soon after the passage of the Post-9/11 GI Bill, institutions brought on additional staff and invested in new technologies to meet the demands of direct payments by the VA to the institutions. Given the increasing regulatory demands on institutions of higher education, the prospect of having to make further investments is daunting and may not be a feasible option for many of the State colleges and universities that are members of AASCU.

AASCU member institutions have proudly answered the call since the passage of the original GI Bill. We understand and have responded to the challenges faced by student veterans and take great pride in having them in our classrooms. Their success is of great importance to the future of this great country and we owe all that we have to offer to them.

Therefore, we ask the Committee to reconsider this legislation. At a minimum, we ask that time be taken to work with organizations such as Partnership for Veterans Education to give thoughtful deliberation to the impact that this bill would have on the timely and affordable attainment of a college degree for those who have so bravely served and unselfishly served in defense of our Nation and its citizens.

Thank you very much for this opportunity.

[The prepared statement of Ms. Aldridge appears on p. 53.]

Mr. STUTZMAN. Thank you for being here.

And I will start the questioning. To either one of you, would you agree that the vast majority of changes in enrollment that trigger a transaction with VA happen during the add/drop period and, if

so, rather than delay payment until the end of the semester, what if the bill directed the VA to pay after the drop/add period?

Mr. KIRK. One, we think that the vast majority of changes in a student's schedule and, hence, charges would occur during that add/drop period and that that would be a positive step and I think reduce significantly the charges back and forth.

Dr. ALDRIDGE. Certainly the students' records will be cleaner at that point in time. There are some institutions that are members of AASCU that have 8-week terms, so the time frame is very tight in terms of that 30-day window.

So depending upon when drop/add occurs, we are still dealing with a fairly tight window if the State requirements for payment require that the students have their payments paid in full prior to registering for the next term.

So I think that is at least a viable option to consider, but we would need to go back and talk to our members about that, particularly with those institutions that have shorter length terms.

Mr. STUTZMAN. Okay. The number of paperwork transactions between the VA and the schools contributes to the high level of frustration with the Post-9/11 GI Bill by all parties. Your organizations obviously do not like H.R. 2301.

So how would you suggest we fix the problem and are your members willing to continue the current process?

Mr. KIRK. I can certainly speak for my institution and I think the vast majority, if not all the members of the Independent Colleges and Universities, that we will continue with the current process and work diligently with whatever process is required of us.

Again, we have devised a solution in terms of not billing the VA until after add/drop. That goes into effect in our 8-week term that begins on August 1st. We think it is going to significantly reduce the number of transactions.

It does put an added burden on us because now for every veteran, we are making two entries into the system, but I think all of our schools, public and private, are absolutely committed to serving our veterans as best we can.

Mr. STUTZMAN. That is your school has chosen to wait to bill until after the drop/add date?

Mr. KIRK. Yes. Because, you know, the issues that the VA is facing at the end of the term also impact the institutions. Every one of those debt letters and transactions has to be researched back and forth. So we are trying to ameliorate the problem by implementing this ourselves and are hoping it is going to be a significant improvement.

Mr. STUTZMAN. Do you know if any other schools have chosen to make the same decision that you have?

Mr. KIRK. I do not. I would not be surprised that a number of other schools have because our veteran certifying officers are talking through list serves and that kind of thing. And we all recognize there is a problem here.

Dr. ALDRIDGE. I concur with my colleague, Mr. Kirk. I think the institutions are absolutely committed to these veteran students and want to do whatever they can to both ameliorate some of the paperwork issues but keep these students in school.

Many of the institutions have tackled the administrative burden with a variety of different creative solutions, which is one of the reasons that I think it will be best for us to sit down and look at some of the creative solutions that institutions have come up with to alleviate the burden and simultaneously not harm the student or prevent them from continuing their education.

At our institution, we allow students to register for the second term and do not prevent them from continuing until the outstanding balance is still outstanding after the second term. We have shorter terms, however, than some institutions. And so institutions that have a 15-week term could not do that most likely.

So I would really encourage an ongoing discussion about this because I think there are some creative ideas that are out there that might both address the issue that you are trying to address through this legislation and also continue to protect the student and their ongoing education.

Mr. STUTZMAN. If your semester is shorter, is your add/drop date, does that come earlier——

Dr. ALDRIDGE. Yes.

Mr. STUTZMAN [continuing]. In the semester——

Mr. KIRK. Yes.

Dr. ALDRIDGE. Yes. That's right.

Mr. STUTZMAN [continuing]. Than it would in our semester? Okay. Thank you.

I will yield to Mr. Braley.

Mr. BRALEY. Well, let me thank both of you for the extraordinary efforts both of your institutions are making to educate our Nation's veterans.

Mr. Kirk, let me start with you. You stated that cash flow would be a problem for many institutions.

Do you have any sense of how much money we are talking about would be impacted at an average institution?

Mr. KIRK. It would be sheer speculation. But for many of our small colleges with 1,000, 1,200, 2,000 students, they might have 40 or so veterans. And those colleges are most likely to face cash flow issues year round. They are small. As I indicated, average endowment $18 million. Not a lot of reserves there, so it could definitely have an impact on some institutions.

Mr. BRALEY. You also stated that it would be better to work within the existing framework that institutions now use to deliver financial aid to students.

Are you stating that the VA should use the Department of Education's system instead of their own?

Mr. KIRK. No. I think we all understand that the VA has made a considerable investment, but I think bringing the Department of Education title 4 financial aid folks into the conversation because it will have impact on the veterans' title 4 financial aid, which they are eligible for, so that we are all at the table and we do not have unintended consequences of solving a problem here but creating a bigger one over there because the veteran will be in the middle.

Mr. BRALEY. What is it that is keeping everybody from being at the same table now?

Mr. KIRK. I cannot answer that question, sir. I certainly volunteer my services and the services of my experts on campus to par-

ticipate in that conversation. And I know that the National Association of Independent Colleges and Universities would be happy to help put that conversation together.

[Mr. Kirk subsequently provided the following information:]

We are currently processing our first semester/term dealing with the net payer issues, which I believe is what I was referring to.

Title IV aid is excluded from the net payer issue so VA students will have their tuition paid by the VA plus receive their Title IV Aid. The problem we are seeing is state aid such as FRAG and Bright Futures. These students cannot receive both and were caught off guard by that. It may not be that they were not informed of the changes by the VA, but they probably just did not understand the impact. We have weekly team meetings with our veterans folks from the registrars area, our centers, student accounts and financial aid staff to develop methods of identifying and reporting students with financial aid so the Veteran Certification Officers will know how much to certify with the VA.

The other big problem we are experiencing is with the payments coming from the VA. It is taking hours of staff time to match payments up to students. Amounts don't match and payments are coming from different regional processing offices and even being deposited to the wrong back accounts. We do hope to see a reduction over time now that we are not certifying until after drop/add.

Mr. BRALEY. Dr. Aldridge, how would the VA benefit from adapting the Department of Education's common origination and disbursement system in your opinion?

Dr. ALDRIDGE. I do not know the specific details of how the two systems work together, but I certainly would be willing to have my staff who work on both of those processes, work with you. Because we have so many students, I would be happy to have them work with the staff to address whatever the issues are that you deem appropriate. And I know that the AASCU staff and other institutions would meet with you as well.

Mr. BRALEY. If you would be willing to check on that and provide us any feedback that you get from them, we would appreciate that.

Dr. ALDRIDGE. I will.

[The AASCU subsequently provided the information in the answer to Question #1 of the Post-Hearing Questions and Responses for the Record, which appear on p. 70.]

Mr. BRALEY. Based upon your experience and talking to your peers around the country who deal with these challenges, is it your opinion that schools are unwilling to work with veterans and the Veterans Administration to accept payment in arrears?

Dr. ALDRIDGE. No. I think there are difficulties at the institutions right now. Many State institutions have lost 20, 30, 40 percent of their State allocations for funding because of the State budget cuts.

So many of these institutions have significant financial problems, not just capital infrastructure issues, but the general public does not want to pay more for an education, and simultaneously the appropriations from the States have decreased significantly. I think at this critical point in time, cash flow is an issue for that reason.

These institutions appreciate having the veteran students on their campuses. Most of these campuses have added additional staff, have changed processes, have changed mechanisms in their IT systems in order to accommodate the new requirements, and have added new services and support systems, have worked with Wal-Mart and others who have offered grants to help them with special projects on their campuses to support these students.

So I think there has been a genuine committed effort to support these warriors, particularly these individuals who are coming back from Iraq and Afghanistan, who need much more support than students that we have seen in the past. And I think I am seeing a renewed commitment on the part of the campuses to do everything they can.

Mr. KIRK. I hesitate to speak for public institutions, but my understanding in the State of Florida is the Florida public institutions are prohibited from carrying balances for students. So——

Mr. BRALEY. By State law?

Mr. KIRK. I do not know whether it is law or policy.

Dr. ALDRIDGE. Yeah.

Mr. KIRK. I cannot say, but I know that they are prohibited.

Dr. ALDRIDGE. Yes.

Mr. KIRK. So the institution itself does not have the option.

Dr. ALDRIDGE. Allow me to address that. It is not a State law, but there are different governing councils in each of the different States. Many of the governing boards for universities do not allow them to carry debt as a State institution. And so they have very severe restrictions in terms of how long they can carry a student debt.

So that is our biggest concern in each of these States. Many of them are required, we are required, for example, by the State of Maryland to send students to collections within a specific period of time.

So the students will not be allowed to register if that payment has not been made unless they pay out of pocket. And most of these students are not able to pay out of pocket. That is our greatest concern.

We can probably work through many of the other logistics that need to be worked through, but there are some cumbersome requirements State by State that really prevent the institutions from having bad debt from individuals that have not paid.

Mr. BRALEY. Well, given the extensive involvement that the University of Maryland has with veteran students, if the university were required to carry all of those veterans' unpaid balances, do you have any sense of how much money that would be?

Dr. ALDRIDGE. We have not been able to calculate that, but I assure you we are working on that.

Mr. BRALEY. Okay.

Dr. ALDRIDGE. It would not be insignificant.

Mr. BRALEY. If you are able to quantify that in some way and share that with the Committee, that would be much appreciated.

And I will yield back at this time.

Dr. ALDRIDGE. We will do that.

[The AASCU subsequently provided the information in the answer to Question #2 of the Post-Hearing Questions and Responses for the Record, which appear on p. 70.]

Mr. STUTZMAN. Mr. Johnson.

Mr. JOHNSON. Thank you, Mr. Chairman.

You mentioned a two-step process at Saint Leo that would be a better solution than the one that exists currently.

What is that process?

Mr. KIRK. Again, at the point at which the veteran enrolls, we would enter the VA system, indicate that the veteran had enrolled, but put that they enrolled in zero credit. The veteran then would begin to receive their housing and support checks.

At the end of the add/drop period, we would then enter the system after they had added or dropped any courses. We would reenter the system and enter the actual courses that they were enrolled in after add/drop because there is a lot of movement among students from the point of registration to the end of the add/drop period.

This would at least eliminate for the VA having to reconcile any of the dropped courses or the added courses and so forth.

Mr. JOHNSON. In other words, you would get a jumpstart on the administrative process of getting the veteran enrolled?

Mr. KIRK. And we have to make a one-step process a two-step process, but it saves, we think, so much time at the end for everyone on our side as well as the VA that we are very hopeful it is going to significantly ameliorate the problem for the vast majority of our veteran students.

Mr. JOHNSON. Okay. How does the Department of Education pay title 4 funding? Is there anything we can learn from them to make the GI Bill process simpler for students and schools and the VA?

Mr. KIRK. I certainly think so because they have been at it now for over 50 years and process much larger sums, hundreds of millions of dollars to every institution. So I am sure there are things that we can learn.

I would not consider myself an expert in title 4 by any stretch of the imagination. It is a very involved process that starts with the financial aid form to determine the amount of aid for which a student is eligible.

The institution then packages it, Pell Grants, potentially institutional grants, State grants, and loans based on the amount the student is eligible for including if they are getting funds from the VA. We cannot over-award financial aid. We cannot give them more than that form has indicated that they are eligible to receive.

Those monies come to the institution. The balances for tuition and, if appropriate, room and board costs are applied to the student's bill. The excess for living expenses, books perhaps, and so forth must be refunded to the student within 5 days.

But if I go any farther, I am going to exceed my ability to really accurately describe that system. But they will be involved because many of our veterans also are receiving some title 4 financial aid and it is part of the process. So having them at the table will be very helpful.

Mr. JOHNSON. Got you. Okay. Well, thank you very much.

I yield back the balance of my time.

Mr. STUTZMAN. Any further questions?

Okay. Thank you very much for your testimony and for answering the questions that we had. It has been very helpful.

And we will move on to the next panel

Mr. KIRK. Thank you.

Dr. ALDRIDGE. Thank you.

Mr. STUTZMAN. Our third panel is comprised of Mr. Curtis Coy, the Deputy Under Secretary for Economic Opportunity of the De-

partment of Veterans Affairs. And Mr. Coy is accompanied by Mr. John Brizzi, Deputy General Counsel for the U.S. Department of Veterans Affairs.

And welcome to both of you. Thank you for being here. And we will begin with your testimony. Mr. Coy, you have 5 minutes.

STATEMENT OF CURTIS L. COY, DEPUTY UNDER SECRETARY FOR ECONOMIC OPPORTUNITY, VETERANS BENEFITS ADMINISTRATION, U.S. DEPARTMENT OF VETERANS AFFAIRS; ACCOMPANIED BY JOHN BRIZZI, DEPUTY ASSISTANT GENERAL COUNSEL, OFFICE OF GENERAL COUNSEL, U.S. DEPARTMENT OF VETERANS AFFAIRS

Mr. COY. Good morning, Mr. Chairman, Ranking Member Braley, and Members of the Subcommittee.

I appreciate the opportunity to appear before you today for the very first time on behalf of the Department of Veterans Affairs to discuss bills that would affect our housing and education programs as well as our mission of service to our Nation's veterans.

I am accompanied today by Mr. John Brizzi from the VA Office of General Counsel.

Four of the bills you are considering today would affect the VA Home Loan Program.

H.R. 120, the "Disabled Veterans Surviving Spouses Home Loans Act," would expand eligibility for VA's Guaranteed Home Loan Program to surviving spouses of certain totally disabled veterans who pass away due to nonservice-connected causes. This law would give a covered veteran the peace of mind that his or her surviving spouse will be able to receive VA home loan benefits regardless of the veteran's cause of death.

VA cannot offer a position on this bill at this time, however, because we have not had the opportunity to determine the full effect of this bill on the Veterans Benefits Housing Program fund. VA will provide an estimate of the cost of this bill at a later date.

[The VA provided the costs for H.R. 120 in the answer to Question #2 of the Post-Hearing Questions and Responses for the Record, which appear on p. 72.]

Mr. COY. The other three bills that would affect the VA Home Loan Program are all proposed amendments to the Servicemembers Civil Relief Act.

H.R. 1911, the "Protecting Veterans Home Act, "would extend the period of time for which SCRA mortgage protections would apply from the current 9 months to 12 months and make this permanent.

H.R. 1263 would expand SCRA protections to the surviving spouses of servicemembers whose deaths are service-connected. Currently those protections apply only to active-duty servicemembers.

H.R. 2329 would require lending institutions to designate an SCRA compliance officer and larger institutions maintain a toll-free telephone hotline.

VA generally supports any measures that will help servicemembers and veterans preserve their homes, but we will defer to the Department of Defense on the merits of these particular bills.

Two of the bills before you affect VA education benefits.

H.R. 2274 would require that VA and the Department of Defense report on the Post-9/11 GI Bill. VA would be required to report information about utilization of educational assistance and expenditures under chapter 33 as well as the number of credit hours, certificates, degrees, and other qualifications earned by chapter 33 beneficiaries.

Further, VA would need to make recommendations for administrative and legislative changes to the delivery of education benefits.

In general, we concur with the requirement to report annually on the Post-9/11 GI Bill and we have already notified schools that we will be requiring this information on the majority of the items in this bill.

H.R. 2301 proposes a number of changes to the VA Education Program. First, it would define educational terms of quarter, semester, or term and full-time pursuit as they are established by the schools themselves.

VA does not support this portion of the bill as drafted because it would allow each educational institution to establish a definition for a quarter, semester, or term. Allowing educational institutions to establish their own definitions would add an additional level of complexity to understanding the program.

Currently VA has standards regarding how many weeks of training constitute quarters and semesters.

Second, H.R. 2301 would require VA to pay educational institutions for Post-9/11 GI Bill expenses at the end of the quarter, semester, or term. Currently we make lump sum payments to educational institutions upon receipt of the enrollment certification from the school.

We generally support this section of the bill. We believe this amendment would minimize the probability of overpayments of educational assistance under the Post-9/11 GI Bill. Requiring VA to hold tuition and fee payments to the end of the enrollment period would allow educational institutions time to submit or provide updates or changes. However, holding the claim open for such a period would by definition increase the amount of time it takes for the VA to complete the claim.

VA is also concerned about the effective date of the legislation because schools begin submitting enrollment certifications as early as the month of June for terms that begin in August. If VA has already processed enrollment for terms beginning after 1 August of this year, educational institutions may have already received those payments.

Therefore, we recommend postponing the effective date of this provision until August 1, 2012.

VA requests clarifications on Section 4 of H.R. 2301 and we have requested specific guidance in my written statement. And we would be happy to work with the Committee to fully and effectively implement this section of the bill.

[VA failed to provide the costs for H.R. 2274 and H.R. 2301.]

Mr. COY. I will discuss three other bills that involve VA programs.

H.R. 2345 would extend VA's authority to assist the United States Paralympics with adaptive sports programs for disabled vets and disabled members of the Armed Forces by 5 years. It would

also extend VA's authority to award monthly assistance allowance to veterans training or competing with the U.S. Paralympics team by 5 years.

Extending these authorities would allow VA and the U.S. Paralympics to continue developing their adaptive sports programming while building stronger relationships with partner organizations and allowing veterans to continue their rehabilitation for years to come.

Subject to availability of funding, we fully support these extensions.

H.R. 240 would require contracting officers to enter contracts with service-disabled veteran-owned or veteran-owned small businesses for all VA procurements under $5 million.

VA opposes this legislation because the proposed language would be too restrictive and take discretion for necessary business judgments away from VA contracting officers.

Furthermore, in pursuit of this existing authority, VA has consistently achieved its socioeconomic contracting goals for service-disabled veteran-owned and veteran-owned small business. We consider it likely that VA would pay higher prices over time for contracts awarded under the $5 million threshold.

Finally, H.R. 2302 would require VA to notify Congress in advance of certain covered conferences by VA that would cost the Department at least $5,000.

VA opposes this bill because it would impose burdensome notification and reporting requirements on the Department and would not add any value to VA's existing conference review process.

It would also discourage legitimate and beneficial conference activities including in-person gatherings within VA with other Federal agencies, VSOs, and veterans' advocates and businesses encouraged to hire veterans.

The definition of covered conferences captures the majority of operational meetings in VA's day-to-day business.

Mr. Chairman, this concludes my prepared remarks and I would be pleased to respond to your questions or any from the other Members of the Subcommittee.

[The prepared statement of Mr. Coy appears on p. 57.]

Mr. STUTZMAN. Thank you, Mr. Coy.

I will begin the questions. What is the percentage of schools that enroll 100 or fewer veterans? Do you have any idea?

Mr. COY. Yes, sir. For Post-9/11 schools, there are about 5,500 schools. Of those, only 15 percent have enrollment of 100 or more veterans. Of all schools, there are about 9,500 schools that participate in the GI Bill and 92 of those schools have student veteran enrollment over 1,000.

Mr. STUTZMAN. Okay. So roughly 85 percent of schools enroll 100 or fewer veterans?

Mr. COY. Fewer than 100, yes, sir.

Mr. STUTZMAN. Okay.

Mr. COY. And of those schools, of Post-9/11 GI Bill schools, those 5,500 schools, only 21 of them have enrollments over 1,000. And of those 21, about 6 of those 21 are full-up online schools.

Mr. STUTZMAN. Okay. So not necessarily like a University of Phoenix or something——

Mr. COY. Yes, sir.

Mr. STUTZMAN [continuing]. Relative? Okay. Do you think that any of these colleges or these schools would experience a serious cash flow problem or a significant increase in administrative effort if the delayed payment provision did become law?

Mr. COY. I have to take a look at what the cash flow is for those schools. I would point out that we generally pay full tuition costs for those schools in terms of how much they would have to float. We would have to look at that and I can certainly get you that for the record, sir.

[The VA subsequently provided the following information:]

VA does not have information on cash flow problems or other administrative difficulties related to smaller institutions. Therefore, VA defers questions pertaining to cash flow problems or administrative difficulties regarding H.R. 2301 to the educational institutions.

Mr. STUTZMAN. Do you have any idea what kind of impact H.R. 2301 would have on the number of students who have overpayments to VA?

Mr. COY. I can get you the exact amount of students that are currently in that category. I do not have it in front of me. I am not thinking it is that many, but I do not have the number in front of me.

Mr. STUTZMAN. Okay. And then also any idea on what dollar amount in overpayments?

Mr. COY. No, sir. I do not have that information in front of me, but I will be happy to provide that to you in a written response.

[The VA subsequently provided the following information:]

Debt Summary for VA Education Programs as of September 30, 2011		
Program	Number	Amount
Chapter 33 Students	156,652	$160,395,245.15
Chapter 33 Schools	40,328	$57,355,406.26
Chapter 30	42,654	$66,873,898.71
Chapter 1606	12,332	$8,873,858.42
Chapter 1607	4,350	$5,084,319.47
Chapter 35	24,823	$31,187,993.08

Mr. STUTZMAN. Okay. Yes. That would be very, very helpful if that information would be available.

Why did the VA choose not to adopt the Department of Education's benefit management system?

Mr. COY. Their payment process? The short answer, sir, is that I am not sure and I will look into it. But it is my understanding that they are two entirely different processes in the way they award money to students. But I will be happy to provide that for the record.

Mr. STUTZMAN. Would there be any potential capability of or compatibility between the two systems or just——

Mr. COY. The short answer is I do not know, but I will be happy to find that out. I do not know much about Department of Education's payment system but will shortly.

[The VA subsequently provided the following information:]

VA has considered the feasibility of employing a system similar to the Department of Education's (ED) COD system. In 2008, VA met with ED for a demonstration of its system. At that time VA was still developing detailed business requirements but knew we would need a system that could do the following:

1. Issue payments both to students and schools though Treasury after approval;
2. Allow VA to tie and track payment information to a specific Veteran;
3. Allow VA to establish accounts receivable and transfer all debt information to the VA Debt Management System;
4. Allow VA employees to enter adjustments to beneficiaries; and
5. Maintain detailed accounting information at the beneficiary level.

After meeting with ED, VA determined that the COD system would not meet all of our requirements.

On June 30, 2011, representatives from VA and ED met to discuss their respective programs and to get a better understanding of each system. From this meeting, VA determined that the systems were incompatible. Major differences exist in the way the programs are administered, which preclude VA from adopting ED's COD system.

Mr. STUTZMAN. Okay. Regarding the cost of conferences, further scrutiny of the VA not a bad thing for taxpayers, is it?

Mr. COY. I am not sure of the question, sir.

Mr. STUTZMAN. If we would, as far as the conferences go and with further scrutiny and transparency of the cost of the conferences that the VA has, that they would spend on a conference, I do not believe further scrutiny is a bad thing. Would the VA hold a different position? Obviously you are opposed to the bill, and why?

Mr. COY. I have invited Susan Blauert to come forward and answer that specific question on the conferences.

Ms. BLAUERT. I am Susan Blauert. I am Deputy Assistant General Counsel in the Office of General Counsel.

And what our views are laid out as are really a concern about the breadth and scope of the bill and the impact that the covered conferences as defined would have.

I do not think we are opposed to transparency per se. We just have concerns about the breadth and scope of these particular requirements.

Mr. STUTZMAN. Well, how do you think it would discourage conferences if this bill would pass?

Ms. BLAUERT. How, I do not——

Mr. STUTZMAN. I believe in the testimony that the VA opposes the section and one of the reasons was that it would discourage conferences. Let me see if I can find that right off.

Do you have that? Where was that at?

Okay. Opposes it because it would discourage conferences and has too low of a threshold for reporting the expenditures of a conference.

I mean, obviously $5,000 is a low threshold, but the transparency, I believe, is very important. And it seems like some of the conferences have exceeded what most taxpayers would believe to be appropriate.

Would you agree with that?

Mr. BRIZZI. Mr. Chairman, I will try and address this matter.

VA certainly has no objection in any way to transparency. And we believe that we are already transparent as to our expenditures for conferences.

But what this does is put us in a position where, even if we are going to conduct a very small conference, we may not necessarily be able to meet one of your requirements, which is to provide notice to the Congress 180 days in advance of that.

We may simply be in a shorter time frame on organizing some meetings that we believe would fall under your criteria as it presently is drafted primarily, because it is an "or" situation versus "and." If any one of the three criteria would apply, then we would be subject to this advanced reporting.

We certainly have no problem with reporting. I do not want you to think that in any way that VA is reluctant to be providing this information.

Mr. STUTZMAN. Well, I think I understand why you may feel that the thresholds may be tying your hands a little bit more than necessary, but I think the point is that we are trying to get at, with the fiscal situation that we are in, eliminating frivolous, wasteful conferences that really appear to be extravagant in spending.

The information that I have here is that there was a conference in Scottsdale, Arizona, where the VA paid a contractor over $99,000 and extended the conference over a weekend. I mean, that typically does not go on hopefully within government agencies, but it does not make sense right now at a time when we are trying to control spending in Washington. And this is the type of action that we are trying to get at.

Mr. BRIZZI. Certainly. I cannot disagree with you. We can respond to that particular matter for the record if you would like.

[The VA subsequently provided the following information:]

The VA Schedule of Rating Disabilities (VASRD) forum held in Scottsdale, Arizona, from January 25 to February 4, 2011. These conferences are required as part of the VASRD update, and it is impossible to complete the update of the VASRD without them. VA attempts to complete updates for four to six body systems each year, and the nature of the body systems is such that each body system requires a completely different group of attendees and medical experts. VA attempts to hold the conferences in the part of the country closest to the experts we need for the particular body system we are updating.

This particular conference was not extended over the weekend. It was always scheduled to last for 2 weeks. This is all part of our effort to accelerate the VASRD update process and better serve our Nation's Veterans. We completed two body systems the first week of the conference and two different body systems the second week. The expert personnel, doctors, raters, VSOs, and other participants for each of the weeks were different, so none of the technical staff or experts were held over the weekend. One group left Friday night, and the next group arrived on Sunday night. We kept our support staff in place, because it was cheaper to keep them there than fly them back to DC Friday night and then back to Arizona on Sunday night. The support staff worked the entire weekend to complete the documents and finalize the first two body systems and then set up everything for the second conference. The entire conference was planned to make the best use of resources.

Mr. STUTZMAN. That would be fine.

Mr. BRIZZI. Thank you.

Mr. STUTZMAN. Any further comments?

Okay. I will yield to Mr. Braley.

Mr. BRALEY. Just a few questions. Mr. Coy, what are the main differences in how the VA pays for tuition versus how the Department of Education pays for tuition?

Mr. COY. The short answer, sir, is that I am not entirely clear on how Education does their payment system. And I will certainly find out and provide that to you for the record.

I think Mr. Brizzi can shed some light on how Education pays its grants.

[The VA subsequently provided the following information:]

Few differences exist in how tuition is paid by the Departments. Both VA and ED send payment information to Treasury who will then release the payments. Both VA and ED have the ability to pay by check or by EFT. ED has more advanced automated tools that schools can use to reconcile payments received to accounts.

Mr. BRIZZI. It is not so much a matter of us choosing one particular system, simply because we like our system better.

The statutes are vastly different. The two programs are different in their organization, in their requirements, and in some respects in the specific purpose for which they are provided.

So this is not a new discussion, obviously. This has been brought up many times before and VA's position has always been, to my memory, that depending on how we are authorized to operate under the statute, that is the way we proceed.

Mr. BRALEY. I understand that these types of rationales are offered and have been offered for years, but we spend a lot of time here talking about the concept of interoperability and how government agencies communicate with one another.

If there is a problem that deals with how you streamline payment for educational funding that serves a similar purposes and if the agencies are not talking to each other about how they could coordinate and streamline those payment systems, then we are failing to do our job because those statutes can also be amended. The regs that implement those statutes can be amended.

If there are better ways to serve veterans and make sure they are getting payment for educational benefits they are entitled to, I am willing to take that responsibility on.

Mr. BRIZZI. I also agree with that. We certainly do have relationships with, and communications with, the Department of Education. I think what I am trying to indicate is that we would be in some respects trying to fit a square peg into a round hole if we tried to adopt and follow Education's procedures.

Mr. BRALEY. Right. And in my experience, Mr. Brizzi, a lot of times, those square pegs cannot be fitted into a round hole because the people who have the knowledge base to solve that problem much as they solved that problem during the Apollo 13 mission are not talking to each other and oftentimes come to us requesting a legislative response without a consensus decision on how we can do it better.

So I guess the message I am sending today is that I welcome input from people who have talked to people in the Department of Education about how we on this Committee can help improve and streamline the payment systems, achieve a common purpose, and do what is important to get our veterans the educational assistance they earned.

And with that, I will yield back. Thank you.

Mr. STUTZMAN. Okay. I think that is all the questions that we have from the Subcommittee.

I want to thank you for being here and for your answers. If you could submit the information that we had asked for and were not able to give an answer that would be helpful and we will look forward to that.

And as always, we are grateful for all the witnesses who took time and their effort to present their testimony.

I would like to remind the Subcommittee that we will hold a markup next week on Thursday, the 14th at 10:00 a.m.

And, finally, I would ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks. Hearing none, so ordered.

And this hearing is adjourned.

[Whereupon, at 11:42 a.m., the Subcommittee was adjourned.]

APPENDIX

Prepared Statement of Hon. Marlin Stutzman, Chairman, Subcommittee on Economic Opportunity

Good morning. We are here to receive testimony on nine bills, including bills by Ranking Member Braley and me, as well as other Members. These bills cover a variety of issues ranging from the Servicemembers Civil Relief Act to the VA–U.S. Paralympics program. As always, we ask witnesses to summarize their statements and to observe the 5-minute rule.

I introduced H.R. 2301 to reduce the administrative burden on both the VA and the schools as a means to speed up processing by cutting down on the number of transactions per student due to changes in enrollment. The bill would direct VA to pay chapter 33 tuition and fees after receiving a bill from a school reflecting all changes in enrollment during the academic period.

The testimony I have reviewed makes it clear, that some institutions may have concerns because of cash flow and other reasons.

I would point out that veterans make up less than 10 percent of all college students for many schools. But witnesses have pointed out other problems, some due to State laws and regulations and technical issues such as needing to update schools' IT systems and varying lengths of academic periods.

To that end, the two major stakeholders in this process—VA and the schools—need to come together and figure out how to make this work. The schools have a right to expect payment, but they also have an obligation to their veterans to adjust their processes.

We cannot write a bill that will account for every variation in how schools operate. On the VA's part, perhaps it is time for VA and the Department of Education to adopt a common payment system to make things easier on the schools. One thing I can promise you is that this will not be the last time we meet on this issue.

I have also introduced H.R. 2302; a bill that would require VA to report the estimated costs of conferences and any other type of meeting that meet certain thresholds.

The bill would also require VA to report the final costs of those conferences. While I have no objection to bringing together VA staff and others at a conference, I believe a measure of transparency on the costs is important.

Finally, the VA–U.S. Paralympics program appears to be meeting the goals set out in Public Law 110–389. In that law, former Chairmen Buyer and Filner saw the benefit of using sports as part of rehabilitating injured servicemembers.

Initial indications confirm the program has brought hundreds of disabled veterans back to adaptive sports and we are seeing a few of them succeed even at the elite levels. Therefore, I believe it is important to see this program continue. My bill would extend this program through FY 2018.

I look forward to hearing from today's witnesses on all the bills and I now yield to the Ranking Member, Mr. Braley.

Prepared Statement of Hon. Bruce L. Braley, Ranking Democratic Member, Subcommittee on Economic Opportunity

The bills included in today's hearing represent some of the current critical needs veterans have such as foreclosure protections for servicemembers and spouses, veterans small business contracting opportunities, housing loans for surviving spouses of disabled-veterans, and the need to extend Paralympics funding.

I am pleased that one of the bills we will be discussing today is H.R. 1911, the *Protecting Veterans' Homes Act,* a bill I introduced to help veterans returning from combat who are facing foreclosure of their homes. This legislation would protect vet-

erans from being foreclosed upon by banks and would give these soldiers time to get their finances in order after long deployments.

Our veterans often return from combat only to face new challenges. Whether it's an injury or a financial crisis caused by long deployments and time off from their civilian jobs, our veterans deserve to know that we're standing up for them. This bill will give our soldiers enough time to get back on their feet and get their finances in order before being kicked out of their homes. This is the least we can do for the brave men and women who serve this country.

Providing veterans the opportunity to succeed means that we must generate the programs or benefits that will allow them to establish small businesses, careers, or a home. One of the major hurdles veterans face when they become civilians is that while they are on active duty their personal lives and careers are put on hold, while their civilian counterparts don't have these challenges. Their service to our country can make it difficult to obtain a home loan, successfully compete for Federal contracts, or even put them at risk of losing their home in the event of financial difficulty.

Today's bills recognize the many challenges that our veterans face. I look forward to today's discussion on how these bills will help veterans overcome some of the challenges they face and welcome any ideas on how to improve them.

Prepared Statement of Tom Tarantino, Senior Legislative Associate, Iraq and Afghanistan Veterans of America

Mr. Chairman, Ranking Member, and Members of the Committee, on behalf of Iraq and Afghanistan Veterans of America's 200,000 Member Veterans and supporters, I thank you for inviting me to testify at this hearing to share our members' views on these important issues.

My name is Tom Tarantino and I am the Senior Legislative Associate with IAVA. I proudly served 10 years in the U.S. Army beginning my career as an enlisted Reservist and leaving service as an Active-Duty Cavalry Officer. Throughout those 10 years, my single most important duty was to take care of other soldiers. In the military, they teach us to have each other's backs. Although my uniform is now a suit and tie, I am proud to work with this Congress to ensure the entire country has the backs of America's servicemembers and veterans.

Bill #	*Name/Subject*	*Sponsor*	*Position*
H.R. 120	Disabled Veterans' Surviving Spouse Home Loans Act	Rep. Foxx	Support
H.R. 240	Preferential VA Contracts to Veteran Businesses	Rep. Filner	Support
H.R. 1263	Mortgage Protections for Surviving Spouses	Rep. Filner	Support
H.R. 1911	Protecting Veterans' Homes Act	Rep. Braley	Support
H.R. 2274	Annual Reports on the NGIB to Congress	Rep. Bilirakis	Support
H.R. 2301	Streamlining Education Claims Processing Act of 2011	Rep. Stutzman	Oppose
H.R. 2302	Reports to Congress on VA Conferences	Rep. Stutzman	No Position
H.R. 2329	SCRA Transparency for Financial Institutions	Rep. Johnson	Support
H.R. 2345	Extension of Benefits to Veteran Paralympians	Rep. Stutzman	Support

H.R. 2301—Streamlining Education Claims Processing Act of 2011

IAVA opposes H.R. 2301. Although we believe that this legislation was well intentioned, it could, in its current form, result in late fees or non-payment charges for student veterans, may cause them to be barred or disenrolled from their academic programs, and cause veterans to pay a bill that the Government promised to cover.

The bill seeks to move VA educational assistance payments made to educational institutions to the end of the term. However, without a clause protecting the veteran from penalties, fees, and other measures resulting from the delayed payment, the unintended consequences from this bill may be destructive to some veterans' academic careers, and will act as a disincentive for schools to enroll veterans.

This measure will likely disadvantage veterans who are attending college less than full-time. The proposed measure forces schools to total tuition and fee costs and divide them by what the school determines as "full-time" in order to establish the school's "cap." Students attending full-time will never notice the difference. However, part-time students will be short-changed because fees are typically charged at a flat rate regardless of how many units a student takes.

For Example: John attends a university that charges $2400 in tuition per term. Additionally, there are $2500 in health, student life, and facilities fees that are charged per term. Full time is 12 units at this school.

Under the proposed formula, John would have a $408 per credit hour cap.

$2400 Tuition + $2500 Fees = $4900 per term/12 Units = $408 per credit hour cap

If John takes a full load at 12 units:

$2400 Tuition + $2500 Fees= $4900 per term—(12 Units x $408) = ***$0 charged to the veteran per term***

But if he only takes 8 units:

$1600 Tuition + $2500 Fees= $4,100 per term—(8 Units x $408 cap= $3264) = ***$836 charged to the veteran per term***

IAVA supports streamlining GI Bill processing at the VA to help veterans get their benefits in a more expedient and uncomplicated fashion. However, such efforts must be done with the veteran beneficiaries in mind. Reducing bureaucracy at the VA is important, but it cannot occur at the veterans' expense.

Mr. Chairman, Ranking Member, and Members of the Committee, on behalf of Iraq and Afghanistan Veterans of America's 200,000 Member Veterans and supporters, I thank you for inviting me to testify at this hearing to share our members' views on these important issues.

My name is Tom Tarantino and I am the Senior Legislative Associate with IAVA. I proudly served 10 years in the U.S. Army beginning my career as an enlisted Reservist and leaving service as an Active-Duty Cavalry Officer. Throughout those 10 years, my single most important duty was to take care of other soldiers. In the military, they teach us to have each other's backs. Although my uniform is now a suit and tie, I am proud to work with this Congress to ensure the entire country has the backs of America's servicemembers and veterans.

Bill #	***Name/Subject***	***Sponsor***	***Position***
H.R. 120	Disabled Veterans' Surviving Spouse Home Loans Act	Rep. Foxx	Support
H.R. 240	Preferential VA Contracts to Veteran Businesses	Rep. Filner	Support
H.R. 1263	Mortgage Protections for Surviving Spouses	Rep. Filner	Support
H.R. 1911	Protecting Veterans' Homes Act	Rep. Braley	Support
H.R. 2274	Annual Reports on the NGIB to Congress	Rep. Bilirakis	Support
H.R. 2301	Streamlining Education Claims Processing Act of 2011	Rep. Stutzman	Oppose

Bill #	*Name/Subject*	*Sponsor*	*Position*
H.R. 2302	Reports to Congress on VA Conferences	Rep. Stutzman	No Position
H.R. 2329	SCRA Transparency for Financial Institutions	Rep. Johnson	Support
H.R. 2345	Extension of Benefits to Veteran Paralympians	Rep. Stutzman	Support

H.R. 120—Disabled Veterans' Surviving Spouses Home Loans Act

IAVA supports H.R. 120. Allowing the spouse of permanently disabled veteran to be recognized as a veteran when applying for a home loan is the least that we can do to recognize the sacrifices made by our military families. Permanently disabled veterans have the unfortunate fate of enduring physical and emotional hardships—but they don't agonize alone. This bill will provide a small measure of comfort toward easing the new emotional and financial challenges after the death of their veteran. Passing this bill will create a valuable respite for surviving spouses in providing a safe home for their families, and for themselves.

H.R. 240—Preferential VA Contracts to Veteran Businesses

IAVA supports H.R. 240. This bill ensures that contracting officers bypass usual competitive procedures for awarding contracts, if qualified veteran owned businesses are competing for the contract. If passed, IAVA believes that this bill can be an effective means in attempting to reduce veteran unemployment and increasing the success of the over 2.2 million veteran-owned small businesses nationwide.

H.R. 1263—Mortgage Protections for Surviving Spouses

IAVA supports H.R. 1263. We believe that expanding Servicemembers Civil Relief Act (SCRA) protections to surviving spouses is necessary to help ease the already heavy burden born by our Gold Star families. Currently, the SCRA protects military members from having to suffer the sale, foreclosure, or seizure of property, if the failure to meet their obligation resulted as a consequence of their military service. This bill seeks to extend these same protections to the surviving spouses of military servicemembers who die while in the service or as a result of a service-connected injury. Surviving spouses dealing with the loss of their servicemember should not have to fear the loss of their vehicle or home in a time of mourning and crisis.

H.R. 1911—Protecting Veterans' Homes Act

IAVA strongly supports the Protecting Veterans' Homes Act. In 2008, IAVA fought to extend foreclosure protections for veterans from 9 to 12 months. During these difficult economic times, foreclosure rates in military towns increased at four times the national average, and homelessness reached 107,000 veterans on any given night. IAVA believes that permanently extending these protections can be instrumental in reducing both foreclosure rates and homelessness among veterans. Giving veterans 3 more months to keep their homes and shelter their families is a small but meaningful step towards reducing these staggering statistics.

H.R. 2274—Annual Reports on the New GI Bill to Congress

IAVA supports H.R. 2274. By mandating yearly, separate information from the Secretary of Defense and the Secretary of Veterans Affairs, Congress stands to receive multifaceted reports regarding the Post-9/11 GI Bill's effects on retention levels in the Armed Forces, its span to non-active duty personnel, current efforts to expand knowledge of the Post 9/11–GI Bill, and levels of utilization and certificates or degrees earned under the bill. Recommendations from both secretaries will help identify improvements in the administration of the New GI Bill to better serve our Next Greatest Generation.

H.R. 2301—Streamlining Education Claims Processing Act of 2011

IAVA opposes H.R. 2301. Although we believe that this legislation was well intentioned, it could, in its current form, result in late fees or non-payment charges for

student veterans and may cause them to be barred or disenrolled from their academic programs.

The bill seeks to move VA educational assistance payments made to educational institutions to the end of the term. However, without a clause protecting the veteran from penalties, fees, and other measures resulting from the delayed payment, the unintended consequences from this bill may be destructive to some veterans' academic careers, and will act as a disincentive for schools to enroll veterans.

Additionally, the second part of the bill creates a per-school standard for determining maximum cost per credit hour rates based on full-time enrollment. This is a regressive proposal that completely violates the intent of the Post-9/11 Educational Improvements Act of 2010. That bill was supposed to remove the overly complicated, confusing and unsustainable tuition and fee structure.

This measure will likely disadvantage veterans who are attending college less than full-time. The proposed measure forces schools to total tuition and fee costs and divide them by what the school determines as "full-time" in order to establish the school's "cap." Students attending full-time will never notice the difference. However, part-time students will be short-changed because fees are typically charged at a flat rate regardless of how many units a student takes.

For Example: John attends a university that charges $2400 in tuition per term. Additionally, there are $2500 in health, student life, and facilities fees that are charged per term. Full time is 12 units at this school.

Under the proposed formula, John would have a $408 per credit hour cap.

$2400 Tuition + $2500 Fees= $4900 per term/12 Units = $408 per credit hour cap

If John takes a full load at 12 units:

$2400 Tuition + $2500 Fees = $4900 per term—(12 Units x $408) = ***$0 charged to the veteran per term***

But if he only takes 8 units:

$1600 Tuition + $2500 Fees = $4,100 per term—(8 Units x $408 cap= $3264) = ***$836 charged to the veteran per term***

The suggested calculation forces institutions to set a cap per credit hour, which, at an equal fee amount, favors full-time over less than full-time enrollment and could result in higher out of pocket expenses for part-time student veterans.

IAVA supports streamlining GI Bill processing at the VA to help veterans get their benefits in a more expedient and uncomplicated fashion. However, such efforts must be done with the veteran beneficiaries in mind. Reducing bureaucracy at the VA is important, but it cannot occur at the veterans' expense.

H.R. 2302—Reports to Congress on VA Conferences

IAVA has no position on H.R. 2302

H.R. 2329—SCRA Transparency for Financial Institutions

IAVA supports H.R. 2329. We believe that this bill will result in greater transparency and ease for servicemembers to make use of their rights under the Servicemembers Civil Relief Act (SCRA). SCRA provides significant benefits to the brave men and women who serve in our Armed Forces at a time of great stress and uncertainty. By requiring lending institutions to have a named compliance officer to verify the institution's adherence to SCRA provisions, H.R. 2329helps to ensure that our deployed warriors do not have to return home to illegal foreclosures and repossessions. Veterans should not have to fight another war to have things returned to them that should never have been taken in the first place.

H.R. 2345—Extension of Benefits to Veteran Paralympians

IAVA supports H.R. 2345. This bill extends the VA's allowance to veteran Paralympians to 2018. These men and women have sacrificed so much for their country. Supporting these brave and talented Americans is the right thing to do, and showcases the amazing drive and resilience that this generation of warriors have to offer society.

Prepared Statement of Shane Barker, Senior Legislative Associate, Veterans of Foreign Wars of the United States

MR. CHAIRMAN AND MEMBERS OF THIS COMMITTEE:

On behalf of the 2.1 million members of the Veterans of Foreign Wars of the United States and our Auxiliaries, the VFW would like to thank this committee for the opportunity to present its views on these bills.

H.R. 120, Disabled Veterans' Surviving Spouses Home Loans Act

The VFW is pleased to support H.R. 120, which would further extend VA home loan eligibility to surviving spouses of servicemembers who were disabled at the time of death. VFW believes that regardless of time and level of disability of the deceased veteran, the spouse should be provided access to VA home loan program benefits. We hope the Committee enacts this legislation so as to benefit spouses, especially at a time when home loans are more difficult to finance.

H.R. 240, To amend title 38, U.S.C., to promote jobs for veterans through sole source contracts by the Department of Veterans Affairs

The VFW does not support this legislation. By insisting that VA grant sole source contract when the contract officer determines that a veteran-owned small business can fulfill the contract requirements, meets the cost threshold and that the contract is a fair and reasonable price, it would appear that veteran-owned small businesses would be granted an advantage. However, many of the projects that would fall into this contract category are routine contacts and contracting officers will have familiarity with established veteran-owned small business, putting new veteran-owned small businesses at a disadvantage of securing a contract because the contracts will go to the known businesses. Also, by reducing competition, truly identifying a fair and reasonable price might be lost for the contracting officer.

An alternate solution for promoting veteran-owned small businesses would be to ensure that VA has the resources necessary to process applications from veteran-owned small businesses more quickly, so these companies can be verified and added to the database of veteran-owned small businesses, which is a requirement to secure a contract as a veteran-owned small business.

H.R. 1263, To amend the Servicemembers Civil Relief Act to provide surviving spouses with certain protections relating to mortgages and mortgage foreclosures

The VFW supports this legislation as it would protect spouses of servicemembers who die on active duty from foreclosure. Current law does not provide these protections; this bill would close that loophole. We believe that making this small change is the right thing to do for those who have lost a loved one in defense of our country.

H.R. 1911, Protecting Veterans' Homes Act of 2011

The VFW supports this legislation, but believes it could go a step further to address the serious challenge of home foreclosure for the men and women of our military who are struggling to keep their homes. Servicemembers and their families need options to renegotiate the terms of their loan agreement, and a cooperative partner in the effort. Adding an additional 3 months onto the mortgage protection period does not produce either of those conditions. We are particularly concerned about the Guard and Reserve components, because many take cuts in pay and put their financial well-being at risk when they deploy.

We are so concerned that we believe serious thought should be given to amending the Servicemembers Civil Relief Act in such a way to reduce mortgage payments on a scale that reflects the loss of income for those who experience salary decreases during and immediately after deployments. Our military members should not lose their homes if they are making good faith efforts to make payments on time, and are falling short of meeting their commitments solely because they are defending the freedom and security of this Nation. Servicemembers should have the option to contact their lender before a deployment to inform them and make arrangements for reduced payments during the deployment so they can keep their homes and give their families less to worry about while they are away. This can be achieved by amending title 50, U.S.C. by inserting a new subsection (b) in Section 533 that would incorporate this language.

Veterans are not looking for a free ride. They do, however, want the civilian world to understand and appreciate their unique circumstances. We hope to see legislation to provide a meaningful solution to this persistent challenge.

H.R. 2274, To amend title 38, United States Code, to direct the Secretary of Veterans Affairs and the Secretary of Defense to submit to Congress annual reports on the Post-9/11 Educational Assistance Program, and for other purposes

The VFW supports this legislation, as it creates a congressional reporting mandate for both the Secretary of Defense and Secretary of Veterans Affairs with regard to the successful use of chapter 33 GI Bill benefits. Under previous iterations of the GI Bill—particularly chapter 30—both departments were mandated to report to Congress regularly on usage, enrollment and successful completion of GI Bill-financed programs. However, no such provision currently exists under chapter 33. These periodic reports and the information contained in them are critical to demonstrating success and identifying potential shortcomings within the program.

H.R. 2301, Streamlining Education Claims Processing Act of 2011

The VFW supports the intent of this bill to streamline the payment process for student-veterans utilizing the Post-9/11 GI Bill and to minimize the paper trail for VA. However, the VFW would encourage the Committee to include explicit protections for veterans against any hindrances in their ability to continue their education, such as threats of disenrollment or restrictions from class registration while schools await payment from VA. When the Post-9/11 GI Bill was implemented and initial tuition payments were delayed, the VFW, our partners within the veterans' community, VA administrators, and even Members of this committee received scores of complaints from veterans that schools were either threatening them with disenrollment or barring their registration for the subsequent semester's classes. While barring veterans from enrollment may seem like a public relations nightmare for colleges and universities, we have already seen it once before, and it took a concerted effort on the part of the veterans' community to ensure that each individual school did not hold their veterans accountable for the shortcomings of the VA's payment system. The VFW also notes that VA must be allowed proper time to implement any such changes to their processing and payment programs, with proper notification to the universities and student-veterans of the pending policy change.

The Post-9/11 GI Bill is only 2 years old, meaning the first students to take advantage of the program have not even earned their degrees yet. However, Congress continues to look for ways to change the benefit and its delivery mechanisms, whether it is through changing the break payment system, adjusting tuition rates, creating new tuition caps, and now potentially overhauling the payment system. The VFW urges restraint in further manipulating the Post-9/11 GI Bill until we can gauge the initial success of the program, which was designed to simplify the process for veterans seeking to earn a college degree, but recently has proven to be a headache for veterans struggling to understand how and why the benefit keeps changing.

H.R. 2302, To amend title 38, United States Code, to direct the Secretary of Veterans Affairs to notify Congress of conferences sponsored by the Department of Veterans Affairs.

The VFW supports this bill, mandating reports to Congress on conferences hosted or sponsored by VA. While the VFW acknowledges the benefits to VA and its employees of periodically hosting professional development seminars to remain at the forefront of relevant industries, the VFW agrees that Congress should have oversight on how VA chooses to conduct such events. During a time when Americans have called on Congress to demonstrate fiscal responsibility, the VFW believes that VA can demonstrate its solidarity with the American people by improving transparency with Congress.

H.R. 2329, Ensuring a Response for Servicemembers Act

The VFW supports H.R. 2329, the Ensuring a Response for Servicemembers Act. Earlier this year we learned that J.P. Morgan Chase Bank had violated the Servicemembers Civil Relief Act by charging interest on home loans above the cap that act mandates. It also came to light that representatives that servicemembers contact over the phone often are not fully aware of SCRA rules and regulations, and thus, are not providing the customer service that our servicemembers need. This bill will mandate that major lending institutions must have a compliance officer to ensure

SCRA laws are fully met. It will also ensure access to company representatives who are aware of what protections servicemembers have under the law by mandating a free number, available on the homepage of these institutions, is established to link them to specially trained customer service professionals. This is a common sense bill that we are happy to support.

H.R. 2345, To amend title 38, U.S.C., to extend the authority of appropriations for the Secretary of VA to pay monthly assistance allowance to disabled veterans training or competing for the Paralympic Team

Extending the assistance allowance for veterans who are training for the Paralympics will allow those veterans who are training or competing in competition to focus more of their time on training, as well as assist in showcasing the types of adaptive sports that are available and the benefits they hold for all disabled veterans. The VFW sees this as a small cost to promote recovery and healthy lifestyles for all veterans and we are happy to support this legislation.

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

Prepared Statement of Jeff Steele, Assistant Director, National Legislative Commission, American Legion

EXECUTIVE SUMMARY

H.R. 120	**Legion supports**
H.R. 240	**Legion supports**
H.R. 1263	**Legion supports**
H.R. 1911	**Legion supports**
H.R. 2274	**Legion suggests improvements**
H.R. 2301	**Legion supports**
H.R. 2302	**Legion has no position**
H.R. 2329	**Legion supports**
H.R. 2345	**Legion supports**

Chairman Stutzman, Ranking Member Braley and distinguished Members of the Subcommittee:

Thank you for this opportunity to submit The American Legion's views on the legislation being considered by the Subcommittee today. We appreciate the efforts of this Subcommittee to address the different needs of the men and women who are currently serving and those who served during past conflicts.

H.R. 120: Disabled Veterans' Surviving Spouses Home Loans Act

Includes as a veteran, for purposes of eligibility for housing loans guaranteed by the Department of Veterans Affairs (VA), the surviving spouse of a veteran who at the time of death was in receipt of or entitled to compensation for a service-connected disability rated totally disabling if: (1) the disability was so rated for 10 or more years preceding death; (2) the disability was so rated for at least 5 years since the veteran's discharge or release from active duty; or (3) the veteran was a former prisoner of war who died after September 30, 1999, and the disability was so rated for at least 1 year preceding death. Requires any applicable VA housing loan fee to be collected from such spouse.

Generally, VA pays Dependency and Indemnity Compensation (DIC) to the surviving spouses of military servicemembers who die while on active duty, and to surviving spouses of veterans whose death resulted from service-related causes. These surviving spouses are also eligible for VA Home Loan Guaranty Benefits.

DIC also may be paid to surviving spouses of veterans who were totally disabled from service-connected conditions at the time of death, even though their service-connected disabilities did not cause their deaths. Such surviving spouses qualify according to the same criteria used in H.R. 120. Although, these qualifying surviving spouses are eligible for the same DIC benefit as those above, they are *not* eligible for similar VA Home Loan Guaranty Benefits. H.R. 120 would correct this inequity.

The American Legion supports this bill.

H.R. 240

To amend title 38, United States Code, to promote jobs for veterans through the use of sole source contracts by Department of Veterans Affairs for purposes of meeting the contracting goals and preferences of the Department of Veterans Affairs for small business concerns owned and controlled by veterans.

This legislation is simple; it changes one word in title 38 § 8127(c). It changes the word "may" to "shall" and is intended to reemphasize the priority of place of veteran-owned small businesses in the awarding of certain contracts by the Department of Veterans Affairs.

It is vital that veteran-owned and service-disabled veteran-owned businesses receive a fair and proportionate share of Federal contracts, especially from the agency whose primary function is to help veterans—the VA, so these veterans can build and maintain successful businesses.

To that end, The American Legion supports legislation that supports and develops veteran and service-disabled veteran-owned businesses, while providing them equal opportunity to start and/or grow a small business, including establishing numerical goals for all veterans to compete in government procurement. We believe this legislation serves that end.

The American Legion supports this bill.

H.R. 1263

Amends the Servicemembers Civil Relief Act to afford surviving spouses of servicemembers who die while in the military and whose death is service-connected the same protections against sale, foreclosure, and seizure of property currently applicable to their husbands who while in military service are unable to meet an obligation on real or personal property.

Military families serve our country with pride, honor, and quiet dedication. We know that every member of a military family sacrifices just as much for this country. When one member of the family goes to war, the whole family goes with them. Currently, spouses of servicemembers who have died while in service have no mortgage protections, leaving grieving families vulnerable to losing their home and being put on the streets. Extending mortgage foreclosure protection to surviving spouses will allow families to explore their options so they may keep their home.

The American Legion supports this bill.

H.R. 1911: Protecting Veterans' Homes Act

Amends the Servicemembers Civil Relief Act to extend from 9 to 12 months after military service the period of protection against mortgage sale or foreclosure, as well as the stay of proceedings, in the case of an obligation on real property of a servicemember that originated before the period of military service. Amends the Housing and Economic Recovery Act of 2008 to repeal the sunset date for such periods of relief.

This bill would help active duty servicemembers who are returning home and are facing foreclosure stay in their homes. Given the tough housing and job markets, extending the period of protection as this bill does will give servicemembers the time they need after returning from deployment to regain solid financial footing.

The American Legion supports this bill.

H.R. 2274

To amend title 38, United States Code, to direct the Secretary of Veterans Affairs and the Secretary of Defense to submit to Congress annual reports on the Post-9/11 Educational Assistance Program, and for other purposes.

With regard to that part of H.R. 2274 within the jurisdiction of this committee, The American Legion generally supports the spirit of this legislation, but we recommend the following improvements. First and foremost, the report should be made available to the public by placing a link to the report on the GI Bill landing page of the VA Web site. In addition, the report should include such information as may be useful to a student-veteran, such as student-veteran attendance by type of college, graduation and dropout rates, average tuition rates, and average debt accrued

by type. Such information would assist student-veterans make informed decisions about the use of this earned benefit.

H.R. 2301: Streamlining Education Claims Processing Act of 2011

To amend title 38, United States Code, to direct the Secretary of Veterans Affairs to make payments to educational institutions under the Post-9/11 Educational Assistance Program at the end of a quarter, semester, or term, and for other purposes.

The American Legion's first and foremost concern with the administration of the new GI Bill is that veterans depending on this education benefit are able to apply for and receive chapter 33 benefits in as timely and seamless a manner as possible. Because H.R. 2301 is aimed at adjusting the payment relationship between VA and educational institutions, it is for the most part beyond our purview except to note that we view favorably the tendency the change would have to mitigate the number of overpayments incurred by student-veterans. To establish an overpayment puts unnecessary burdens on both the student and VA in the effort to recover the overpayment. Therefore, eliminating as much as possible such overpayments is good for both students and VA.

The American Legion supports this bill.

H.R. 2302

To amend title 38, United States Code, to direct the Secretary of Veterans Affairs to notify Congress of conferences sponsored by the Department of Veterans Affairs.

The American Legion has no position on this bill at this time.

H.R. 2329

To amend the Servicemembers Civil Relief Act to provide for certain requirements for financial institutions that are creditors for obligations and liabilities covered by that Act.

This bill seeks to encourage compliance with the Servicemembers Civil Relief Act (SCRA) by mandating that large lending institutions subject to the SCRA designate an employee as a compliance officer who is responsible for ensuring the institution's compliance with provisions in the SCRA relating to the maximum rate of interest on debts incurred before military service, and for distributing information to servicemembers whose obligations and liabilities are covered by those provisions. In addition, it requires these lending institutions to maintain a toll-free telephone number and make such telephone number available on the primary Internet Web site of the institution.

Earlier this year, when reports that one of America's largest banks had been overcharging about 4,000 servicemembers on their home loans, and had improperly foreclosed on the homes of 14 military families, we wholeheartedly joined the chorus of justifiable outrage about this shocking situation and called upon all financial institutions that handle mortgages for military families to review policies and practices, to make sure they are obeying Federal law.

While the bank involved has issued a mea culpa and made efforts to reassure the men and women of our military their commitment to make this right, the episode makes it clear that further strengthening of the SCRA is called for. It is a national security imperative that servicemembers be able to fight the Nation's wars without having to worry about their rights being trampled at home. The tragic stories of those who have been adversely affected by the failure of our financial institutions to play by the rules further highlight the necessity of enhancing the effectiveness of the legal and regulatory protections for our servicemembers and veterans.

The American Legion supports this bill.

H.R. 2345

To amend title 38, United States Code, to extend the authorization of appropriations for the Secretary of Veterans Affairs to pay a monthly assistance allowance to disabled veterans training or competing for the Paralympic Team and the authorization of appropriations for the Secretary of Veterans Affairs to provide assistance to United States Paralympics, Inc.

Public Law 110–389 (2008) authorized VA to award grants to the U.S. Olympic Committee to plan, manage and implement an adaptive sports program for disabled veterans and disabled members of the Armed Forces. In addition, it authorized a monthly subsistence allowance to qualifying disabled veterans in training or com-

peting for the Paralympics to help them more easily take part in competitive sports. Further, both were authorized during fiscal years 2010 through 2013. H.R. 2345 would extend these authorizations through 2018.

Since its foundation in 1919, The American Legion has identified as its most important issue the rehabilitation and reintegration of the disabled veteran. We are also strong believers in the physical and psychological benefits that come from involvement in sports and recreation. Thus, we support such programs of the U.S. Olympic Committee that facilitate the rehabilitation and reintegration of our disabled veterans and servicemembers. We know that sports and physical activity can have a transformative effect on those with a physical disability and the continued provision of funds will help to expand and provide greater access to sports programs for injured veterans and disabled members of the Armed Forces.

The American Legion supports this bill.

The American Legion appreciates the opportunity to comment on the bills being considered by the Subcommittee. I would be happy to answer any questions that you might have. Thank you.

Prepared Statement of Major General David Bockel, USA (Ret.), Executive Director, Reserve Officers Association of the United States, and also on behalf of Reserve Enlisted Association of the United States

INTRODUCTION

Mr. Chairman and Members of the Subcommittee, the Reserve Officers Association (ROA) and the Reserve Enlisted Association (REA) would like to thank the Subcommittee for the opportunity to testify. ROA and REA applaud the ongoing efforts by Congress to address issues facing veterans and servicemembers such as educational programmatic hurdles, problems within the home loan programs, SCRA and more.

Though contingency operations in Afghanistan and Iraq are expected to drawdown currently there are still high levels of mobilizations and deployments, and many of these outstanding citizen soldiers, sailors, airmen, Marines, and Coast Guardsmen have put their civilian careers on hold while they serve their country in harm's way. As we have learned, they share the same risks and their counterparts in the Active Components on the battlefield. Recently we passed the 800,000th mark for the number of Reserve and Guard servicemembers who have been activated since post-9/11. More than 275,000 have been mobilized two or more times. The United States is creating a new generation of combat veterans that come from its Reserve Components (RC). It is important, therefore, that we don't squander this valuable resource of experience, nor ignore the benefits that they are entitled to because of their selfless service to their country

ROA and REA would like to thank the Committee and staff for making improvements to the Post-9/11 GI Bill, enhancing benefits for caregivers, and much more.

Amendments to GI Bill

ROA and REA support the passages of **H.R. 2274** and **H.R. 2301**, which would provide better oversight and streamlining of the Post-9/11 GI Bill.

Currently, many flaws in implementation of the GI Bill exist due to a lack of oversight of the program. Many veterans are left to fall through the cracks of the Department of Veterans' Affairs (VA) system, waiting months to receive benefits that they have earned and deserved.

Greater oversight authority of the VA and of the implementation of the GI Bill is seriously needed. **H.R. 2274**, introduced by Rep. Gus Bilirakis (R–FL), would require both the Secretary of Defense and the Secretary of the VA to submit an annual report about the efficacy and operation of the GI Bill during the previous fiscal year. These reports would assist in singling out the biggest problems in implementing the GI Bill and would increase accountability for those responsible for implementing the bill.

H.R. 2301, introduced by Rep. Marlin Stutzman (R–IN), and titled the "Streamlining Education Claims Processing Act of 2011," would establish a more concise system of payment for educational benefits from the VA under the GI Bill. The act States that, for charges incurred from educational institutions by individuals eligible for GI Bill educational benefits, the VA must send payments within 30 days of receipt of the charges.

Currently, funds promised to students eligible for GI Bill benefits by the VA often arrive late, go missing, or are otherwise inadequate. Streamlining the payments of GI Bill benefits to veterans would help create more accountability in the VA and would ensure that veterans are able to take full advantage of the benefits to which they are entitled.

ROA and REA urge Congress to implement these measures in order to ensure that veterans are adequately compensated for the service they have provided our country.

Disabled Veterans' Surviving Spouses Home Loans Act

ROA and REA urge Congress to pass **H.R. 120**, introduced by Rep Virginia Foxx (R–NC), and named "Disabled Veterans' Surviving Spouses Home Loans Act." This Act would provide certain surviving spouses of veterans with eligibility to both housing loans and monthly dependency and indemnity compensation from the VA.

Currently, spouses of veterans whose deaths were not service-related, but who had permanent and total service-related disabilities for at least 10 years immediately prior to their death, are eligible to receive monthly dependency and indemnity compensation payments from the VA, but are not eligible for the VA's Home Loan Guarantee.

Spouses of deceased veterans must cope with the loss of the veterans while also getting their finances back in order and adapting to life without a partner. These spouses, by supporting disabled or coping with the loss of a spouse who was a veteran, have made sacrifices for the United States and should be compensated for their losses. Thus,, ROA and REA firmly believe that spouses of deceased veterans should be able to receive both dependency and indemnity payments and eligibility for the VA's Home Loan Guarantee.

Please consider H.R. 120, which would provide veterans' surviving spouses with the benefits they need in order to move on after the death of their spouses.

Small Business

Reserve Component small business owners are particularly challenged by deployments. About 22 percent of self employed Reservists find that their activations impact their personal businesses, causing severe problems. Many have to sell out partnerships, or close down the business. And many of these Reserve Component members are employers of others, therefore many non-military lose their jobs when the business owner is deployed.

ROA and REA support initiatives to provide small business owners with protections for their businesses to be sustained while on deployment.

ROA and REA appreciate the House passing the H.R. 1657, which was passed in May. This bill amended title 38, United States Code, to revise the enforcement penalties for misrepresentation of a business concern owned and controlled by veterans or as a small business concern owned or controlled by service disabled veterans.

ROA encourages Congress to look at enacting Uniformed Services Employment and Reemployment Rights Act (USERRA) protections for employers who require regularly scheduled mandatory continuing education and licensing/certification and to make necessary changes to USERRA to strengthen employment and reemployment protections.

Once again, ROA asks for Congress' support with the H.R. 240, which promotes jobs for Veterans through the use of sole source contracts by Department of Veterans Affairs for purposes of meeting the contracting goals and preferences of the Department of Veterans Affairs for small business concerns owned and controlled by Veterans.

Servicemembers Civil Relief Act

Protecting Veterans' Homes Act

Under the Servicemembers Civil Relief Act (SCRA), members of the Armed Forces are granted 9 months of protection from non-judicial mortgage foreclosure after returning home from Active Duty. This temporary moratorium on civil action allows soldiers to return home and re-adjust to civilian life while at the same time pooling their funds to repay debts such as mortgages.

Returning veterans often face new challenges upon their arrival home, such as dealing with injury or having to find a new civilian job. For troops facing these adversities, getting their finances together to avoid foreclosure, sale, or seizure of their houses can seem almost impossible.

Currently, such protections in the Servicemembers Civil Relief Act are set to expire at the end of 2012.

ROA and REA strongly support the passage of H.R. 1911, titled "Protecting Veterans' Homes Act," introduced by Rep. Bruce Braley (D–IA), which would permanently extend protections against foreclosure for servicemembers and would extend this grace period from 9 months to 12 months.

Ensuring a Response for Servicemembers Act

Under the SCRA, since 1917, a person entering active duty has been permitted to terminate a lease on premises. In 2003, Congress broadened this provision to enable the person entering active duty to terminate a vehicle lease. In 2008, Congress enacted a new provision to permit a servicemember to terminate a cell phone contract under certain circumstances.

ROA and REA appreciate Congress' work on these issues, however, there are many other kinds of leases and contracts that the person entering active duty may need to terminate.

ROA and REA request support of H.R. 2329, introduced by Rep. Bill Johnson (R, Ohio), which would amend the Servicemembers Civil Relief Act to provide for certain requirements for financial institutions that are creditors for obligations and liabilities covered by that Act.

ROA and REA further recommend amending the SCRA to broaden the types of leases and contracts which the person entering active duty can terminate without penalty. For example, a reservist who has his own small private business and who leases his equipment is being deployed for a year and has no need for the equipment since he must shut down his business. However, his lease on the equipment is not up for another few years and the lesser won't let him out of the contract early and insists that the reservist still pays for the equipment. Congress needs to amend the SCRA to include leases and contracts of this nature, in addition to leases of premises, vehicles and cell phones.

In addition ROA and REA propose further amending the SCRA to forbid exorbitant overdraft fees and late fees for deployed servicemembers. There have been instances where deployed servicemembers have been charged hundreds or thousands of dollars in overdraft fees or late fees for a low dollar overdraft on a checking account or a late payment on a credit card. Such exorbitant fees should not be allowed to happen.

- Congress needs to amend the SCRA to clarify that the person returning from the military service has the right to reinstate income-replacement insurance and other forms of insurance, as well as health insurance narrowly defined.
- Improve SCRA to protect deployed members from creditors that willfully violate SCRA.
- Continue to enact tax credits for health care and differential pay expenses for deployed Reserve Component employees.

Amending SCRA for Surviving Spouses

In order to best support servicemembers it is essential to also support the family. ROA is thankful for the Department of Defense's (DoD), the administration's and Congressional acknowledgment that the military spouse is part of DoD's family.

ROA and REA encourage Congress to support H.R. 1263, which would amend the Servicemembers Civil Relief Act to provide surviving spouses with certain protections relating to mortgages and mortgage foreclosures.

This bill would amend section 303 by adding this subsection:

- Protection for surviving spouses- with respect to a servicemember who has died while in military service and whose death is service-connected, this section shall apply to the surviving spouse of the servicemember if such spouse is the successor in interest to property covered under subsection (a).

Expand eligibility of surviving spouses to receive Survivor Benefit Plan (SBP)—Dependency Indemnity Compensation (DIC) payments with no offset. Under current law, the surviving spouse of a retired military member who dies from a service-connected disability is entitled to Dependency Indemnity Compensation (DIC) from the Veterans' Administration.

ROA is grateful for the U.S. Federal Court of Appeals decision in the Sharp vs. United States case that restored eligibility for DIC to military surviving spouses who remarry after 57 years of age; this only extends to about 400 spouses. Approximately 45,000 surviving spouse are left behind.

Servicemembers Law Center

ROA offers a unique area of expertise pertaining not only to Servicemembers Civil Relief Act (SCRA), but also the Uniformed Services Employment and Reemployment Rights Act (USERRA) and other Guard/Reserve issues, through the Servicemembers Law Center run by director Captain Sam Wright, JAGC, USN (Ret.).

In the summer of 2009 ROA established the Servicemembers Law Center (SMLC) as a source of excellence in the areas of employment and consumer law for active, Guard and Reserve personnel.

The Law Center's goals include the following:

- Advise Active and Reserve members who have been subject to legal problems that relate to their military service.
- Develop a network of legal scholars, law school clinics and private practitioners interested in legal issues of direct importance to servicemembers.
- Advance world-class continuing legal education on issues relating to USERRA and SCRA.
- Broaden the existing database of USERRA and SCRA research.
- In conjunction with bar associations, develop standards that will help to ensure that lawyers to whom servicemembers are referred for legal services have the requisite expertise to represent them effectively.

Recruiting and retaining members of the armed services, especially those in the National Guard and Reserves, depends in part on assuring current and future Citizen Warriors that laws and regulations are in place to protect them effectively from discriminatory practices.

The Law Center is functioning at a modest but effective level. ROA is pursuing efforts to obtain private or public funding and to identify public and private entities willing to sustain this effort in order to expand this service to fuller capacity. This is especially needed following potential cuts to the National Committee of Employer Support of the Guard and Reserve (ESGR).

As part of the SMLC and under Captain Wright, the Law Center maintains the "Law Review" data base and indices containing over 700 articles on USERRA and SCRA issues (available at www.roa.org/law*_review_archive*). On a monthly basis Captain Wright receives about 500 calls from concerned servicemembers, families and attorneys. On a monthly basis for the past several months about 80 percent of the calls were about USERRA.

The Law Center's services include:

- Counseling: Review cases, and advise individuals and their lawyers as to lawfulness of actions taken against deployed Active and Reserve Component members.
- Referral: Provide names of attorneys within a region that have successfully taken up USERRA, SCRA and other military-related issues.
- Promote: Publish articles encouraging law firms and lawyers to represent servicemembers in USERRA, SCRA and other military-related cases.
- Advise*:* File amicus curiae, "friend of the court" briefs on servicemember protection cases.
- Educate: Quarterly seminars to educate attorneys a better understanding of USERRA, SCRA and other military-related issues.

The Servicemembers Law Center is available at www.roa.org/Servicemembers*_Law_Center.*

Other Bills

ROA and REA support H.R. 2302 to amend title 10, United States Code, to direct the Secretary of the VA to notify Congress of conferences sponsored by the VA.

This bill encourages transparency and oversight which are important aspects of governance. Furthermore it would help to keep Congress apprised of VA's activities and interest areas.

ROA and REA also support H.R. 2345 to amend title 38, United States Code, to extend the authorization for the Secretary of the VA to pay a month-

ly assistance allowance to disabled veterans training or competing for the Paralympic Team and the authorization for the Secretary to provide assistance to the United States Paralympics, Inc.

Conclusion

ROA and REA appreciate the opportunity to submit testimony, and we reiterate our profound gratitude for the progress achieved by this committee such as providing a GI Bill for the 21st Century and advanced funding for the VA.

ROA and REA look forward to working with the Subcommittee on Economic Opportunity and the House Veterans' Affairs Committee, where we can present solutions to these and other issues, and offer our support. We hope in the future to have an opportunity to discuss these issues in person.

ROA and REA encourage this Committee to utilize the Servicemembers Law Center and reports, which are both valuable assets, and to share them with your constituents and other Congressional members.

Prepared Statement of Arthur F. Kirk, Jr., President, Saint Leo University, Saint Leo, FL, on behalf of National Association of Independent Colleges and Universities

Executive Summary

I am testifying on behalf of Saint Leo University and the National Association of Independent Colleges and Universities (NAICU) regarding H.R. 2301, a bill to change the reimbursement procedures under the Post-9/11 Educational Assistance Program.

Saint Leo University has a long history of serving veteran students—enrolling 4,743 during the past academic year, 2,790 (59 percent) of whom were Post-9/11 veterans. The NAICU membership includes over 1,000 institutions nationwide, representing the diversity of private, non-profit higher education in the United States.

H.R. 2301 would reduce the need for the Department of Veterans' Affairs (VA) to make adjustments to their payments for veterans. However, clearly, it also would increase the need to make adjustments at the school level for other financial aid for veterans—particularly title 4 student financial aid. Program participation would become much more complicated, both for the veteran students and for the institutions they attend. Issues related to billing and to the assignment of responsibility for payment will be less clear. The bill will require reprogramming of the management information systems of most schools; however, the more likely solution will be more manual adjustments. Meeting these challenges would be particularly difficult for small colleges—which could limit the options of veterans who wish to attend them.

There are some pluses to H.R. 2301. Student accounts do stabilize after add/drop deadlines so, if passed, the bill would provide a truer picture in most cases. Also, the VA would pay after the term, so debt collection letters to the student or the institution would decline significantly, and time spent researching the letters would be reduced.

On the down side, cash flow to institutions and veterans would be problematic for many. More title 4 aid adjustments for veterans' accounts are likely to be needed. It will be hard to pay title 4 credit balances to students, since they won't have a credit on their account. Veterans would face difficulties registering in many colleges without payment in advance or, in places like Saint Leo, without the bill being settled for the previous term before the next term begins. Many institutional information systems will not be able to accommodate these changes without, at least, some re-programming. Greater confusion about who owes what (the veteran, the VA, and title 4) also will ensue. Such confusion increases the barriers to successful completion for our vets.

We believe that the problems that H.R. 2301 is intended to solve would be better addressed through greater efforts to work within the framework the institutions now use to deliver financial aid to their students. For example, we believe that a two-step certification process Saint Leo is planning will reduce the need for billing adjustments by the VA without adversely affecting veterans. An approach like ours, or others that may be devised by other colleges, would offer a better solution. Saint Leo, NAICU, and many others in the higher education community stand ready to assist the Subcommittee in identifying ways to serve our veteran students effectively and efficiently.

Chairman Stutzman, Ranking Member Braley, and Members of the Subcommittee, I appreciate having the opportunity to appear today to discuss pending legislation dealing with the Post-9/11 GI Bill. I am Art Kirk, president of Saint Leo University.

Saint Leo University is an independent Catholic university founded in 1889. The University offers over 40 undergraduate and graduate degree programs on its residential campus in Florida, and to adult students on 16 military bases in Florida, Virginia, South Carolina, Mississippi, Texas, and California; to students in all States and overseas, through our center for online learning; and on 10 Florida community college campuses.

The University began offering full degree programs on military bases in 1973, and became the first college or university in the Nation to grant the bachelor's degree on an Air Force base. We were an early adopter, in 1997, of online offerings for the military. The University's mission, to provide opportunities for people of good character regardless of their religion, compelled the University to respond to these needs.

Saint Leo University enrolled 4,743 veterans during the past academic year, 2,790 (59 percent) of whom were chapter 33 or Post-9/11 veterans. The University awarded 678 associate, bachelor's, and graduate degrees to veterans. The University also educated 5,026 active duty military and reservists during the course of the last academic year. All told, this equals 37 percent of the students who took at least one course with us during the year.

Today I represent not just my university, one of the leaders in educating our veterans and active duty military. I also represent the member institutions of the National Association of Independent Colleges and Universities. With more than 1,000 members nationwide, NAICU reflects the diversity of private, nonprofit higher education in the United States. Members include traditional liberal arts colleges, major research universities, church- and faith-related institutions like mine, historically black colleges and universities, women's colleges, performing and visual arts institutions, 2-year colleges, and schools of law, medicine, engineering, business, and other professions. NAICU is committed to celebrating and protecting this diversity of the Nation's private colleges and universities.

The Subcommittee is receiving testimony about a number of bills today. The one that I will address is H.R. 2301, which would change the reimbursement procedures for veterans and colleges and universities under the Post-9/11 Educational Assistance Program.

This bill would reduce the need for the Department of Veterans' Affairs (VA) to make adjustments to their payments for veterans. However, clearly, it also would increase the need for adjustments at the school level for other financial aid for veterans—particularly title 4 student financial aid. Program participation would become much more complicated, both for the veteran students and for the institutions they attend. Issues related to billing and to the assignment of responsibility for payment will be less clear. The bill will require reprogramming of the management information systems of most schools; however, the more likely solution will be more manual adjustments. I will address this concern more fully in a moment.

A particular concern is the impact of this change on small colleges, and on the veterans who choose to attend them. While I would be quite pleased if every veteran looking for a college were to choose Saint Leo, I also believe deeply in the goal of the GI Bill to give veterans the widest choice possible of educational options.

Over half of our Nation's private, non-profit colleges have fewer than 5,000 students, and a quarter have fewer than 2,000. Many veterans choose to attend these smaller institutions. While their veteran student population is just a fraction of that at Saint Leo, these small schools will struggle far more with the new procedures under this bill, and the consequent cash flow problems. The typical semester is 15 weeks. This bill would move payment from the beginning of the semester, when most student accounts are collected, to 30 days after the semester ends. That's 19 weeks in which to wait for payment. Meanwhile, the institution will, of course, have had to pay faculty and staff salaries and other bills during that time.

This problem won't necessarily be limited to small colleges. The median endowment across all private, not-for-profit colleges is only about $18 million. Indeed, while Saint Leo was not small 14 years ago, we did find that our cash flow was tight year-round at that time. Delayed payment would have been a hardship for us. Thankfully, we would now have the cash reserves to handle this.

Even if it is difficult to do so, private colleges may be able, by using cash reserves or lines of credit, to enroll students and defer collections as proposed. However, public colleges and universities will face unique challenges if this bill is enacted. Most public institutions must collect full tuition from their students, or from the students' financial aid providers, at the beginning of the term. Veterans will face barriers to

enrolling at public universities and colleges, given that many will not be in a position to pay their tuition and fees up front, and then wait for their reimbursement months later.

As I noted earlier, another concern for the many smaller colleges would be coping with changes in procedures. Among others, these changes would involve such matters as manually voiding late payment fees and future registration blocks—which trigger automatically when a student's bill is not paid.

Saint Leo has several experts in the specialized services and administrative procedures essential to enrolling veterans. We also have skilled staff members who train others in these procedures. Small colleges or colleges with relatively small numbers of veterans are likely to lack these expert resources.

Saint Leo University already is implementing a two-step veteran's certification process that, we believe, will resolve the problems this bill seeks to address. Our Veterans Certifying Officers will enter the veteran as a student, but will certify zero tuition and fees in VAOnce—the VA GI Bill database system—at the semester's start. This allows the veteran to receive their housing and living stipend. After the period for adding and dropping courses ends, we then will reenter the student in VAOnce, now adding the tuition and fee charges for all the courses in which the veteran is actually enrolled.

In summary there are some pluses to H.R. 2301:

- Student accounts do stabilize after add/drop deadlines, so the bill would provide a truer picture in most cases.
- The VA would pay after the term, so debt collection letters to the student or the institution would decline significantly. Every one of these letters must be researched, and the time spent doing so would be reduced.

However, on the down side:

- Cash flow to institutions and veterans would be problematic for many.
- More title 4 aid adjustments for veterans' accounts are likely to be needed.
- It will be hard to pay title 4 credit balances to students, since they won't have a credit on their account.
- Veterans would face difficulties registering in many colleges without payment in advance or—in places like Saint Leo—without the bill for the previous term being settled before the next term begins.
- Many college and university information systems will not be able to accommodate these changes without, at least, some re-programming.
- Greater confusion about who owes what (the veteran, the VA, and title 4) will ensue. Schools won't know what VA will pay, or what to bill the veteran. Such confusion increases the barriers to successful completion for our vets.

We believe that the problems that H.R. 2301 is intended to solve would be better addressed through greater efforts to work within the framework the institutions now use to deliver financial aid to their students. We believe, for example, that Saint Leo's approach will have no adverse affects on the veterans, and will reduce the need for billing adjustments by the VA. An approach like ours, or others that may be devised by other colleges, would offer a better solution.

I'd also like to briefly mention the two other provisions of H.R. 2301:

- **Section 3** sets an effective date of August 1 of this year—less than a month from now. Making the proposed changes on such short notice would be highly disruptive for students, institutions, and the VA alike. All of the procedural concerns outlined in my testimony would be magnified.
- **Section 4** specifies the means by which established charges per credit hour are to be determined. It is our understanding that the provision is designed to avoid situations in which charges to a student taking only one course are significantly higher than the per-credit charge if the student were taking a full load. However, since established charges per credit hour will no longer be used as the basis for determining the chapter 33 tuition benefit, this provision will not have any effect that we can discern. Rather, its most likely effect will be to create confusion about how it is to be interpreted. For that reason, we would suggest that the language be dropped.

Saint Leo, NAICU, and many others in the higher education community stand ready to assist the Subcommittee in identifying ways to serve our veteran students effectively and efficiently.

Finally, on a related topic, allow me to take this opportunity to extend our appreciation to the Members of this Subcommittee, and to the full Veterans' Affairs Committee, for your work in moving the "Restoring GI Bill Fairness Act of 2011" (H.R. 1383). The bill provides an important "hold-harmless" for veterans who otherwise

would see their Post-9/11 GI Bill tuition-and-fee benefits reduced August 1. Enactment of this bill would assure that student veterans attending private institutions in several States will not face an unexpected increase in expenses while mid-way through their higher education programs.

Prepared Statement of Susan C. Aldridge, Ph.D., President, University of Maryland University College, Adelphia, MD, on behalf of American Association of State Colleges and Universities

Executive Summary

Potential negative impacts on veteran students of H.R. 2301, "Streamlining Education Claims Processing Act of 2011"

- Registration holds due to unpaid balances that would have to be resolved manually on a case-by-case basis
- In States where public institutions are not legally permitted to allow students with unpaid balances to register for a subsequent semester/quarter, mandatory interruption of studies until VA paid the institution
- Inability to receive refunds (for veteran students who also receive other forms of financial assistance than Post-9/11 GI Bill funds) to pay for college expenses unrelated to tuition and fees since students would show an account balance due until VA paid the institution, creating considerable financial hardship
- Potential requirement to pre-pay tuition and fees and be reimbursed when VA paid the institution a month after each semester/quarter/term, creating considerable financial hardship
- Increased confusion regarding benefit eligibility under the Post-9/11 GI Bill since payments would be for the previous semester/quarter/term

Potential negative impacts on higher education institutions of H.R. 2301, "Streamlining Education Claims Processing Act of 2011"

- Violation of State laws in States where public institutions are already required to prevent students with unpaid balances from registering for subsequent terms
- Potential violations of State accounting rules for public institutions and/or previously established State accounting policies (particularly if forced to carry unpaid balances between fiscal years)
- Cash flow problems, particularly for institutions with large veteran student populations
- Increased Post-9/11 GI Bill processing burden on school certifying officials as well as financial aid offices, bursar/cashiering offices, accounting offices, and other institutional personnel, particularly in understanding H.R. 2301's concurrent impact with the "net cost" provision of Public Law 111–377, "Post-9/11 Veterans Educational Assistance Improvement Act of 2010," also effective August 1, 2011
- Increased infrastructure and staffing expenses since institutions would be required to either modify existing electronic registration, payment, and fund balance systems or to process all veteran student accounts by hand each term
- Unclear financial impact on institutions of students who drop out mid-term given the shift in payment date by VA under H.R. 2301—will institutions be paid for the instruction that they have delivered up to that point?

Chairman Stutzman, Ranking Member Braley, and distinguished Members of the Subcommittee, my name is Susan Aldridge and I am president of the University of Maryland, University College. Today, however, I am here to present the perspective of the American Association of State Colleges and Universities (AASCU). This statement is related to the potential effects of legislation currently being considered by this Subcommittee on its 420 institution and system members located in 49 States, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands. Thank you for holding this hearing and providing the opportunity to present this testimony.

In addition, AASCU is the contract administrator for the Department-of-Defense-funded Servicemembers Opportunity Colleges (SOC). The SOC Consortium is a network of approximately 1,900 colleges and universities offering educational services to our Nation's Armed Forces and veterans. In order to be included in the Consortium, an institution must establish flexible policies appropriate for the unique demands on servicemembers and dependents. These policies address items such as enrollment, credit evaluation of military training, and transfer of credit.

The legislation that AASCU would like to focus its comments upon today is H.R. 2301, the "Streamlining Education Claims Processing Act of 2011." While AASCU agrees in principle with the concept behind H.R. 2301—to simplify the payment process of Post-9/11 Veterans Educational Assistance Act benefits, which has been arduous for higher education institutions and veteran students alike—this particular legislation will *not* simplify the funds payment process. Unfortunately, it will complicate it even further and cause even more delays for veteran students in receiving the benefits to which they are entitled.

As AASCU testified to the Subcommittee on Economic Opportunity of the Committee on Veterans Affairs in September 2010,[i] the VA's problems in implementing the Post-9/11 GI Bill are well-documented in both prior hearing testimony and the press. VA itself has gone on record that its previous performance was unacceptable. The GAO's February 2011 report on VA education benefits and its May 2011 report specifically on the administration of the Post-9/11 GI Bill program provide further documentation of this state of affairs.

H.R. 2301, however, would not fix VA's processing issues. Instead, it would financially penalize institutions and veteran students for a problem they did not create. AASCU is fully cognizant that VA is experiencing a historic culture shift (some might say culture shock) in terms of veteran education benefits processing and that the VA was originally given very little time to implement the Post-9/11 GI Bill. We have acknowledged this in previously published testimony and policy briefs. However, making veteran students and institutions of higher education bear the brunt of the VA's inevitable adjustment process hardly seems equitable. Other ways can—and should—be found to alleviate Post-9/11 GI Bill payment delays.

For instance, it would seem reasonable for the VA to seek further assistance in managing the Post-9/11 GI Bill program from the U.S. Department of Education, another Cabinet agency that long ago managed a large-scale transition to electronic processing involving *all* title 4-eligible institutions of higher education. In fact, the May 5, 2011 GAO review of the Post-9/11 GI Bill program, *Veterans' Educational Benefits: Enhanced Guidance and Collaboration Could Improve Administration of the Post-9/11 GI Bill Program,* concluded that "VA may be able to achieve greater efficiencies by building stronger partnerships with schools, Education, and other expert external organizations. For instance, Education has learned many management lessons and overcome some of its management challenges over the years by refining its systems and administrative processes for delivering student aid."[ii]

However, the report also stated that "VA did not continue its coordination with Education because of the limited applicability of Education's systems and procedures, according to VA officials."

Notwithstanding the obvious statutory differences between title 4 financial aid and chapter 33 veterans education benefits, this statement from VA that the established Department of Education (ED) computer systems enabling the disbursement of billions of dollars to tens of millions of title 4 aid recipients are of "limited applicability" does not take into account that, according to the National Center for Education Statistics (NCES), 16 percent of military undergraduates (including veterans) received Federal Pell Grants in 2007–08.[iii] Therefore, veteran students are not completely isolated from ED systems and procedures.

Given that veteran students can qualify for both ED and VA funds and that institutions are well-versed in ED's electronic processing methods, it would seem reasonable for VA to more seriously explore adapting pre-existing systems such as ED's Common Origination and Disbursement (COD) system used by financial aid administrators, loan servicers, and other appropriate stakeholders to administer title 4 grants and loans. A separate GAO review of VA's implementation of its own IT system to support the Post-9/11 GI Bill[iv] suggested technological areas in need of improvement, so it also seems reasonable that exploring adaptations and management

---

[i] American Association of State Colleges and Universities (AASCU) "Testimony on Post-9/11 GI Bill Benefits Program," presented by Dr. Alan G. Merten, President, George Mason University, September 16, 2010. Retrieved July 1, 2011 from http://www.congressweb.com/aascu/docfiles/AMerten%20Testimony%20Veterans%20Cmte%2009162010.pdf.

[ii] *Veterans' Educational Benefits: Enhanced Guidance and Collaboration Could Improve Administration of the Post-9/11 GI Bill Program,* GAO–11–356R, p. 3. Retrieved July 1, 2011 from http://www.gao.gov/new.items/d11356r.pdf.

[iii] Issue Tables: A Profile of Military Servicemembers and Veterans Enrolled in Postsecondary Education in 2007–08, Table 5–A. Retrieved July 1, 2011 from http://nces.ed.gov/pubs2009/2009182.pdf.

[iv] *Veterans Affairs Can Further Improve Its Development Process for Its New Education Benefits System,* GAO–11–115, "Highlights." Retrieved July 1, 2011 from http://www.gao.gov/new.items/d11115.pdf.

techniques ED used during its earlier construction of the COD would benefit VA in this process.

While VA's response to the GAO review of Post-9/11 GI Bill implementation stated that "VA will again contact ED and the higher education community to determine the applicability of any of their processes in VA's administration of the Post-9/11 GI Bill," H.R. 2301 seems to inadvertently discourage VA from working collaboratively with other Cabinet agencies to ease its own burdens and deliver educational funds to veteran students and institutions in the most efficient, cost-effective way possible. Given the budget crisis facing this country, we do not consider this a judicious mode of action.

That overall comment being made, AASCU would now like to address some specific logistical concerns regarding the detrimental impact of H.R. 2301 on higher education institutions and veteran students. Our colleagues at AACRAO, NACUBO, and NASFAA—to name a few higher education associations with particular subject matter expertise in admissions and registration, business and finance, and financial aid—could provide even more nuanced critiques of H.R. 2301's potential impact on their constituencies. We encourage the Subcommittee to also call upon them for comment and analysis.

The first detrimental impact of H.R. 2301 concerns tuition and fee payment deferment at registration. In general, higher education institutions can permit students to register for a term and have their tuition and fees (and room and board, where applicable) "deferred" in full or in part based on expected financial aid from all sources. These sources are generally Federal, State, institutional, or third-party aid such as employer reimbursements or external scholarships.

However, the *student* is ultimately responsible for the unpaid tuition and fee balance should any deferred aid not arrive. And if that aid does not arrive before the end of the term, the student is normally barred from registering for any subsequent term until the debt is satisfied. Some States specifically forbid public institutions of higher education to register students who have unpaid balances from a previous term.

Florida is one such example. According to the Florida State University System Board of Governors' "7.002 Tuition and Fee Assessment, Collection, Accounting and Remittance" regulation[v] (bolding AASCU's), State colleges and universities are required to:

"establish by regulation, procedures for the payment of tuition and associated fees. Such regulation shall provide that a student's course schedule will be canceled if payment, or appropriate arrangements for payment, has not occurred by the deadline set by each university, which shall be no later than the end of the second week of classes . . . .However, the president may choose to temporarily suspend further academic progress in lieu of canceling a student's course schedule in those cases where the student has partially paid tuition and the university guarantees full payment from an authorized and existing fund before the submission of the final student data course file or the end of the semester, whichever is later; otherwise, the student credit hours shall not be counted for State funding purposes. **Suspension of academic progress shall preclude students from receiving grades, transcripts, or a diploma and shall deny registration for future terms until the student's account has been settled in full**."

Therefore, if H.R. 2301 is made law, particularly at public institutions governed by State laws forbidding students with unpaid balances to register, institutions would be faced with the unpalatable prospect of either

a. carrying veteran students' unpaid account balances from term to term and possibly fiscal year to fiscal year—which is not only a cash flow problem for *all* institutions of higher education, but may even be illegal for individual State colleges and universities depending on their State accounting rules and procedures, *or*
b. requiring veteran students to pay up front for courses and be reimbursed whenever the VA pays the school.

Both of these prospects are unfair not only to veteran students, but the institutions serving them. The first could force public institutions—depending on the State—into a conflict with State debt management and collection policies in order to accommodate veteran students receiving Post-9/11 GI Bill funds. Even if institutions did not find themselves in violation of State law, they would most likely be forced to carry unpaid balances on their ledgers from fiscal year to fiscal year given

[vi] State University System of Florida Board of Governors Regulations, chapter 7, "Tuition and Fees," Section BOG 7.002, "Tuition and Fee Assessment, Collection, Accounting, and Remittance," sec. (7). Retrieved July 1, 2011 from http://www.flbog.org/about/regulations/regulations.php.

institutions' different fiscal year closing dates versus the iron-clad payment time frame set up by H.R. 2301. They would also encounter cash flow issues stemming from the delayed payments by VA.

In addition, if VA were permitted to send payments 1 month after the end of each semester, the bursar and cashiering offices at institutions would then be forced to process all veteran students' Post-9/11 GI Bill payments at once rather than receiving a steady flow of payments for veteran students during each semester. This would create further delays for veteran students in receiving refunds.

The second prospect could restrict veterans' access to college and ability to use their Post-9/11 GI Bill benefits either for their own education or that of their eligible spouses and dependents—*not* because institutions do not want to educate veterans or their families, but because institutions would not be fiscally able to indefinitely "front" their tuition and fee bills for term after term. Instead, institutions would have to ask veteran students to pay and be reimbursed, which is contrary to the entire purpose of the Post-9/11 GI Bill.

In addition, the payment change in H.R. 2301 would create yet another unfunded mandate for higher education institutions. Institutions' computerized billing, payment, and refund systems would either have to be reprogrammed—at significant extra cost to institutions—or staff would have to spend extra hours processing manual payments and overrides for veteran students on top of the long hours they already spend counseling veteran students on their benefit eligibility and resolving over- and underpayments by VA. Given the regulatory and counseling burden on higher education as a whole, and the fact that many school certifying officials perform these duties in addition to other job duties, this prospect is daunting.

The January 2011 amendments to the Post-9/11 GI Bill specifically restrict the use of the $12/student fee paid to schools by the VA for processing veteran students' registration and enrollment. (As noted in AASCU's previous testimony, institutions serving large numbers of veterans have voluntarily hired extra staff, created new veterans' centers, and incurred expenses often far exceeding these monies received from VA.) Therefore schools would be unable to use these fees to partly defray the overall infrastructure expenses necessary to accommodate H.R. 2301. Given the well-publicized finance issues in public higher education in particular, H.R. 2301 would thus place an especially unfair compliance burden on public institutions.

For example, 3 of the 7 brick-and-mortar campuses reported by the VA as having enrolled the most veteran students using Post-9/11 GI Bill benefits in 2009–10 were AASCU members (Old Dominion University, Troy University, and University of Maryland—University College). These institutions enrolled over 5,000 of the 12,000+ veteran students on the 7 campuses. The University of Maryland—University College alone enrolled over 3,000 veteran students in 2009–10; it currently enrolls over 4,500 veteran students. Forcing these institutions to perform manual billing and registration overrides for thousands of veteran students would be cumbersome, expensive, and labor-intensive—in addition to not being in the best interests of veteran students.

Therefore, public colleges and universities that enroll veteran students, befitting their mission as public taxpayer-supported institutions serving the public good, would be consistently financially penalized for these enrollments if VA were permitted to delay payments 30 days after the end of *each* semester. In addition, they would most likely be forced into conflict with their States' debt management and collection policies.

The second detrimental aspect of H.R. 2301 is its concurrent impact with the "net cost" provision in Public Law 111–377, which amended the original Post-9/11 GI Bill. This provision requires institutions to subtract certain forms of financial assistance awarded to students by States, institutions, the Federal Government, or other third parties from their tuition and fee charges reported to VA for Post-9/11 GI Bill payments.

When AASCU last testified before this committee, our representative stated that the net cost provision would inflict "intolerable chaos . . . on both veteran students and program administrators." The provision was nevertheless signed into law and is scheduled to take effect August 1, 2011. Given how complicated the new process will be for students and program administrators compared to the original Post-9/11 GI Bill payment structure—and how many unforeseen complications will undoubtedly occur after it takes effect—delaying tuition and fee payments for 30 days after a semester will create even more problems for both veterans and institutions.

The third detrimental impact of H.R. 2301 is its potential impact on payment for students who drop out during a term *after* attending classes. Under the current Post-9/11 GI Bill payment process, funds flow to the institution during the period of enrollment after a certificate of eligibility has been issued by VA for a veteran student and the institution has certified that veteran student's enrollment.

VA has strongly encouraged institutions to certify veteran student enrollment as early as possible—even prior to a semester when the veteran's actual tuition and fees are unknown.[vi] Institutions thus often have to submit two enrollment certifications for one veteran, the first with zero tuition and fees and a second amended enrollment certification with the actual tuition and fees when the veteran registers. If a veteran drops or adds courses later in the registration process, the original enrollment certification must be amended. This has created more challenges for both institutions and VA in terms of processing.

Delaying payment for 30 days after the end of a term, for *every* term, thus creates uncertainty about whether institutions will be paid by VA if a veteran student drops out partway through a term *after* having attended classes that the institution has delivered in good faith. H.R. 2301 does not address this issue, and clarification would be necessary for institutions on this point.

While AASCU has expressed significant concern about H.R. 2301's effect on higher education institutions in this testimony, we would like to state for the record that our member institutions—as well as those public institutions who belong to the Association of Public and Land-grant Universities (APLU) and the private nonprofit institutions belonging to the National Association of Independent Colleges and Universities (NAICU), which is also testifying in front of this body—are proud to serve veterans and active-duty military students. We all understand these students' challenges and support their using college education benefits they have earned through their military service. Their success is very important to not only our institutions, but our country.

In addition, we would like to state that the higher education community has repeatedly reached out to the VA during the Post-9/11 GI Bill implementation process to offer expert guidance, assistance, and cooperation. Veteran students are not only veterans, but our students.

The enactment of H.R. 2301 into law would not only place a further burden on students and institutions struggling to understand and implement the cascading set of Post-9/11 GI Bill amendments currently taking effect. It would also be contrary to the entire intent of not only the Post-9/11 GI Bill but the original GI Bill, because it would effectively penalize veteran students and institutions alike for problems not of their making.

We stand ready and willing to partner with VA in creating better processes to deliver Post-9/11 GI Bill funds to veteran students and institutions. But H.R. 2301—though well-intended—will harm veteran students and institutions of higher education alike rather than streamlining the process by which these funds are delivered.

Prepared Statement of Curtis L. Coy, Deputy Under Secretary for Economic Opportunity, Veterans Benefits Administration, U.S. Department of Veterans Affairs

Good afternoon, Mr. Chairman, Ranking Member Braley, and Members of the Subcommittee. I am pleased to present the views of the Department of Veterans Affairs (VA) on a number of bills that would affect our housing and education programs, as well as our mission of service to our Nation's Veterans. I am accompanied today by Mr. John Brizzi, Deputy Assistant General Counsel, Office of the General Counsel.

HOUSING MATTERS

H.R. 120

H.R. 120, the "Disabled Veterans' Surviving Spouses Home Loans Act," would amend section 3701(b) of title 38, United States Code, to expand eligibility for VA's guaranteed loan program to surviving spouses of certain totally disabled Veterans. Currently, a surviving spouse is eligible for home loan benefits if he or she was married to a Veteran who either died from a service-connected disability or is listed for more than 90 days as (i) missing in action; (ii) captured in the line of duty by a hostile force; or (iii) forcibly detained or interned in line of duty by a foreign government or power. Subsection (a) of section 3 would expand eligibility for home loan benefits to surviving spouses who were married to certain severely disabled Vet-

[vi] *U.S. Department of Veterans Affairs School Certifying Official Handbook,* 1st ed., May 15, 2011, p. 37. Retrieved July 1, 2011 from http://gibill.va.gov/documents/job_*aids*/*SCO_Handbook_v1.pdf.*

erans who died from other than service-connected causes. For the surviving spouse to be eligible, the Veteran's disability must have been service-connected and rated totally disabling for (i) a period of 10 or more years immediately preceding death, (ii) a period of not less than 5 years from the date of the Veteran's discharge or other release from active duty, or (iii) a period of not less than 1 year immediately preceding death, if such Veteran was a former prisoner of war who died after September 30, 1999. Subsection (b) would make the amendment to section 3701 apply with respect to any loan guaranteed after the date of the Act's enactment. Subsection (c) would clarify that a loan fee must be collected pursuant to 38 U.S.C. § 3729 in the same manner as such fees are collected from surviving spouses who were married to Veterans who died from service-connected disabilities.

Enactment of H.R. 120 would give a covered veteran the peace of mind that his or her surviving spouse will be able to receive VA home loan benefits, regardless of the veteran's cause of death. However, before VA can offer a position on the merits of this bill, it must first determine its full impact on the Veterans Benefits Housing Program Fund. We have not yet had the opportunity to do so, and will provide our estimate of the cost of enactment of the bill at a later date. .

H.R. 1263

H.R. 1263 would amend section 303 of the Servicemembers Civil Relief Act by expanding the Act's mortgage protections to include a surviving spouse of a Servicemember whose death was service-connected. Currently, the protection is limited only to Servicemembers who are on active duty or those whose active duty ended within the covered period.

VA defers to the Department of Defense regarding the merits of this bill.

H.R. 1911

H.R. 1911, the "Protecting Veterans' Homes Act," would amend section 303 of the Servicemember's Civil Relief Act to extend the period to which the Act's mortgage protections apply.

Section 2(a) of the bill would extend the period within which a court may stay proceedings and adjust obligations relating to real or personal property. It would also extend the period within which a court may provide relief from a sale, foreclosure, or seizure resulting from a defaulted obligation. Before 2008, a court was permitted to exercise such protections if the legal action to enforce the obligation was filed during, or within 90 days after, the Servicemember's period of military service. With the enactment of Public Law 110–289, the "Housing and Economic Recovery Act of 2008," the protection was temporarily extended from 90 days to 9 months. Subsection (a) would further extend such period another 3 months, so that a Servicemember could rely on the Act's mortgage protections for a total of 12 months after his or her period of military service ended.

Section 2(b) would eliminate the December 31, 2012, sunset date that the Housing and Economic Recovery Act of 2008 imposed on the extended protection and make it permanent.

Subsection 2(c) would specify that the amendments made by the Act shall take effect on the date of enactment.

VA defers to the Department of Defense regarding the merits of this proposal.

H.R. 2329

H.R. 2329, the "Ensuring a Response for Servicemembers Act," would amend section 207 of the Servicemembers Civil Relief Act to require lending institutions to designate an employee of the institution as a compliance officer responsible for ensuring the institution's compliance with the maximum interest rate requirements and for distributing information to Servicemembers whose obligations and liabilities are covered by such requirements. The bill would further require lending institutions that hold more than $10 million in assets during a fiscal year to establish and maintain the next fiscal year a toll-free telephone number, and to make such number available on the institution's primary Internet Web site.

VA defers to the Department of Defense regarding the merits of this bill.

EDUCATION MATTERS

H.R. 2274

Subsection (a) of H.R. 2274 would amend chapter 33 of title 38, United States Code, by adding a new section 3325 that would require (in subsection (a)) the Secre-

taries of Veterans Affairs and Defense to submit to Congress at least once every year (through January 1, 2021) separate reports on the operation of the Post-9/11 GI Bill (also referred to as "chapter 33").

Pursuant to subsection (b) of proposed new section 3325, the Secretary of Defense would be required to include information in each report indicating: (1) the extent to which the benefit levels provided under chapter 33 are adequate to achieve the purposes of inducing individuals to enter and remain in the Armed Forces and of providing an adequate level of financial assistance to help meet the cost of pursuing a program of education; (2) whether it is necessary for the purpose of maintaining adequate levels of well-qualified active-duty personnel in the Armed Forces to continue to offer the opportunity for educational assistance under chapter 33 to individuals who have not yet entered active-duty service; and (3) describing the efforts under section 3323(b) of title 38, United States Code, to inform members of the Armed Forces of the active-duty service requirements for entitlement to educational assistance benefits under chapter 33 and the results from such efforts. The Secretary would also be required to include such recommendations for administrative and legislative changes regarding the provision of educational assistance to members of the Armed Forces and Veterans, and their dependents, as the Secretary considers appropriate. VA defers to the Department of Defense regarding these proposed reporting requirements.

Pursuant to subsection (c) of proposed new section 3325, the Secretary of Veterans Affairs would be required to include in each report: (1) information concerning the level of utilization of educational assistance under chapter 33 and the expenditures under that chapter; (2) the number of credit hours, certificates, degrees, and other qualifications earned by beneficiaries under chapter 33 during the fiscal year preceding the fiscal year in which the report is submitted; and (3) such recommendations for administrative and legislative changes regarding the provision of educational assistance to members of the Armed Forces and Veterans, and their dependents, as the Secretary considers appropriate.

VA concurs, in principle, with the requirement to report annually on the Post-9/11 GI Bill. However, we do not currently collect the number of credit hours, certificates, and other qualifications earned by individuals under the Post-9/11 GI Bill. We estimate that we would need at least 12 months to develop a mechanism to track and report such information.

Subsection (b) of the bill would repeal section 3036 of title 38, United States Code, which requires the Secretaries of Defense and Veterans Affairs to submit to Congress at least once every 2 years separate reports on the operation of the Montgomery GI Bill—Active Duty, codified in chapter 30 of title 38. VA supports this repeal.

We will provide an estimate of the cost of enactment for this bill for the record. [VA failed to provide the costs for H.R. 2274.]

H.R. 2301

H.R. 2301, entitled the "Streamlining Educational Claims Processing Act of 2011," includes a requirement that VA make payments to educational institutions under the Post-9/11 GI Bill at the end of a quarter, semester, or term.

Section 2 of the bill proposes to amend section 3301 of title 38, United States Code, to provide definitions for the terms "quarter, semester or term," and "full-time pursuit." A "quarter, semester, or term" would be defined as the academic period during which a course of education is pursued, as established by the educational institution. The legislation would define "full-time pursuit" as the pursuit of a program of education during any quarter, semester or term, as established by the educational institution. Currently these terms are not defined under section 3301.

VA does not support section 2 as presented because the legislation would allow each educational institution to establish a definition for a quarter, semester, or term. Allowing educational institutions to establish their own definitions would add an additional level of complexity to understanding the program. If enacted, this change would also have a significant negative impact on VA's Long-Term Solution (LTS) for processing Post-9/11 GI Bill claims. Currently, VA has standards regarding how many weeks of training constitute quarters and semesters. VA would have to make adjustments to the LTS to accommodate educational institutions' definitions of quarter, semester, or term.

Section 3 of the bill would amend section 3313 of title 38 to require VA to make payments under the Post-9/11 GI Bill to educational institutions not later than 30 days following receipt of charges incurred by the individual at the end of the term. Currently, VA makes lump sum payments to the educational institutions for tuition costs on behalf of an individual pursuing a program of education upon receipt of an

enrollment certification from the educational institution concerned. The changes made by this section would be effective for any quarter, semester, or term that begins on or after August 1, 2011.

VA generally supports this section. We believe this amendment would minimize the probability of overpayments of educational assistance under the Post-9/11 GI Bill. However, we note that its enactment would potentially impact the timeliness of processing claims. Currently, VA processes tuition and fee payments upon receipt of an enrollment certification from a school. Requiring VA to hold tuition and fee payments to the end of the enrollment period would allow the educational institution time to submit changes or updates; however, holding the claim open during such period would, by definition, increase the amount of time it takes for VA to complete the claim. Additionally, if educational institutions submit enrollment certifications before the final charges are determined, VA may experience a significant increase in the number of claims submitted, which could negatively impact the average days to process claims.

We also have concerns with the effective date of the legislation. Educational institutions begin submitting enrollment certifications as early as the month of June for terms that begin in August. If VA has already processed enrollments for terms that begin after August 1, 2011, educational institutions may have already received payments for terms that have not yet begun. Therefore, VA recommends postponing the effective date of this provision until August 1, 2012.

Section 4 of the bill would amend subsection (h) of section 3313. It is unclear, however, whether the drafters intend to amend subsection (h) as currently in effect or whether they intend to amend that subsection as it will be in effect as of October 1, 2011 (by virtue an amendment to section 3313 by section 105 of Public Law 111–377). Effective October 1, 2011, section 105(b) of Public Law 111–377 will operate to strike current section 3313(h) (Established charges defined) and redesignate current section 3313(g) (Payment of established charges to educational institutions) as section 3313(h). Finally, also effective on October 1, 2011, section 105(b) of the Public Law will add a new subsection (g) to section 3313 (Assistance for pursuit of programs of education other than programs of education leading to a degree). The text of section 4 is confusing in that it would amend section 3313(h) by striking "(h) Payment of Established Charges to Educational Institutions.—Amounts" and inserting "(g) Payment of Established Charges."—

"(1) Payment to Educational Institutions—Amounts". (Emphasis added). We believe the drafters intended the first portion of the amendment to read "(h) Payment of Established Charges.—". Otherwise, this could be construed as supplanting the newly added language of subsection (g) discussed above. In addition, the affected subsection would be amended by the addition of a new paragraph (2), to require that VA determine the established charges for each credit hour of a program of education for any term, quarter or semester by dividing the total cost of the tuition for enrollment in the program of education on a full-time basis for that term, quarter or semester by the number of credit hours the educational institution is offering for the program course.

It is not clear how this amendment would affect VA's determinations of payments to educational institutions once various amendments that were made by Public Law 111–377 become effective. Given the uncertainty surrounding section 4 of the proposal, VA is unable to provide views regarding that section at this time. We will seek clarification from the Subcommittee staff and provide comments on this section at a later date.

We are unable to provide an estimate of the cost of enactment of H.R. 2301 at this time. However, once we clarify the drafters' intent regarding section 4, we will provide that estimate for the record. [VA failed to provide the costs for H.R. 2301.]

OTHER MATTERS

H.R. 2345

Title VII of Public Law 110–389 included provisions authorizing the Secretary of Veterans Affairs to: (1) provide assistance to the United States Paralympics (USP) to plan, develop, manage and implement an adaptive sports program for disabled Veterans and disabled members of the Armed forces (codified at 38 U.S.C. § 521A); and (2) award a monthly assistance allowance to Veterans training for or selected to compete on the U.S. Paralympic team (codified at 38 U.S.C. § 322). The respective funding authorities for these provisions are set to expire at the end of fiscal year 2013.

Section 1 of H.R. 2345 would amend section 322(d)(4) to extend, for a period of 5 years (through FY 2018), the authority for appropriations to fund VA's payment

of monthly monetary allowances. Section 2 of the bill would amend section 521A(g) to extend, for a period of 5 years (through FY 2018), the authority for appropriations to fund VA's above-described provision of assistance to the United States Paralympics; it also would amend section 521A(l) to similarly extend the termination date for provision of such assistance (through FY 2018).

Extending these authorities would allow VA and the U.S. Paralympics to continue developing their adaptive sports programming while building stronger relationships with partner organizations in Veterans' communities, allowing Veterans to continue their rehabilitation through sports for years to come. Thus, subject to the availability of funding, we fully support these extensions.

By its own terms, the cost of enactment of this bill would be $10 million in fiscal year 2014, with a total 5-year cost (FY 2014 through FY 2018) of $50 million.

H.R. 240

Section 1(a) of H.R. 240 would change the wording in section 8127 of title 38, United States Code, from "may" to "shall," to *require* contracting officers to contract with service-disabled Veteran-owned or Veteran-owned small businesses for all VA procurements under $5 million using other than competitive procedures for purposes of meeting the contracting goals and preferences established by the Secretary. The businesses must be deemed responsible and VA has to make an award at a fair and reasonable price. In addition, Section 1(b) would require VA to issue interim policy guidance to carry out this authority within 30 days of enactment.

VA opposes this legislation because the proposed language would be too restrictive, and would remove necessary business judgments that must be made at the discretion of VA contracting officers to acquire goods and services by the best means available for each applicable acquisition. Moreover, full and open competition, not the use of other-than-competitive procedures, is the most preferred acquisition methodology, as competition is the best means to achieve a fair and reasonable price. Pursuant to 38 U.S.C. § 8127(d), VA is currently required to set-aside acquisitions over $3,000 on a full and open competitive basis for service-disabled Veteran-owned or Veteran-owned small businesses on a priority basis when two or more such businesses are found in market research and an award can be made at a fair and reasonable price. Furthermore, pursuant to this existing authority, VA has consistently achieved its socioeconomic contracting goals for service-disabled Veteran-owned and Veteran-owned small businesses since the enactment of 38 U.S.C. § 8127 in 2006.

H.R. 2302

H.R. 2302 would amend title 38, United States Code, by adding a new section 517 to require the Secretary (VA) to notify Congress in advance of certain "covered" conferences sponsored by VA that would cost the Department at least $5,000.

Subsection (a) of proposed new section 517 would provide that, not later than 180 days before the date on which a covered conference begins, the Secretary shall notify the Committees on Veterans' Affairs of the House and Senate of such conference, including the estimated costs to the Department.

Subsection (b) of the proposed new section would provide that, not later than 60 days after the date on which a covered conference ends, the Secretary shall submit to the Veterans' Affairs Committees a report that includes an accounting of the final costs of the conference to the Department.

Subsection (c) of the proposed new section would define the term "covered conference" to mean a conference, meeting, or similar forum that is sponsored or co-sponsored by VA and is: (1) held for a period of 3 or more days (beginning at the time of the initial on-site registration and ending at the time the final event is completed); (2) attended by 20 or more individuals, including one or more VA employees; or (3) estimated to cost the Department at least $5,000, including costs related to transportation and parking, per diem payments, lodging, rental of halls, auditoriums, or other spaces, rental of equipment, refreshments, entertainment, contractors, and brochures and other printed media.

VA opposes this bill as it would impose burdensome notification and reporting requirements on the Department. It would also discourage legitimate and beneficial conference activities, including in-person gatherings within VA, and with other Federal agencies, Veterans Services Organizations and Veterans advocates, and businesses encouraged to hire Veterans. In addition, the 180-day notification requirement would limit VA leadership's ability to promptly and appropriately respond to training, planning, or other emergent operational needs.

All VA national events require notice to and/or approvals from VA Executive Management. Any conference that will be attended by more than 100 individuals must be approved in advance by VA's Chief of Staff. When VA determines a face-to-face conference is the most preferred manner of conducting training, it complies with Government-wide regulations to identify potential locations and hotels. All proposed conference contracts for amounts exceeding $25,000 are reviewed by VA's Office of General Counsel. Conference contracts also undergo technical review. The process for determining conference locations is consistent with the Federal Acquisition Regulation and is driven by the specific requirements of each conference.

The definition of "covered conferences" in H.R. 2302 captures the majority of operational meetings that are planned in the day-to-day administration of VA's large health care, benefits and cemetery systems. Because of the low participant and dollar thresholds, it would include minor gatherings and those events that feature a substantial virtual component. The bill's requirements would hinder the Department's ability to effectively plan day-to-day business activities and meet emerging business needs, and would not provide any additional value to the current review process. For example, VA medical center directors could not conduct timely town hall meetings, the Deputy Secretary could not conduct a timely Operational Management Review, and VA medical centers could not conduct timely grand rounds.

In addition, conferences are an indispensable tool for VA training. The success of VA transformation, cultural change, and effective implementation of new policies (as well as carrying out changes in programs resulting from legislative enactments) are dependent on the ability of VA to carry out effective training. VA conferences also address maintenance and appearance of 131 national cemeteries, accountability and quality control procedures, and the administration of VA benefits related to burial and memorializing of our Nation's fallen heroes and their eligible family members. Moreover, VHA provides workforce development and continuing education for more than 239,000 health care professionals and support staff at over 1,400 sites of care nationwide. Much of this training is necessary for these health care professionals to obtain and maintain their required licensing and certifications.

VA is unable to estimate the costs associated with this bill.

Mr. Chairman, this concludes my prepared remarks. I would be pleased to respond to any questions you or other Members of the Subcommittee may have.

Statement of Vivianne Cisneros Wersel, Au.D.,
Chair, Government Relations Committee, Gold Star Wives of America, Inc.

With malice toward none; with charity for all; with firmness in the right, as God gives us to see right, let us strive to finish the work we are in; to bind up the Nation's wounds, to care for him who has borne the battle, his widow and his orphan."

. . . *President Abraham Lincoln, Second Inaugural Address, March 4, 1865*

Chairman Stutsman, Ranking Member Bilirakis, and Members of the Subcommittee on Economic and Opportunities, thank you for the opportunity to present testimony on behalf of Gold Star Wives of America (GSW).

Secretary of Veterans Affairs Eric Shinseki once stated, "Taking care of survivors is as essential as taking care of our Veterans and military personnel. By taking care of survivors, we are honoring a commitment made to our Veterans and military members." We thank this committee for including us today to honor that commitment.

I am Vivianne Wersel, the Chair of the Gold Star Wives' Government Relations Committee. I am the surviving spouse of Lt Col Richard Wersel, Jr. USMC who died suddenly on February 4, 2005, 1 week after he returned from his second tour of duty in Iraq. Gold Star Wives of America, founded in 1945, is a congressionally chartered organization of spouses of servicemembers who died while on active duty or who died as the result of a service-connected disability. It is an all-volunteer organization. We could begin with no better advocate than Eleanor Roosevelt, newly widowed, who helped make Gold Star Wives a truly national organization. Mrs. Roosevelt was an original signer of our Certificate of Incorporation and a member of the Board of Directors. Our current membership encompasses surviving spouses of servicemembers who died while on active duty or as a result of a service-connected disability during World War II, the Korean War, the Vietnam War, the first Gulf War, the wars in Iraq and Afghanistan, and every period in between.

Gold Star Wives is an organization of those who are left behind when our Nation's heroes, bearing the burden of freedom for all of us, have fallen. We are that family minus one; we are spouses and children, all having suffered the unbearable loss of

our spouses, fathers or mothers. We are those to whom Abraham Lincoln referred when he made the government's commitment "... to care for him who shall have borne the battle, and for his widow, and his orphan."

This hearing encompasses various House bills; some do not reflect our membership. Today, I will focus on the legislation that pertains to military and veterans' surviving spouses.

H.R. 120—Disabled Veterans' Surviving Spouses Home Loans Act

Disabled Veterans' Surviving Spouses Home Loans Act—to provide for eligibility for housing loans guaranteed by the Department of Veterans Affairs for the surviving spouses of certain totally-disabled veterans.

CRS Summary

Disabled Veterans' Surviving Spouses Home Loans Act—Includes as a veteran, for purposes of eligibility for housing loans guaranteed by the Department of Veterans Affairs (VA), the surviving spouse of a veteran who at the time of death was in receipt of or entitled to compensation for a service-connected disability rated totally disabling if: (1) the disability was so rated for 10 or more years preceding death; (2) the disability was so rated for at least 5 years since the veteran's discharge or release from active duty; or (3) the veteran was a former prisoner of war who died after September 30, 1999, and the disability was so rated for at least 1 year preceding death. Requires any applicable VA housing loan fee to be collected from such spouse.

This legislation will cover the surviving spouses of totally-disabled veterans who were not included in earlier legislation for VA home loan guarantees.

Despite the implication in statement concerning fees in the above summary, it appears to this legal novice that the VA fee for surviving spouses of totally-disabled veterans is waived. Earlier legislation waived the VA fee for surviving spouses included in earlier legislation.

GSW supports the legislation.

H.R. 240—Sole Source Government Contracts for Small Businesses—Vet Preference

CRS Summary

Requires (current law authorizes) a Department of Veterans Affairs (VA) contracting officer to award contracts to small businesses owned and controlled by veterans using other than competitive procedures for contracts above the simplified acquisition threshold in order to meet VA small business procurement contracting goals.

After the death of a veteran spouse, the surviving spouse is left behind to maintain the family's financial stability. Some surviving spouses were in business with the veteran spouse before their death, and other surviving spouses have the means and desire to start a business on their own. GSW supports this bill and suggests that surviving spouses of veterans who died of a service-connected cause and own small businesses be included in this legislation.

GSW supports this legislation.

H.R. 1263

CRS Summary

To amend the Servicemembers Civil Relief Act to provide surviving spouses with certain protections relating to mortgages and mortgage foreclosures. Amends the Servicemembers Civil Relief Act (SCRA) to afford surviving spouses of servicemembers who die while in the military and whose death is service-connected the same protections against sale, foreclosure, and seizure of property currently applicable to their husbands who while in military service are unable to meet an obligation on real or personal property.

With the economic stresses the country now faces, we have many surviving spouses who worry about losing their jobs and/or when they will be able to retire. Some are one-step away from a car that stops running or an unmet house payment. Many of our members have a serious problem making house payments when their spouse dies. Not all surviving spouses receive the SGLI and the Death Gratuity today, as both may now be assigned to others, leaving the surviving spouse unable to meet their existing financial obligations.

Our concern is that this legislation applies only to surviving spouses of those who die on active duty. Surviving spouses of servicemembers who subsequently die of wounds or illness should be entitled to the same protection.

GSW supports this legislation and suggests that surviving spouses of servicemembers who subsequently die of wounds or illness be given this same protection.

H.R. 1911—Protecting Veterans' Homes Act

CRS Summary

Amends the Servicemembers Civil Relief Act to extend from 9 to 12 months after military service the period of protection against mortgage sale or foreclosure, as well as the stay of proceedings, in the case of an obligation on real property of a servicemember that originated before the period of military service.

Amends the Housing and Economic Recovery Act of 2008 to repeal the sunset date for such periods of relief.

GSW supports this legislation that would extend the time period in the Servicemembers Civil Relief Act from 9 to 12 months after military service, and repeals the sunset date for such periods of relief in the Housing and Economic Recovery Act of 2008.

GSW supports this legislation.

H.R. 2274

Latest Title: *To amend title 38, United States Code, to direct the Secretary of Veterans Affairs and the Secretary of Defense to submit to Congress annual reports on the Post-9/11 Educational Assistance Program, and for other purposes.*

GSW supports this legislation and suggests that chapter 35, Dependents Educational Assistance benefits be included in this report.

H.R. 2301—Streamlining Education Claims Processing Act of 2011

Latest Title: *Payments will be made to Educational Institutions at end of semester for Post-9/11 education benefits.*

GSW does not support this legislation.

This legislation would reduce the VA administrative costs and remove some of the turbulence from the processing of tuition benefits; it also has the potential to put students with limited income like surviving spouses whose children are entitled to these benefits in financial jeopardy. Delaying payment of tuition until the end of the term, quarter or semester would require the student or the surviving parent to cover the tuition costs out-of-pocket, which would be a financial hardship for many students and surviving parents.

Many educational institutions have agreed to waiver payment of tuition for 60–90 days; however, there is currently no waiver in place that provides for tuition to be paid at the end of the term, quarter or semester.

Even if the educational institution agreed to waive payment of tuition until the end of the term, quarter or semester, if the student is unable to complete the course of study successfully, this bill shifts the cost of the tuition debt as well as the cost of collecting the tuition debt from the VA to the educational institution. Due to the number of severely injured veterans and the veterans who suffer from TBI and PTSD, there may be many who cannot complete the course of education covered by the tuition. Educational institutions might cease to admit students using post 9–11 educational benefits. The VA has better resources from which to collect such a tuition debt.

H.R. 2329—Ensuring a Response for Servicemembers Act

Text of Legislation

To amend the Servicemembers Civil Relief Act to provide for certain requirements for financial institutions that are creditors for obligations and liabilities covered by that Act.

This is an enforcement parameter of the SCRA-to appoint a compliance officer at creditors- it makes someone at the creditors' office responsible for compliance (i.e., ensuring interest rates are lowered accordingly, that homes are not foreclosed when people are deployed, etc.) For the larger companies, ensures debtors can contact creditors through a phone number set up for this purpose.

The families of the Nation's fallen have already suffered the greatest loss; there is no need to make these families struggle further. We are not living the "good life", but rather are living a modest life and sometimes existing near poverty levels.

There are numerous news articles about the shenanigans some of the banks and other mortgage holders are pulling on those attempting to reduce their monthly mortgage payment and avoid foreclosure. This legislation would be helpful to surviving spouses who need to reduce their monthly mortgage payment.

GSW supports this legislation.

Gold Star Wives appreciates the compassionate work that Members of this Subcommittee and the staff do on our behalf. We always stand ready to provide this Subcommittee with any additional needed information. We are the voice of the surviving spouses and their children.

Statement of Paralyzed Veterans of America

Chairman Stutzman, Ranking Member Braley, and Members of the Subcommittee, Paralyzed Veterans of America (PVA), thanks you for the opportunity to submit a statement for the record regarding the proposed legislation being considered today. PVA appreciates the fact that you are addressing these important issues that affect the economic wellbeing of veterans. We support your effort to help these men and women that have honorably served their nation transition successfully back to the civilian world.

H.R. 120

PVA supports H.R. 120, legislation that would modify the existing housing loan program for veterans which provides a loan guarantee by the Department of Veterans Affairs. This bill would expand the program to include the surviving spouse of a veteran who was 100 percent service-connected disabled if the disability was so rated for 10 years preceding death; the disability was so rated for 5 years since the veteran's discharge, or the veteran was a former prisoner of war who died after September 30, 1999, and the disability was so rated for at least 1 year preceding death.

H.R. 240

PVA supports H.R. 240, which would promote employment for veterans in the current unfavorable employment market. This bill insures more veteran owned businesses receive consideration for government contracts. Veteran owned businesses tend to employ more veterans that nonveteran owned businesses. This would require VA contracting officers to award contracts to veteran owned small businesses through the use of sole source contracting. The use of the sole source contracting policy would result in contracts to veteran owned businesses that would exceed the minimal requirement of 3 percent.

H.R. 1263

PVA supports H.R. 1263, legislation to amend the Servicemembers Civil Relief Act to afford surviving spouses of servicemembers who die while in the military and whose death is service-connected the same protections against sale, foreclosure, and seizure of property currently applicable to their husbands who while in the military service are unable to meet an obligation on real or personal property.

H.R. 1911

PVA supports H.R. 1911, the "Protecting Veterans' Homes Act". This bill would extend the current protection authorized by the Servicemembers Civil Relief Act from the current time of 9 months to 12 months after military service. This protection would apply to the sale or foreclosure, as well as the stay of proceedings, in case of an obligation of real property of a servicemember that originated before the period of military service.

H.R. 2274

PVA supports H.R. 2274, which would require an annual report to Congress from the Department of Veterans Affairs and Department of Defense providing detailed information on the usage of, and their future recommendations for the Post-9/11 GI Bill. This report will help identify the effectiveness of the current program to recruit

and retain members of the Armed Forces. These motivating factors were taken into consideration when developing this benefit. The report should also help identify shortcomings in the program, which could include access to, or inadequate financial assistance. The report will also indicate the number of certificates, degrees, and completed programs the veterans and servicemembers have accomplished for each year. This information will document the success of the program for preparing these men and women to enter the civilian workforce for current employment, or future employment after military service. This report will be a valuable tool for Congress as they make legislative changes to reshape the Post-9/11 GI Bill in the future.

H.R. 2301

PVA supports H.R. 2301, the "Streamlining Education Claims Processing Act of 2011." Making this change in the payment schedule to educational institutions will accommodate the changing educational class loads of the veterans resulting in the correct payment to the institution at the end of the educational session.

H.R. 2302

PVA does not have a position on H.R. 2302, legislation that would require the Secretary of Veterans Affairs to notify Congress of conferences sponsored by the VA. We do question the value of this requirement. This would involve professional staff time to coordinate such events while complying with the advanced notification time, determining which events meet the criteria, tracking expenses, reporting expenses, and submitting reports to Congress. This seems to be an extreme example of Congress trying to micro-manage one of the largest agencies in the Federal Government. The goals of conferences sponsored by the VA are generally educational or to disseminate information applicable to carrying out its mission. This could include raising awareness of problems, or better methods or solutions to address issues within the VA. We feel the VA staff realize their agency must function within a limited budget which means they would be selective on topics and critical of the value of conferences they sponsor.

H.R. 2345

PVA supports H.R. 2345, a bill that would reauthorize the Paralympics program that has partnered with the VA to expand sports and recreation opportunities to disabled veterans and injured servicemembers. We believe that this has certainly been a worthwhile program as the need for expansion of these activities is necessary. We appreciate the role that the Paralympics have played in this expansion.

However, as we expressed during original consideration of this program in 2008, we remain concerned about a general lack of transparency. We believe a better and more open explanation of what expansion efforts have actually taken place needs to be expressed. Additionally, as we testified in 2008, we believe that the grant review and approval process needs to be more open so that Congress as well as the American public can see how the money that has been authorized is being spent.

Lastly, further oversight needs to be conducted to ensure that administrative costs of these programs are being minimized. The original law mandated that no more than 5 percent of the Paralympics funding could support administrative costs and no more than 10 percent could support administrative costs for grant recipients. While we believe the Paralympics are doing a reasonable job of meeting this requirement, we are concerned that the VA General Counsel's opinion on indirect versus direct costs could allow them to skirt the original intent of the legislation to hold down actual administrative costs. We would encourage the Subcommittee to investigate this further.

H.R. 2329

PVA supports H.R. 2329, the "Ensuring a Response for Servicemembers Act". This places increasing requirements on lending institutions that benefit from conducting business with servicemembers. They would be required to establish a compliance officer for providing information to servicemembers and in addition, depending on assets of the institution, required to establish a toll-free telephone number to address problems with servicemembers' accounts. This will help address some problems of the lack of communication with institutions that have been reported in past hearings dealing with servicemembers conducting business with lending institutions.

Mr. Chairman, Paralyzed Veterans of America appreciates this opportunity to express our views on these issues. We look forward to working with the Subcommittee on these and other issues in the future.

MATERIAL SUBMITTED FOR THE RECORD

Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
Washington, DC.
July 13, 2011

MG David Bockel, USA (Ret.)
Executive Director
Reserve Officers Association of the United States
One Constitution Avenue, NE
Washington, DC 20002

Dear MG Bockel:

I would like to request your response to the enclosed question for the record I am submitting in reference to our House Committee on Veterans' Affairs Subcommittee on Economic Opportunity *Legislative Hearing* on July 7, 2011. Please answer the enclosed hearing questions by no later than Thursday, August 18, 2011.

In an effort to reduce printing costs, the Committee on Veterans' Affairs, in cooperation with the Joint Committee on Printing, is implementing some formatting changes for material for all full Committee and Subcommittee hearings. Therefore, it would be appreciated if you could provide your answers consecutively on letter size paper, single-spaced. In addition, please restate the question in its entirety before the answer.

Due to the delay in receiving mail, please provide your response to Ms. Orfa Torres by fax at (202) 225–2034. If you have any questions, please call (202) 225–9756.

Sincerely,

Bruce L. Braley
Ranking Member

JL/ot

Question for the Record from the
House Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
July 7, 2011 Legislative Hearing

Question 1: In your written testimony, you stated that there are many other kinds of leases and contracts that the person entering active duty may need to terminate. Can you give us a list of these leases and contracts for review?

Response: There are many things that a civilian may regard as "necessities" that quickly become "encumbrances" when he or she is called to active duty. Under the Soldiers' and Sailors' Civil Relief Act (SSCRA), dating back to 1917, a person entering active duty (by draft, by voluntary enlistment, or by call-up from the National Guard or Reserve) has had the right to terminate a lease on PREMISES (apartment, house, office, farm, etc.).

In 2003, Congress enacted the Servicemembers Civil Relief Act (SCRA), as a long-overdue rewrite of the SCRA. In 2003, Congress continued the right to terminate a lease on premises and added the right to terminate a lease on a VEHICLE.

Just last year, Congress enacted an effective provision giving the person entering active duty the right to terminate a CELL PHONE contract.

While these provisions are good, there are many other leases or contracts that the person entering active duty will need to terminate.

The Reserve Officer Association would favor a provision giving the person entering active duty the right to terminate any contract or lease for goods or services that has more than 3 months to go at the time the person enters active duty. This should apply to goods and services for the individual's personal use and for business use. Examples include:

Professional Health Care Equipment Leases
Professional Legal Equipment Leases, Services Agreements and Subscriptions.
House Security Alarm Contracts
Cable Television agreements
DirectTV contracts
Gym memberships
Some Utility Contracts.

Currently, the only option under section 591 of the SCRA (50 U.S.C. App. 591) is to apply to a court for relief from a pre-service obligations under an equipment lease.

Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
Washington, DC.
July 13, 2011

Mr. Arthur F. Kirk, Jr.
President
Saint Leo University, Saint Leo, FL.
National Association of Independent Colleges and Universities
1025 Connecticut Avenue, N.W., Suite 700
Washington, D.C. 20036

Dear Mr. Kirk:

I would like to request your response to the enclosed question for the record I am submitting in reference to our House Committee on Veterans' Affairs Subcommittee on Economic Opportunity *Legislative Hearing* on July 7, 2011. Please answer the enclosed hearing questions by no later than Thursday, August 18, 2011.

In an effort to reduce printing costs, the Committee on Veterans' Affairs, in cooperation with the Joint Committee on Printing, is implementing some formatting changes for material for all full committee and Subcommittee hearings. Therefore, it would be appreciated if you could provide your answers consecutively on letter size paper, single-spaced. In addition, please restate the question in its entirety before the answer.

Due to the delay in receiving mail, please provide your response to Ms. Orfa Torres by fax at (202) 225–2034. If you have any questions, please call (202) 225–9756.

Sincerely,

Bruce L. Braley
Ranking Member

JL/ot

Question for the record of July 7, 2011, Legislative Hearing from Representative Bruce L. Braley, Ranking Member of Subcommittee on Economic Opportunity of the House Committee on Veterans' Affairs to Dr. Arthur F. Kirk, Jr. (President of Saint Leo University, Saint Leo, Florida)

Question 1: In your testimony you mentioned that if H.R. 2301 were to pass, "issues related to billing and to the assignment of responsibility for payment will be less clear. " How can the legislation be improved to avoid this problem?"

Response: Billing issue: The need to make modifications in a school's SIS systems and billing processes to accommodate payments at the end of the term/semester.

Any change to the current payment system will require these types of modifications by the school, but there are better ways than delaying payment until after the end of the term.

In my testimony, I noted that Saint Leo is implementing a new two-step veteran's certification process. Our Veterans Certifying Officers will enter the veteran as a student, but will certify zero tuition and fees in VAOnce, the VA GI Bill database system, at the semester's start. After the period for adding and dropping courses ends, we will then reenter in VAOnce and add the tuition and fee charges for all the courses in which the veteran is actually enrolled. We believe this approach would work better than delaying payments until after the term has ended.

Billing issue: The need to address school policies that prevent registration for future terms/semesters for students with outstanding balances.

Saint Leo could waive the financial holds. However, we would not always know the amounts expected from the VA. Since many students are not at 100 percent of eligibility, they often incur out-of-pocket costs. We would always be running behind and never have a true sense of what the student owes.

Assignment for responsibility for payment: This question arises in situations where a student withdraws—particularly if the student withdraws during a refund period.

I would also mention that the bigger question related to assignment of responsibility for payment is not tied to H.R. 2301, but rather to the "net payer" provision in effect this August 1. Saint Leo University has always certified for the full tuition amount and has never had to consider any other type of aid the student may have received. As has happened in the past, there have been no final regulations/guidelines/training issued prior to the effective date. So, it is not clear yet how this will work.

Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
Washington, DC.
July 13, 2011

Susan C. Aldridge, Ph.D.
President
University of Maryland University College
American Association of State Colleges and Universities
1307 New York Avenue, NW
Fifth Floor
Washington, DC 20005

Dear Dr. Aldridge:

I would like to request your response to the enclosed questions for the record I am submitting in reference to our House Committee on Veterans' Affairs Subcommittee on Economic Opportunity *Legislative Hearing* on July 7, 2011. Please answer the enclosed hearing questions by no later than Thursday, August 18, 2011.

In an effort to reduce printing costs, the Committee on Veterans' Affairs, in cooperation with the Joint Committee on Printing, is implementing some formatting changes for material for all full committee and Subcommittee hearings. Therefore, it would be appreciated if you could provide your answers consecutively on letter size paper, single-spaced. In addition, please restate the question in its entirety before the answer.

Due to the delay in receiving mail, please provide your response to Ms. Orfa Torres by fax at (202) 225–2034. If you have any questions, please call (202) 225–9756.

Sincerely,

Bruce L. Braley
Ranking Member

JL/ot

American Association of State Colleges and Universities
Washington, DC.
August 18, 2011

The Honorable Bruce Braley
Ranking Member
Subcommittee on Economic Opportunity
335 Cannon House Office Building
Washington, DC 20515

RE: Questions for the Record, July 7, 2011 Legislative Hearing on H.R. 2301

Dear Ranking Member Braley:

Enclosed please find the requested response to your questions for the record regarding the July 7, 2011 testimony of the American Association of State Colleges and Universities (AASCU) and President Susan C. Aldridge, University of Mary-

land—University College. If you or other Members of the Subcommittee have further questions, we would be happy to address them at your earliest convenience.

Regards,

Ed Elmendorf
Senior Vice President
Government Relations and Policy Analysis

lm/EE
Enclosure

Responses Submitted by AASCU for the Record in Response to Ranking Member Braley's Submitted Questions Committee on Veterans' Affairs Subcommittee on Economic Opportunity

Question 1: How would VA benefit from adapting Department of Education's Common Origination and Disbursement system?

Answer: To electronically disburse Higher Education Act title 4 Federal financial aid, the U.S. Department of Education developed the Common Origination and Disbursement system (COD). The COD has evolved into an efficient interface between the Federal Government and institutions of higher education. The system is used to record and reconcile awards and disbursements to individual students. Institutions submit data to the COD using batch files written in Extensible Markup Language format (XML). These files provide a host of eligibility and enrollment data to the Department. The COD acknowledges receipt of the file and issues a report of accepted and rejected data elements. The COD is used to inform the Department of any changes to enrollment, eligibility status, and resultant award or disbursement changes. The award and disbursement information is used to control fund availability to institutions for disbursement and to reconcile disbursements to students with funds drawn by the institution.

The benefit of the COD is that it allows institutions to share information with the Federal Government in a flexible and dynamic manner. While the VA could benefit from a COD-like system, the current fabrication of the Post-9/11 GI Bill program is highly rigid. As such, the efficiencies of the COD would not be helpful given current VA processes. Should the VA decide to move toward a more flexible and dynamic process of certification, disbursement, return of funds, and corrections, the COD would be an excellent model to replicate as appropriate in the VA program.

Question 2: If the University of Maryland were required to carry all the veterans' unpaid balances, how much would that be?

Answer: For the past academic year (2010/2011), University of Maryland University College alone (not including the ten other degree granting institutions within the University System of Maryland) carried nearly $30,000,000 in VA payments across the three semesters (Summer 2010, Fall 2010, and Spring 2011). For the previous academic year, that total was approximately $14,000,000, based upon the Fall 2009 and Spring 2010 semesters as the Post-9/11 Veterans Educational Assistance Act of 2008 was implemented on August 1, 2009.

Question 3: How much more money have veterans and the G.I. Bill brought to schools and is any of this money being used to address their unique payment needs?

Answer: According to statistics released by the National Center for Veterans Analysis and Statistics, the Post-9/11 GI Bill served 384,552 participants nationwide in 2010. (Expenditure data from the same source mingles Vocational Rehabilitation spending with both the Post-9/11 GI Bill and the Montgomery GI Bill and therefore is not provided here.)

We defer to the VA to provide the most recent data for expenditures under the Post-9/11 GI Bill program. We also note that to get an accurate nationwide figure of institutional receipts it would be necessary for VA to disaggregate data on tuition and fee payments made directly to institutions (as well as reconcile overpayments returned by institutions due to VA error, student enrollment changes, and so forth) from BAH and book stipend payments made directly to student veterans.

While veteran enrollment has increased with the Post-9/11 GI Bill, it is difficult to determine on a national level whether veteran students are additions to the target number of students that institutions would have enrolled anyway—or if, in fact, veterans displaced civilians in enrolled classes of students. If an institution maintained its predetermined enrollment target, then the Post-9/11 GI Bill funds used

to pay a veteran's tuition and fees at the institution would have been equal to the funds received by a nonveteran minus any institutional aid that the nonveteran received. If veteran students enrolled over and above the institution's previously set target enrollment numbers, then tuition and fee payments from the Post-9/11 GI Bill could be considered additional funding; however, these payments serve to defray the institutional costs of providing the veteran with a proper education.

Higher education as a whole, however, is adapting to serve the unique needs of its veteran population. According to the first national survey of higher education institutions about their institutional programs and services for servicemembers and veterans conducted in 2009 by a group of higher education and veterans' associations (AASCU, ACE, NASPA, NAVPA, and SOC), 57 percent of the 723 responding institutions offered programs and services specifically tailored to servicemembers and veterans. Roughly 60 percent of the respondents also indicated that programs and services for servicemembers and veterans were a part of their institutions' long-range strategic plan. Many institutions (both public and private) also offered tuition discounts, in-state tuition eligibility for veterans and families, and scholarships for veterans.

Finding funding for additional campus programs and services for veterans and families was a common priority for institutions already offering such programs (*From Soldier to Student,* Figure 4, p. 18). In the public 4-year sector, roughly 46 percent of institutional respondents indicated that as a priority, compared with about 35 percent of private 4-year institutions.

Institutions have gone about raising additional funds and creating methods to support veteran students on campus and their families—since tuition and fee monies, as stated above, are intended to defray the instructional costs of providing students with an education—in various ways. Some AASCU member examples are as follows:

- **George Mason University**: won a 2-year, $100,000 Success for Veterans Award grant from ACE and the Wal-Mart Foundation to fund their Office of Military Services after setting aside funds from different offices to create a military liaison position. The grant funding also helped George Mason to hire a military and veteran student counselor for the university's Counseling and Psychological Services office who is specifically trained and experienced in dealing with issues such as Traumatic Brain Injury (TBI) and Post-Traumatic Stress Disorder (PTSD). In addition, the university also received a grant from the Aurora Foundation to support a veteran transition course taught by an assistant dean and has veterans working in the Military Services office who are funded by the VA work-study program.
- **San Diego State University**: through private fundraising and support from the university president, created what is believed to be the first fraternity-styled "Veterans House" for student veterans and servicemembers to live on campus; the house also serves as a community hub for student veterans on campus. SDSU also won an ACE/Wal-Mart grant for its veteran services programs. In addition, SDSU's Campanile Foundation has raised over $150,000 for the Troops to College program to date; its goal is to provide scholarships, book vouchers and enrichment opportunities to veteran students on campus, as well as to support the SDSU student veterans organization.
- **New Jersey Association of State Colleges and Universities**: the association of 9 public colleges and universities initially created Operation College Promise (OCP) to serve as a Web portal on college information for returning servicemembers. Winning an ACE/Wal-Mart grant allowed it to expand its scope to identifying and widely disseminating best practices for veteran services on campus, including training staff and faculty and developing a resource manual for campus service providers. According to the OCP Web site, the project currently supports more than 12,000 veterans and their dependents attending NJASCU campuses.

Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
Washington, DC.
July 13, 2011

Mr. Curtis L. Coy
Deputy Under Secretary for Economic Opportunity
Veterans Benefits Administration
U.S. Department of Veterans Affairs
810 Vermont Avenue, NW
Washington, DC 20420

Dear Secretary Coy:

I would like to request your response to the enclosed questions for the record I am submitting in reference to our House Committee on Veterans' Affairs Subcommittee on Economic Opportunity *Legislative Hearing* on July 7, 2011. Please answer the enclosed hearing questions by no later than Thursday, August 18, 2011.

In an effort to reduce printing costs, the Committee on Veterans' Affairs, in cooperation with the Joint Committee on Printing, is implementing some formatting changes for material for all full committee and Subcommittee hearings. Therefore, it would be appreciated if you could provide your answers consecutively on letter size paper, single-spaced. In addition, please restate the question in its entirety before the answer.

Due to the delay in receiving mail, please provide your response to Ms. Orfa Torres by fax at (202) 225–2034. If you have any questions, please call (202) 225–9756.

Sincerely,

Bruce L. Braley
Ranking Member

JL/ot

Department of Veterans (VA) replies to
Questions for the Record from
Ranking Member Bruce Braley
House Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
Legislative Hearing
July 7, 2011

Question 1: A suggestion was made by a witness that to manage the Post-9/11 GI Bill program the VA should adapt the Department of Education's Common Origination and Disbursement (COD) system. Has VA considered adopting COD? What are some, if any, challenges the VA would have in applying the COD system?

Response: VA has considered the feasibility of employing a system similar to the Department of Education's (ED) COD system. In 2008, VA met with ED for a demonstration of its system. At that time VA was still developing detailed business requirements but knew we would need a system that could do the following:

1. Issue payments both to students and schools though Treasury after approval;
2. Allow VA to tie and track payment information to a specific Veteran;
3. Allow VA to establish accounts receivable and transfer all debt information to the VA Debt Management System;
4. Allow VA employees to enter adjustments to beneficiaries; and
5. Maintain detailed accounting information at the beneficiary level.

After meeting with ED, VA determined that the COD system would not meet all of our requirements.

On June 30, 2011, representatives from VA and ED met to discuss their respective programs and to get a better understanding of each system. From this meeting, VA determined that the systems were incompatible. Major differences exist in the way the programs are administered, which preclude VA from adopting ED's COD system.

Question 2: When will VA determine the full impact of H.R. 120 on the Veterans Benefits Housing Program?

Response: VA estimates that enactment of H.R. 120 would result in additional loan subsidy costs of approximately $441 thousand in FY 2012., $4.6 million over 5 years, and $12.8 million over 10 years.

Fiscal Year	Caseload	Cost ($000s)
2012	575	$441
2013	575	625
2014	575	990
2015	575	1,174
2016	575	1,364
5–Year Total	**2,875**	**$4,594**
2017	575	1,486
2018	575	1,577
2019	575	1,660
2020	575	1,722
2021	575	1,781
10–Year Total	**5,750**	**$12,820**

VA estimates the population of surviving spouses of 100 percent service-connected Veterans who did not die as a result of their disabilities to be 41,461. Applying the FY 2010 usage rate of 1.39 percent to this population, VA estimates an additional 575 VA-guaranteed loans each year for these beneficiaries. In VA's housing financial model, the incremental workload of 575 loans each year is assigned to three loan categories: 5 percent loans, 10 percent loans, and no down payment loans. Twenty-nine loans are assigned to the 5 percent loan category as well as the 10 percent loan category. The remaining 517 loans are assigned to the no down payment loan category.

Question 3: What are the main differences in how VA pays for tuition versus the Department of Education?

Response: Few differences exist in how tuition is paid by the Departments. Both VA and ED send payment information to Treasury who will then release the payments. Both VA and ED have the ability to pay by check or by EFT. ED has more advanced automated tools that schools can use to reconcile payments received to accounts.

Question 4:: What does paying for "actual charges" and being the "last payor" mean for VA tuition payments?

Response: The Post-9/11 GI Bill is one of various programs that provides funds designated to cover, in whole or part, tuition and fees for an eligible Veteran, Servicemember or dependent. Other programs providing funding include: DoD Reserve Officer Training Corps (ROTC) scholarships, DoD Health Professionals Scholarships, Merit Scholarships, employer-paid tuition, and State tuition reductions provided for State National Guard members.

Often the money from the other programs is credited to a student's account before VA receives an enrollment certification from the school. Currently, schools submit enrollment certifications and report established tuition and fee charges for the student's program of education without deducting payments received from other programs. In this situation, VA's payment to the school would be greater than the remaining balance owed for tuition and fees.

Asking the schools to report only the actual charges that the student was required to pay with his or her own funds eliminates duplication of benefits, provides clear rules for students and schools, and streamlines the process.

Question 5: What is the average student veteran population at universities across the country?

Response: Data from VA's annual reporting fee list shows the average VA beneficiary population at universities and training facilities across the country, including U.S. territories, was 89 per educational institution in calendar year 2010. This average is based on 810,116 beneficiaries enrolled at 9,110 educational institutions. However, an individual may have attended more than one educational institution.

This beneficiary count includes attendance in all VA education programs, including the Vocational Rehabilitation and Employment (chapter 31) program and the Dependents' Educational Assistance (chapter 35) program.