

DEMANDING ACCOUNTABILITY FOR VETERANS ACT OF  
2013

OCTOBER 16, 2013.—Committed to the Committee of the Whole House on the State  
of the Union and ordered to be printed

Mr. MILLER of Florida, from the Committee on Veterans' Affairs,  
submitted the following

R E P O R T

[To accompany H.R. 2072]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 2072) to amend title 38, United States Code, to improve the accountability of the Secretary of Veterans Affairs to the Inspector General of the Department of Veterans Affairs, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

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## AMENDMENT IN THE NATURE OF A SUBSTITUTE

The amendment is as follows:

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “Demanding Accountability for Veterans Act of 2013”.

**SEC. 2. SCORING OF BUDGETARY EFFECTS.**

The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled “Budgetary Effects of PAYGO Legislation” for this Act, submitted for printing in the Congressional Record by the Chairman of the House Budget Committee, provided that such statement has been submitted prior to the vote on passage.

**SEC. 3. ACCOUNTABILITY OF SECRETARY OF VETERANS AFFAIRS TO INSPECTOR GENERAL OF THE DEPARTMENT OF VETERANS AFFAIRS.**

(a) IN GENERAL.—Chapter 7 of title 38, United States Code, is amended by adding at the end the following new section:

**“§ 712. Accountability of Secretary to Inspector General**

“(a) LIST OF MANAGERS.—(1) If the Inspector General of the Department of Veterans Affairs determines that the Secretary has not appropriately responded with significant progress to a covered report by the date specified in the action plan of the Secretary developed in response to such covered report—

“(A) the Inspector General shall notify the Committees on Veterans’ Affairs of the Senate and House of Representatives and the Secretary of such failure to appropriately respond; and

“(B) not later than 15 days after such notification, the Secretary shall submit to the Inspector General a list of the names of each responsible manager and the matter in the action plan for which the manager is responsible.

“(2) The Inspector General may not make public the names of responsible managers submitted under paragraph (1)(B).

“(b) PERFORMANCE OF RESPONSIBLE MANAGERS.—(1) The Secretary shall—

“(A) promptly notify each responsible manager of a covered issue by not later than seven days after the date on which the Secretary submits to the Inspector General the name of the manager under subsection (a)(1)(B);

“(B) direct such manager to resolve such issue; and

“(C) provide such manager with appropriate counseling and a mitigation plan with respect to resolving such issue.

“(2) The Secretary shall ensure that any performance review of a responsible manager includes an evaluation of whether the manager took appropriate actions during the period covered by the review to respond to the covered issue for which a request was made under subsection (a).

“(3) The Secretary may not pay to a responsible manager any bonus or award, including a performance award under section 5384 of title 5 if the covered issue for which a request was made under subsection (a) is unresolved.

“(c) ROLE OF INSPECTOR GENERAL.—Any authority of the Inspector General provided under this section is in addition to any responsibility or authority provided to the Inspector General in the Inspector General Act of 1978 (5 U.S.C. App).

“(d) DEFINITIONS.—In this section:

“(1) The term ‘covered issue’ means, with respect to a responsible manager, an issue described in a covered report for which the manager is or was responsible.

“(2) The term ‘covered report’ means a report by the Inspector General of the Department of Veterans Affairs that recommends actions to the Secretary of Veterans Affairs (or other official or employee of the Department) to address an issue in the Department with respect to public health or safety.

“(3) The term ‘responsible manager’ means an individual who—

“(A) is an employee of the Department;

“(B) is or was responsible for an issue included in a covered report; and

“(C) in being so responsible, is or was employed in a management position, regardless of whether the employee is in the competitive civil service, Senior Executive Service, or other type of civil service.”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 711 the following new item:

“712. Accountability of Secretary to Inspector General.”.

**SEC. 4. SECRETARY OF VETERANS AFFAIRS CONTRACT AUTHORITY FOR TRANSFER OF VETERANS NON-DEPARTMENT MEDICAL FOSTER HOMES.**

(a) **AUTHORITY.**—Section 1720 of title 38, United States Code, is amended by adding at the end the following new subsection:

“(h)(1) During the three-year period beginning on October 1, 2014, at the request of a veteran for whom the Secretary is required to provide nursing home care under section 1710A of this title, the Secretary may transfer the veteran to a medical foster home that meets Department standards, at the expense of the United States, pursuant to a contract or agreement entered into between the Secretary and the medical foster home for such purpose. A veteran who is transferred to a medical foster home under this subsection shall agree, as a condition of such transfer, to accept home health services furnished by the Secretary under section 1717 of this title.

“(2) For purposes of this subsection, the term ‘medical foster home’ means a home designed to provide non-institutional, long-term, supportive care for veterans who are unable to live independently and prefer a family setting.”.

(b) **EFFECTIVE DATE.**—Subsection (h) of title 38, United States Code, as added by subsection (a), shall take effect on October 1, 2014.

**SEC. 5. CONDITIONS ON THE AWARD OF PER DIEM PAYMENTS BY THE SECRETARY OF VETERANS AFFAIRS FOR THE PROVISION OF HOUSING OR SERVICES TO HOMELESS VETERANS.**

(a) **CONDITION.**—

(1) **IN GENERAL.**—Paragraph (1) of section 2012(c) of title 38, United States Code, is amended to read as follows:

“(1) Except as provided in paragraph (2), a per diem payment may not be provided under this section to a grant recipient or eligible entity unless the entity submits to the Secretary an annual certification, approved or verified by the authority having jurisdiction or a qualified third party, as determined by the Secretary, that the facility where the entity provides housing or services for homeless veterans using grant funds is in compliance with codes relevant to the operations and level of care provided, including applicable provisions of the most recently published version of the Life Safety Code or International Building Code and International Fire Code (or such versions of such codes that have been adopted as State or local codes by the jurisdiction in which the facility is located), licensing requirements, fire and safety requirements, and any other requirements in the jurisdiction in which the facility is located regarding the condition of the facility and the operation of the entity providing such supportive housing or services. For purposes of this paragraph, if a facility where a grant recipient or eligible entity provides housing or services for homeless veterans using grant funds is located in a jurisdiction without relevant code requirements, the Secretary shall determine code and inspection requirements to be applied to the facility.”.

(2) **EFFECTIVE DATE.**—The amendment made by paragraph (1) shall apply with respect to an application for a per diem payment under section 2012 of title 38, United States Code, submitted on or after the date of the enactment of this Act.

(b) **ANNUAL REPORT.**—Section 2065(b) of title 38, United States Code, is amended—

(1) by redesignating paragraph (6) as paragraph (7); and

(2) by inserting after paragraph (5) the following new paragraph (6):

“(6) The Secretary’s evaluation of the safety and accessibility of facilities used to provide programs established by grant recipients or eligible entities under section 2011 and 2012 of this title, including the number of such grant recipients or eligible entities who have submitted a certification under section 2012(c)(1).”.

(c) **TREATMENT OF CURRENT RECIPIENTS.**—In the case of the recipient of a per diem payment under section 2012 of title 38, United States Code, that receives such a payment during the year in which this Act is enacted, the Secretary of Veterans Affairs shall require the recipient to submit the certification required under section 2012(c)(1) of such title, as amended by subsection (a)(1), by not later than two years after the date of the enactment of this Act. If the recipient fails to submit such certification by such date, the Secretary may not make any additional per diem payments to the recipient under such section 2012 until the recipient submits such certification.

**SEC. 6. EXTENSION OF LOAN GUARANTY FEE FOR CERTAIN SUBSEQUENT LOANS.**

(a) **EXTENSION.**—Section 3729(b)(2) of title 38, United States Code, is amended—

(1) in subparagraph (A)—

(A) in clause (iii), by striking “October 1, 2017” and inserting “October 1, 2018”; and

- (B) in clause (iv), by striking “October 1, 2017” and inserting “October 1, 2018”;
- (2) in subparagraph (C)—
  - (A) in clause (i), by striking “October 1, 2017” and inserting “October 1, 2018”; and
  - (B) in clause (ii), by striking “October 1, 2017” and inserting “October 1, 2018”; and
- (3) in subparagraph (D)—
  - (A) in clause (i), by striking “October 1, 2017” and inserting “October 1, 2018”; and
  - (B) in clause (ii), by striking “October 1, 2017” and inserting “October 1, 2018”.

**SEC. 7. LAND CONVEYANCE, DEPARTMENT OF VETERANS AFFAIRS PROPERTY, TUSKEGEE, ALABAMA.**

(a) **FINDINGS.**—Congress makes the following findings:

(1) In 1922, Tuskegee University voted to donate three hundred acres of land to the United States to build a veterans’ hospital, a portion of which is described in subsection (b).

(2) The property is administered by the Department of Veterans Affairs and has been used as space for the Tuskegee Veteran’s Hospital.

(3) Tuskegee University (hereinafter referred to as the “University”) is a State-related land grant institution of higher learning that intends to use the property described in subsection (b) to further the education and general welfare of its students.

(4) As provided in subsection (b), the conveyance of the property to the University would promote the University’s educational mission and related purposes and result in savings to the Federal Government.

(b) **CONVEYANCE AUTHORIZED.**—The Secretary of Veterans Affairs shall, without consideration, convey all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 64.5 acres located at 2400 Hospital Road, Tuskegee, Alabama, including building numbers 19–29, 50–51, 59–60, 62–63, 80, 94, 96, and 124, to Tuskegee University, for the purpose of permitting Tuskegee University to use the property to further the education and general welfare of its students. In carrying out the conveyance under this subsection, the Secretary may survey all or a portion of the property to be conveyed if the Secretary determines such a survey would be necessary or desirable.

(c) **HAZARDOUS SUBSTANCES.**—Notwithstanding section 120(h) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(h)) or the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.), in the conveyance of the property under subsection (b), the Secretary shall be only required to meet the disclosure requirements for hazardous substances, pollutants, and contaminants, but otherwise shall not be required to remediate or abate the release of any hazardous substance, pollutant, or contaminant, including petroleum and petroleum derivatives.

(d) **COOPERATIVE AUTHORITY.**—

(1) **LEASES, CONTRACTS, AND COOPERATIVE AGREEMENTS AUTHORIZED.**—In conjunction with, or in addition to, the conveyance under subsection (b), the Secretary may enter into leases, contracts, and cooperative agreements with the University related to the conveyance authorized under subsection (b).

(2) **SOLE SOURCE.**—Notwithstanding division C of subtitle I of title 41, United States Code, or any other provision of law, the Secretary may lease real property from the University on a noncompetitive basis.

(3) **NON-EXCLUSIVE AUTHORITY.**—The authority provided by this subsection is in addition to any other authority of the Secretary.

(e) **ADDITIONAL TERMS AND CONDITIONS.**—The Secretary may require such reasonable terms and conditions in connection with the conveyance under subsection (b) as the Secretary considers appropriate to protect the interests of the United States, except that the conveyance may not require further administrative or environmental analyses or examination.

(f) **LIMITATION.**—The Secretary may not make the conveyance under subsection (b) before October 1, 2014.

**SEC. 8. EXTENSION OF AUTHORITY OF SECRETARY OF VETERANS AFFAIRS TO OBTAIN CERTAIN INFORMATION FROM THE SECRETARY OF THE TREASURY OR THE COMMISSIONER OF SOCIAL SECURITY.**

Section 5317 of title 38, United States Code, is amended by striking “September 30, 2016” and inserting “May 31, 2017”.

## PURPOSE AND SUMMARY

H.R. 2072, the Demanding Accountability for Veterans Act of 2013, was introduced by Representative Dan Benishek of Michigan, the Chairman of the Subcommittee on Health of the Committee on Veterans' Affairs, on May 21, 2013. In addition to H.R. 2072, the amended version of the bill reflects the Committee's consideration of several bills introduced during the 113th Congress, including H.R. 1612, introduced by Representative Mike Rogers of Alabama, to direct the Secretary of Veterans Affairs to convey a parcel of land in Tuskegee, Alabama, to Tuskegee University; H.R. 2065, the Safe Housing for Homeless Veterans Act, introduced by Representative David McKinley of West Virginia; and H.R. 2726, the Long-Term Care Veterans Choice Act, introduced by Representative Jeff Miller of Florida, the Chairman of the Committee.

H.R. 2072, as amended, would: require the Department of Veterans Affairs Inspector General (VAOIG) to determine whether appropriate action has been taken by the Department of Veterans Affairs (VA) in response to a VAOIG report concerning public health or patient safety by the date specified in the applicable VA action plan; require the VAOIG to notify the House and Senate Veterans' Affairs Committees and the Secretary of any failure of the Department to respond appropriately; require the Secretary, following such notification, to report the names of managers responsible for implementing the Department's relevant action plan to the VAOIG within 15 days and prohibit the VAOIG from making such names public; require the Secretary to promptly notify each responsible manager of an issue in a covered report, direct that responsible manager to resolve the issue, and provide such manager with counseling and a mitigation plan to resolve the issue; require VA to include an evaluation of whether or not such manager took appropriate action to a covered report in his or her performance review; and, prohibit VA from paying a bonus or performance award to any responsible manager if an issue in a covered report is left unresolved.

It would also authorize VA, for three years beginning on October 1, 2014, to enter into a contract or agreement with a certified medical foster home to pay for long-term care for certain veterans already eligible for VA-paid nursing home care and, require an eligible veteran to receive VA home health services as a component of such payment.

It would further: require per diem payment recipients under VA's Homeless Grant and Per Diem Program to provide VA with a certification of compliance with all relevant fire, safety, and building codes; allow entities already receiving grants or assistance under the program to submit such a certification within two years of enactment; require VA to determine the code requirement for a facility in a location without a code requirement and also to determine how such facility should be inspected; and, require VA to include an accounting and evaluation of the safety and accessibility of facilities used for homeless veterans in the Annual Report on Assistance to Homeless Veterans.

Finally, it would extend the current rate of certain VA housing loan guaranty funding fees from October 1, 2017, to October 1, 2018; direct VA to convey to Tuskegee University in Alabama, spec-

ified real property at 2400 Hospital Road in Tuskegee, for the purpose of permitting the University to use the property to further the education and general welfare of its students; and, extend the authority of VA to receive information from the Internal Revenue Service for pension income verification purposes from September 30, 2016, to May 31, 2017.

#### BACKGROUND

##### *Section 3—Accountability of Secretary of Veterans Affairs to Inspector General of the Department of Veterans Affairs*

The VAOIG conducts independent oversight reviews and investigations designed to improve the effectiveness and efficiency of VA programs and monitor the health care provided to veterans.

The Office of Management and Budget requires the OIG to follow up and report on the status of VAOIG recommendations and requires VA to acknowledge that it is taking action to correct agency deficiencies as indicated by the VAOIG investigatory recommendations. The VAOIG is also required to submit a Semiannual Report to Congress on the status of report recommendations.

As of March 2013, the VAOIG reported that there were 194 total open reports and 1,030 total open recommendations, of which 42 have remained open for more than a year. The Veterans Health Administration has the largest number of open reports with 139 and the largest number of open recommendations with 823 which were not yet implemented by the Administration.

The Committee believes that the large number of unacknowledged open recommendations at VA has reached unacceptable levels. Further, the Committee has grave concerns surrounding the emerging pattern of serious patient safety issues occurring at VA medical centers across the country, a number of which were addressed by the Committee during a September 9, 2013, oversight hearing entitled, “A Matter of Life and Death: Examining Preventable Deaths, Patient Safety Issues and Bonuses for VA Execs Who Oversaw Them.” The Committee believes this provision is the first step toward addressing these issues and creating a culture of accountability within the Department. Congressional action demanding increased accountability is warranted, particularly when it involves problems and deficiencies in VA health care programs and operations related to public health or patient safety in need of corrective actions.

Section 3 of the bill would address serious deficiencies in the timely implementation of VAOIG recommendations that are critical to improving the programs and delivery of care and services to our Nation’s veterans. H.R. 2072, as amended, would require the VAOIG to determine whether appropriate action has been taken by VA in response to a VAOIG report concerning public health or patient safety by the date specified in the applicable VA action plan and notify the House and Senate Veterans’ Affairs Committees and the VA Secretary of the Department’s failure to respond appropriately. This measure would also require the Secretary, following such notification, to report the names of managers responsible for implementing the Department’s relevant action plan to the VAOIG within 15 days and prohibit the VAOIG from making such names public. Section 3 would further require the Secretary to promptly

notify each responsible manager of an issue in a covered report, direct that responsible manager to resolve the issue, and provide him or her with counseling and a mitigation plan. Moreover, it would require VA to include an evaluation of whether or not such manager took appropriate action to a covered report in his or her performance review, and, prohibit VA from paying a bonus or performance award to any responsible manager if an issue in a covered report is left unresolved.

*Section 4—Secretary of Veterans Affairs contract authority for transfer of veterans non department of medical foster homes*

Section 101 of the Veterans Millennium Health Care and Benefits Act, Public Law 106–117(113 Stat. 1545, 1547) requires VA to provide nursing home services to all enrolled veterans who are 70 percent or more service-connected, or 60 percent or more service-connected and unemployable and in need of such care, or who are service-connected for a condition that makes such care necessary. VA meets the requirements of the law by providing short- and long-term nursing care, respite, and end-of-life care through three different settings, including: Community Living Centers located on VA medical campuses; purchased care in Community Nursing Homes; and, through the State Veterans Nursing Home program.

Additionally, VA provides a variety of non-institutional long-term care services to allow many veterans to remain within their homes and delay or avoid nursing home placement. One of the many non-institutional long-term care programs VA provides is the Community Residential Care (CRC) program.

The CRC program is authorized under section 1730 of title 38, United States Code and is a form of enriched housing which provides health care supervision to eligible veterans not in need of hospital or nursing home care, but who, because of medical or psychosocial limitations are not able to live independently or have care needs that exceed the capabilities of their families. VA health care personnel may assist veterans by referring them for placement in a privately or publicly owned community residential care facility if certain criteria are met. CRC regulations are codified at 38 C.F.R. §17.61 through §17.72.

A relatively new variant of CRC is known as the Medical Foster Home (MFH). The MFH program began as a pilot project in 1999 for veterans who have higher levels of complex medical conditions and disabilities due to chronic disease, frailty, or traumatic injury and are unable to live independently, but who prefer a family setting. In general, a MFH is an adult foster home combined with a VA interdisciplinary home care team to provide non-institutional long-term care for veterans.

A MFH is generally distinguished from other CRC homes by the following: the home is owned or rented by the MFH caregiver; the MFH caregiver lives in the MFH and provides personal care and supervision; there are not more than three residents receiving care in the MFH, including both veterans and non-veterans; and veteran MFH residents are enrolled in a VA Home Based Primary Care or Spinal Cord Injury Home Care Program.

Each VA medical center facility appoints a MFH Coordinator to oversee the approval, inspection and placement process for MFHs in the community. VA also provides safeguards to ensure veterans

receive safe, high-quality care by requiring MFH caregivers to pass a federal background check and VA screening, agree to undergo annual training, and allow VA to make both announced and unannounced home visits. The Committee commends VA for its focus on education and training of MFH caregivers to ensure quality and effective specialized care for veterans. The Committee recommends VA enter into partnerships with ongoing caregiver training initiatives to develop and host additional training to ensure incoming MFH caregivers are adequately trained and experienced and to help support and retain existing MFH caregivers.

Today, according to VA, over 400 approved caregivers provide MFH care in their homes to over 500 veterans daily in over 35 states, establishing that MFH care can be the best option for veterans seeking high-quality, personalized, long term care in a more private setting.

However, because a MFH is not considered institutional care that is eligible for VA nursing home payments, VA does not have the authority under the CRC program to pay for the cost of the MFH. A veteran who chooses to live in a MFH must pay out of pocket with personal funds, regardless of whether or not such veteran is eligible for VA-paid nursing home care.

The inability of VA to pay for this type of long term care has forced service-connected veterans eligible for VA paid nursing home care who choose to reside in MFHs to pay for the service themselves, or to defer the MFH option in order to reside in an institutional setting that may not be the best option for the veteran's needs. According to VA, many more veterans would elect to receive care in a MFH should VA be granted the authority to pay for care in such facilities.

As the veteran population continues to age, the need for long-term care services will continue to grow. The Committee believes it is important to expand the long term care choices offered to veterans beyond traditional services and provide VA authority to pay for long term care in qualifying MFHs for qualifying veterans. Granting VA this authority would allow a veteran to choose a more tailored long term care option that best fits the quality of life they seek. Of additional benefit, VA has found that this action would provide a cost saving for the Department.

Section 4 would authorize VA, for three years beginning on October 1, 2014, to enter into a contract or agreement with a certified medical foster home to pay for long-term care for certain veterans already eligible for VA-paid nursing home care. It would also require an eligible veteran to receive VA home health services as a component of such payment.

*Section 5—Conditions on the award of per diem payments by the Secretary of Veterans Affairs for the provision of housing or services to homeless veterans*

VA operates a number of programs and initiatives designed to assist veterans experiencing or at-risk for homelessness, including the Homeless Grant and Per Diem (GPD) Program.

The GPD Program, which is governed by sections 2012 and 2013 of title 38, United States Code, consists of two parts: the grants portion of the program and the per diem portion of the program. Eligible grant recipients may apply for funding for one or both

parts. The grants portion provides capital grants to acquire, construct, expand, or remodel facilities for use as either service centers or transitional housing facilities. The per diem portion reimburses non-profit and public entities for the cost of providing housing and supportive services for homeless veterans.

VA awarded approximately \$28.4 million in grants and, collectively, more than 14,000 transitional housing beds were provided to homeless veterans in all fifty states, the District of Columbia, Guam, and Puerto Rico.

38 U.S.C. §2011(b)(5) stipulates that VA ensure that entities receiving grants under the GPD Program meet fire and safety requirements established by VA as well as all applicable state and local codes and standards. VA medical center clinicians in each local jurisdiction act as liaisons between the Department and the GPD-funded entity and are responsible for ensuring compliance with this provision. There is no similar statutory requirement for recipients of per diem payments under the GPD Program.

Grant and per diem recipients under the GPD program generally operate what are known as, “residential room and board facilities.” From 2006 to 2010, more than nineteen hundred structure fires were reported in facilities of this kind, resulting in ten deaths, 61 injuries, and \$8 million in property damage. Given this and given the vulnerable, high-risk veteran population cared for in these facilities, the Committee strongly believes the per diem recipients under VA’s GPD Program should be required by law to certify that they meet relevant fire and safety requirements.

Section 5 of the bill would require per diem payment recipients under VA’s GPD program to provide VA with a certification of compliance with all relevant fire, safety, and building codes. The certification would include compliance with requirements outlined in the recently published version of the Life Safety Code, the International Building Code and the International Fire Code, or similar codes that have been adopted as State or local codes in the jurisdiction of the project. In addition, all licensing requirements regarding the condition of the structure and the operation of supportive housing or service center, including fire and safety requirements, must be provided.

Section 5 would also allow entities already receiving grants or assistance under the program to submit such a certification within two years of enactment. It would further require VA to determine the code requirement for a facility in a location without a code requirement and determine how such facility should be inspected. Section 5 would also require VA to include an accounting and evaluation of the safety and accessibility of facilities used for homeless veterans in the Annual Report on Assistance to Homeless Veterans.

*Section 6—Extension of loan guaranty fee for certain subsequent loans*

Section 3729 of title 38, United States Code, requires the payment of an upfront funding fee when a servicemember or veteran uses their VA loan guaranty benefit. The funding fee varies based on an individual’s status, the amount of down payment brought forward, and the date of loan origination. The rates of funding fees (expressed as a percentage of the principal) for subsequent use

have been in effect since 2009 and are set to be reduced on October 1, 2017.

This section would extend through October 1, 2018, the rates of funding fees that would otherwise be reduced on October 1, 2017 for subsequent use loans. These fees reduce the subsidy cost associated with VA's guaranty of mortgage loans and have typically been viewed as a reasonable cost to the benefit gained by having VA guarantee a mortgage loan. Such fees can also be rolled into the principal of the loan. The Committee believes the extension of these rates will not have a negative impact on veterans' or servicemembers' ability to acquire the finances necessary for a subsequent loan after their initial VA home loan usage.

Section 6 would amend 38 U.S.C. 3729(b)(2) to extend the current funding rate fee schedule for certain qualifying loans through October 1, 2018. This section is designed as an offset for future costs of Section 4 of this bill, as scored by the Congressional Budget Office (CBO).

*Section 7—Land conveyance, Department of Veterans Affairs Property, Tuskegee, Alabama*

In 1922, the Tuskegee Institute donated three hundred acres of land to the United States Government for the purpose of constructing a hospital for African American veterans that had fought in World War I. The Tuskegee VA hospital, at one time, was a large facility with over 2,000 operating beds.

In 1997, with a shifting emphasis to outpatient care and a call to reduce overhead and redundant services, the facility at Tuskegee merged with the Montgomery VA Medical Center into the Central Alabama VA Health Care System (CAVHCS). The East (Tuskegee) and West (Montgomery) campuses are approximately 40 miles apart.

With the consolidation, the VA Tuskegee campus currently contains over 500,000 excess square feet of underutilized and unused space. A significant number of the buildings have been closed for over ten years, and, while those buildings are locked, there are still maintenance costs associated with the property.

Tuskegee University, on the other hand, is experiencing exponential growth. To support plans for expansion, the University desires to have 64.5 acres and 240,000 square feet of land and buildings transferred from CAVHCS back to Tuskegee University.

The VA does not foresee a future need for the property, with additional reductions in space planned. The VA has determined that remaining campus buildings have adequate capacity for any future needs as identified in both the Capital Asset Inventory and Capital Master Plan for CAVHCS.

Both VA and Tuskegee University support that the transfer of the property to the University would benefit both organizations. The transfer would allow the University to construct classrooms, research laboratories, and offices for a number of new academic degree programs including programs in Public Health, Nursing, Educational Psychology and Counseling. The transfer would not only provide CAVHS with new partnership opportunities, but would allow the VA to dispose of a significant amount of unused space and reduce overhead costs.

However, there is no administrative mechanism to directly transfer the property to the University, absent special authority granted by Congress to transfer the unused 64.5 acres, located at 2400 Hospital Road, Tuskegee, Alabama, to Tuskegee University.

Section 7 of the bill provides the necessary authority to direct VA to convey the specified property to Tuskegee University for the purpose of the educational enrichment of its students.

*Section 8—Extension of authority of Secretary of Veterans Affairs to obtain certain information from the Secretary of the Treasury or the Commissioner of Social Security*

VA currently has the authority to obtain income verification information from the Secretary of the Treasury and the Secretary from the Commissioner of Social Security of veterans applying for VA benefits. Such authority is set to expire on September 30, 2016.

Section 8 would extend the VA's authorization to obtain this information through May 31, 2017.

#### HEARINGS

On May 21, 2013, the Subcommittee on Health conducted a legislative hearing on various bills introduced during the 113th Congress, including Draft Legislation, The Veterans Integrated Mental Health Care Act of 2013; Draft Legislation, The Demanding Accountability for Veterans Act of 2013; H.R. 241; H.R. 288; H.R. 984; and H.R. 1284.

The following witnesses testified:

The Honorable Dennis Ross of Florida; the Honorable Brett Guthrie of Kentucky; Mark Edney, MD, FACS, Member of the Legislative Affairs Committee and the Urotrauma Task Force American Urological Association; Michael O'Rourke, Assistant Director of Government Relations for the Blinded Veterans Association; Adrian Atizado, Assistant National Legislative Director for the Disabled American Veterans; Alex Nicholson, Legislative Director of Iraq and Afghanistan Veterans of America; Alethea Predeoux, Associate Director for Health Analysis of the Paralyzed Veterans of America; and Robert L. Jesse M.D., Ph.D., the Principal Deputy Under Secretary for Health for the Veterans Health Administration of the U.S. Department of Veterans Affairs, accompanied by Susan Blauert, the Deputy Assistant General Counsel for the U.S. Department of Veterans Affairs.

Statements for the Record were submitted by the following:

The American Legion; the Department of Veterans Affairs Office of the Inspector General; the Military Officers Association of America; the Veterans of Foreign Wars; VetsFirst/the United Spinal Association; and the Wounded Warrior Project

On July 9, 2013, the Subcommittee on Health conducted a legislative hearing on various bills introduced during the 113th Congress, including Draft Legislation, the Long-Term Care Veterans Choice Act; H.R. 1443; H.R. 1612; H.R. 1702; and H.R. 2065.

The following witnesses testified:

The Honorable Mike Rogers of Alabama; the Honorable David McKinley of West Virginia; Jacob Gadd, the Deputy Director for Health Care for the Veterans Affairs and Rehabilitation Commission of the American Legion; Susan E. Shore Ph.D., the Chair of the Scientific Advisory Committee for the American Tinnitus Asso-

ciation; Adrian Atizado, the Assistant National Legislative Director for the Disabled American Veterans; Robert Drexler, Member of the Board of Directors for the International Code Council, Raymond C. Kelley, Director of the National Legislative Service for the Veterans of Foreign Wars; and Robert L. Jesse M.D., Ph.D., the Principal Deputy Under Secretary for Health for the Veterans Health Administration of the U.S. Department of Veterans Affairs, accompanied by Susan Blauert, the Deputy Assistant General Counsel for the U.S. Department of Veterans Affairs.

Statements for the record were submitted by the following:

The Honorable Ron Barber of Arizona; the Iraq and Afghanistan Veterans of America; Tuskegee University; the National Association of State Fire Marshals; the National Coalition for Homeless Veterans; the Paralyzed Veterans of America; the Vietnam Veterans of America; and the Wounded Warrior Project.

#### SUBCOMMITTEE CONSIDERATION

The Subcommittee met in an open markup session on July 23, 2013, a quorum being present. Mr. Benishek offered an amendment in the nature of a substitute to H.R. 2072 which added the provisions of H.R. 2726, H.R. 2065, and H.R. 1612. The amendment was adopted and H.R. 2072, as amended, was favorably forwarded to the full Committee by voice vote.

#### COMMITTEE CONSIDERATION

On August 1, 2013, the full Committee met in an open markup session, a quorum being present, and ordered H.R. 2072, as amended, reported favorably to the House of Representatives by voice vote.

During consideration of H.R. 2072, the following amendment was considered and agreed to by voice vote:

An amendment in the nature of a substitute offered by Mr. Benishek of Michigan which combined the contents of H.R. 2072, H.R. 1612, H.R. 2065, and H.R. 2726 and inserted a provision that would extend the current rate of certain VA housing loan guaranty funding fees from October 1, 2017, to October 1, 2018 and a provision that would extend the VA's authority to receive information from the Internal Revenue Service for pension income verification purposes from September 30, 2016, to May 31, 2017.

#### COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the motion to report the legislation and amendments thereto. There were no record votes taken on amendments or in connection with ordering H.R. 2072, as amended, reported to the House. A motion by Ranking Member Michael H. Michaud of Maine to report H.R. 2072, as amended, favorably to the House of Representatives was agreed to by voice vote.

#### COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 3(c)(1) of rule XIII and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the Commit-

tee's oversight findings and recommendations are reflected in the descriptive portions of this report.

#### STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee's performance goals and objectives are reflected in the descriptive portions of this report.

#### NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the estimate of new budget authority, entitlement authority, or tax expenditures or revenues contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

#### EARMARKS AND TAX AND TARIFF BENEFITS

H.R. 2072, as amended, does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI of the Rules of the House of Representatives.

#### COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate on H.R. 2072, as amended, prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

#### CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate for H.R. 2072, as amended, provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, August 16, 2013.*

Hon. JEFF MILLER,  
*Chairman, Committee on Veterans' Affairs,  
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2072, the Demanding Accountability for Veterans Act of 2013.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is David Newman.

Sincerely,

DOUGLAS W. ELMENDORF.

Enclosure.

#### *H.R. 2072—Demanding Accountability for Veterans Act of 2013*

Summary: H.R. 2072 would increase the fees charged to certain veterans who obtain loans guaranteed by the Department of Veterans Affairs (VA). It also would extend VA's authority to verify in-

come reported by recipients of VA pension benefits using data from the Internal Revenue Service (IRS). Those two changes would decrease direct spending by \$182 million over the 2014–2018 period and by \$191 million over the 2014–2023 period, CBO estimates. Pay-as-you-go procedures apply because enacting the legislation would affect direct spending.

H.R. 2072 also would increase spending subject to appropriation, primarily by allowing VA to pay for eligible veterans to live in medical foster homes. CBO estimates that implementing H.R. 2072 would have a discretionary cost of \$170 million over the 2014–2018 period, subject to appropriation of the necessary amounts.

H.R. 2072 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

**Estimated cost to the Federal Government:** The estimated budgetary impact of H.R. 2072 is shown in the following table. The costs of this legislation fall within budget function 700 (veterans benefits and services).

|   | By fiscal year, in millions of dollars— |      |      |      |      |           |
|---|---|------|------|------|------|-----------|
|   | 2014                                    | 2015 | 2016 | 2017 | 2018 | 2014–2018 |
| <b>CHANGES IN DIRECT SPENDING <sup>a</sup></b>      |   |      |      |      |      |           |
| Loan Guarantee Fees:                                |   |      |      |      |      |           |
| Estimated Budget Authority .....                    | 0                                       | 0    | 0    | 0    | –176 | –176      |
| Estimated Outlays .....                             | 0                                       | 0    | 0    | 0    | –176 | –176      |
| Income Verification:                                |   |      |      |      |      |           |
| Estimated Budget Authority .....                    | 0                                       | 0    | 0    | –3   | –3   | –6        |
| Estimated Outlays .....                             | 0                                       | 0    | 0    | –3   | –3   | –6        |
| Total Changes:                                      |   |      |      |      |      |           |
| Estimated Budget Authority .....                    | 0                                       | 0    | 0    | –3   | –179 | –182      |
| Estimated Outlays .....                             | 0                                       | 0    | 0    | –3   | –179 | –182      |
| <b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b> |   |      |      |      |      |           |
| Medical Foster Care:                                |   |      |      |      |      |           |
| Estimated Authorization Level .....                 | 0                                       | 20   | 38   | 60   | 58   | 176       |
| Estimated Outlays .....                             | 0                                       | 18   | 36   | 57   | 58   | 169       |
| Property Conveyance:                                |   |      |      |      |      |           |
| Estimated Authorization Level .....                 | 0                                       | 1    | 0    | 0    | 0    | 1         |
| Estimated Outlays .....                             | 0                                       | 1    | 0    | 0    | 0    | 1         |
| Total Changes:                                      |   |      |      |      |      |           |
| Estimated Authorization Level .....                 | 0                                       | 21   | 38   | 60   | 58   | 177       |
| Estimated Outlays .....                             | 0                                       | 19   | 36   | 57   | 58   | 170       |

<sup>a</sup> CBO estimates that enacting H.R. 2072 would decrease direct spending by \$191 million over the 2014–2023 period.

**Basis of estimate:** For the purposes of this estimate, CBO assumes that the legislation will be enacted near the beginning of fiscal year 2014, that the necessary amounts will be appropriated each year, and that outlays will follow historical spending patterns for similar and existing programs.

#### *Direct spending*

H.R. 2072 would decrease direct spending by increasing some of the fees VA charges for guaranteeing home loans and by extending VA's authority to verify with the IRS income reported by recipients of VA pension benefits.

**Loan Guarantee Fees.** Under its Home Loan program, VA provides lenders guarantees on mortgages made to veterans; those guarantees enable veterans to get better loan terms, such as lower interest rates or smaller down payments. The loan guarantees provide lenders a payment of up to 25 percent of the outstanding loan

balances (subject to some limitations on the original loan amounts) in the event that a veteran defaults on a guaranteed loan. Section 6 would increase some of the fees that VA charges veterans for providing those guarantees. By partially offsetting the costs of subsequent defaults, those fees lower the subsidy cost of the guarantees.<sup>1</sup>

Under current law, the up-front fee varies on the basis of the size of the down payment and whether the veteran has previously used the loan-guarantee benefit. Borrowers who are members of the reserve component pay an additional fee of 0.25 percent of the loan amount. Veterans who receive compensation for service-connected disabilities are exempt from paying the fee. The current fees that would be affected by section 6 are:

- 2.15 percent of the loan amount for loans with no down payment,
- 1.50 percent of the loan amount for loans with a 5 percent down payment, and
- 0.75 percent of the loan amount for loans with a 10 percent down payment.

Those fees are scheduled to decline on October 1, 2017, to 1.40 percent, 0.75 percent, and 0.50 percent, respectively.

Under section 6, that scheduled fee reduction would be delayed by one year, until October 1, 2018. Continuing the fees at their current level in 2018 would increase collections by VA in that year, thereby lowering the subsidy cost of the loan guarantees. Based on data from VA, CBO estimates that enacting section 6 would reduce direct spending by \$176 million in fiscal year 2018.

Income Verification. Section 8 would extend VA's authority to verify income reported by recipients of VA pension benefits by allowing it to acquire information on income from the IRS. VA uses that authority to determine if veterans who apply for pensions have income that would render them ineligible for that benefit. The authorization allowing the IRS to provide income information to VA was made permanent by Public Law 110–245, but the authorization allowing VA to acquire the information is scheduled to expire on September 30, 2016. Section 8 would extend VA's authority through May 31, 2017.

Over the last several years, VA saved, on average, \$4 million a year in improper pension payments by using the IRS data to verify veterans' incomes. CBO estimates that the incremental savings from utilizing the IRS data to verify incomes for an additional eight months would be about \$3 million in 2017. The savings from identifying those ineligible veterans who apply during that eight-month period would continue to accrue in subsequent years. CBO estimates that section 8 would reduce direct spending by \$6 million over the 2014–2018 period and \$15 million over the 2014–2023 period.

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<sup>1</sup> Under the Federal Credit Reform Act of 1990, the subsidy cost of a loan guarantee is the net present value of estimated payments by the government to cover defaults and delinquencies, interest subsidies, or other expenses, offset by any payments to the government, including origination fees, other fees, penalties, and recoveries on defaulted loans. Such subsidy costs are calculated by discounting those expected cash flows using the rate on Treasury securities of comparable maturity. The resulting estimated subsidy costs are recorded in the budget when the loans are disbursed.

*Spending subject to appropriation*

**Medical Foster Care.** Section 4 would allow certain veterans whose nursing home care is paid for by VA to live in medical foster homes (MFHs) at VA’s expense. MFHs are private homes in which a trained caregiver provides services to a few individuals. VA has an existing program under which it inspects and approves MFHs for veterans. Veterans living in such homes receive VA’s Home Based Primary Care services, which includes case management and health care provided in the home. However, VA is not authorized to pay the living expenses of veterans in MFHs.

Section 4 would allow certain veterans who are currently receiving VA-sponsored nursing home care to transfer from nursing homes to MFHs during the 2015–2017 period, and it would cover the total costs for those veterans. CBO expects that once the veterans transfer to foster care, VA will continue to pay for their care in those facilities indefinitely. Section 4 also would allow VA to cover the living expenses of certain veterans currently in MFHs.

Based on information from VA on current usage of MFHs, CBO estimates that, under section 4, about 900 veterans would become eligible to have VA pay for their medical foster care in 2015, and the number of beneficiaries would increase to 1,100 by the end of 2017. The average annual cost of providing such care is roughly \$50,000 per veteran. That amount excludes the cost of home-based medical care, inspections, and assessments that VA already covers for veterans currently in MFHs. Thus, CBO estimates that enacting this section would cost an additional \$169 million over the 2014–2018 period, assuming appropriation of the necessary amounts.

**Property Conveyance.** Section 7 would require VA to convey some land and facilities at the Tuskegee Veterans’ Hospital to Tuskegee University after 2014. VA would not be compensated for the costs of conveyance or the value of real property. CBO estimates that the administrative costs of preparing the property for conveyance would be around \$1 million in 2015.

**Pay-As-You-Go considerations:** The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in the following table.

CBO ESTIMATE OF PAY-AS-YOU-GO EFFECTS FOR H.R. 2072 AS ORDERED REPORTED BY THE HOUSE COMMITTEE ON VETERANS’ AFFAIRS ON AUGUST 1, 2013

|                                | By fiscal year, in millions of dollars— |      |      |      |      |      |      |      |      |      |      |           |      |
|--------------------------------|---|------|------|------|------|------|------|------|------|------|------|-----------|------|
|                                | 2013                                    | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2013-2018 |      |
|                                | NET DECREASE (–) IN THE DEFICIT         |      |      |      |      |      |      |      |      |      |      |           |      |
| Statutory Pay-As-You-Go Impact | 0                                       | 0    | 0    | 0    | –3   | –179 | –2   | –2   | –2   | –2   | –2   | –182      | –191 |

**Intergovernmental and private-sector impact:** H.R. 2072 contains no intergovernmental or private-sector mandates as defined in UMRA. As a condition of receiving federal financial assistance, the bill would require state and local governments to comply with code and inspection requirements at facilities that provide assistance to

homeless veterans. Any costs the governments incur would be voluntary.

Estimate prepared by: Federal Costs: Ann E. Futrell, David Newman, and Dwayne M. Wright; Impact on State, Local, and Tribal Governments: Lisa Ramirez-Branum; Impact on the Private Sector: Elizabeth Bass

Estimate approved by: Theresa Gullo, Deputy Assistant Director for Budget Analysis.

#### FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates regarding H.R. 2072, as amended, prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

#### ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act would be created by H.R. 2072, as amended.

#### STATEMENT OF CONSTITUTIONAL AUTHORITY

Pursuant to Article I, section 8 of the United States Constitution, the reported bill is authorized by Congress' power to "provide for the common Defense and general Welfare of the United States."

#### APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

#### STATEMENT ON DUPLICATION OF FEDERAL PROGRAMS

Pursuant to section 3(j) of H. Res. 5, 113th Cong. (2013), the Committee finds that no provision of H.R. 2072, as amended, establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111-139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

#### DISCLOSURE OF DIRECTED RULEMAKING

Pursuant to section 3(k) of H. Res. 5, 113th Cong. (2013), the Committee estimates that H.R. 2072, as amended, does not require any directed rule makings.

#### SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

##### *Section 1. Short title*

Section 1 of this bill would provide that the short title of H.R. 2072, as amended, would be the "Demanding Accountability for Veterans Act of 2013."

*Section 2. Scoring of budgetary effects*

Section 2 of this bill would require the budgetary effects of this Act, for the purposes of complying with the Statutory Pay-As-You-Go Act, be determined according to the latest statement entitled “Budgetary Effects of PAYGO Legislation” as submitted to the Congressional Record by the Chairman of the House Budget Committee.

*Section 3. Accountability of Secretary of Veterans Affairs to Inspector General of the Department of Veterans Affairs*

Section 3 of the bill would amend title 38, United States Code, to create a new section 712, which would require that in the event the VAOIG determines that the Secretary has not appropriately responded with significant progress to a covered report by the date specified in the action plan the Inspector General shall notify the Committees on Veterans’ Affairs of the Senate and House of Representatives and the Secretary of such failure to appropriately respond; and not later than 15 days after such notification, the Secretary shall submit to the Inspector General a list of the names of each responsible manager and the matter in the action plan for which the manager is responsible.

38 U.S.C. §712(b)(1) would require the Secretary to promptly notify each responsible manager of a covered issue by not later than seven days after the date on which the Secretary submits to the VAOIG the name of the manager under subsection (a)(1)(B); and to direct such manager to resolve such issue; and to provide such manager with appropriate counseling and a mitigation plan with respect to resolving such issue.

38 U.S.C. §712(b)(2) would require the Secretary to ensure that any performance review of a responsible manager includes an evaluation of whether the manager took appropriate actions during the period covered by the review to respond to the covered issue for which a request was made under subsection (a).

38 U.S.C. §712(b)(3) would require that the Secretary may not pay to a responsible manager any bonus or award, including a performance award under section 5384 of title 5, United States Code, if the covered issue for which a request was made under subsection (a) is unresolved.

38 U.S.C. §712(c) would clarify that, any authority provided to the VAOIG under this section is in addition to any responsibility or authority provided to the Inspector General in the Inspector General Act of 1978 (5 U.S.C. App).

Section 3 of this bill also would create 38 U.S.C. §712(d), which would define the terms in this section. (1) The term ‘covered issue’ means, with respect to a responsible manager, an issue described in a covered report for which the manager is or was responsible. (2) The term ‘covered report’ means a report by the VAOIG that recommends actions to the Secretary of VA (or other official or employee of the Department) to address an issue in the Department with respect to public health or safety. (3) The term ‘responsible manager’ means an individual who—(A) is an employee of the Department; (B) is or was responsible for an issue included in a covered report; and (C) in being so responsible, is or was employed in a management position, regardless of whether the employee is in

the competitive civil service, Senior Executive Service, or other type of civil service.

*Section 4. Secretary of Veterans Affairs contract authority for transfer of veterans non department of medical foster homes*

Section 4(a)(1) of this bill would amend section 1720 of title 38, United States Code by adding a new subsection (h) that would authorize VA to facilitate transfer of veterans to medical foster homes at the request of the veteran for whom VA is required to provide nursing home care under 38 U.S.C. §1710(A). Under this subsection, the medical foster home would be required to meet department standards, and the veteran's care would be at the expense of the United States during the three-year period beginning on October 1, 2014. Such care would be pursuant to a contract or agreement entered into between the Secretary and the medical foster home. A veteran who is transferred to a medical foster home under this subsection would be required to agree, as a condition of such transfer, to accept home health services furnished by the Secretary under 38 U.S.C. §1717.

Section 4(a)(2) of this bill would define the term 'medical foster home,' for the purposes of the newly created subsection 38 U.S.C. §1720(h)(1), as a home designed to provide non-institutional, long-term, supportive care for veterans who are unable to live independently and prefer a family setting.

Section 4(b) would make October 1, 2014 the effective date of newly created subsection (h) of title 38, United States Code, as added by subsection (a).

*Section 5. Conditions on the award of per diem payments by the Secretary of Veterans Affairs for the provision of housing or services to homeless veterans*

Section 5(a)(1) of this bill would amend 38 U.S.C. §2012(c) to set conditions upon which per diem payment and grant eligibility are premised. The conditions would require the receiving entity to submit to the Secretary an annual certification that the facility where the entity provides housing or services for homeless veterans using grant funds is in compliance with codes relevant to the operations and level of care provided, including applicable provisions of the most recently published version of the *Life Safety Code* or *International Building Code* and *International Fire Code*. Under this section, the facilities also would be required to include in the certification evidence of their compliance with licensing requirements, fire and safety requirements, and any other requirements in the jurisdiction in which the facility is located. This section of the bill also would require that if a facility where a grant recipient or eligible entity provides housing or services for homeless veterans using grant funds is located in a jurisdiction without relevant code requirements, the Secretary shall determine code and inspection requirements to be applied to the facility.

Section 5(a)(2) of this bill would set an effective date with respect to per diem payment as the date the per diem application was submitted, which is on or after the date of the enactment of this Act.

Section 5(b) of this bill would amend 38 U.S.C. §2065(b) by: (1) by redesignating paragraph (6) as paragraph (7); and by inserting after paragraph (5) a new paragraph (6) which would provide au-

thority for the Secretary's evaluation of the safety and accessibility of facilities used to provide programs established by grant recipients or eligible entities.

Section 5(c) of this bill would require current recipients of per diem payments to submit the certification of compliance with relevant safety codes by no later than two years after the enactment of this Act. If the recipient fails to submit such certification by such date, the Secretary may not make any additional per diem payments until the recipient submits such certification.

*Section 6. Extension of loan guaranty fee for certain subsequent loans*

Section 6 of this bill would amend section 3729 of title 38, United States Code, by extending the current loan fee schedule for certain VA guaranteed home loans through October 1, 2018.

Section 6(a) (1–3) of this bill would amend 38 U.S.C. 3729(b)(2) in subparagraph (A), clause (iii), by striking “October 1, 2017” and inserting “October 1, 2018”; and in clause (iv), by striking “October 1, 2017” and inserting “October 1, 2018”; and in subparagraph (C), clause (i), by striking “October 1, 2017” and inserting “October 1, 2018”; and in clause (ii), by striking “October 1, 2017” and inserting “October 1, 2018”; and in subparagraph (D) in clause (i), by striking “October 1, 2017” and inserting “October 1, 2018”; and in clause (ii), by striking “October 1, 2017” and inserting “October 1, 2018”.

*Section 7. Land conveyance, Department of Veterans Affairs Property, Tuskegee, Alabama*

Section 7(a) of this bill expresses the findings of Congress that Tuskegee University donated three hundred acres of property to the United States in 1922 for the purpose of building a veterans hospital; and that the Department of Veterans Affairs has since administered said hospital and no longer has use for 64.5 acres of the property; and that Tuskegee University is a State land grant university that intends to use the property to further the education and general welfare of its students; and, that the conveyance of the property to the University would promote the University's educational mission and result in savings to the Federal Government.

Section 7(b) of this bill would authorize the conveyance of the 64.5 acres of property, located at 2400 Hospital Road, Tuskegee, Alabama by the Secretary from the United States to Tuskegee University. This conveyance would include building numbers 19–29, 50–51, 59–60, 62–63, 80, 94, 96, and 124, and is for the purpose of permitting Tuskegee University to use the property to further the education and general welfare of its students. This section also authorizes the Secretary to conduct a survey of all or a portion of the property if the Secretary determines a survey to be necessary or desirable.

Section 7(c) of this bill would require the Secretary to meet the hazardous substance disclosure requirements of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) (found at 42 U.S.C. §9620(h)) and of the Solid Waste Disposal Act, (found at 42 U.S.C. §6901). This section also would exempt VA from liability, remediation, or abatement requirements

related to any such substances that are present on the property at the time of conveyance.

Section 7(d)(1) of this bill would authorize the Secretary to enter into leases, contracts and cooperative agreements with the University related to the conveyance of the property.

Section 7(d)(2) of this bill would authorize the Secretary to lease real property from the University on a noncompetitive basis.

Section 7(d)(3) of this bill would provide that the authority provided to the Secretary by this bill subsection is in addition to any other authority of the Secretary.

Section 7(e) of this bill would allow the Secretary to require reasonable terms and conditions in connection with the conveyance as needed to protect the interests of the United States except that the conveyance may not require further administrative or environmental analyses.

Section 7(f) of this bill would limit the conveyance of the property to occur only on or after October 1, 2014.

*Sec. 8. Extension of authority of Secretary of Veterans Affairs to obtain certain information from the Secretary of the Treasury or the Commissioner of Social Security*

Section 8 of the bill would amend section 5317 of title 38, United States Code, by striking “September 30, 2016” and inserting “May 31, 2017.”

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

**TITLE 38, UNITED STATES CODE**

\* \* \* \* \*

**PART I—GENERAL PROVISIONS**

\* \* \* \* \*

**CHAPTER 7—EMPLOYEES**

|      |  |   |   |   |   |   |
|------|--|---|---|---|---|---|
| Sec. |  |   |   |   |   |   |
| 701. | Placement of employees in military installations.        |   |   |   |   |   |
|      |  | * | * | * | * | * |
| 712. | <i>Accountability of Secretary to Inspector General.</i> |   |   |   |   |   |
|      |  | * | * | * | * | * |

**§ 712. Accountability of Secretary to Inspector General**

(a) *LIST OF MANAGERS.—(1) If the Inspector General of the Department of Veterans Affairs determines that the Secretary has not appropriately responded with significant progress to a covered report by the date specified in the action plan of the Secretary developed in response to such covered report—*

(A) the Inspector General shall notify the Committees on Veterans' Affairs of the Senate and House of Representatives and the Secretary of such failure to appropriately respond; and

(B) not later than 15 days after such notification, the Secretary shall submit to the Inspector General a list of the names of each responsible manager and the matter in the action plan for which the manager is responsible.

(2) The Inspector General may not make public the names of responsible managers submitted under paragraph (1)(B).

(b) PERFORMANCE OF RESPONSIBLE MANAGERS.—(1) The Secretary shall—

(A) promptly notify each responsible manager of a covered issue by not later than seven days after the date on which the Secretary submits to the Inspector General the name of the manager under subsection (a)(1)(B);

(B) direct such manager to resolve such issue; and

(C) provide such manager with appropriate counseling and a mitigation plan with respect to resolving such issue.

(2) The Secretary shall ensure that any performance review of a responsible manager includes an evaluation of whether the manager took appropriate actions during the period covered by the review to respond to the covered issue for which a request was made under subsection (a).

(3) The Secretary may not pay to a responsible manager any bonus or award, including a performance award under section 5384 of title 5 if the covered issue for which a request was made under subsection (a) is unresolved.

(c) ROLE OF INSPECTOR GENERAL.—Any authority of the Inspector General provided under this section is in addition to any responsibility or authority provided to the Inspector General in the Inspector General Act of 1978 (5 U.S.C. App).

(d) DEFINITIONS.—In this section:

(1) The term "covered issue" means, with respect to a responsible manager, an issue described in a covered report for which the manager is or was responsible.

(2) The term "covered report" means a report by the Inspector General of the Department of Veterans Affairs that recommends actions to the Secretary of Veterans Affairs (or other official or employee of the Department) to address an issue in the Department with respect to public health or safety.

(3) The term "responsible manager" means an individual who—

(A) is an employee of the Department;

(B) is or was responsible for an issue included in a covered report; and

(C) in being so responsible, is or was employed in a management position, regardless of whether the employee is in the competitive civil service, Senior Executive Service, or other type of civil service.

\* \* \* \* \*

**PART II—GENERAL BENEFITS**

\* \* \* \* \*

**CHAPTER 17—HOSPITAL, NURSING HOME,  
DOMICILIARY, AND MEDICAL CARE**

\* \* \* \* \*

**SUBCHAPTER II—HOSPITAL, NURSING HOME, OR  
DOMICILIARY CARE AND MEDICAL TREATMENT**

\* \* \* \* \*

**§ 1720. Transfers for nursing home care; adult day health care**

(a) \* \* \*

\* \* \* \* \*

*(h)(1) During the three-year period beginning on October 1, 2014, at the request of a veteran for whom the Secretary is required to provide nursing home care under section 1710A of this title, the Secretary may transfer the veteran to a medical foster home that meets Department standards, at the expense of the United States, pursuant to a contract or agreement entered into between the Secretary and the medical foster home for such purpose. A veteran who is transferred to a medical foster home under this subsection shall agree, as a condition of such transfer, to accept home health services furnished by the Secretary under section 1717 of this title.*

*(2) For purposes of this subsection, the term “medical foster home” means a home designed to provide non-institutional, long-term, supportive care for veterans who are unable to live independently and prefer a family setting.*

\* \* \* \* \*

**CHAPTER 20—BENEFITS FOR HOMELESS VETERANS**

\* \* \* \* \*

**SUBCHAPTER II—COMPREHENSIVE SERVICE PROGRAMS**

\* \* \* \* \*

**§ 2012. Per diem payments**

(a) \* \* \*

\* \* \* \* \*

**(c) LIFE SAFETY CODE.**—**[(1) Except as provided in paragraph (2), a per diem payment may not be provided under this section to a grant recipient or eligible entity unless the facilities of the grant recipient or eligible entity, as the case may be, meet applicable fire and safety requirements under the Life Safety Code of the National Fire Protection Association or such other comparable fire and safety requirements as the Secretary may specify.] (1) Except as provided in paragraph (2), a per diem payment may not be provided under this section to a grant recipient or eligible entity unless the entity submits to the Secretary an annual certification, approved or verified by the authority having jurisdiction or a qualified third party, as determined by the Secretary, that the facility where the entity provides housing or services for homeless veterans using grant funds is in compliance with codes relevant to the operations and level of care provided, including applicable provisions of the most**

*recently published version of the Life Safety Code or International Building Code and International Fire Code (or such versions of such codes that have been adopted as State or local codes by the jurisdiction in which the facility is located), licensing requirements, fire and safety requirements, and any other requirements in the jurisdiction in which the facility is located regarding the condition of the facility and the operation of the entity providing such supportive housing or services. For purposes of this paragraph, if a facility where a grant recipient or eligible entity provides housing or services for homeless veterans using grant funds is located in a jurisdiction without relevant code requirements, the Secretary shall determine code and inspection requirements to be applied to the facility.*

\* \* \* \* \*

**SUBCHAPTER VII—OTHER PROVISIONS**

\* \* \* \* \*

**§ 2065. Annual report on assistance to homeless veterans**

(a) \* \* \*

(b) **GENERAL CONTENTS OF REPORT.**—Each report under subsection (a) shall include the following:

(1) \* \* \*

\* \* \* \* \*

*(6) The Secretary’s evaluation of the safety and accessibility of facilities used to provide programs established by grant recipients or eligible entities under section 2011 and 2012 of this title, including the number of such grant recipients or eligible entities who have submitted a certification under section 2012(c)(1).*

**[(6)] (7)** Any other information on those programs and on the provision of such assistance that the Secretary considers appropriate.

\* \* \* \* \*

**PART III—READJUSTMENT AND RELATED BENEFITS**

\* \* \* \* \*

**CHAPTER 37—HOUSING AND SMALL BUSINESS LOANS**

\* \* \* \* \*

**§ 3729. Loan fee**

(a) \* \* \*

(b) **DETERMINATION OF FEE.**—(1) \* \* \*

(2) The loan fee table referred to in paragraph (1) is as follows:

## LOAN FEE TABLE

| Type of loan   | Active duty veteran | Reservist | Other obligor |
|--|---------------------|-----------|---------------|
| (A)(i) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed before January 1, 2004) .....   | 2.00                | 2.75      | NA            |
| (A)(ii) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after January 1, 2004, and before October 1, 2004) .....         | 2.20                | 2.40      | NA            |
| (A)(iii) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after October 1, 2004, and before October 1, [2017] 2018) ..... | 2.15                | 2.40      | NA            |
| (A)(iv) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after October 1, [2017] 2018) .....                              | 1.40                | 1.65      | NA            |
| (B)(i) Subsequent loan described in section 3710 (a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed before October 1, 2017) .....  | 3.30                | 3.30      | NA            |
| (B)(ii) Subsequent loan described in section 3710 (a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710 (a) (closed on or after October 1, 2017) .....   | 1.25                | 1.25      | NA            |
| (C)(i) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed before October 1, [2017] 2018) .....  | 1.50                | 1.75      | NA            |
| (C)(ii) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed on or after October 1, [2017] 2018) .....  | 0.75                | 1.00      | NA            |
| (D)(i) Initial loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed before October 1, [2017] 2018) .....   | 1.25                | 1.50      | NA            |
| (D)(ii) Initial loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed on or after October 1, [2017] 2018) .....   | 0.50                | 0.75      | NA            |
| (E) Interest rate reduction refinancing loan .....   | 0.50                | 0.50      | NA            |
| (F) Direct loan under section 3711 .....   | 1.00                | 1.00      | NA            |
| (G) Manufactured home loan under section 3712 (other than an interest rate reduction refinancing loan) .....   | 1.00                | 1.00      | NA            |
| (H) Loan to Native American veteran under section 3762 (other than an interest rate reduction refinancing loan) .....  | 1.25                | 1.25      | NA            |
| (I) Loan assumption under section 3714 .....   | 0.50                | 0.50      | 0.50          |

LOAN FEE TABLE—Continued

| Type of loan                         | Active duty<br>veteran | Reservist | Other obligor |
|--------------------------------------|------------------------|-----------|---------------|
| (J) Loan under section 3733(a) ..... | 2.25                   | 2.25      | 2.25          |
| * * * * *                            | *                      | *         | *             |

**PART IV—GENERAL ADMINISTRATIVE PROVISIONS**

\* \* \* \* \*

**CHAPTER 53—SPECIAL PROVISIONS RELATING TO BENEFITS**

\* \* \* \* \*

**§ 5317. Use of income information from other agencies: notice and verification**

(a) \* \* \*

\* \* \* \* \*

(g) The authority of the Secretary to obtain information from the Secretary of the Treasury or the Commissioner of Social Security under section 6103(l)(7)(D)(viii) of the Internal Revenue Code of 1986 expires on **[September 30, 2016]** *May 31, 2017*.

\* \* \* \* \*

