

Calendar No. 258

113TH CONGRESS }
1st Session }

SENATE

{ REPORT
113-123

VETERANS HEALTH AND BENEFITS IMPROVEMENT ACT OF 2013

DECEMBER 9, 2013.—Ordered to be printed

Mr. SANDERS, from the Committee on Veterans' Affairs,
submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany S. 944]

The Committee on Veterans' Affairs (hereinafter, "the Committee"), to which was referred the bill (S. 944), to amend title 38, United States Code (hereinafter, "U.S.C."), to require courses of education provided by public institutions of higher education that are approved for purposes of the All-Volunteer Force Educational Assistance Program and Post-9/11 Educational Assistance to charge veterans tuition and fees at the in-State tuition rate, and for other purposes, having considered the same, reports favorably thereon with an amendment in the nature of a substitute, and an amendment to the title, and recommends that the bill, as amended, do pass.

INTRODUCTION

On May 14, 2013, Committee Chairman Sanders introduced S. 944, which would require courses of education provided by public institutions of higher education that are approved for purposes of the All-Volunteer Force Educational Assistance Program and Post-9/11 Educational Assistance Program (hereinafter, "Post-9/11 GI Bill") to charge veterans tuition and fees at the in-State tuition rate. Ranking Member Burr is an original cosponsor. The bill was referred to the Committee.

On January 31, 2013, Senator Murkowski introduced S. 200, which would authorize the interment in national cemeteries under the control of the National Cemetery Administration of individuals who served in combat support of the Armed Forces in the Kingdom of Laos between February 28, 1961, and May 15, 1975. Senators Begich and Whitehouse were later added as cosponsors of the bill. The bill was referred to the Committee.

On February 7, 2013, Senator Toomey introduced S. 229, the proposed Corporal Michael J. Crescenz Act of 2013. S. 229 would designate the Department of Veterans Affairs (hereinafter, "VA" or "the Department") Medical Center at 3900 Woodland Avenue in Philadelphia, Pennsylvania, as the "Corporal Michael J. Crescenz Department of Veterans Affairs Medical Center." Senator Casey is an original cosponsor. The bill was referred to the Committee.

On February 7, 2013, Senator Boozman introduced S. 257, the proposed GI Bill Tuition Fairness Act of 2013. S. 257 would direct VA, for purposes of the educational assistance programs administered by the Department, to disapprove courses of education provided by public institutions of higher education that do not charge tuition and fees for veterans at the same rate that is charged for in-State residents, regardless of the veteran's State of residence. Senators Durbin and Nelson are original cosponsors of the bill. Senator Begich was later added as a cosponsor of the bill. The bill was referred to the Committee.

On February 13, 2013, Senator Tester introduced S. 294, the proposed Ruth Moore Act of 2013. S. 294 would modify VA's disability compensation evaluation procedure for veterans with mental health conditions related to military sexual trauma (hereinafter, "MST"). Senators Baucus, Begich, Blumenthal, Gillibrand, and Shaheen are original cosponsors of the bill. Senators Baldwin, Bennet, Boxer, Cantwell, Collins, Durbin, Feinstein, Harkin, Heinrich, Kaine, King, Klobuchar, Landrieu, McCaskill, Merkley, Mikulski, Murkowski, Nelson, Schatz, Mark Udall, Tom Udall, Warner, and Warren were later added as cosponsors of the bill.

On February 28, 2013, Senator Blumenthal introduced S. 422, the proposed Chiropractic Care Available to All Veterans Act of 2013. S. 422 would amend the VA Health Care Programs Enhancement Act of 2001 to require the provision of chiropractic care and services to veterans at all VA medical centers and to expand access to such care and services. Senators Brown, Grassley, Harkin, Moran, Schumer, Tester, and Whitehouse are original cosponsors of the bill. Senators Begich, Collins, King, Murkowski, and Murphy were later added as cosponsors of the bill. The bill was referred to the Committee.

On February 28, 2013, Senator Heller introduced S. 430, the proposed Veterans Small Business Opportunity and Protection Act of 2013. S. 430 would enhance treatment of certain small business concerns for purposes of VA contracting goals and preferences. Senator Manchin is an original cosponsor of the bill. Senator Begich was later added as a cosponsor of the bill. The bill was referred to the Committee.

On March 5, 2013, Senator Tester introduced S. 455, which would authorize VA to transport individuals to and from its facilities in connection with rehabilitation, counseling, examination, treatment, and care. Senators Begich, Chambliss, and Moran are

original cosponsors of the bill. Senator Heitkamp was later added as a cosponsor of the bill. The bill was referred to the Committee.

On March 7, 2013, Ranking Member Burr introduced S. 492, which would require States to recognize the military experience of veterans when issuing licenses and credentials to veterans. The bill was referred to the Committee.

On March 7, 2013, Ranking Member Burr introduced S. 495, the proposed Careers for Veterans Act of 2013. S. 495 would require Federal agencies to hire veterans and States to recognize the military experience of veterans when issuing licenses and credentials to veterans. Senators Boozman, Cornyn, Heller, and Isakson are original cosponsors of the bill. Senators Johanns and Rubio were later added as cosponsors of the bill. The bill was referred to the Committee.

On March 11, 2013, Senator Brown introduced S. 515, which would extend the Yellow Ribbon G.I. Education Enhancement Program to cover recipients of the Marine Gunnery Sergeant John David Fry Scholarship. The bill was referred to the Committee.

On March 11, 2013, Senator Durbin introduced S. 522, the proposed Wounded Warrior Workforce Enhancement Act. S. 522 would require VA to award grants to establish, or expand upon, master's degree or doctoral degree programs in orthotics and prosthetics. Senators Blumenthal and Harkin are original cosponsors of the bill. Senators Begich, Chambliss, and Murphy were later added as cosponsors of the bill. The bill was referred to the Committee.

On March 12, 2013, Ranking Member Burr introduced S. 529, which would modify the commencement date of the period of service at Camp Lejeune, North Carolina, for eligibility for hospital care and medical services in connection with exposure to contaminated water. Senators Hagan, Nelson, and Rubio are original cosponsors of the bill. The bill was referred to the Committee.

On March 13, 2013, Ranking Member Burr introduced S. 543, the proposed VISN Reorganization Act of 2013. S. 543 would direct the Secretary of Veterans Affairs to organize the Veterans Health Administration (hereinafter, "VHA") into 12 geographically defined Veterans Integrated Service Networks (hereinafter, "VISNs"). Senator Coburn is an original cosponsor of the bill. The bill was referred to the Committee.

On March 20, 2013, Senator Pryor introduced S. 629, the proposed Honor America's Guard-Reserve Retirees Act of 2013. S. 629 would honor as a veteran any person entitled to retired pay for nonregular (Reserve) service or who, but for age, would be so entitled. Senators Begich, Boozman, Franken, Grassley, Harkin, Tim Johnson, Leahy, Tester, and Wyden are original cosponsors of the bill. Senators Alexander, Cochran, Crapo, Gillibrand, Heller, Hirono, Johanns, Klobuchar, Mikulski, Murkowski, Rubio, Schatz, Sessions, Shaheen, and Thune were later added as cosponsors of the bill. The bill was referred to the Committee.

On April 9, 2013, Senator Heller introduced S. 674, the proposed Accountability for Veterans Act of 2013. S. 674 would require prompt responses from the heads of covered Federal agencies when VA requests information necessary to adjudicate claims for benefits under laws administered by the Department. Senators Chambliss, Cochran, Cruz, Lee, Murkowski, Paul, Pryor, Thune, Vitter, and

Wicker were later added as cosponsors of this bill. The bill was referred to the Committee.

On April 10, 2013, Senator Boozman introduced S. 695, the proposed Veterans Paralympic Act of 2013. S. 695 would extend the authorization of appropriations for VA to pay a monthly assistance allowance to disabled veterans training or competing for the Paralympics team, and the authorization of appropriations for VA to provide assistance to the United States Paralympics, Inc. Senator Begich is an original cosponsor of the bill. Senators Brown, Harkin, Hirono, Isakson, Johanns, Kirk, Moran, Murray, Nelson, and Tester were later added as cosponsors of the bill. The bill was referred to the Committee.

On April 16, 2013, Committee Chairman Sanders introduced S. 735, the proposed Survivor Benefits Improvement Act of 2013. S. 735 would improve benefits and assistance provided to surviving spouses of veterans under laws administered by VA. The bill was referred to the Committee.

On April 17, 2013, Senator Wyden introduced S. 748, the proposed Veterans Pension Protection Act. S. 748 would require VA to consider the resources of individuals applying for pensions that were recently disposed of by such individuals for less than fair market value when determining the eligibility of such individuals for pension benefits. Ranking Member Burr and Senators Blumenthal, Heller, McCaskill, and Tester are original cosponsors of the bill. The bill was referred to the Committee.

On April 23, 2013, Ranking Member Burr introduced S. 778, which would authorize the Secretary of Veterans Affairs to issue cards to veterans that identify them as veterans. Senator Begich is an original cosponsor of this bill. The bill was referred to the Committee.

On April 25, 2013, Senator Donnelly introduced S. 832, the proposed Improving the Lives of Children with Spina Bifida Act of 2013. S. 832 would direct VA to carry out a 3-year pilot program to assess the feasibility and advisability of providing contracted case management services to individuals entitled to VA benefits as children of Vietnam and Korean War veterans born with spina bifida, and children of female Vietnam veterans born with certain birth defects who live in a rural area and have no access to such services through VA or otherwise. The bill was referred to the Committee.

On April 25, 2013, Senator Tester introduced S. 845, which would improve VA's Health Professional Educational Assistance Program. Senator Moran is an original cosponsor of the bill. Senators Begich and Blumenthal were later added as cosponsors of the bill. The bill was referred to the Committee.

On April 25, 2013, Committee Chairman Sanders introduced S. 852, the proposed Veterans' Health Promotion Act of 2013. S. 852 would require VA to designate and operate at least one center of innovation for complementary and alternative medicine (hereinafter, "CAM") in health research, education, and clinical activities in each of the VISNs. Senator Tester was later added as a cosponsor of the bill. The bill was referred to the Committee.

On May 7, 2013, Senator Heller introduced S. 868, the proposed Filipino Veterans Promise Act. S. 868 would require the Department of Defense (hereinafter, "DOD") to establish a process for de-

termining whether individuals who served in the organized military forces of the Government of the Commonwealth of the Philippines or in the Philippine Scouts while in the service of the U.S. Armed Forces during World War II and who are not included in the Missouri List are eligible for certain benefits relating to their service. Senator Hirono is an original cosponsor of the bill. Senator Begich was later added as a cosponsor of the bill. The bill was referred to the Committee.

On May 7, 2013, Senator Begich introduced S. 877, the proposed Veterans Affairs Research Transparency Act of 2013. S. 877 would require VA to allow public access to research of the Department. Senators Blumenthal and Schatz were later added as cosponsors of the bill. The bill was referred to the Committee.

On May 7, 2013, Senator Boozman introduced S. 889, the proposed Servicemembers' Choice in Transition Act of 2013. S. 889 would modify the Transition Assistance Program (hereinafter, "TAP") of DOD. Senators Manchin, Moran, and Tester are original cosponsors of the bill. The bill was referred to the Committee.

On May 8, 2013, Committee Chairman Sanders introduced S. 894, which would extend expiring authority for work-study allowances for individuals who are pursuing programs of rehabilitation, education, or training under laws administered by VA, and expand such authority to certain outreach services provided through congressional offices. The bill was referred to the Committee.

On May 9, 2013, Committee Chairman Sanders introduced S. 927, the proposed Veterans' Outreach Act of 2013. S. 927 would require VA to carry out a demonstration project to assess the feasibility and advisability of using State and local government agencies and nonprofit organizations to increase awareness of benefits and services for veterans and to improve coordination of outreach activities relating to such benefits and services. The bill was referred to the Committee.

On May 9, 2013, Committee Chairman Sanders introduced S. 928, the proposed Claims Processing Improvement Act of 2013. S. 928 would improve the processing of claims for compensation under laws administered by VA. Senators Begich, Brown, Schumer, and Tester were later added as cosponsors of the bill. The bill was referred to the Committee.

On May 13, 2013, Senator Bennet introduced S. 930, which would require VA, in cases of overpayments of educational assistance under the Post-9/11 GI Bill, to deduct amounts for repayment from the last months of educational assistance entitlement. The bill was referred to the Committee.

On May 13, 2013, Senator Franken introduced S. 935, the proposed Quicker Veterans Benefits Delivery Act of 2013. S. 935 would prohibit VA from requesting additional medical examinations of veterans who have submitted sufficient medical evidence provided by non-Department medical professionals and modify VA's processing of certain claims for disability compensation by veterans. The bill was referred to the Committee.

On May 14, 2013, Senator Moran introduced S. 938, the proposed Franchise Education for Veterans Act of 2013. S. 938 would allow eligible individuals to use VA veterans' educational assistance benefits for franchise training. The bill was referred to the Committee.

On May 14, 2013, Senator Blumenthal introduced S. 939, which would treat certain misfiled documents as motions for reconsideration of decisions by the Board of Veterans' Appeals (hereinafter, "BVA" or "the Board"). Senator Begich is an original cosponsor of the bill. The bill was referred to the Committee.

On May 23, 2013, Senator Merkley introduced S. 1039, the proposed Spouses of Heroes Education Act. S. 1039 would expand the Marine Gunnery Sergeant John David Fry scholarship to include spouses of members of the Armed Forces who die in the line of duty. Senator Heller is an original cosponsor of the bill. Senators Baucus, Begich, Schatz, Tester, and Vitter were later added as cosponsors of the bill. The bill was referred to the Committee.

On May 9, 2013, the Committee held a hearing on pending health care legislation. Testimony was offered by: Robert L. Jesse, MD, PhD, Principal Deputy Under Secretary for Health, VA; Rick Weidman, Executive Director for Policy and Government Affairs, Vietnam Veterans of America; Wayne B. Jonas, MD, President and Chief Executive Officer, Samueli Institute; Heather Ansley, Esq., MSW, Vice President for Veterans Policy, VetsFirst; Matt Gornick, Policy Director, National Coalition for Homeless Veterans; and Thomas Bowman, Former Chief of Staff, VA.

On June 12, 2013, the Committee held a hearing on pending benefits legislation. Testimony was offered by: Curtis L. Coy, Deputy Under Secretary for Economic Opportunity, Veterans Benefits Administration, VA; Jeffrey Hall, Assistant Legislative Director, Disabled American Veterans; Ian de Planque, Deputy Legislative Director, The American Legion; Colonel Robert F. Norton, USA (Ret.), Deputy Director, Government Relations, Military Officers Association of America; Ryan Gallucci, Deputy Director, National Legislative Service, Veterans of Foreign Wars.

COMMITTEE MEETING

After carefully reviewing the testimony from the foregoing hearings, the Committee met in open session on July 24, 2013, to consider, among other legislation, an amended version of S. 944, consisting of provisions from S. 944 as introduced and provisions from the other legislation noted above. The Committee voted, without dissent, to report favorably S. 944 as amended.

SUMMARY OF S. 944 AS REPORTED

S. 944, as reported (hereinafter, "the Committee bill"), consists of 74 sections, summarized below:

Section 1 provides a short title and table of contents.

Section 2 provides that certain references within the bill are references to title 38, U.S.C.

TITLE I—SURVIVOR AND DEPENDENT MATTERS

Section 101 would extend the period for additional dependency and indemnity compensation (hereinafter, "DIC") for surviving spouses with dependent children to 3 years after date of entitlement.

Section 102 would provide that remarriage after age 55 of a surviving spouse shall not bar the furnishing of certain benefits.

Section 103 would extend the marriage delimiting date for surviving spouses of Persian Gulf War veterans to qualify for death pension.

Section 104 would expand the Marine Gunnery Sergeant John David Fry Scholarship to include surviving spouses of members of the Armed Forces who die in the line of duty.

Section 105 would expand eligibility for the Yellow Ribbon Program to beneficiaries of the Marine Gunnery Sergeant John David Fry Scholarship.

Section 106 would authorize VA to provide benefits to children, of certain Vietnam era veterans with covered service in Thailand, born with spina bifida.

Section 107 would require VA to carry out a 3-year program to provide assisted living, group home care, or similar services to children with spina bifida.

Section 108 would require VA to carry out a 2-year program to provide grief counseling services in group retreat settings for surviving spouses of veterans who died while serving on active duty.

Section 109 would require VA to conduct a program evaluation of the Survivors' and Dependents' Educational Assistance Program.

TITLE II—EDUCATION MATTERS

Section 201 would require VA to disapprove a course of education provided by a public institution of higher learning for purposes of Post-9/11 GI Bill and Montgomery GI Bill (hereinafter, "MGIB") education benefits, if the institution charges tuition and fees for that course for a covered individual at a rate that is higher than the rate the institution charges for tuition and fees for that course for residents of the State in which the institution is located. The public institution would be required to charge the in-State tuition rate for Post-9/11 GI Bill and MGIB beneficiaries while the individual is living in the State and enrolls in a course of education within 3 years from discharge or release from military service.

Section 202 would reauthorize certain options under VA's Work-Study Program and expand the program to allow veterans to work in congressional offices to conduct outreach and assistance to servicemembers, veterans, and their families.

Section 203 would require the Government Accountability Office (hereinafter, "GAO") to submit a report to Congress on VA's processes for identifying and resolving incorrect payments under the Post-9/11 GI Bill and MGIB.

Section 204 would decrease the amount of reporting fees paid by VA to educational and training institutions in lieu of other compensation for reports or certifications the institution may be required to submit to VA.

TITLE III—HEALTH CARE MATTERS

SUBTITLE A—EXPANSION AND IMPROVEMENTS OF BENEFITS GENERALLY

Section 301 would require the increased provision of chiropractic care and services to veterans at VA medical centers and clinics.

Section 302 would amend the date of eligibility for purposes of obtaining hospital care and medical services at VA in connection

with exposure to contaminated water at Camp Lejeune, North Carolina, from January 1, 1957, to August 1, 1953.

Section 303 would provide VA with the authority to provide counseling, care, and services to veterans, and certain other service-members who may not have veteran status, who experienced sexual trauma while serving on inactive duty for training.

Section 304 would extend the authority for VA to transport individuals to and from VA facilities in connection with vocational rehabilitation, counseling, examination, treatment, or care.

Section 305 would direct VA to carry out a 2-year program to assess the feasibility and advisability of promoting health through the support of fitness center membership for veterans determined to be overweight or obese and who reside more than 15 minutes driving distance from a VA fitness facility.

Section 306 would require VA to carry out a 3-year program to assess the feasibility and advisability of promoting the achievement of a healthy weight in veterans enrolled in VA health care through the designation of VA fitness facilities within VA medical centers and clinics.

SUBTITLE B—HEALTH CARE ADMINISTRATION

Section 311 would extend VA's Health Professional Scholarship Program.

Section 312 would authorize funds to VA for the purpose of developing partnerships with institutions of higher education to ensure the availability of clinicians in orthotics and prosthetics trained at the masters or doctoral level to meet the needs of veterans receiving orthotic and prosthetic care.

Section 313 would change the name of the VA Medical Center on 3900 Woodland Avenue in Philadelphia, PA, to the "Corporal Michael J. Crescenzo Department of Veterans Affairs Medical Center."

SUBTITLE C—COMPLEMENTARY AND ALTERNATIVE MEDICINE

Section 321 would require VA to develop a plan to expand research and education on and delivery of complementary and alternative medicine to veterans.

Section 322 would require VA to carry out a 3-year program to assess the feasibility and advisability of various approaches for integrating the delivery of CAM services with other health care services provided by VA. The program shall be conducted at not fewer than 15 different VA medical centers.

Section 323 would direct VA to conduct a comprehensive study of barriers encountered by veterans in accessing and receiving complementary and alternative medicine and the barriers encountered by providers in delivering such services.

Section 324 would require VA to establish a 3-year program for the award of grants to public or private nonprofit entities to assess the feasibility and advisability of using wellness programs to complement the provision of mental health care to veterans and family members eligible for VA counseling services.

TITLE IV—ACCOUNTABILITY AND ADMINISTRATIVE IMPROVEMENTS

Section 401 would direct VA to reorganize VHA into geographically defined VISNs. In addition, it directs VA to ensure that each

VISN provides high-quality health care to veterans, increases efficiency in care delivery, implements best practices, enhances collaboration with partner entities, among other management functions. Finally, this section requires VA, at least every 3 years, to review and assess VISN structure and operations and submit review results to the Committees on Veterans' Affairs.

Section 402 would require VA to establish not more than four regional support centers within VHA to assess how effectively and efficiently each VISN conducts outreach to veterans who served in contingency operations; administers programs for the benefit of women veterans; manages programs that address homelessness among veterans; and consumes energy. In addition, the regional support centers would assess the quality of work performed within finance operations, compliance related activities, and such other matters concerning the operation and activities of each VISN as VA considers appropriate.

Section 403 would require the establishment of a Commission on Capital Planning for VA medical facilities.

Section 404 would require VA to establish a free, publicly-available Web site that aggregates information on Department research data files. VA would also be directed to require that any final, peer-reviewed manuscript about VA-funded research be submitted to a free, publicly-available Web site. Finally, the VA-DOD Joint Executive Committee (hereinafter, "JEC") would prepare recommendations for establishing a program for long-term cooperation and data sharing to facilitate research.

Section 405 would require VA to include the amount requested for outreach activities by the Office of Public and Intergovernmental Affairs in its annual budget justification materials submitted to Congress.

Section 406 would require GAO to submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on VA's advisory committees.

TITLE V—IMPROVEMENT OF PROCESSING OF CLAIMS FOR COMPENSATION

SUBTITLE A—CLAIMS BASED ON MILITARY SEXUAL TRAUMA

Section 501 would require VA in the case of a claim for disability compensation based on a mental health condition related to MST to treat an examination or opinion as being necessary to make a decision on a claim if the evidence of record does not contain a diagnosis or opinion by a mental health professional that may assist in corroborating the occurrence of a MST stressor.

Section 502 would require VA to assign, to each individual seeking compensation for a disability based on MST, a case representative officer who shall serve as a liaison between such individual and VA and to provide advice and general information to such individual on the claims process.

Section 503 would require VA to submit a report on the current standard of proof for service-connection for covered mental health conditions based on MST to the Committees on Veterans' Affairs of the Senate and House of Representatives.

Section 504 would require VA to submit an annual report to Congress on claims for disabilities based on post-traumatic stress dis-

order (hereinafter, “PTSD”) alleged to have been incurred or aggravated by MST.

SUBTITLE B—AGENCY OF ORIGINAL JURISDICTION

Section 511 would require VA to establish a working group to assess and develop recommendations for the improvement of the employee work credit and work management systems of the Veterans Benefits Administration (hereinafter, “VBA”).

Section 512 would require VA to establish a task force to assess the retention and training of claims processors and adjudicators that are employed by VA and other departments and agencies of the Federal government.

Section 513 would require VA to report to the Committees on Veterans’ Affairs of the Senate and House of Representatives on VA attempts to obtain records from another department or agency of the Federal government.

Section 514 would authorize VA to recognize representatives of Indian tribes as individuals eligible to represent veterans in the preparation, presentation, and prosecution of claims for VA benefits.

Section 515 would require VA to carry out a 2-year program to assess the feasibility and advisability of entering into memoranda of understanding with local governments and tribal organizations to improve the quality of disability compensation claims and to provide claims submittal assistance to veterans who may be eligible for disability compensation or pension benefits.

Section 516 would require VA to submit a quarterly report on VA efforts to eliminate the claims backlog.

Section 517 would require VA to submit a report on the use of existing authorities to expedite benefit decisions and a plan to increase the use of existing authorities to expedite benefit decisions.

Section 518 would require VA to submit a report on the provision of medical examinations for purposes of adjudicating claims and a plan to prevent the ordering of unnecessary medical examinations.

SUBTITLE C—BOARD OF VETERANS’ APPEALS AND COURT OF APPEALS FOR VETERANS CLAIMS

Section 521 would require the Court of Appeals for Veterans Claims (hereinafter, “CAVC”) to treat as timely filed a document that expresses disagreement with a decision of the BVA and an intent to appeal such decision to CAVC that is misfiled with BVA or the agency of original jurisdiction (hereinafter, “AOJ”) within 120 days of the BVA decision.

Section 522 would modify the filing period for a notice of disagreement (hereinafter, “NOD”) from 1 year to 180 days, with a good cause exception.

Section 523 would require, with limited exceptions, that any hearing before the BVA be conducted using video teleconference technology.

TITLE VI—OUTREACH MATTERS

Section 601 would direct VA to carry out a 2-year program that would competitively award grants to increase veterans’ awareness of benefits and services and improve coordination of outreach ac-

tivities between Federal, State and local agencies and nonprofit organizations.

Section 602 would codify VA's authority to enter into cooperative agreements and arrangements with State veterans' agencies to carry out, improve, or enhance outreach activities between VA and State veterans' agencies. VA would be required to include such agreements and arrangements in its annual report on outreach activities.

Section 603 would direct VA to establish an advisory committee on national outreach activities composed of individuals with backgrounds in: press relations, traditional and new media marketing, shaping a brand image, and communications. Veterans with press and public relations experience would also be appointed to the maximum extent practicable. The advisory committee would collaborate with the Assistant Secretary of Public and Intergovernmental Affairs to advise the Secretary on national outreach activities to ensure VA is effectively communicating its benefits and services to stakeholders. Advisory committee meetings would be required to take place on VA-owned property and make use of teleconference technology when practicable.

Section 604 would direct VA to establish an advisory board at each VA health care system for purposes of enhancing and improving local outreach activities. Advisory board membership would be voluntary and would be composed of individuals with backgrounds in: press relations, traditional and new media marketing, shaping a brand image, and communications. Veterans with press and public relations experience would also be appointed to the maximum extent practicable. Each advisory board would advise the director of the VA health care system, in collaboration with VA employees of the health care system and involved in press and public relations, on outreach activities to ensure VA is effectively communicating its benefits and services to local stakeholders, as well as to explain policy changes or new programs at VA. Advisory boards would be required to meet on VA-owned property and make use of teleconference technology when practicable.

Section 605 would require VA to submit its report to Congress on outreach activities annually, not biennially.

TITLE VII—EMPLOYMENT AND RELATED MATTERS

SUBTITLE A—EMPLOYMENT MATTERS

Section 701 would require Federal agencies to develop plans to hire an aggregate of 15,000 veterans to existing vacancies within 5 years using the Veterans' Recruitment Appointment (hereinafter, "VRA") and the Veterans Employment Opportunities Act (hereinafter, "VEOA") authorities.

Section 702 would, as a condition of receiving funding through the Jobs for Veterans State Grants, require States to recognize military experience when issuing licenses and credentials to veterans. This section would require States to issue licenses and credentials to certain veterans without requiring such veterans to undergo further training.

Section 703 would require the Department of Labor (hereinafter, "DOL") to compile a list of Internet Web sites and applications that are beneficial for veterans in pursuit of employment. This section

would also require DOL to report to the Veterans' Affairs Committees on the feasibility and advisability of creating a single, unified employment portal.

Section 704 would improve the DOD's TAP by requiring DOL to provide transitioning servicemembers with information regarding disability-related employment and education protections.

SUBTITLE B—SMALL BUSINESS MATTERS

Section 711 would expand VA contracting goals and preferences to include conditional ownership of small business concerns if such small business concerns are 100 percent owned by one or more veterans.

Section 712 would permit the surviving spouse of a veteran owner of a small business, who is less than 100 percent disabled and whose death is not a result of a service-connected disability, to maintain the status of such small business concern for up to 3 years following the death of such veteran.

Section 713 would permit the surviving spouse of a servicemember, who owns at least 51 percent of a small business concern and dies in the line of duty, to maintain the status of such small business concern for up to 10 years following the death of such servicemember.

Section 714 would require VA to consider small businesses, licensed in a community property State, as if such small business were licensed in a non-community property State if such consideration would result in a greater ownership of such small business concern for purposes of eligibility as a veteran owned small business.

TITLE VIII—OTHER MATTERS

Section 801 would require VA to consider whether the resources of individuals applying for pension were recently disposed of for less than fair market value when determining eligibility for pension benefits.

Section 802 would reauthorize certain funding for the Office of National Veterans Sports Programs and Special Events. This funding could be used for monthly subsistence allowances for certain Paralympic athletes or other covered activities of the Office of National Veterans Sports Programs and Special Events.

Section 803 would authorize VA to plan, develop, manage, and implement an integrated adaptive sports program for disabled veterans and disabled members of the Armed Forces. In carrying out this adaptive sports program, VA would be authorized to award grants to the United States Olympic Committee to plan, develop, manage, and implement an integrated adaptive sports program for disabled veterans and disabled members of the Armed Forces.

Section 804 would make effective date provisions consistent with provisions for benefits eligibility of a veteran's child based upon termination of remarriage by annulment.

Section 805 would extend the deadline by which VA has to schedule a medical examination for a veteran in receipt of a temporary disability rating for a severe mental disorder.

Section 806 would authorize VA to issue veteran identification cards. Additionally, VA would be authorized to work with national

retail chains to ensure that such chains recognize the card when offering reduced prices on pharmaceuticals, consumer products, and services to veterans.

Section 807 would honor as veterans certain persons who performed service in the reserve components of the Armed Forces.

Section 808 would extend VA's authority to collect loan guarantee fees.

Section 809 would direct VA, in consultation with DOD, to review the process for determining whether certain individuals have the requisite service requirements for purposes of receiving specific Filipino veterans' benefits.

Section 810 would require VA, in consultation with DOD and such agencies or individuals VA considers appropriate, to submit a report to Congress on the extent to which Laotian military forces provided combat support to the Armed Forces of the United States between February 28, 1961, and May 15, 1975; whether the current classification by the DOD Civilian/Military Service Review Board is appropriate; and any recommendations for legislative action.

Section 811 would require DOL, in consultation with VA, the Small Business Administration, and other entities the Secretary considers appropriate, to submit to Congress a report outlining the benefits, services, and other assistance available to veterans to obtain the training necessary to purchase and operate a franchise; any known statistics about the number of veterans who seek this type of training each year and complete this type of training each year; and information regarding any barriers encountered by veterans in obtaining that training.

Section 812 would limit the amount of awards and bonuses payable to VA employees during fiscal year (hereinafter, "FY") 2014.

BACKGROUND AND DISCUSSION

TITLE I—SURVIVOR AND DEPENDENT MATTERS

Sec. 101. Extension of initial period for increased dependency and indemnity compensation for surviving spouses with children.

Section 101 of the Committee bill, which is derived from S. 735, would extend the period for additional DIC for surviving spouses with dependent children to 3 years after date of entitlement.

Background. According to VA's most recent Annual Benefits Report, there were nearly 350,000 surviving spouses receiving DIC from VA. The May 2001 Program Evaluation of Benefits for Survivors of Veterans with Service-Connected Disabilities recommended increasing DIC by \$250 per month for surviving spouses with dependent children for the 5-year period after the veteran's death due to evidence suggesting the need for an even greater DIC benefit allowance for survivors with dependent children.

In response, Congress enacted Public Law (hereinafter, "P.L.") 108-454, the Veterans Benefits Improvement Act of 2004, which amended section 1311 of title 38, U.S.C., to authorize VA to pay a temporary \$250 per month additional benefit to a surviving spouse with one or more children below the age of 18. However, this law only provided the additional benefit for a 2-year period following entitlement.

Despite this additional benefit, recent data suggests many surviving spouses are still struggling financially. Survivor statistics re-

ported in 2010 by the National Survey of Veterans indicate that 44 percent of responding surviving spouses reported income below \$20,000. Low income survivors may be at an even greater disadvantage when it comes to reestablishing stability for their families.

Committee Bill. Section 101 of the Committee bill would amend section 1311 of title 38 to provide for 3 years of additional monthly DIC payments to surviving spouses with dependent children. The Committee believes the increased length of time a surviving spouse would receive additional monthly DIC pursuant to the Committee bill would provide the additional monetary support necessary to reestablish stability for families of surviving spouses with children during the vital period immediately following a veteran's death.

Sec. 102. Eligibility for dependency and indemnity compensation, educational assistance, and housing loans for surviving spouses who remarry after age 55.

Section 102 of the Committee bill, which is derived from S. 735, would enable a surviving spouse to retain eligibility for DIC, education assistance, and housing loans if the surviving spouse remarries after age 55.

Background. Generally, the remarriage of a surviving spouse bars the provision of VA benefits. P.L. 108–183, the Veterans Benefits Act of 2003, allowed surviving spouses who remarried after age 57 to retain eligibility for certain benefits including DIC, educational assistance, and housing loans.

Other Federal benefit programs allow spouses to remarry at age 55 and retain eligibility for benefits. For example, section 1450 of title 10, U.S.C., allows surviving spouses of military retirees to retain their DOD Survivor Benefit Plan benefits if remarriage takes place after age 55. The same applies for surviving spouses of Federal employees as a result of section 8442 of title 5, U.S.C., receiving benefits as the widow or widower of a Federal annuitant.

Committee Bill. Section 102 of the Committee bill would amend section 103(d)(2) of title 38 to enable surviving spouses who remarry after age 55 to retain eligibility for DIC, education assistance, and housing loans. The Committee believes this amendment would make eligibility standards for VA benefits after remarriage consistent with other Federal benefit programs.

Sec. 103. Extension of marriage delimiting date for surviving spouses of Persian Gulf War veterans to qualify for death pension.

Section 103 of the Committee bill, which is derived from S. 928, would extend the delimiting date for certain surviving spouses of Persian Gulf War veterans to qualify for death pension. This date, currently January 1, 2001, would be extended to the date that is 10 years and 1 day after the date on which the Persian Gulf War is terminated.

Background. Under current law, section 1541 of title 38, U.S.C., pension benefits cannot be paid to a surviving spouse of a Persian Gulf War veteran unless the claimant was married to the veteran for at least 1 year immediately preceding the veteran's death, a child was born of or before the marriage, or the marriage occurred before January 1, 2001.

The Persian Gulf War, which began on August 2, 1990, has not been terminated by Presidential proclamation or by law. Part C of P.L. 102–25, the Persian Gulf War Veterans’ Benefits Act of 1991, established the Persian Gulf War as a period of war for purposes of veterans’ benefits. This same legislation provided a delimiting date of January 1, 2001, for survivor pension benefits’ eligibility for certain surviving spouses. Had the Persian Gulf War been terminated in 1991, this time period would have been consistent with the time period applied to surviving spouses of veterans of the Korean conflict and the Vietnam era. Since the Persian Gulf War has not been terminated by Presidential proclamation or by law, it is necessary to update and extend the statutory delimiting date for purposes of determining entitlement to survivor pension benefits provided by section 1541 of title 38, U.S.C.

Committee Bill. Section 103 of the Committee bill would amend section 1541(f)(1)(E) of title 38 by extending the delimiting date for surviving spouses of Persian Gulf War veterans to qualify for death pension to the date that is 10 years and 1 day after the date on which the Persian Gulf War is terminated. This provision is consistent with the time period provided for surviving spouses of other recent periods of war.

Sec. 104. Expansion of Marine Gunnery Sergeant John David Fry Scholarship.

Section 104 of the Committee bill, which is derived from S. 1039, would expand the Marine Gunnery Sergeant John David Fry Scholarship to include surviving spouses of members of the Armed Forces who die in the line of duty.

Background. P.L. 111–32, the Supplemental Appropriations Act of 2009, amended the Post-9/11 GI Bill to establish the Marine Gunnery Sergeant John David Fry Scholarship for the children of servicemembers who died in the line of duty after September 10, 2001. Eligible children are entitled to 36 months of benefits at the 100 percent level and may use the benefit until their 33rd birthday.

Currently, surviving spouses of servicemembers who died in the line of duty are only eligible to receive survivors’ and dependents’ educational assistance (hereinafter, “Chapter 35”). Chapter 35 benefits provide a spouse with \$1,003 per month as a full-time college student, which may leave the spouse to find other sources of income or funding to offset the high cost of education. Additionally, recipients of Chapter 35 do not receive a separate living allowance.

In March 2013, at a joint hearing of the House and Senate Veterans’ Affairs Committees, the Gold Star Wives of America testified that many Federal education programs have been increased and improved recently.

Committee Bill. Section 104 of the Committee bill would amend subsection (b)(9) of section 3311 of title 38, U.S.C., to expand the ability to receive the Marine Gunnery Sergeant John David Fry Scholarship to surviving spouses, by inserting the term “or spouse” after the word “child.” This section would limit the entitlement of the surviving spouse to the date that is 15 years after the date of the servicemember’s death or the date the surviving spouse remarries, whichever is earlier. Section 103 would also require a surviving spouse, who is entitled both under amended section 3311

and under Chapter 35, to make an irrevocable election to receive educational assistance under either amended section 3311 or Chapter 35. Finally, a necessary conforming amendment would be made to subsection (b)(4) of section 3321 of title 38, U.S.C.

The Committee believes this provision will enhance the lives of surviving spouses and their families by alleviating the hardships they may endure from losing a loved one.

Sec. 105. Expansion of Yellow Ribbon G.I. Education Enhancement Program.

Section 105 of the Committee bill, which is derived from S. 515, would extend eligibility for the Yellow Ribbon G.I. Education Enhancement Program (hereinafter, “Yellow Ribbon Program”) to recipients of the Marine Gunnery Sergeant John David Fry Scholarship.

Background. The Yellow Ribbon Program was established in P.L. 110–252 and allows educational institutions to make additional funds available without an additional charge to the veteran’s Post-9/11 GI Bill entitlement. Under the Yellow Ribbon Program, VA can enter into agreements with institutions of higher learning, where VA will match the amount of funds contributed for a student’s tuition and fees by such educational institution, and issue payment directly to the institution. This is especially helpful for veterans and dependents who attend private schools that have higher tuition rates or who attend public schools as a non-resident. The Marine Gunnery Sergeant John David Fry Scholarship, codified at section 3311(b)(9) and (f) of title 38, U.S.C., amended the Post-9/11 GI Bill to include the children of servicemembers who died in the line of duty after September 10, 2001. Eligible children are entitled to up to 36 months of benefits at the 100 percent level and may use the benefits until their 33rd birthday. A beneficiary entitled to the full Post-9/11 GI Bill may participate in the Yellow Ribbon Program. However, currently, children of deceased servicemembers who are using Post-9/11 GI Bill benefits are ineligible to participate in the Yellow Ribbon Program.

Committee Bill. Section 105 of the Committee bill would amend subsection (a) of section 3317 of title 38, U.S.C., by striking “in paragraphs (1) and (2)” and inserting “in paragraphs (1), (2), and (9)” to enable recipients of the Marine Gunnery Sergeant John David Fry Scholarship to participate in the Yellow Ribbon Program.

Sec. 106. Benefits for children of certain Thailand service veterans born with spina bifida.

Section 106 of the Committee bill, which is derived from S. 735, would authorize VA to provide benefits to children, of certain Vietnam era veterans with covered service in Thailand, born with spina bifida.

Background. Exposure to certain herbicides, such as Agent Orange, has been associated with a range of diseases ranging from certain cancers to birth defects. Spina bifida is a debilitating birth defect that can lead to physical complications, neurological deficits, and inhibited executive functions, to include planning, attention, and reasoning.

P.L. 104–204, the Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act of 1997, established benefits for children of Vietnam veterans born with spina bifida, possibly as a result of one or both parents’ exposure to herbicides during active service in Vietnam during the Vietnam era. These benefits include health care services, vocational training and rehabilitation services, and a monthly monetary allowance.

P.L. 108–183, the Veterans Benefits Act of 2003, extended these benefits to the children of veterans who were exposed to an herbicide agent during service in or near the Korean demilitarized zone (hereinafter, “DMZ”) during September 1, 1967, to August 31, 1971. Thus, under current law, 38 U.S.C. 1802 et seq., children with spina bifida of parents with qualifying service in Vietnam or service in or near the Korean demilitarized zone may be eligible for a variety of VA benefits.

VA now recognizes that certain veterans of the Vietnam era involved in activities on or near military bases in Thailand may also have been exposed to herbicides, such as Agent Orange. Absent a statutory change, children of a veteran whom VA concedes was exposed to herbicides near military bases in Thailand would not qualify for the benefits provided to children with spina bifida whose parents were possibly exposed to herbicides in Vietnam or certain areas of Korea.

Committee Bill. Section 106 of the Committee bill would amend chapter 18 of title 38, U.S.C., by adding a new section 1822. This new section would authorize VA to provide to any child of a veteran with covered service in Thailand, who is suffering from spina bifida, the same health care services, vocational training and rehabilitation services, and monetary allowance currently required under subchapter I of chapter 18 to be provided to a child of a Vietnam veteran who is suffering from spina bifida.

Providing benefits to these children whose parents have covered service in Thailand would place them on an equal footing with those children whose parents may have been exposed to herbicides in Vietnam or near the Korean DMZ.

Sec. 107. Program on assisted living for children of Vietnam veterans and certain Korea service veterans born with spina bifida.

Section 107 of the Committee bill, which is derived from S. 832, would require VA to carry out a 3-year program to provide assisted living, group home care, or similar services to children with spina bifida.

Background. Under current law, section 1803 of title 38, U.S.C., VA is authorized to provide or pay for nursing home care for eligible children and adult children with spina bifida, but is not authorized to provide care in less restrictive settings, such as assisted living facilities or group homes for persons with disabilities.

As a result of Committee oversight of VA’s spina bifida program, the Committee became aware of the need to clarify VA’s responsibility to provide health care to these beneficiaries. VA’s General Counsel, in its advisory opinion (VAOPGCADV 5–2013), provided clarification of a number of VA’s responsibilities in providing care, including assistance with activities of daily living in the bene-

ficiary's home. However, VA is not currently authorized to provide care in an assisted living facility or group home or similar alternative residence. Adult disabled beneficiaries with spina bifida who might be able to live in such less restrictive and less expensive settings can only be provided long-term care in their own homes on a part-time basis or in nursing homes. During a roundtable hosted by Committee staff on April 9, 2013, medical experts, with experience in caring for children with spina bifida, stated that children with spina bifida who require 24-hour care could be better cared for in less restrictive settings than a nursing home.

Committee Bill. Section 107 of the Committee bill would direct VA to carry out a 3-year program to provide children with spina bifida and entitlement to benefits under subchapters I and III of chapter 18 of title 38 with assisted living, group home care, or similar services instead of nursing home care. This section also requires the Secretary to submit reports to the Committees on Veterans' Affairs of the Senate and House of Representatives detailing the operation of the program, individuals covered by the program, costs and benefits of the program, and any findings, conclusions, and recommendations the Secretary may have about the program.

The Committee believes this section would expand the range of care options available to children with spina bifida who require a protective living environment with access to 24-hour care. The Committee expects that adult disabled children with spina bifida who are most likely to qualify for services under the program are those whom VA has determined meet the criteria for a Level III disability determination under section 3.814(d)(1)(iii) of title 38, Code of Federal Regulations (hereinafter, "C.F.R."). Nursing home care may not always be the best choice of care for children and adult children with spina bifida. Further, according to the Market Survey of Long-Term Care Costs: The 2012 MetLife Market Survey of Nursing Home, Assisted Living, Adult Day Services, and Home Care Costs (November 2012), assisted living care is less than half the cost of nursing home care. The Committee recognizes changes in health care delivery have occurred since the original law was enacted and would authorize VA to evaluate the value of providing alternative long-term care. Despite many of these children requiring 24-hour care, they may be better cared for in less restrictive settings than a nursing home.

Sec. 108. Program on grief counseling in retreat settings for surviving spouses of members of the Armed Forces who die while serving on active duty in the Armed Forces.

Section 108 of the Committee bill, which is derived from S. 735, would require VA to carry out a 2-year program to provide grief counseling services in group retreat settings for surviving spouses of members of the Armed Forces who died while serving on active duty.

Background. The Gold Star Wives of America provided testimony on issues pertaining to surviving spouses at a joint hearing of the Senate and House Veterans' Affairs Committee on March 6, 2013. Among the issues discussed by the testimony was the difficulty faced by new survivors in obtaining grief counseling and locating grief support groups.

P.L. 111–163, the Caregivers and Veterans Omnibus Health Services Act of 2010, required VA to conduct a pilot program on providing reintegration and readjustment services in group retreat settings to women veterans recently separated from military service. The Committee is aware of positive feedback provided by attendees and veterans service organizations (hereinafter, “VSO”) on this pilot program. VA’s Report on the Pilot Program on Counseling in Retreat Settings for Women Veterans Newly Separated from Service in the Armed Forces identified positive outcomes for attendees at the retreats:

Written feedback from the Veteran participants immediately after the retreats was unanimously positive for both years (see Appendix). Virtually every woman Veteran identified some element of the curriculum that was most useful to their current life readjustment. The Vet Centers have received several letters from satisfied Veterans expressing their gratitude for the opportunity to participate in the retreat. Additionally, the continuation of active group interaction among various participants following the retreat experience is indicative of a favorable experience.

In testimony before the Committee on June 12, 2013, in support of a provision in S. 735, now found in section 108 of the Committee bill, the Veterans of Foreign Wars (hereinafter, “VFW”) testified, “VFW has heard positive stories from a similar pilot program involving women veterans, and we are happy to support the same goals for those who lost a loved one on active duty.”

Committee Bill. Section 108 of the Committee bill would require VA to carry out a 2-year program, at no less than six events, to provide grief counseling services in group retreat settings to surviving spouses of veterans who died while serving on active duty.

This program would provide surviving spouses with information and counseling on coping with grief, information about VA benefits and services available to surviving spouse and other information and counseling VA considers appropriate to assist a surviving spouse with adjusting following the death of a spouse. This section also requires VA to submit a report to the Senate and House Committees on Veterans’ Affairs detailing the results of the program and recommendations for the continuation or expansion of the program.

The Committee believes this program would assist in meeting the needs of surviving spouses identified by the Gold Star Wives in testimony before the Committee.

Sec. 109. Program evaluation on survivors’ and dependents’ educational assistance authorities.

Section 109 of the Committee Bill, which is an original provision, would require VA to conduct a program evaluation of the Survivors’ and Dependents’ Educational Assistance Program (hereinafter, “DEA”).

Background. Under the DEA program, chapter 35 of title 38, U.S.C., VA provides education benefits to the child or spouse of: A veteran who died or is permanently and totally disabled as the result of a service-connected disability; a veteran who died from any cause while a permanent and total service-connected disability was

in existence; a servicemember missing in action or captured in line of duty by a hostile force; a servicemember forcibly detained or interned in line of duty by a foreign government or power; or a servicemember who is hospitalized or receiving outpatient treatment for a service-connected permanent and total disability and is likely to be discharged for that disability.

The purpose of this program, as stated in section 3500, is to help these children “in attaining the educational status which they might normally have aspired to and obtained” and to provide these spouses with help “in preparing to support themselves and their families at a standard of living level to which the veteran, but for the veteran’s death or service disability, could have expected to provide.” Under this program, an eligible child or spouse may receive up to 45 months of benefits, currently paid at the rate of \$1,003 per month.

In June 2000, the Klemm Analysis Group, Inc., released a report entitled “Program Evaluation of the Survivors’ and Dependents’ Education Assistance Program.” That report assessed “the extent to which DEA has met its statutory intent, the educational needs of beneficiaries, and the expectations of its stakeholders.” In part, the report contained a recommendation that the then-current monthly allotment of \$485 be increased to \$778 per month. According to the report, the increased amount of \$778 “would allow virtually all DEA beneficiaries to attend the academic institution of their choice.”

Another education program administered by VA, the Post-9/11 GI Bill, provides military personnel who have served on active duty since September 11, 2001, with up to 36 months of education benefits, including up to \$18,077 per year for tuition and fees, a monthly housing allowance, and a book stipend. Generally, education benefits have been provided to military personnel in order to encourage recruitment into the military, to help retain servicemembers in the military, and to help veterans readjust to civilian life after leaving the military.

In 2009, P.L. 111–32, the Supplemental Appropriations Act for Fiscal Year 2009, provided a small subset of the individuals who are eligible for DEA, the children of servicemembers who die in the line of duty after September 10, 2001, with eligibility for 36 months of benefits under the Post-9/11 GI Bill. Also, section 104 of S. 944, as amended, would allow another subset of DEA beneficiaries, spouses of servicemembers who die in the line of duty after September 10, 2001, to be eligible for benefits under the Post-9/11 GI Bill. The remainder of DEA beneficiaries would remain eligible for only DEA, including the surviving spouses and children of those who die after leaving the military from service-related injuries and the spouses and children of veterans who are permanently and totally disabled as a result of in-service injuries.

In light of the different levels of benefits for various categories of these children and spouses; the different purposes of the programs to which they have access; and the length of time since a full assessment of this program has been conducted, the Committee believes it is necessary to examine how effective the DEA program is at meeting its intended purposes and how best to meet the needs of all categories of children and spouses eligible for DEA.

Committee Bill. Section 109 of the Committee bill would require VA to enter into a contract with an appropriate entity to conduct a program evaluation of the DEA program and submit to Congress a report on the results of that evaluation. This section would take effect 1 year after the enactment of the Committee bill.

TITLE II—EDUCATION MATTERS

Sec. 201. Approval of courses of education provided by public institutions of higher learning for purposes of all-volunteer force educational assistance program and Post-9/11 educational assistance conditional on in-State tuition rate for veterans.

Section 201 of the Committee bill, which is derived from S. 257 and S. 944, as introduced, would require public educational institutions of higher learning to provide in-State tuition for certain veterans who are within 3 years of date of separation from service in the active military, naval, or air service and their dependents.

Background. Section 3313 of title 38, U.S.C., authorizes VA to pay in-State tuition and fees for veterans attending a public educational institution using their Post-9/11 GI Bill educational benefits. However, veterans may not always qualify for in-State tuition rates.

Several States currently assist all or certain veterans by recognizing them as in-State students for purposes of attending a public educational institution, regardless of length of residency in the State where the veteran is attending college. Yet, many States require transitioning veterans to meet stringent residency requirements before they can be considered in-State residents. Federal law is currently silent on this matter.

Recently-separated veterans may not be able to meet State residency requirements where they wish to attend school because they were stationed elsewhere during their military service, and once enrolled, they may not be able to legally establish residency because of their status as full-time students. The Federal educational assistance provided to veterans by VA was designed, in part, to help them develop the skills and background necessary to make a successful transition from military service to a civilian life and career.

Further, not being able to satisfy a State's residency requirements can cause significant financial challenges for a veteran. According to testimony from VFW before the Committee in June 2013, "VFW regularly hears from student-veterans who confirm that financial uncertainty is the most significant roadblock to persistence and graduation." Additionally, VFW testified that having to pay out-of-State tuition "forces veterans to either drop out or find other ways to pay for college through Federal financial aid programs, full time employment or amassing student loan debt even when they make a good faith effort to legally reside in a State and attend a public school."

Committee Bill. Section 201 of the Committee bill would amend section 3679 of title 38, U.S.C., by adding a new subsection (c) to require VA to disapprove courses of education provided by public institutions of higher learning that do not charge tuition and fees at no more than the in-State resident rate for veterans within 3 years from discharge from a period of at least 90 days service in

the military, irrespective of the veteran's current State of residence, if the veteran is living in the State in which the institution is located while pursuing that course of education. Pursuant to subsection (c), this provision would apply to veterans using the educational assistance programs administered by VA under chapters 30 and 33 of title 38, U.S.C., and to dependent beneficiaries using Post-9/11 GI Bill benefits during the 3 years after the veteran's discharge. As long as the veteran or dependent enrolls within 3 years after the veteran's discharge, the requirement to charge no more than the in-State rate would apply for as long as the individual remains continuously enrolled at the institution. Subsection (c)(4) would permit a public educational institution to require a covered individual to demonstrate an intent, by means other than satisfying a physical presence requirement, to eventually establish residency in that State or to meet requirements unrelated to residency in order to be eligible for the in-State tuition rate. The Committee bill also provides VA discretion to waive the established requirements in a circumstance where it is deemed appropriate in regards to approval of a specific course of education. Any disapproval of courses pursuant to these new requirements would apply only with respect to benefits provided under chapters 30 and 33 of title 38. This provision would apply to programs of education that begin during academic terms after July 1, 2015.

The Committee intends to address the in-State tuition issue by allowing those beneficiaries who are in a transitional period to receive the in-State rate.

Sec. 202. Extension and expansion of authority for certain qualifying work-study activities for purposes of the educational assistance programs of the Department of Veterans Affairs.

Section 202 of the Committee bill, which is derived from S. 894, would extend certain options under VA's work-study program by 2 years and expand the program to allow participants to conduct certain veterans' outreach and assistance activities in congressional offices.

Background. Under current law, section 3485, of title 38, U.S.C., VA's authority to allow certain options under its work-study program expired on June 30, 2013. VA's work-study program provides veterans participating in certain educational and vocational and rehabilitation programs with the opportunity to assist other veterans understand and access VA benefits. Under the work-study program, veterans who are enrolled at least three-fourths of full-time in certain VA programs, such as the MGIB and the Post-9/11 GI Bill, may receive the greater of the Federal or State minimum wage for veteran-related work in certain VA facilities, educational institutions, State veterans' homes, and other qualified work-study activities. In FY 2012, this program assisted more than 10,000 veterans, who received approximately \$25.7 million in work-study payments.

Committee Bill. Section 202 of the Committee bill would amend section 3485 of title 38, U.S.C., to extend certain options under the work-study program to June 30, 2015.

This section would also create a subsection under section 3485 of title 38 to permit participants in VA's work-study program to work in congressional offices. Such participants would be limited to ac-

tivities involving distribution of information regarding VA benefits and services to other veterans, dependents, and servicemembers, as well as preparation of documents to assist in a claim for benefits. This new authority would extend from June 30, 2013, to June 30, 2015.

This section would further require VA to submit a report to Congress, no later than June 30 of 2014 and 2015. Such report would include a description of the recipients of that year's work-study allowances, all locations where work-study activities were carried out, and a description of the outreach conducted by VA to increase awareness of this program.

It is the Committee's intent to allow veterans to work in congressional offices to assist other veterans with casework issues, help congressional staff address the unique challenges facing our newest generation of veterans, and develop the knowledge and experience needed to successfully transition into the civilian workforce.

Sec. 203. Report on debt management and collection.

Section 203 of the Committee bill, which is derived from S. 930, would require GAO to report on processes used by VA to identify and resolve cases of incorrect payments associated with educational assistance under the MGIB and the Post-9/11 GI Bill.

Background. An overpayment can occur when an individual decreases credit hours or training time, or leaves school when payment has already been processed. Currently, many educational institutions in question will issue refunds to VA in accordance with its internal policy, but any remaining amount due is the responsibility of the veteran. When the debt is established, VA will issue a notice to the veteran and require a response of payment, establishment of a repayment plan, or request for waiver. If no contact is made after 30 days of the notice, VA will automatically begin to offset the debt from future VA educational benefits. Continued non-contact will result in notification to credit reporting agencies approximately 100 days after creation of debt and referral of the debt to the Department of Treasury approximately 130 days after creation of debt.

Many veterans are unaware of their debt and have often reported not receiving notice from VA or receiving conflicting information. This causes confusion that may lead to veterans not paying their debt in time. The offset of future educational benefits can also result in significant hardship for veterans who depend on such funds to pay for their education.

Committee Bill. Section 203 of the Committee bill would require GAO to submit to the appropriate committees of Congress, not later than 2 years after the enactment of the Committee bill, a report on the processes used by VA to identify and resolve cases of incorrect payments associated with educational assistance under the Post-9/11 GI Bill and the MGIB.

The Committee believes a third party evaluation of VA's debt management and collection process is needed to identify current issues and possible solutions.

Sec. 204. Restoration of prior reporting fee multipliers.

Section 204 of the Committee bill, which is an original provision, would decrease the amount of reporting fees paid by VA to educational and training institutions.

Background. Section 3684(c) of title 38, U.S.C., provides for the payment of reporting fees to educational and training institutions based on the number of veterans or other eligible students enrolled. The amount paid per eligible student is \$12 or, in the case of an institution that accepts advance payments from VA, \$15 per student.

According to VA, as of July 2013, it has paid more than \$30 billion in Post-9/11 GI Bill benefit payments, \$13.5 billion of which was in tuition to educational and training institutions, for nearly one million beneficiaries since 2009. Further, according to VA's FY 2014 budget submission to Congress, the Post-9/11 GI Bill is the most used education benefit offered by VA. The Post-9/11 GI Bill benefits paid by VA are expected to increase approximately \$1.2 billion in FY 2014 from FY 2013 and to account for 86 percent of VA's total training and education obligations.

The current fee payment structure was established in 2011 by section 204 of P.L. 111-377, the Post-9/11 Veterans Educational Assistance Improvements Act of 2010. Previously, the reporting fees paid to educational and training institutions by VA was increased from \$5 and \$6 to \$7 and \$11, respectively, in 1977 by section 304 of P.L. 95-202, the GI Bill Improvements Act. In contrast, under the Federal Pell Grant Program, institutions of higher learning receive \$5 per grant to administer and distribute Federal Pell awards.

Committee Bill. Section 204 of the Committee bill would amend section 3684(c) to decrease the reporting fees paid by VA to educational and training institutions from \$12 and \$15 to \$7 and \$11, respectively. This change would take effect on enactment of the Committee bill.

The Committee is of the opinion that the tuition dollars paid, and a lower reporting fee provided, to education and training institutions is adequate in offsetting any overhead created on the school's part in administering the benefit. Further, the Committee believes the veteran-student services provided under the work-study program authorized in section 3485 of title 38, U.S.C., can be used by schools to help mitigate any difference between the amount of reporting fees paid by VA and the costs incurred by the education and training institution.

TITLE III—HEALTH CARE MATTERS

SUBTITLE A—EXPANSION AND IMPROVEMENTS OF BENEFITS
GENERALLY

Sec. 301. Expansion of provision of chiropractic care and services to veterans.

Section 301 of the Committee bill, which is derived from S. 422, would expand the provision of chiropractic services at VA medical facilities and expand the chiropractic services available to veterans.

Background. In 2001, Congress acknowledged the importance of offering chiropractic services at VA facilities and established a pro-

gram to provide such services to veterans through P.L. 107–135, the Department of Veterans Affairs Health Care Programs Enhancement Act of 2001, which included language from H.R. 2792 as described in House Report 107–242.

The Department is long overdue in establishing a firm, comprehensive policy to provide a full scope of chiropractic services to veterans. Over the last 106 years, chiropractic health science has become the third-largest physician level health care profession in the world. Doctors of chiropractic are licensed in all 50 States as health care service providers.

Understanding the availability and effectiveness of chiropractic care, Congress directed VA to carry out a program to provide chiropractic care and services to eligible veterans at its medical centers and clinics. The law defined eligible veterans to include all those enrolled under section 1705 of title 38, U.S.C. Additionally, the legislation directed VA to designate at least one site in each of VHA's geographic areas including medical centers and clinics located in urban and rural areas.

In 2009, VHA issued Directive 2009–059 that defined current policy related to the provision of chiropractic care. Actions required by this directive, set to expire on November 30, 2014, included the requirement that each VISN director ensure at least one facility in the VISN provide on-site chiropractic care. Additionally, each facility director was required to authorize the provision of patient evaluation and care, as well as to ensure chiropractors as independent, licensed practitioners, incorporate chiropractors into a health team; and provide appropriate training to familiarize appropriate VHA employees with chiropractic care.

A 2013 report by VA's Epidemiology Program of its Office of Public Health entitled "Analysis of VA Health Care Utilization among Operation Enduring Freedom (OEF), Operation Iraqi Freedom (OIF), and Operation New Dawn (OND) Veterans," identified musculoskeletal ailments such as joint and back disorders as the most common diagnoses of Operation Enduring Freedom (hereinafter, "OEF"), Operation Iraqi Freedom (hereinafter, "OIF"), and Operation New Dawn (hereinafter, "OND") veterans in treatment in VA facilities. The frequency of possible diagnoses for such disorders among these veterans was found to be approximately 58 percent.

Based on the frequency of possible diagnoses of musculoskeletal ailments and the high rate of enrollment by post-9/11 veterans, increased availability of chiropractic care is necessary within VA medical facilities. According to the Foundation for Chiropractic Progress, as of January 2012, chiropractic care is available on-site at 45 VA facilities, including at least one facility in each VISN. Eleven VISNs contain only one such facility.

Committee Bill. Section 301 of the Committee bill would amend Public Law 107–135 to require the chiropractic care program be carried out at no fewer than two medical centers or clinics in each VISN by no later than 2 years after the date of enactment and no fewer than 50 percent of all medical centers in each VISN by no later than 3 years after enactment.

Additionally, the Committee bill would expand the existing chiropractic services available to veterans by amending paragraph 6 of section 1701 of title 38, U.S.C., to include chiropractic services on the list of available medical services provided by VA. The section

would also include chiropractic services in the list of available rehabilitation and preventive health services.

Sec. 302. Modification of commencement date of period of service at Camp Lejeune, North Carolina, for eligibility for hospital care and medical services in connection with exposure to contaminated water.

Section 302 of the Committee bill, which is derived from S. 529, would change the start date for eligibility for hospital care and medical services as a result of exposure to contaminated water at Marine Corps Base Camp Lejeune (hereinafter, "Camp Lejeune"). The section would also direct the Secretary to publish in the Federal Register any earlier start date for eligibility for hospital care and medical services provided under the law.

Background. P.L. 112–154, the Honoring America’s Veterans and Caring for Camp Lejeune Families Act of 2012, authorized VA to provide hospital care and medical services to veterans and their dependents exposed to toxic chemicals while living aboard Camp Lejeune. Under the law, veterans and their dependents are eligible for hospital care and medical services from VA if they lived aboard Camp Lejeune between January 1, 1957, and December 31, 1987; were living on the base for at least 30 days; and have one of fifteen diseases or conditions listed in the law. The dates of service included in the law were derived from a scientific review by the Agency for Toxic Substances and Disease Registry (hereinafter, "ATSDR"). That review indicated the groundwater contamination likely began in 1957 and lasted until the Marine Corps shut down the last well in 1986. However, on January 16, 2013, Dr. Christopher Portier, the Director of the National Center for Environmental Health and ATSDR, wrote the VA Under Secretary for Benefits, Allison Hickey, that the earliest month any toxic substance was found in the drinking water aboard Camp Lejeune was August 1953.

Committee Bill. Subsection (a) of section 302 of the Committee bill would amend section 1710(e)(1)(F) of title 38, U.S.C., by striking January 1, 1957, and inserting August 1, 1953. This subsection would also authorize the Secretary to specify an earlier date after consultation with ATSDR. Subsection (b) would direct VA to publish in the Federal Register any earlier date for the commencement of the period of service at Camp Lejeune as specified in section 1710(e)(1)(F) of title 38, U.S.C.

It is the Committee’s intent that section 302 of the Committee bill ensure VA’s authority to provide care for those who served aboard Camp Lejeune, as specified in section 1710(e)(1)(F) of title 38, U.S.C., keep pace with the current scientific opinion from ATSDR.

Sec. 303. Expansion of eligibility for sexual trauma counseling and treatment to veterans on inactive duty training.

Section 303 of the Committee bill, in an original provision, would extend VA’s authority to provide counseling, care, and services to veterans, and certain other servicemembers who may not have veteran status, who experienced sexual trauma while serving on inactive duty for training.

Background. Under current law, section 1720D of title 38, U.S.C., VA has the authority to provide counseling, care and services to veterans who experienced sexual trauma while serving on active duty or active duty for training.

Sexual assault in the military remains a serious problem. DOD's Annual Report on Sexual Assault in the Military for FY 2012 estimated 26,000 servicemembers experienced unwanted sexual contact, an increase of over 7,000 servicemembers since 2010. A study by the National Center for Post-traumatic Stress Disorder and the Center for Health Care Evaluation estimated that of all the veterans who receive VHA primary care or mental health services, 15 percent of the women and 0.7 percent of the men experienced sexual trauma while in the military.

A recent article entitled, "Psycho-social Effects of Trauma on Military Women Serving in the National Guard and Reserves" published in the Spring 2012 edition of *Advances in Social Work* supports the conclusion that members of the National Guard and Reserve experience significant challenges accessing health care and support services, which may lead to increased rates of mental health issues and even suicide. In their work, they also noted, "Female servicemembers serving in the National Guard and Reserve components of the military have unique challenges to reporting and seeking help for MST. They often lack many of the resources that their active duty counterparts receive."

In June 2013, the Chairman of the Committee received a piece of constituent correspondence which highlighted some of the problems members of the National Guard and Reserve face when dealing with the aftermath of a sexual assault. As a former Sexual Assault Prevention and Response Coordinator, this constituent had firsthand experience dealing with this issue. In her assessment, the Department of Defense Sexual Assault Response Program is broken. In particular, she wrote:

* * * Victims are unable to obtain medical or mental assistance, because they do not fall under Title 10 status when the Sexual Assault occurred. This program was not designed for Guardsmen or Reservists to have Sexual Assaults only active duty members. Yes, that sounds stupid, but look into the regulations, there is no way for the military to get medical assistance for these victims unless they, the leadership, puts the victim back on Title 10. I experienced this with my last sexual assault case. Another point of interest, there is a timeline to report the sexual assault in order for the victim to receive medical or mental assistance. Generally, the victim needs mental assistance long term.

Committee Bill. Section 303 of the Committee bill would amend section 1720D of title 38, U.S.C., to provide VA with the authority to provide counseling, care, and services to veterans, and certain other servicemembers who may not have veteran status, who experienced sexual trauma while serving on inactive duty for training.

The Committee believes it is imperative that survivors of sexual assault in the military, whether it is active duty service or inactive service for duty training in the National Guard and Reserve, have the opportunity to receive the care necessary to confront and over-

come the emotional and physical consequences of these horrible experiences.

Sec. 304. Extension of sunset date regarding transportation of individuals to and from facilities of Department of Veterans Affairs and requirement of report.

Section 304 of the Committee bill, which is derived from S. 455, would repeal the sunset date for the Veterans Transportation Service initiative (hereinafter, "VTS"), which is set to expire January 10, 2014.

Background. For far too many veterans, a lack of affordable transportation can be a barrier to needed health care services. In rural areas, veterans are frequently required to travel significant distances in order to access health care services at VA medical facilities. VA clinics and Community Based Outpatient Clinics play an important role in bringing care closer to where veterans live. However, these facilities do not eliminate some veterans' need to sometimes travel significant distances for care especially for veterans living in rural areas.

For years, the Disabled American Veterans (hereinafter, "DAV") has been providing free transportation services to sick and disabled veterans through their transportation network. These critical transportation services are coordinated by nearly 190 DAV Hospital Service Coordinators throughout the country. While DAV's services are critical to providing transportation to many veterans, they do not serve all veterans. As DAV states publicly, "the DAV Transportation Network is staffed by volunteers; therefore, it is unable to cover every community." Additionally, volunteer drivers are often not able to transport veterans with more serious health needs, such as those requiring portable oxygen.

VA first launched VTS in 2010 to enhance transportation services available to veterans. Through VTS, VA provided funding to local VA facilities to be used for the hiring of transportation coordinators and for the purchase of vehicles. However, in the summer of 2012, the Office of General Counsel (hereinafter, "OGC") determined VA did not have the authority to provide such services and the program was put on hold.

In 2013, following OGC's decision, Congress added section 111A to title 38, U.S.C., in P.L. 112-260, the Dignified Burial and Other Veterans' Benefits Improvement Act of 2012, to allow VA to "transport any person to or from a Department facility or other place in connection with vocational rehabilitation, counseling required by the Secretary pursuant to chapter 34 or 35 of this title, or for the purpose of examination, treatment, or care." The intent of the program was to enhance transportation services for veterans utilizing VA medical facilities. Extending the program allows for its seamless continuation and enables veterans to continue the receipt of transportation service through VA, improving their access to vocational rehabilitation and health care services.

Committee Bill. The Committee bill would extend the authorization of this program under section 111A of title 38, U.S.C., from January 10, 2014, to September 30, 2015, and would set an authorization cap of \$4 million for each fiscal year 2014 and 2015. The legislation would also require VA to report to the Committees on Veterans' Affairs of the Senate and the House of Representatives

on the efforts to carry out the program, the utilization of the program by covered veterans, and the feasibility and advisability of the continuation of the program.

Sec. 305. Program on health promotion for overweight and obese veterans through support of fitness center memberships.

Section 305 of the Committee bill, which is derived from S. 852, would create a pilot program for overweight and obese veterans through the support of fitness center memberships. The pilot program would run for 2 years to determine whether providing support for veterans to access fitness centers improves health and overall well-being among these veterans.

Background. Overweight and obese individuals are at risk for a number of significant health problems. According to the fact sheet published by the Weight Control Information Network of the National Institute of Health (hereinafter, "NIH") titled "Do You Know Some of the Health Risks of Being Overweight?" updated in December 2012, these health problems include increased risk for type 2 diabetes, high blood pressure, heart diseases, stroke, cancer, sleep apnea, osteoarthritis, fatty liver disease, and kidney disease. It also acknowledges that losing as little as 5 percent of one's body weight may lower the risk for several diseases and suggests that to lose weight individuals should consider being active for at least 5 hours each week.

By providing overweight and obese veterans opportunities to access fitness facilities through full or partial subsidized gym memberships, participating veterans may increase their likelihood of losing weight and improving their overall health through exercise. Additionally, while there is a limited cost associated with providing fitness center memberships, these costs may be far exceeded by the savings found through the reduced health care costs of a healthier veteran population.

Committee Bill. Section 305 of the Committee bill would establish a 2-year pilot program at ten unique locations no later than 180 days after the effective date of section 305 to assess the feasibility and advisability of promoting health through the support of fitness center membership. The pilot would be carried out through the National Center for Preventive Health at ten facilities; five of which would provide the full reasonable cost of a fitness center membership for covered veterans and five of which would provide half of the reasonable cost of a fitness center membership for covered veterans, up to \$50 per month. Section 305 would be effective 1 year after the date of enactment.

Covered veterans would include any veteran who is enrolled in VHA, determined by a VA clinician to be overweight or obese, and resides in a location that is more than 15 minutes driving distance from a fitness center at a VA facility that would otherwise be available to the veteran for at least 8 hours per day during 5 or more days per week. The number of covered veterans who may participate in the pilot at each location would not exceed 100.

Subsection (d) of section 305 requires that, when selecting locations for the pilot, VA shall consider the feasibility and advisability of selecting locations in rural areas, areas that are not in close proximity to an active duty military installation and areas in different geographic locations.

Subsection (g) requires VA to submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on the activities carried out to implement the pilot program, including outreach activities to veterans and community organizations no later than 90 days after the date of commencement of the pilot program. This report shall then be submitted to Congress on a quarterly basis thereafter. Additionally, VA shall submit a final report to Congress on the findings and conclusions of the pilot program and recommendations for the continuation or expansion of the program no later than 180 days after the completion of the pilot program.

Sec. 306. Program on health promotion for veterans through establishment of Department of Veterans Affairs fitness facilities.

Section 306 of the Committee bill, which is derived from S. 852, would require VA to create a program on health promotion through the establishment of VA fitness facilities. This section would require VA to establish a pilot program to assess the feasibility and advisability of such facilities.

Background. It can be difficult for some veterans to access fitness facilities. For some veterans, barriers to accessing such facilities can be financial while for others they are geographic in nature. Certain areas may lack fitness facilities while the fitness facilities in other areas, particularly urban ones, can be cost prohibitive for veterans on fixed incomes.

A number of VA facilities have opened fitness facilities for use by veterans. At some facilities, use of these facilities is restricted to those veterans receiving physical therapy or rehabilitation services. These facilities serve as an important, no-cost resource for veterans interested in staying healthy and active. Increasing the number of fitness facilities at VA medical centers and clinics will increase the number of veterans able to benefit from such resources. Additionally, an increased number of veterans utilizing fitness facilities could lead to a healthier veteran population with lower overall health care costs.

Committee Bill. Section 306 of the Committee bill would create a pilot program to assess the feasibility and advisability of promoting health in covered veterans through the establishment of fitness facilities within VA. Covered veterans include any veteran who is enrolled in the system of annual patient enrollment established under section 1705 of title 38, U.S.C.

The pilot program would be carried out during a 3-year period and would be carried out at no fewer than five VA medical centers and five VA clinics. When selecting the pilot sites, VA shall consider the feasibility and advisability of selecting locations in rural areas, areas that are not in close proximity to an active duty military installation, and areas in different geographic locations. Expenses for the establishment of fitness facilities in VA medical centers participating in the pilot shall not exceed \$60,000, while expenses for participating VA clinics shall not exceed \$40,000.

Subsection (f) of section 306 limits the expense of funds through this pilot to repurposing of existing physical facilities within VA and the purchase of fitness equipment and supplies. Renovations of physical facilities allowed in this section shall not be considered to infringe upon the delivery of health care services to veterans.

No later than 90 days after the commencement of the pilot program and quarterly thereafter, VA shall submit a report to Congress on the activities carried out to implement the pilot program, including outreach activities to veterans and community organizations. Additionally, not later than 180 days after the completion of the pilot, VA shall submit to Congress a report on the pilot program detailing the findings and conclusions as a result of the pilot and recommendations for the continuation or expansion of the program.

SUBTITLE B—HEALTH CARE ADMINISTRATION

Sec. 311. Extension of Department of Veterans Affairs Health Professional Scholarship Program.

Section 311 of the Committee bill, which is derived from S. 845, would extend the VA's Health Professional Scholarship Program (hereinafter, "HPSP") from December 31, 2014, to December 31, 2019.

Background. Critical to VA's provision of high quality health care to veterans is its ability to hire equally high quality clinicians. To do this, VA must compete against the nation's best hospitals and health systems. To that end, Congress has provided VA with a variety of mechanisms to attract and retain high quality providers. One such program is the Health Professionals Educational Assistance Program (hereinafter, "HPEAP"), codified in section 7601 of title 38, U.S.C., HPEAP consists of a scholarship program, a tuition reimbursement program, the Selected Reserve member stipend program, the employee incentive scholarship program, and the education debt reduction program. The scholarship program, codified in subchapter II of chapter 76, allows for the payment of tuition of participants, the payment for other reasonable educational expenses, and a stipend not to exceed \$485 per month.

Eligibility for the program, as defined in section 7612 of title 38, U.S.C., includes individuals accepted for enrollment or those currently enrolled as full-time students in a qualifying field of education or training. Additionally, current VA employees permanently assigned to a VA health care facility shall be eligible to participate.

Most recently reauthorized through December 31, 2014, in P.L. 111-163, the Caregivers and Veterans Omnibus Health Services Act of 2010, HPSP was established in its current form in 1988 through P.L. 100-322, the Veterans' Benefits and Services Act of 1988. Qualified awardees must be pursuing a degree designated by VA and remain a VA employee for the duration of the scholarship award. Pursuant to section 7602(b) of title 38, U.S.C., any applicant owing a service obligation to any other entity to perform service after completion of the course of study is ineligible to receive a scholarship under VA's Scholarship Program.

Committee Bill. Section 311 of the Committee bill would amend section 7619 of title 38, U.S.C., to extend VA's Health Professional Scholarship Program for 5 additional years from December 31, 2014, to December 31, 2019.

Sec. 312. Expansion of availability of prosthetic and orthotic care for veterans.

Section 312 of the Committee bill, which is derived from S. 522, would require VA to collaborate with institutions of higher education for the establishment or expansion of advanced degree programs in prosthetics and orthotics.

Background. Currently, veterans can access prosthetic and orthotic services through all 152 VA medical centers. Roughly one-third of these facilities include accredited VA Orthotic and Prosthetic laboratories. The remaining locations provide services through contracted and fee-based care, which account for 90 percent of the total prosthetic and orthotic services provided to veterans through VA.

In 2009, the decision was made by the American Board for Certification in Orthotics, Prosthetics and Pedorthics and the Board of Certification Accreditation International that a master's degree would be the entry level of education required for certification in these fields. While certified providers were allowed to continue their practice, all new providers were required to attain this education level for certification as of 2012.

Following over 10 years of war, there is an increased need for prosthetics and orthotics services for the management of complex injuries. Furthermore, as clinicians in the field certified prior to this new degree requirement begin to retire, they must be replaced with qualified professionals certified at the master's degree level. Therefore, it is important for VA to ensure a sufficient number of certified providers will be available to provide orthotic and prosthetic care to veterans in the years to come.

While the need for certified prosthetists and orthotists is significant, only a small number of schools nationwide offer master and doctoral programs in these fields. Therefore, a key component to ensuring an adequate supply of certified professionals available to serve veterans lies in VA's collaboration with institutions of higher education for the expansion and creation of education and training programs.

Committee Bill. Subsection (a) of section 312 would seek to expand the availability of prosthetic and orthotic care for veterans by requiring VA to collaborate with institutions of higher education for the establishment or expansion of advanced degree programs in prosthetics and orthotics.

Subsection (b) would require VA to develop and submit to the Committee on Veterans' Affairs of the Senate and the Committee on Veterans' Affairs of the House of Representatives a plan for carrying out the collaboration required in subsection (a). VA would be required to develop such a plan in collaboration with veterans service organizations, institutions of higher education with accredited degree programs in prosthetics and orthotics, and representatives from the prosthetics and orthotics field.

Ten million dollars would be authorized in subsection (c) to be appropriated to VA for FY 2015, which would remain available to be used until September 30, 2017.

Sec. 313. Corporal Michael J. Crescenz Department of Veterans Affairs Medical Center.

Section 313 of the Committee bill, which is derived from S. 229, would designate the VA medical center at 3900 Woodland Avenue in Philadelphia, Pennsylvania, as the "Corporal Michael J. Crescenz Department of Veterans Affairs Medical Center."

Background. Corporal Michael J. Crescenz was born in Philadelphia, Pennsylvania, and served in the Vietnam War. A rifleman with Company A, Corporal Crescenz acted selflessly to protect his fellow soldiers in the face of challenge from the North Vietnamese Army. He responded to firing from the enemy that pinned down the lead squad and killed two point men by putting himself in harm's way by leaving his position, taking a nearby machine gun, running towards the enemy's bunkers and killing the occupants. He then proceeded towards a third bunker undeterred by the barrage of machine gun fire, where he killed two more of the enemy and successfully cleared the way for his comrades to advance. He valiantly continued towards a fourth enemy bunker when he was fatally wounded by enemy machine gun fire. Corporal Crescenz sacrificed his life in defense of his fellow soldiers. His actions enabled his company to complete its mission and defeat the enemy.

The Committee's Rules of Procedure (hereinafter, "Committee Rules") put forward the requirements for the naming of Department facilities. According to those rules, a facility may be named for an individual only if that individual is deceased, and was a veteran who was instrumental to the construction or operation of the facility, received the Medal of Honor, or otherwise performed extraordinarily distinguished military service; was a member of Congress who was directly associated with such facility; an Administrator of Veterans Affairs, Secretary of Veterans Affairs, Secretary of Defense or of a branch of service, or a military or Federal civilian official of comparable rank; or the Chairman and Ranking Member agree the individual performed outstanding service for veterans. Further, each member of Congress representing the State in which the facility is located, and the State chapter of each Congressionally-chartered VSO which has a national membership of at least 500,000, must indicate in writing their support for the naming proposal.

Committee Bill. Section 313 would name the VA medical center located at 3900 Woodland Avenue in Philadelphia, Pennsylvania, the "Corporal Michael J. Crescenz Department of Veterans Affairs Medical Center."

Because all members of the Pennsylvania Congressional delegation have expressed their support for naming this facility in writing, and the Pennsylvania chapters of all VSOs with national memberships of at least 500,000 individuals have endorsed this facility being named in honor of Corporal Michael J. Crescenz, this provision satisfies the Committee Rules regarding the naming of VA facilities.

SUBTITLE C—COMPLEMENTARY AND ALTERNATIVE MEDICINE

Sec. 321. Expansion of research and education on and delivery of complementary and alternative medicine to veterans.

Section 321 of the Committee bill, which is derived from S. 852, would direct VA to develop a plan to expand research and education on and delivery of CAM to veterans.

Background. In recent years, VA has worked to transform the traditional practice of medicine to one that is patient-centered, which involves a proactive approach to optimize overall health and minimize risk. The approach is focused on the overall well-being of individuals, rather than solely disease management. To better meet the goals of providing patient-centered care to veterans, VA created the Office of Patient Centered Care and Cultural Transformation.

The Office of Patient Centered Care and Cultural Transformation plays an important role in identifying best practices for VA care, such as the movement toward patient-centered care or the utilization of CAM therapies. However, further research and education on, and the delivery and integration of, CAM into the health care services provided to veterans is necessary. It is important for VA to understand the comparative effectiveness of various CAM therapies as well as the various approaches for integrating CAM into traditional health services. Finally, identifying barriers to receiving or providing CAM therapies to veterans will allow VA to overcome such barriers and improve delivery of CAM to veterans.

A variety of terms are used to describe therapies such as acupuncture, massage therapy, and guided imagery. Particular organizations and individuals have strong preferences and rationales for the utilization of one particular terminology over another. For the purposes of this legislation, the utilization of the term “complementary and alternative medicine” to describe these therapies should not be construed to interject a position of this Committee in this debate. Rather, this terminology is utilized to conform to the terminology currently utilized by NIH. NIH currently defines CAM as “the term for medical products and practices that are not part of standard care” which is what “medical doctors, doctors of osteopathy, and allied health professionals, such as nurses and physical therapists practice.” This Committee understands the fluidity of such terminology and encourages VA to work in collaboration with other Federal government agencies to ensure continuity of terminology throughout the Federal government.

Committee Bill. Subsection (a) of section 321 would require VA, within 6 months of the effective date of that section, to develop a detailed plan to expand research and education on and the delivery and integration of CAM services for veterans. Subsection (b) of this section specifies that the plan shall outline research on the comparative effectiveness of various CAM services and strategies to integrate CAM services into other health care services provided by the Department. Additionally, the plan would outline education and training of health care professionals in the Department on CAM services, the appropriate uses of those services, and how such services would be integrated into existing health care services for veterans. Furthermore, the plan would require centers of innovation at Department medical centers to carry out research, education and clinical activities on CAM. Finally, the plan would out-

line an approach for the identification or development of metrics and outcome measures to evaluate the delivery of CAM services as well as an approach to integrate and deliver CAM services with other health care services provided by the Department.

Subsection (c) of section 321 requires that VA, in creating the plan, consult with the Director of the National Center on CAM of the NIH; the Commissioner of Food and Drugs; institutions of higher education, private research institutes, and individual researchers who have extensive experience in CAM; nationally recognized CAM providers; and other officials, entities, and individuals who have experience in CAM as VA deems appropriate. VA will consult with these parties in developing the plan; identifying specific CAM services that are promising or supported by research for veterans; identifying barriers to the effective implementation and integration of CAM services; and possible solutions to overcome such barriers.

Subsection (d) of section 321 would authorize the appropriation of sums as may be necessary to carry out this section. Subsection (e) of section 321 defines the term “complementary and alternative medicine” to have the meaning given that term in regulations the Secretary shall prescribe for purposes of this section, which to the degree practicable will be consistent with the meaning given such term by the Secretary of Health and Human Services. Because this Committee seeks to align VA’s terminology used to describe CAM services, VA should follow any recommendations and actions by NIH and HHS to revise said terminology. Subsection (f) of section 321 specifies that this section will become effective 1 year after enactment.

Sec. 322. Program on integration of complementary and alternative medicine within Department of Veterans Affairs medical centers.

Section 322 of the Committee bill, which is derived from S. 852, would require VA to carry out a 3-year program to assess the feasibility and advisability of integrating the delivery of complementary and alternative medicine services with other health care services provided by the Department for veterans’ mental health diagnoses, pain management, and chronic illness. The program shall be carried out at not fewer than 15 VA medical centers.

Background. Currently, CAM is used in VA facilities primarily for the purpose of pain management. Additionally, according to VA/DOD Clinical Practice Guidelines for Management of Post-Traumatic Stress, CAM therapies may be more acceptable to patients “reluctant to accept mental health labels or interventions” and have “the added benefit of increasing socialization” because many of these therapies are practiced in a group setting. CAM is also used to help individuals manage stress and to promote general wellness.

According to the April 2011 edition of “VA Research Currents,” a 2011 study conducted by VA’s Health Care Analysis and Information Group, showed the use of CAM has grown substantially within VA over the last 10 years. VA’s survey noted that, out of 125 VA facilities nationwide that responded, only 12 percent have an integrated medicine clinic where CAM is provided. Integration of CAM services within VA’s Patient Aligned Care Teams (hereinafter, “PACT”) is critical to ensuring its utilization and in collaboration

with other primary care services. The integration of mental health services as part of PACT is vital for the improved utilization of these services and the reduction of stigma associated with their use. CAM services may also benefit from such integration.

While CAM services are not currently available at every VA facility, there is significant interest in expanding access to such services for veterans. Of the remaining facilities that participated in the 2011 survey that did not provide CAM services at the time, half either indicated a desire to provide CAM or were in the process of establishing a program. CAM therapies provide an important alternative to veterans who either do not respond to more conventional therapies as well as for those interested in avoiding the use of prescription medications. Such therapies can also be used in conjunction with more conventional therapies to maximize veterans' health and well-being. Additionally, CAM therapies may be utilized in the treatment of seriously injured veterans—such as those receiving care at VA's polytrauma centers—as well as veterans receiving new, less acute diagnoses.

Committee Bill. Subsection (a) of section 322 would require VA to carry out a program, through the Office of Patient Centered Care and Cultural Transformation, to assess the feasibility and advisability of integrating CAM services with other health care services provided by the Department. Under the program, CAM services would be provided for veterans with mental health, chronic pain, or other chronic conditions. This subsection specifies that, during the development of the program, potential barriers to the integration of CAM services into VA medical centers must be identified and resolved.

Subsections (b) and (c) require the program to be carried out during a 3-year period at no fewer than 15 separate VA medical centers. Subsection (c) requires that the program sites include at least two VA medical centers designated by VA as polytrauma centers. The medical centers chosen must include locations in rural areas, areas that are not in close proximity to an active duty military installation, and different geographic locations.

Subsection (d) requires VA to, as part of the program, provide covered CAM services to covered veterans. Subsection (e) specifies that covered veterans shall include any veteran who has a mental health condition diagnosed by a VA clinician, experiences chronic pain, or has a chronic illness being treated in a VA facility.

Subsection (f) defines covered services as those CAM services selected by the Secretary. Under the program, those covered CAM services shall be administered by clinicians hired by VA who, to the extent possible, solely provide such services. Covered services shall be included in the PACT initiative of the Office of Patient Care Services, Primary Care Program Office in coordination with the Office of Patient Centered Care and Cultural Transformation. Covered services would be available to veterans for the treatment of mental health disorders, chronic pain, or other chronic conditions who have or have not received traditional treatments from VA for such conditions. Subsection (g) specifies that, in order to participate in the program, veterans must voluntarily elect to participate in consultation with a VA clinician.

Subsection (h) of this section requires VA to report to Congress quarterly on the efforts to carry out the program; the first report

shall be submitted within 90 days of the start of the program. The reports shall include a description of the outreach conducted by VA to veterans and community organizations to inform such individuals and organizations about the program. No later than 180 days after the completion of the program, VA would be required to report to Congress with the findings, conclusions, and recommendations with respect to the utilization and efficacy of CAM centers established under the program, an assessment of the benefits of the program, and the comparative effectiveness of various CAM therapies, barriers identified, and recommendations for continuation or expansion.

This section would take effect 1 year after the date of enactment.

Sec. 323. Study of barriers encountered by veterans in receiving, and administrators and clinicians in providing, complementary and alternative medicine services furnished by the Department of Veterans Affairs.

Section 323 of the Committee bill, which is derived from S. 852, would direct VA to conduct a comprehensive study of barriers encountered by veterans in receiving, and clinicians in providing, CAM services at VA.

Background. The use of CAM services has increased significantly, with particularly rapid growth in the past decade. However, there remains a wide range of CAM therapies available which could also be more widely utilized by VA. For the expansion, utilization, and integration of CAM, it is critical to understand the barriers encountered by patients in receiving, and clinicians in providing, such services.

Committee Bill. Section 323 of the Committee bill requires VA to enter into a contract with a qualified independent entity or organization to carry out a study of the barriers encountered by veterans in receiving CAM services from VA and of clinicians and administrators in the provision of such services. VA would be required to survey veterans who seek or receive hospital or medical care furnished by VA, as well as veterans who do not. Additionally, VA would administer the survey to a representative sample of veterans from each VISN and ensure the sample of veterans surveyed is of sufficient size for the study results to be statistically significant.

Subsection (b) requires VA to also study the perceived barriers associated with obtaining CAM services from VA; the satisfaction of veterans with CAM in primary care; the degree to which veterans are aware of eligibility requirements, and the scope of services available under, CAM furnished by VA; the effectiveness of outreach to veterans of the availability of CAM; and such other barriers as VA considers appropriate. Finally, VA would study the barriers to VA administrators and clinicians involved in the provision of CAM services before and after the introduction of such services at VA facilities.

Subsection (d) ensures that VA's head of the Centers for Innovation as established under section 7330B of title 38, U.S.C., and the National Research Advisory Council review the results of the study conducted. In addition, the head of each such division shall submit findings with respect to the study to the Under Secretary for Health and to other pertinent program offices within the Department with responsibilities to health care services for veterans. Not

later than 1 year after the date of enactment, VA would submit a report on the status of the implementation of this section to Congress.

Subsection (e) requires that, not later than 45 days after the date of completion of the study, VA shall submit to Congress a report on the study conducted with recommendations for such administrative and legislative proposals as VA considers appropriate. The findings of the National Research Advisory Council and of the Under Secretary for Health shall be included. Finally, subsection (f) authorizes \$2 million to carry out this section.

Sec. 324. Program on use of wellness programs as complementary approach to mental health care for veterans and family members of veterans.

Section 324 of the Committee bill, which is derived from S. 852, would require VA to establish a 3-year program for the award of grants to public or private nonprofit entities to assess the feasibility and advisability of using wellness programs to complement the provision of mental health care to veterans and family members eligible for VA counseling services.

Background. Traditionally, the mission of VHA has been the treatment of disease and illness. Although VA offers tools and information to help veterans and their families reach their optimal health, more research is needed on the benefits of wellness programs in conjunction with primary or mental health care services.

Committee Bill. Section 324 of the Committee bill requires VA to carry out a 3-year program through the award of grants to public or private nonprofit entities to assess the feasibility and advisability of using wellness programs to complement the provision of mental health care to veterans and family members eligible for counseling under section 1712A(a)(1)(C) of title 38, U.S.C. The pilot program would assess means of improving coordination between Federal, State, local, and community providers of health care in the provision of mental health care; means of enhancing outreach, by and among providers of health care on the mental health care services provided; and means of using wellness programs of providers of health care as complements to the provision by VA of mental health care to veterans and family members.

Additionally, the program would address whether wellness programs are effective in enhancing quality of life and well-being; are effective in increasing the adherence of veterans to the primary mental health services provided by VA; have an impact on the sense of well-being of veterans who receive primary mental health services through VA; and are effective in encouraging veterans receiving health care from VA to adopt a more healthy lifestyle.

A public or private nonprofit entity seeking the award of a grant would be required to submit an application to VA. The application shall include a plan to coordinate activities, to the extent practicable, with Federal, State, and local providers of services for veterans to enhance awareness by veterans of benefits and health care services provided by VA, outreach efforts to increase the use by veterans of services provided by VA, and education efforts to inform veterans of benefits of a healthy and active life style. In carrying out the purposes prescribed by VA, a public or private nonprofit entity awarded a grant would be permitted to use the award to fur-

nish services only to individuals specified in section 1712A(a)(1)(C) of title 38, U.S.C., which include veterans, members of the Armed Forces, members of the reserves, and their families.

Not later than 180 days after the commencement of the program and every 180 days thereafter, VA would be required to submit a report to Congress on the findings, conclusions, and assessment of benefits of the program to veterans and their family members during the 180 day period preceding the report. A final report would be submitted by VA 180 days after the end of the program.

TITLE IV—ACCOUNTABILITY AND ADMINISTRATIVE IMPROVEMENTS

Sec. 401. Administration of Veterans Integrated Service Networks.

Section 401 of the Committee bill, which is derived from S. 543, would require VA to organize VHA into geographically defined VISNs; establish an appropriate staffing model; maintain a regional integrated health care system; identify and reduce duplication of functions; work to achieve maximum effectiveness in patient care and safety, graduate medical education, and research; and assess the consolidation or realignment with other VISNs or other entities. This section requires VA to report at least annually to Congress on employment at VISN headquarters. This section also requires VA to report at least every 3 years on a review and assessment of VISN structure and operations. Finally, this section requires that VA either relocate leased VISN headquarters offices to VA medical centers or notify Congress that the VISN will be renewing a lease or engaging in a new lease.

Background. In order to provide the greatest access to VA health care to veterans possible, VA's health care system includes 152 VA medical centers and more than 1,400 outpatient clinics, nursing homes, Vet Centers, and domiciliaries located throughout the country. These facilities are organized into 21 regional networks, referred to as VISNs. Each of the 21 VISNs has its own headquarters with a limited management structure to manage and oversee the medical centers and other facilities located within the regional network. These headquarters are often located in leased commercial space.

In 1995, VA established VISNs in an effort to improve the efficiency and effectiveness of care to veterans, by decentralizing VA's budgetary, planning, and decisionmaking functions to the VISN offices. Anticipated staffing for each VISN office was expected to range between seven to ten full-time equivalent employees, depending on the size and complexity of the VISN. The specific role and expertise of VISN staff was left to the discretion of each VISN. Similarly, the emphasis in the VISN and the manner in which key functions would be performed, such as medical facility oversight, was expected to differ across VISNs.

Two published reports from the VA Office of Inspector General (hereinafter, "OIG")—"Veterans Health Administration, Audit of Financial Management and Fiscal Controls for Veterans Integrated Service Network Offices" and "Veterans Health Administration, Audit of Management Control Structures for Veterans Integrated Service Network Offices," both of which were published on March 27, 2012—raised concerns about whether the VISNs are promoting efficient and effective health care for veterans, as intended. Accord-

ing to the reports, the VISNs' expenses had increased by more than 500 percent—from an estimated \$26.7 million to over \$164.9 million. The reports identified shortcomings in VISN oversight including, among other things, failure to ensure compliance with VA policies, and processes to improve the quality of veterans' health care.

VA has acknowledged shortcomings in VISN operations. In a Department response to the OIG's reports and concerns raised by the Ranking Member, VA conducted an internal review to identify and implement opportunities to improve efficiency across VISNs. This review resulted in VA defining core VISN positions and key functions and establishing a staffing model that accounts for the specific health care needs of differing populations in the VISN.

Committee Bill. Subsection (a) of section 401 of the Committee bill would amend subchapter I of chapter 73 of title 38, U.S.C., by creating a new section 7310. Section 7310 would detail the new requirements of VA and the corresponding VISNs.

Subsection (a) of section 7310 would require VA to organize VHA in geographically defined VISNs. Subsection (b) would require VA to establish and comply with a staffing model for each VISN. Subsection (c) would require VISNs to coordinate with other governmental, public, and private health care organizations and practitioners, as appropriate, to meet veterans' health care needs; oversee, manage, and take responsibility for the VISNs' budget; use national metrics to develop systems to provide effective, efficient, and safe delivery of health care; and ensure high quality clinical programs and services are provided. Subsection (d) of this new section would require the VISNs to identify and reduce, whenever practicable, the duplication of functions. Subsection (e) would require each VISN to work to achieve maximum effectiveness in patient care and safety, graduate medical education, and research, and to assess consolidation or realignment with other VISNs and other government and non-government entities, as appropriate. Subsection (f) would require that each VISN has only one headquarters office in a location determined by the Secretary and co-located with a VA medical center. This subsection would also require that VA submit a report, not less frequently than once per year, on employment at the VISN headquarters to the Committees on Veterans' Affairs of the Senate and the House of Representatives. In these reports, VA would be required to report on the number, title, and impact on the budget of individuals employed at each VISN headquarters, including the number of individuals employed by each VISN who are not employed at the same location as the headquarters of the VISN. Subsection (g) of this new section would require that VA conduct a review and assessment of the structure and operations of the VISNs every 3 years. Within 180 days of completion of this triennial review, VA would be required to report to Congress on this review and assessment and provide recommendations for legislative or regulatory action to improve the VISNs, as appropriate.

Subsection (b) of section 401 of the Committee bill would authorize VA to relocate a leased VISN headquarters upon the expiration of the lease so that such headquarters is co-located with a medical center as required by the amended section 7310(f)(2) of title 38, U.S.C., or renew or enter into a lease to keep such headquarters in a current location. Prior to renewing or engaging in a new lease,

VA would be required to report to the Committees on Veterans' Affairs of the Senate and the House of Representatives on the reasons for such renewal or engagement. In these reports, VA would be required to provide a list of VA medical centers in the VISNs with underutilized buildings, the number of such buildings, and the total underutilized square footage for each such medical center; the cost of the current lease and the current square footage being leased; and the cost of the new lease and the square footage to be leased.

Subsection (c) of section 401 of the Committee bill would clarify that nothing in new section 7310 would be construed to require any change in the location or type of medical care or service provided by a VA medical center or other facility that provides direct care or services under a law administered by the Department.

Subsection (d) of section 401 of the Committee bill would establish an effective date for this section that is 1 year after the date of enactment of the Committee bill.

The original intent behind the creation of the current VISN structure was to improve the access to, quality of, and efficiency of care to veterans through a "patients first" focus. The Committee is concerned VHA has significantly strayed from the original concept behind the 1995 reorganization and this provision is intended to return to that initial intent. It is the Committee's objective that, in VA's review of the current VISN structure, VA use the same metrics Dr. Kenneth W. Kizer, former Under Secretary for Health, used to create the original 22 VISNs. It is also the Committee's objective that the functions of the VISN headquarters are returned back to Dr. Kizer's original intent, in which the VISN headquarters served as the budgetary, management, and planning unit for the network.

Sec. 402. Regional support centers for Veterans Integrated Service Networks.

Section 402 of the Committee bill, which is derived from S. 543, would establish four regional support centers to assess VISN efficiency and effectiveness in the areas of finance operations and compliance activities, OEF/OIF/OND outreach, women veterans' programs, homelessness, use of energy, and other matters that the Secretary considers appropriate. The centers would be co-located with medical centers when possible and staffed with such employees as VA considers appropriate.

Background. According to Dr. Kizer's 1995 "Vision for Change," the blueprint for the current VISN organization, the creation of 22 networks (later reduced to 21) would allow a pooling of resources with improved cost management and outcomes. The number and mix of network staffing would depend on the region's needs but was expected to approximate the proposed seven to ten full-time equivalent employees per network. With increases in enrolled veterans and mandates for care, network staff and functions have also increased but with little oversight from VA. According to two published OIG reports, "Veterans Health Administration, Audit of Management Control Structures for Veterans Integrated Service Network Offices" and "Veterans Health Administration, Audit of Financial Management and Fiscal Controls for Veterans Integrated Service Network Offices," published March 27, 2012, VHA lacks as-

insurance that its VISNs are effectively managing funds and resources. Consolidating oversight of selected VISN functions to four regional support centers would strengthen fiscal controls and allow more effective distribution of resources.

Committee Bill. Subsection (a) of section 402 of the Committee bill would amend subchapter I of chapter 73 of title 38, U.S.C., by creating a new section 7310A. Subsection (a) of new section 7310A would require VA to establish four regional support centers. The head of each regional support center would report to the Under Secretary for Health. Functions of the regional support centers as described in subsection (b) of new section 7310A would include assessment of the quality of work performed within finance operations and other compliance related activities; outreach to veterans who served in OIF/OEF/OND, or another contingency operation; women veterans' programs; homelessness; use of energy; and other matters that VA considers appropriate. Subsection (c) of new section 7310A would authorize VA to hire such employees and contractors as considered appropriate to carry out the functions of the regional support centers. Subsection (d) of new section 7310A would require the Department to co-locate the regional support centers with a VA medical center or submit a report to the Committees on Veterans' Affairs of the Senate and the House of Representatives detailing the reasons for not co-locating with a VA medical center. The report would include a list of underutilized buildings in the VISN region, the number of all VHA buildings in such VISN, the total underutilized square footage for each medical center in such VISN, and the cost of the lease and the square footage to be leased.

Subsection (b) of section 402 of the Committee bill would require initial staffing to be provided, to the degree practicable, through transfer of employees from VISN headquarters.

Subsection (d) of section 402 of the Committee bill would specify that nothing in new section 7310A would be construed to require any change in the location or type of medical care or service provided by a VA medical center or facility that provides direct care or services under a law administered by the Department.

The Committee intends that the functions and the initial staffing of the Regional Support Centers (hereinafter, "RSC") will come from functions that the VISN headquarters have currently been performing. With the creation of these RSCs, it is not the Committee's intent to create another bureaucratic level which VISN directors must move through to connect with the Under Secretary of Health. The RSCs are intended to be the information gathering arm of VHA to assess how the VISNs are performing certain functions.

Sec. 403. Commission on Capital Planning for Department of Veterans Affairs Medical Facilities.

Section 403 of the Committee bill would, in an original provision, require the establishment of a Commission on Capital Planning for VA medical facilities. Section 403 would also require the Commission to report to VA and Congress, and would require VA to report to Congress on the implementation of any recommendations the Commission makes.

Background. VA operates the largest integrated health care system in the nation. There are many mechanisms that VA utilizes to deliver health care, including the construction or lease of space for a clinic, sharing agreement with other Federal agencies or local partners, or through contract with a community provider. VA's capital asset programs have had a number of issues that have impeded the Department's ability to consistently provide high quality medical facilities.

Most recently, Congress has faced issues with the authorization of VA's major medical facility lease requests. Section 8104 of title 38, U.S.C., requires Congressional authorization by law for any major medical facility construction project that is anticipated to cost \$10,000,000 or above or any major medical facility lease that is anticipated to have an average annual rent exceeding \$1,000,000. In accordance with the process laid out in section 8104 of title 38, VA is required to submit a list of major medical facility construction projects and major medical facility leases that require authorization, along with a detailed prospectus including information on current and projected patient demographics, utilization and workload; a detailed cost estimate to construct or lease, activate, and staff the facility; prioritization information with respect to other projects the Department may be considering; a cost-benefit analysis of alternatives considered; and an explanation of why the proposed alternative is the most effective.

As Congress authorizes these projects, the Congressional Budget Office (hereinafter, "CBO") is responsible for estimating how legislation will impact spending and revenues over the long term. In creating cost estimates for VA's major medical facility lease program, CBO utilizes the Office of Management and Budget (hereinafter, "OMB") Circular A-11, Appendix B, which states, when agencies are authorized to execute a capital lease "budget authority will be scored in the year in which the authority is first made available in the amount of the net present value of the government's total estimated legal obligations over the life of the contract." In addition, it states for operating leases, budget authority:

is * * * obligated up front in the amount necessary to cover the Government's legal obligations * * * [to include] estimated total payments expected to arise under the full term of the contract or, if the contract includes a cancellation clause, an amount sufficient to cover the lease payments for the first year plus an amount sufficient to cover the costs associated with cancellation of the contract.

Further, in each year that follows, sufficient budget authority must be obligated for the annual lease payment and any cancellation costs.

CBO historically has assumed these leases were short-term contracts or renewals of leases on existing facilities. As such, only a discretionary score for the first year of rent and any special purpose improvements was assigned in compliance with the OMB Circular's rules on scoring operating leases. During the scoring process for VA's FY 2013 construction request, CBO obtained additional information about the nature of VA's Major Medical Facility Leasing Program, that led to the conclusion that these leases were longer-term in nature, and similar to major construction, financed by a

third party. In accordance with the guidelines set forth in the OMB Circular, CBO assigned a mandatory score for the full 20-year cost of each lease at the time of enactment.

Other program challenges have been identified by VA's Construction Review Council (hereinafter, "CRC"). In April 2012, VA established the CRC to serve as the single point of oversight and performance for the planning, budgeting, execution, and delivery of VA's real capital asset program. The CRC reported that a number of challenges identified on a project-by-project basis were not isolated incidents but were indicative of systematic problems facing VA. Some of these challenges include adequate development of project requirements, design quality, timing and coordination of funding with construction and activation schedules, and program management. VA has recently taken steps to address these issues but results remain to be seen.

VA is one of the largest property—holding agencies in the Federal government, with 5,352 acres of land, 5,873 buildings, and 149 million square feet of medical facilities and administrative space. The average age of VA's medical facilities is 60 years old and the Department's FY 2014 budget request identified between \$54 and \$62 billion in construction projects that the Department would like to complete in the next 10 years. In an April 2013 report entitled "VA Construction: Additional Actions Needed to Decrease Delays and Lower Costs of Major Medical-Facility Projects," GAO reported that VA is engaged in 50 major medical facility construction projects. In addition, GAO reported that four of VA's largest medical-facility construction projects were experiencing cost increases and schedule delays, due to changing facility needs, other unexpected factors, unclear roles and responsibilities for construction management staff, delayed approval of change orders, and complexities related to procurement and installation of medical equipment.

Committee Bill. Section 403 of the Committee bill would establish a Commission on Capital Planning for VA Medical Facilities. The Commission would be composed of ten voting members as follows:

- one would be appointed by the President;
- one would be appointed by the Administrator of General Services;
- three would be appointed by the VA Secretary, the first member being employed by VHA, the second member being employed by VA's Office of Asset Enterprise Management, and the third member being employed by VA's Office of Construction and Facilities Management;
- one would be appointed by DOD from among employees of the Army Corps of Engineers;
- one would be appointed by the majority leader of the Senate;
- one would be appointed by the minority leader of the Senate;
- one would be appointed by the Speaker of the House of Representatives; and
- one would be appointed by the minority leader of the House of Representatives.

All of the appointed members would have expertise in capital leasing, construction, or health facility management planning. In addition, the Commission would be assisted by ten non-voting members, appointed by vote of a majority of members of the Commis-

sion. Six members would be representatives of VSOs recognized by VA and four members would be individuals from outside VA with experience and expertise in matters relating to management, construction, and leasing of capital assets.

The Commission would undertake a comprehensive evaluation and assessment of various options for capital planning for VA medical facilities, including an evaluation and assessment of the mechanisms by which VA currently selects means for the delivery of health care, whether by capital options such as major construction, major medical facility leases, or multisite care delivery, or by non-capital options such as sharing agreements with DOD, the Indian Health Service (hereinafter, "IHS"), and Federally Qualified Health Clinics under section 330 of the Public Health Service Act (42 U.S.C. 254b), contract care, telemedicine, extended hours of care, or other means. While conducting the evaluation, the Commission would consider: the importance of access to health care through VA; limitations and requirements applicable to construction and leasing for VA, including costs as determined by both OMB and CBO; the nature of capital planning for VA medical facilities in an era of fiscal uncertainty; projected future fluctuations in the population of veterans; and the extent to which VA was able to meet the mandates of the Capital Asset Realignment for Enhanced Services Commission.

Furthermore, the Commission would be required to address, in a series of reports, ways to improve operations in the following areas: VA's major medical facility lease program and the Congressional lease authorization process; VA's management process for its major medical facility construction program, including processes relating to contract award and management, project management, and processing of change orders; VA's overall capital planning program for medical facilities, including how VA determines whether to use non-capital or capital means to expand health care access, how VA determines the disposition of unutilized buildings, the effectiveness of the facility master planning initiative, and how VA includes sustainability in capital planning; and the current backlog of construction projects of VA medical facilities, including an identification of the most effective means to quickly secure the most critical repairs required, including repairs relating to facility condition deficiencies, structural safety, and handicap accessibility.

VA would be required to report to the Committees on Veterans' Affairs of the Senate and the House of Representatives on the feasibility and advisability of all recommendations, implement each recommendation that was considered feasible, and provide a description of the actions that are being taken or any legislative action needed to implement those recommendations considered feasible and advisable.

Sec. 404. Public access to Department of Veterans Affairs research and data sharing between Departments.

Section 404 of the Committee bill, which is derived from S. 877, would direct VA to enhance public access to information on VA's research data files and publications based on research funded by VA. This section would also require that VA and DOD jointly formulate recommendations for long-term cooperation and data-sharing to facilitate research.

Background. A number of government agencies and departments provide funding for research to advance health care, including NIH and VA. The focus of this research varies across agencies and departments, with VA assuming primary responsibility for funding research to improve health care for our nation's veterans.

VA maintains numerous data files that can be used in research to improve veterans' health care. For example, VA maintains data files on the cost of care veterans receive and researchers may use those files to examine the cost effectiveness of various treatments. However, many researchers, including those from the Institute of Medicine (hereinafter, "IOM"), face numerous obstacles in their attempts to access those files. These obstacles may result in delays in improvements of health care for veterans.

VA-funded research has contributed to numerous innovations in veterans' health care. For example, in 2012, VA funded research to develop new approaches for treating bomb blast-related traumatic brain injury and restoring independence and mobility for people with paralysis or loss of limbs. However, many clinicians, veterans, and others may lack access to information on these innovations since publications based on this research are often only available through subscriptions to various scholarly journals which may be cost prohibitive for many. In contrast, the public has free access to publications based on research funded by the NIH because researchers are required to submit such publications to a free digital archive. No such requirement currently exists for publications based on VA-funded research.

Like VA, DOD maintains research data files and VA and DOD have, in certain instances, shared their data for research on topics of importance to both servicemembers and veterans. For example, VA and DOD collaborated on research to determine why certain servicemembers develop PTSD while others do not, which has implications for the activities of both Departments. Considerable additional research is needed to inform care and services for servicemembers, veterans and their families. As a result, it is imperative that the Departments minimize unnecessary barriers researchers, including those from IOM, have experienced when trying to access data for these purposes.

Committee Bill. Subsection (a) of section 404 of the Committee bill would require VA to make information on VA data files, including the contents of such files, and instructions for how to access such files for use in research publicly available on a VA Web site. Subsection (b) of section 404 would require VA to ensure that manuscripts based on VA-funded research are available for free to the public through a digital archive established by VA or another executive agency, consistent with available copyright law. This subsection would also require VA, within 1 year of when VA begins ensuring that publications are submitted to a digital archive, submit an annual report on the implementation of this subsection during the most recent 1-year period to the Committees on Veterans' Affairs of the Senate and the House of Representatives.

Subsection (c) of section 404 of the Committee bill would require that the VA and DOD Joint Executive Committee establish a program for long-term cooperation and data-sharing to facilitate research. Subsection (e) establishes the effective date for section 404 as 1 year after the date of enactment of the Committee bill.

Sec. 405. Budget transparency for outreach activities of Department of Veterans Affairs.

Section 405 of the Committee bill, which is derived from S. 927, would amend chapter 63 of title 38, U.S.C., by requiring VA to include the amount requested for outreach activities by the Office of Public and Intergovernmental Affairs in its annual budget justification materials submitted to Congress.

Background. In FY 2010, VA established the National Outreach Office within the Office of Public and Intergovernmental Affairs to standardize the administration of outreach across its three administrations. Current law does not require VA to include amounts requested for outreach activities in the budget justification materials submitted to Congress. In March 2011, the Committee held a hearing on VA's FY 2012 budget request. In response to questions for the record following that budget hearing, VA acknowledged its inability to extract the total amount spent on outreach activities across the Department for FYs 2010 and 2011, although VA was working on the ability to do so for FY 2012. As for the budget submission from VA for FY 2014, outreach expenditures were not included in the annual budget submission to Congress, nor was VA able to provide the information to the Committee through post-hearing questions.

Committee Bill. Section 405 of the Committee bill would require VA to include, as part of its annual budget justification materials for each FY, the amount requested for outreach activities of the Office of Public and Intergovernmental Affairs. Under this section, VA would be required to include both the aggregate amount requested for outreach activities and amounts requested for outreach activities of the Office of the Secretary, VHA, VBA, and the National Cemetery Administration. The Committee's intent in requiring the inclusion of the amounts requested for outreach activities in VA's budget justification materials is to increase visibility of and justification for resources requested for outreach activities.

Section 405 of the Committee bill would also require VA to establish procedures to ensure the effective coordination and collaboration of outreach activities throughout the Department. Section 405 would require VA to review such procedures not less frequently than once every 2 years and to submit a report to Congress on the findings of these reviews.

Sec. 406. Comptroller General report on advisory committees of the Department of Veterans Affairs.

Section 406 of the Committee bill, which is an original provision, would require GAO to submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on VA's advisory committees.

Background. The Federal Advisory Committee Act (hereinafter, "FACA") created a formal process for establishing, operating, overseeing, and terminating Federal advisory committees. Advisory committees, whether created by statute or Federal agencies, can provide valuable advice and guidance on a variety of government programs.

VA maintains 24 Federal advisory committees. Fifteen of the committees are required by statute, while the remaining nine committees have been established by VA. According to GSA's Com-

mittee Management Secretariat, VA's spending on advisory committees over the last 10 years was \$70,820,500. In FY 2012, VA spent \$6.3 million on advisory committees.

Committee Bill. Section 406 of the Committee bill would require GAO to submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on VA's advisory committees. The report would include recommendations or proposals for continuing, modifying, or terminating certain advisory committees. This section would take effect on the date 1 year after the date of enactment.

The report may also include the purpose of each advisory committee, the commencement date and anticipated termination date, an estimated expense report detailing the anticipated expenses in comparison to the actual expenses incurred by the advisory committee during the three most recent FYs, and a summary of the most recent meetings held by each advisory committee.

The Committee's oversight responsibilities extend to all VA programs and operations, including the effectiveness of advisory committees.

TITLE V—IMPROVEMENT OF PROCESSING OF CLAIMS FOR
COMPENSATION

SUBTITLE A—CLAIMS BASED ON MILITARY SEXUAL TRAUMA

Sec. 501. Medical examination and opinion for disability compensation claims based on military sexual trauma.

Section 501 of the Committee bill, which is derived from S. 294, would require a diagnosis or opinion by a mental health professional to assist in corroborating the occurrence of a MST stressor when no evidence of a marker has otherwise been found.

Background. Sexual assault in the military continues to be a significant and dire problem. In DOD's Annual Report on Sexual Assault in the Military from FY 2012, it was estimated that 26,000 servicemembers experienced unwanted sexual contact during the FY, an increase of over 7,000 servicemembers since 2010. The National Center for Posttraumatic Stress Disorder and the Center for Health Care Evaluation estimated that, of all the veterans who receive VHA primary care or mental health services, 15 percent of the women and 0.7 percent of the men experienced sexual trauma while in the military.

Under current law, section 5103A of title 38, U.S.C., VA has a duty to assist claimants in obtaining the evidence necessary to substantiate a claim for benefits. In certain cases, this duty includes obtaining medical examinations or medical opinions. The CAVC has interpreted this statute to require VA to provide a medical examination when there is: (1) competent evidence of a current disability or persistent or recurrent symptoms of a disability; (2) evidence establishing that an event, injury, or disease occurred in service or establishing certain diseases manifesting during an applicable presumptive period for which the claimant qualifies; (3) an indication that the disability or persistent or recurrent symptoms of a disability may be associated with the veteran's service or with another service-connected disability; but (4) insufficient competent medical evidence on file for the Secretary to make a decision on the claim. *McLendon v. Nicholson*, 20 Vet. App. 79 at 81 (2006). VA

Training Letter 11–05, *Adjudicating Posttraumatic Stress Disorder Claims Based on Military Sexual Trauma*, issued December 2, 2011, and revised June 17, 2013, provides information and guidelines on the evidentiary standard necessary to schedule a medical examination when adjudicating PTSD claims based on MST.

In order to satisfy the requirements of the second criterion above, a veteran must have some evidence of a marker in their service or post-service records. If the claimant is unable to establish the presence of a marker to corroborate their in-service stressor, VA may deny a medical examination. The denial of a medical examination is of great significance in these cases, because the opinion of a qualified examiner can be considered credible supporting evidence of the occurrence of the MST stressor. *Patton v. West*, 12 Vet. App. 272, 280 (1999); see also VA training letter 11–05 issued December 2, 2011, and revised June 17, 2013.

In conducting examinations, VA's best practice manual, *Best Practice Manual for Posttraumatic Stress Disorder (PTSD) Compensation and Pension Examinations*, suggests the need for a more standard approach to the assessment and documentation of PTSD. Other experts support this assertion. For example, IOM identified use of a multimethod assessment approach that relies in large part on standardized diagnostic assessment interviews and psychometric testing as a best practice. Further, a recent study published in the Journal of Traumatic Stress in December 2012 titled, *Impact of Evidence-Based Standardized Assessment on the Disability Clinical Interview for Diagnosis of Service-Connected PTSD: A Cluster Randomized Sample*, demonstrated disability examinations would be improved through use of evidence-based assessments. In summarizing the findings of their work the authors noted, "Our study indicates that evidence-based, standardized disability assessment for PTSD would enhance the clinician's determination of a PTSD diagnosis and functional impairment and make the disability examination process more reliable and accountable."

Despite the evidence suggesting that the increased usage of evidence-based assessments improves the quality of examinations, an article by Jackson, et al. published in the Journal of Traumatic Stress in October 2011 titled, *Variation in Practices and Attitudes of Clinicians Assessing PTSD-Related Disabilities Among Veterans*, suggests that few VA clinicians actually follow best practices when conducting disability examinations for PTSD. Specifically, of the surveyed mental health professionals, 59 percent reported rarely or never using testing and less than 1 percent reported that they routinely used functional assessment scales.

The Committee wants to collect additional data about whether or not VA is using consistent evidence-based assessments in PTSD assessments based on MST. If not, the Committee would be interested in VA's reasoning for not doing so when credible outside studies, and in fact their own best practices manual, suggest the adherence to these evidence-based, standardized tests produce more consistent outcomes. The Committee is concerned that the current wide variation in practice styles, evidenced by the findings of Jackson, et al., produces different outcomes for similarly situated veterans and undermines their perception of the fairness of the examination and disability evaluation process.

Committee Bill. Section 501 of the Committee bill would amend section 5103A of title 38, U.S.C., by adding a new paragraph that would require VA to obtain a medical examination or opinion when the evidence of record before the Department contains competent evidence that the claimant has a current disability or symptoms of one and indicates that the disability may be associated with active duty, but does not contain a diagnosis or opinion by a mental health professional that may assist in corroborating the occurrence of a stressor based on MST.

The Committee believes requiring VA to obtain medical examinations and opinions for this unique category of claimants will provide an additional opportunity for the claimant to obtain evidence that may be used to corroborate the occurrence of an in-service stressor. Because of the unique challenges of documenting personal-assault claims, this category of claimants requires distinct rules in order to assist in the evidentiary development process.

Section 501 would also require VA to submit a report to the Committees on Veterans' Affairs of the Senate and House of Representatives on the number of examinations and opinions conducted by VA pursuant to new paragraph (3) of section 5103A of title 38, U.S.C., as added by the Committee bill. This report will include the number of examinations conducted using a standardized disability assessment and the number of examinations conducted using a non-standardized clinical interview.

The Committee believes adherence to best practices, which includes the use of evidence-based, standardized tests, would produce more consistent examination outcomes. As noted, the Committee is concerned that the current wide variation in practice styles could have a negative impact on a veteran's perception of the fairness of the examination and disability evaluation process. It is the Committee's intent that the collection of data on the use of standardized disability assessments provides the focused Congressional oversight necessary to address these concerns.

Sec. 502. Case representative officers for military sexual trauma support.

Section 502 of the Committee bill, which is derived from S. 294, would require VA to assign, to each individual seeking compensation for a disability based on MST, a case representative officer who shall serve as a liaison between such individual and VA and provide advice and general information to such individual on the claims process.

Background. According to VA's FY 2014 budget justification materials, VHA has a specialized organizational structure to provide oversight of MST-related services. Every facility, whether regional or national, has a designated MST Coordinator that serves as the point of contact for all MST-related issues, including staff education and training, monitoring of MST-related screening, referral, treatment, and outreach to veterans. This position can be full-time or assigned as a collateral duty in addition to the many other responsibilities and functions being performed by the coordinators. Additionally, each VISN has a MST point of contact to monitor and ensure national and VISN-level policies are consistently applied. This role is a collateral position, but the person must be provided adequate protected time to fulfill their duties. Finally, the MST

Support Team at the national level, which monitors MST screening and treatment, oversees and expands MST-related education and training, promotes best practices in the field, and develops policy recommendations.

VBA also has employees dedicated to providing support and services to veterans and MST survivors. Every VA regional office (hereinafter, "RO") has at least one designated Women Veterans Coordinator (hereinafter, "WVC") to assist veterans, both male and female, with their claims resulting from MST. WVCs also assist in coordinating any required health care for individuals by serving as a liaison with the Women Veterans Program Manager located at the local VA medical center. Other duties performed by WVCs include conducting outreach and briefings on VA benefits and services.

The challenges faced by MST survivors in applying for benefits are well documented. In testimony presented on July 19, 2013, before the House Committee on Veterans' Affairs, Subcommittee on Health, DAV, on behalf of the four veterans organizations comprising *The Independent Budget* Veterans Service Organizations (IBVSOs) stated, 86.5 percent of sexual assaults in the military go unreported, "meaning that official documentation of many assaults may not exist," according to DOD's Sexual Assault Prevention and Response Office. DAV further stated, "[p]rior to the new records retention laws passed in the 2011 National Defense Authorization Act (NDAA), the services routinely destroyed all evidence and investigation records in sexual assault cases after 2 to 5 years, leaving gaping holes in MST-related claims filed prior to 2012." Also, "VA [has] acknowledged that due to the personal and sensitive nature of the MST stressors in these cases, victims often fail to report or document the trauma of sexual assault. If the MST event subsequently leads to post-service PTSD symptoms and a veteran files a claim for disability, the available evidence is often insufficient to establish the occurrence of a stressor event."

VBA issued a training letter on December 2, 2011, titled, *Adjudicating Posttraumatic Stress Disorder Claims Based on Military Sexual Trauma*, in order to improve the accuracy, consistency, and timeliness of MST claims decisions. The training letter clarified the types of evidence that may be used to support a PTSD claim based on MST, including examples to aid adjudicators in applying a liberal interpretation of requirements. Moreover, VHA undertook a 1-time mandatory training on MST for all VHA mental health providers and primary care providers in January 2012. However, a December 2012, OIG report, *Review of Combat Stress in Women Veterans Receiving VA Health Care and Disability Benefits*, found that VBA does not fully assess all available data for MST-related claims, which leads to inconsistency in the adjudication of MST claims. Therefore, more training is warranted to ensure that all VA MST coordinators, representatives, and adjudicators have the comprehensive knowledge base and skills to assist veterans who have suffered from sexual assault in obtaining benefits and services.

Although VA has coordinators and resources for veterans to consult and has developed regulations and procedures setting forth more liberal evidentiary requirements, there is a need for veterans to have a personal representative that specializes in and concentrates on providing advice and general information on the

claims process specifically related to claims based on MST. Currently, VBA MST coordinators may also perform many other functions and serve in this role as a collateral assignment. The Committee envisions this personal liaison can assist veterans and their representatives in understanding the unique evidentiary requirements for claims based on MST and the challenges potentially faced as a result of lack of official documentation to ensure the veteran is provided the treatment and benefits to which they are entitled. For this to occur, VBA must develop a more robust specialized organizational structure to provide oversight of MST-related benefits.

Committee Bill. Section 502 of the Committee bill would require VA to assign, to each individual seeking compensation for a disability based on MST, a case representative officer who shall serve as a liaison between such individual, or his or her authorized representative, and VA and provide advice and general information to such individual on the claims process. The case representative officer must be competent and knowledgeable about the claims adjudication process and all applicable authorities, policies and procedures related to MST. As determined by the Secretary, each case representative officer would be limited to an appropriate number of cases. This section would sunset VA's ability to assign case representative officers on December 31, 2018. However, case representative officers would be allowed to continue duties for cases already assigned.

This section would also require VA to make available to authorized representatives, agents and attorneys any relevant materials used to train case representative officers. VA's Advisory Committee on Women Veterans would be required to identify mechanisms to enhance coordination between VBA and VHA in the provision of benefits and services based on MST.

Finally, this section would require VA to submit an annual report to Congress regarding MST case representative officers. The report would include a description of training on claims for benefits based on MST for case representative officers and VBA staff, efforts to coordinate activities and assistance provided to individuals who seek care or benefits for MST, and whether or not case representative officers met the requirements specified in this section.

The Committee's intent is to complement and enhance the duties of existing WVCs and MST Coordinators within VBA in order to better serve the needs of veterans who have suffered MST and ensure they are provided the treatment and benefits to which they are entitled.

Sec. 503. Report on standard of proof for service-connection of mental health conditions related to military sexual trauma.

Section 503 of the Committee bill, which is derived from S. 294, would require VA to submit a report on the current standard of proof for service-connection for covered mental health conditions based on MST to the Committees on Veterans' Affairs of the Senate and House of Representatives.

Background. Under current law, section 501 of title 38, U.S.C., VA has the authority to prescribe regulations governing the nature and extent of proof and evidence necessary to establish entitlement to benefits. Further, VA is required by section 1154(a) of title 38,

U.S.C., to “include in the regulations pertaining to service-connection of disabilities” provisions requiring “due consideration” of the places, types, and circumstances of a veteran’s service. Based on this authority, VA has promulgated regulations, found at section 3.304(f) of title 38, C.F.R., providing for the evidentiary development and adjudication of PTSD claims including unique requirements for PTSD claims based on an in-service personal assault.

A number of veterans service organizations continue to assert that the standard of proof required by VA for PTSD claims based on an in-service personal assault is inappropriate given the unique circumstances surrounding MST. In testimony presented on July 12, 2013, for the Committee’s hearing on pending legislation, DAV stated that “[a]n absence of documentation of military sexual trauma in the personnel or military unit records of injured individuals prevents or obstructs adjudication of claims for disabilities for this deserving group of veterans injured during their service, and may prevent their care by VA once they become veterans.” At the same hearing, the VFW presented testimony stating “[c]urrent regulations put a disproportionate burden on the veteran to produce evidence of MST—often years after the event and in an environment which is often unfriendly—in order to prove service-connection for mental health disorders.”

Committee Bill. Section 503 of the Committee bill would require VA to submit a report on the current standard of proof for service-connection, under chapter 11 of title 38, U.S.C., for covered mental health conditions based on MST to the Committees on Veterans’ Affairs of the Senate and House of Representatives. The report must include any recommendations the Secretary considers appropriate to improve the adjudication of claims for compensation based on MST. The report required by section 503 of the Committee bill must be submitted to the Committees no later than 90 days after enactment.

The Committee believes continued and focused oversight, such as the reporting requirement included in this section, will allow the Committee to make more informed decisions about what future Congressional action, if any, may be necessary to ensure survivors of MST receive the benefits to which they are entitled.

Sec. 504. Reports on claims for disabilities incurred or aggravated by military sexual trauma.

Section 504 of the Committee bill, which is derived from S. 294, would require VA to submit an annual report to Congress on claims for disabilities based on PTSD alleged to have been incurred or aggravated by MST.

Background. VA’s efforts to improve the adjudication of PTSD claims based on MST remains an issue of concern to the Committee. In DOD’s Annual Report on Sexual Assault in the Military from FY 2012, it was estimated that 26,000 servicemembers experienced unwanted sexual contact, an increase of over 7,000 servicemembers since 2010. Other data, such as VA’s universal screening program, indicate 1 in 5 women receiving health care at VA report experiencing MST.

The Independent Budget for the Department of Veterans Affairs for Fiscal Year 2014, which is a comprehensive budget and policy document coauthored by AMVETS, DAV, Paralyzed Veterans of

America (hereinafter, “PVA”), and VFW, discussed the need for improvement with regards to the adjudication of PTSD claims based on MST, demonstrating the continued concern of veterans service organizations with this issue. The Committee has also received testimony from other veterans service organizations and advocacy groups stressing the need for continued oversight of VA efforts to improve the adjudication of PTSD claims based on MST.

VA also remains focused on ensuring the proper adjudication of PTSD claims based on MST. In testimony for the Committee’s hearing on pending legislation on June 12, 2013, VA indicated “[t]he Under Secretary for Benefits has spearheaded VBA’s efforts to ensure that these claims are adjudicated compassionately and fairly, with sensitivity to the unique circumstances presented by each individual claim.” Additionally, the testimony outlined a number of steps VA has taken in an effort to improve the adjudication of such claims. For example, VBA developed and issued Training Letter 11–05, Adjudicating Posttraumatic Stress Disorder Claims Based on Military Sexual Trauma, and following its issuance provided targeted training to a number of employees involved in the adjudication of claims based on MST.

Committee Bill. Section 504 of the Committee bill would require VA to submit an annual report to Congress on claims for disabilities based on PTSD alleged to have been incurred or aggravated by MST. This section would require VA to submit the first report no later than December 1, 2014, and continue the annual submissions through 2018.

Section 504 of the Committee bill would require each report to contain specific information on the adjudication of PTSD claims based on MST. Specifically, the report would include (1) the number and percentage of claims submitted by each gender that were approved and denied; (2) the rating percentage assigned for claims that were approved disaggregated by gender; (3) the three most common reasons for denials; and (4) the number of denials based on the failure of a veteran to report for a medical examination. VA would also be required to report this same information for claims that were resubmitted after a denial in a previous adjudication. Finally, the annual report required by section 504 of the Committee bill would be required to include the number of claims pending and on appeal and the average number of days from submission to completion of a claim during the past fiscal year.

The Committee recognizes VA’s ongoing efforts to improve the adjudication of PTSD claims based on MST. However, the Committee believes continued oversight, such as the reporting requirements of this section, will allow the Committee to make more informed decisions about what future Congressional action, if any, may be necessary to ensure survivors of MST receive the benefits to which they are entitled.

SUBTITLE B—AGENCY OF ORIGINAL JURISDICTION

Sec. 511. Working group to improve employee work credit and work management systems of Veterans Benefits Administration in an electronic environment.

Section 511 of the Committee bill, which is derived from S. 928, would require VA to establish a working group to assess and de-

velop recommendations for the improvement of VBA's employee work credit and work management systems in an electronic environment.

Background. VBA employee production standards are measured through the work credit system, which is VBA's foundation for managing work and evaluating performance. The work credit system identifies how much an employee can reasonably do with a certain level of accuracy, and in conjunction with the work management system, projects the number of employees needed to process the current claims inventory.

Significant amounts of time and energy have been devoted to VBA's work credit and work management systems. Congress has continually played a role in efforts to improve the manner in which VBA measures and manages work. Most recently, section 226 of P.L. 110-389, the Veterans' Benefits Improvement Act of 2008, required VA to conduct a study on VBA's employee work credit and work management system.

Despite these efforts, recent testimony indicates significant challenges continue to confront VBA's work credit and work management systems. The American Federation of Government Employees (hereinafter, "AFGE") at a March 20, 2013, hearing of the House Committee on Veterans' Affairs stated, "Despite the mandate of Public Law 110-389 and corroboration by IBM, [Veterans Benefits Management System (hereinafter, "VBMS")] has still not conducted a comprehensive, evidence-based, scientifically designed time motion study to determine how long certain tasks should take for employees to complete." They continued, "When employees work under achievable performance standards, accuracy, production, and morale will all increase." Efforts to ensure the work credit and work management systems accurately reflect current operations is vital given VBA's transformation to an electronic claims processing system.

Furthermore, VA's resource allocation model is extremely underdeveloped. Under Secretary for Benefits, Allison Hickey, admitted as much at a March 2013 House Committee on Veterans' Affairs hearing on VA's plans for employee training, accountability, and workload management to improve disability claims. In response to a question from Rep. Brownley, General Hickey responded:

I'll tell you, we have been looking at the staffing issue. I think I described earlier in the hearing here, but I'll—we had a resource allocation model that frankly, from my perspective, doesn't make any sense. I think that our resource allocation model ought to be built around the demand of veterans. It ought to be veteran-centric from that perspective. This resource allocation model years ago was established, and so we're in the process of redoing that now. We're looking at what's the right—what's the right mix of [veterans service representatives (hereinafter, "VSRs")] to raters in this new environment. That's important to note, too. Because the nature of the work will change in a new, transformed VBA. What's the right mix of VSRs to raters? Is there a new structure, is there a new career ladder that needs to be built into there to allow us to move forward? And I still do believe—so we do have a—the answer to your question is yes, we're looking at that right now. I

don't have a clear, defined answer for you right now because we're thrashing through it as we speak.

The Committee's opinion is that VA's work credit and work management systems should be the foundation upon which the claims system resides. Merely altering processes or implementing information technology solutions will not allow VA to truly transform the claims system unless they build upon a sound work management and resource allocation foundation. VA has provided some evidence that it agrees with this assessment. According to a response provided by VA to a request for information from the majority staff of the Committee, VA outlined an ongoing capacity analysis. The goals of the capacity analysis project are to:

1. Collect and validate data on employee activities through a time and motion study and data available in ASPEN to have a more expansive and substantive basis for managing employee time and other resources;
2. Quantify the level of repetition that is avoidable and consequently can be minimized or eliminated by implementing new initiatives;
3. Establish empirical relationships between staffing ratios (VSR to [rating veterans service representatives (hereinafter, "RVSR")], etc.), staffing tenure, and productivity levels; and
4. Develop a Resource Allocation Model based on capacity. Future efforts in the capacity analysis project will examine capacity reflecting the impact of VBMS, the new organizational model, and other transformation initiatives.

Committee Bill. Section 511 of the Committee bill would require VA to establish a working group to assess and develop recommendations for the improvement of VBA's employee work credit and work management systems in an electronic environment. The working group would be comprised of claims system stakeholders including the Secretary or his designee, VA compensation and pension employees, including VSRs, RVSR, and decision review officers who are also recommended by labor organizations, and at least three representatives from three different VSOs.

Section 511 of the Committee bill charges the working group with assessing and developing recommendations on how to improve the employee work credit and work management systems in the new electronic claims environment. These recommendations would include development of a scientific data based methodology to be used in revising the work credit system. The Committee bill also requires the working group to develop recommendations for a schedule by which VA would make necessary revisions to the work credit and work management systems. Finally, the working group is charged with making recommendations on improving VBA's resource allocation model. Given the significant amount of time and energy that has been devoted to VBA's work credit and work management systems, there is no need to replicate previous efforts. Rather, section 511 of the Committee bill requires the working group to review the findings and conclusions of previous studies in order to leverage past efforts in conducting their assessment and developing recommendations.

The Secretary retains the authority to implement the working group recommendations he considers appropriate. The working

group and VA would be required to submit two reports to Congress. The first is required no later than 180 days after the establishment of the working group and would provide an update on the progress of the working group. Then, no later than 1 year after the establishment of the working group, VA must submit a report to Congress on the methodology and schedule VA has decided to implement as a result of the working group's recommendations.

VA is currently undertaking a major transformation of its claims processing systems in order to eliminate the claims backlog and improve the timeliness and accuracy of claims decisions. The work credit, work management, and resource allocation models are critical components of the claims process. The shortcomings in these systems are believed to contribute to claims processing delays. However, VA has not completed a thorough re-examination and overhaul of these systems.

The Committee is of the opinion that, before transformation can be successful, there must be corresponding changes and improvements to the way VA projects the workload of employees and the number of employees it needs to process its inventory. VA cannot simply transform its processing method, it must transform the nature by which it measures productivity and allocates its resources. As a result, a scientific, empirical study is needed to develop production standards that reasonably reflect employee production with a high level of accuracy. It is the Committee's intent that the requirements of the Committee bill build upon ongoing VA efforts and to ensure the work credit and management systems and the resource allocation model are incorporated into VA's transformation efforts.

Sec. 512. Task force on retention and training of Department of Veterans Affairs claims processors and adjudicators.

Section 512 of the Committee bill, which is derived from S. 928, would require VA to establish a task force to assess the retention and training of claims processors and adjudicators that are employed by VA and other departments and agencies of the Federal government.

Background. VA is in the midst of implementing a transformation plan designed to help VA meet its goal of eliminating the claims backlog and improving the accuracy of decisions to 98 percent in 2015. The three major components of the transformation plan are people, process, and technology. According to VA's Strategic Plan to Eliminate the Compensation Claims Backlog, "VBA's employees are the key to Transformation success" and "VBA is changing how its workforce is organized and trained to decide disability compensation claims."

Every time a highly-qualified employee leaves VA, whether it is a rating veterans service representative or a decision review officer, VA loses a valuable resource. In order to replace these employees, VA puts new hires through an intensive 8-week Challenge Training program, which is designed to prepare employees for claims processing positions. AFGE, in testimony before the House Committee on Veterans' Affairs on June 2, 2011, noted that "It is widely acknowledged that it takes at least 2 to 3 years for new hires to get close to 'full production.'" According to statistics provided to the Committee, VBA's employee attrition rate was 6.2 percent in FY

2012. Certain ROs, such as Chicago and Indianapolis, had attrition rates in excess of 10 percent. The delay caused by the loss of an employee and time spent preparing a new employee to become proficient at processing claims is extremely costly. To support VA's goal of processing all claims within 125 days and at 98 percent quality in 2015, VA must become more productive and do a better job of not only training but also retaining its claims processing workforce.

VA is not the only Federal agency that has faced significant challenges in providing timely claims decisions. According to the Social Security Administration's (hereinafter, "SSA") Office of Inspector General, SSA had a disability claims hearing backlog of approximately 817,000 cases as of September 2012. At the end of FY 2012, the Office of Personnel Management (hereinafter, "OPM") had 41,176 Federal retirement claims pending. In order to successfully combat the backlog of any type of claim, these agencies need a strategy to maintain long-term employees with the skills, education, and training necessary to help them process claims in a timely and accurate manner.

Veterans and transitioning servicemembers can serve as a valuable source of personnel for these agencies. According to the Bureau of Labor Statistics, as of July 2013 the unemployment rate among all veterans was 6.4 percent. Among Post-9/11 veterans, this number was higher at 7.7 percent. In recognition of the need for increased veterans' employment, President Obama issued Executive Order (hereinafter, "E.O.") 13518, Employment of Veterans in the Federal Government, in November 2009, which established an interagency Veterans Employment Initiative to promote the recruitment and retention of veterans in the Federal workforce. According to a July 2012 White House press release, since its inception, this initiative has resulted in 200,000 new veteran hires and at least 25,000 new Reservists in the Federal workforce. While this initiative may have helped employ additional veterans in the Federal government, a similar program has not been established that promotes, trains, and employs veterans and recently separated servicemembers specifically for Federal claims processing and adjudication positions.

Committee Bill. Section 512 of the Committee bill would require VA to establish a task force to assess the retention and training of claims processors and adjudicators that are employed by VA and other agencies of the Federal government. The task force would be comprised of the Secretary or a designee, the Director of OPM or a designee, the Commissioner of Social Security or a designee, an individual who represents an organization authorized to represent veterans under section 5902 of title 38, U.S.C., and other individuals the Secretary considers appropriate.

Section 512 of the Committee bill requires the task force to (1) identify the key skills required by claims processors and adjudicators to perform their duties in the various claims processing and adjudication positions throughout the Federal government; (2) identify reasons for employee attrition from claims processing positions; (3) coordinate with educational institutions to develop training and programs of education for servicemembers to prepare them for employment in claims processing and adjudication positions in the Federal government; (4) identify and coordinate with DOD and VA

offices located throughout the United States to provide information about, and promotion of, available claims processing positions to servicemembers transitioning to civilian life and to veterans with disabilities; and (5) establish performance measures to evaluate the effectiveness of the task force. Not later than 1 year after the date of the establishment of the task force, it would be required to develop a government-wide strategic and operational plan for promoting employment of veterans in claims processing positions in the Federal government. Following the establishment of performance measures to assess the strategic plan, it would also be required to assess the implementation of the plan and revise as necessary.

This section would also require VA to submit to Congress, not later than 1 year after the establishment of the task force, a report on the strategic plan developed by the group. A second report would be required to be submitted to Congress, not later than 120 days after the termination of the task force that assesses the implementation of the strategic plan developed by the group. The task force established under this section shall terminate not later than 2 years after the date on which the task force is established.

The Committee believes a plan similar to that developed and implemented by E.O. 13518 could improve the hiring and retention of transitioning servicemembers and veterans for the Federal government's claims processing workforce and assist in addressing the pending claims at VA and other Federal agencies.

Sec. 513. Reports on requests by the Department of Veterans Affairs for records of other Federal agencies.

Section 513 of the Committee bill, which is derived from S. 674, would require VA to report on attempts to obtain records from another department or agency of the Federal government.

Background. Under current law, section 5103A of title 38, U.S.C., VA has a duty to assist claimants in obtaining evidence necessary to substantiate a claim for benefits. This duty to assist requires VA to obtain certain Federal records if relevant to a claim for benefits. VA asserts that the collection of Federal records is a contributing factor to the claims backlog. In testimony before the Committee on March 13, 2013, VA's Under Secretary for Benefits, Allison Hickey, stated:

Three out of five times that we have an old claim it's because of this issue. We need data from [the Department of Defense (DOD)] in terms of the complete medical history of that member when they leave service in order for us to decide a claim. We also need their complete personnel records in order to know what their character of service is. Without those we must ask.

VA's testimony on section 103 of S. 928, which sought to streamline Federal record requests, submitted for the Committee's June 12, 2013, hearing on pending legislation also supports the assertion that delays in the collection of Federal records contribute to the claims backlog. VA's testimony noted, "past efforts to obtain records from other government agencies have significantly delayed adjudication of pending disability claims."

Despite VA's assertions, other evidence indicates agencies are providing requested records in a timely manner. For example, testimony submitted for the Committee's June 12, 2013, hearing on pending legislation by SSA and the National Archives and Records Administration (hereinafter, "NARA") indicated these agencies are providing requested records to VA in a timely manner. NARA testified that, "[d]uring the first 35 weeks of fiscal year 2013 NPRC [National Personnel Records Center] responded to nearly 218,000 requests from the VA." According to NARA's testimony, the average response time for these requests was 2.2 workdays. SSA's testimony stated that it responded to VA's nearly 33,000 requests for medical evidence in FY 2012 in, on average, less than a week. In the first quarter of FY 2013, SSA received 9,600 requests for medical evidence from VA. Testimony indicated, on average, SSA continued to respond to those requests in less than a week.

DOD has also provided information on its response to VA's requests for records. In May of this year, DOD asserted that only 4 percent of claims in the backlog were waiting for a response from the Department. VA has been unable to provide the Committee with data on the status of requests for DOD records and the impact delivery of requested records are having on the timely adjudication of compensation claims. In response to a post-hearing question for the record from Ranking Member Burr requesting "relevant statistics on the number of claims considered backlogged solely because VA has not received relevant evidence," VA responded that it was "unable to determine accurately how many requests for DOD records are pending with DOD."

Further, VA has provided limited justification for a legislative proposal contained in its FY 2014 budget submission, which seeks to amend the statutory duty to assist and streamline Federal record requests. In fact, in testimony on S. 694 provided for the Committee's June 12, 2013, hearing on pending legislation, VA opposed efforts to facilitate faster response times noting that "adequate measures are already in place to facilitate expeditious transfer of records from the identified covered agencies."

Committee Bill. Section 513 of the Committee bill would require VA to report on attempts to obtain records from another department or agency of the Federal government.

The report required by section 513 of the Committee bill would require VA to report by department or agency the number of requests made for records, the types of records requested, the number of requests made before receipt of each record, the amount of time between the initial request and receipt of each record, and the number of times receipt of a requested record occurs following adjudication of the claim for which the record was sought. VA would also have to report on efforts to expedite the delivery of requested records and any recommendations for administrative or legislative action the Secretary considers appropriate to support this goal. VA would have to submit the first report required by section 513 of the Committee bill no later than 180 days after enactment. It would then be required to submit reports every 180 days for a period of approximately 2½ years following enactment.

The Committee believes VA must track the information required by section 513 of the Committee bill in order to understand what actions may be necessary to comply with its duty to assist and to

improve, if necessary, the processes by which it collects Federal records. The reports required under section 513 of the Committee bill would also allow the Committee to continue its oversight and continued evaluation of whether legislative action may be necessary to speed the collection of Federal records as required by VA's duty to assist.

Sec. 514. Recognition of representatives of Indian tribes in the preparation, presentation, and prosecution of claims under laws administered by the Secretary of Veterans Affairs.

Section 514 of the Committee bill, which is derived from S. 928, would authorize VA to recognize representatives of Indian tribes as individuals eligible to represent veterans in the preparation, presentation, and prosecution of claims for VA benefits.

Background. Section 5902 of title 38, U.S.C., describes the guidelines for VA recognition of representatives of organizations that can assist veterans in preparing, presenting, and prosecuting claims for VA benefits. Section 5902(a)(1) describes the organizations that these individuals may represent as “the American National Red Cross, the American Legion, the Disabled American Veterans, the United Spanish War Veterans, the Veterans of Foreign Wars, and such other organizations as the Secretary may approve.” Section 14.628 of title 38, C.F.R., describes the categories of organizations that can be recognized by VA, including national organizations, organizations created by State governments to serve veterans, or regional or local organizations that primarily deliver Federal or State services or benefits to veterans, dependents, and survivors. Section 14.628 also describes the process that organizations must complete in order to be recognized. Section 14.629 of title 38, C.F.R., describes the process that representatives of recognized organizations must complete in order to be recognized to assist veterans in preparing, presenting, and prosecuting claims for VA benefits.

VA has recognized that distance and a lack of awareness have been major barriers to the receipt of services and benefits for Native American veterans. Furthermore, tribal lands tend to be located in rural or highly rural areas, far removed from VA clinics and ROs. In light of this challenge, VA began the Tribal Veterans Representatives (hereinafter, “TVR”) program in 2001 to improve awareness and receipt of benefits and services in tribal lands. TVRs are identified and funded by tribal governments and receive training from VA in order to provide appropriate information to veterans about benefits and services available to them. TVRs also assist veterans to complete benefits and health care applications. Several TVRs have been able to complete the recognition process, through their membership in a recognized Veterans Service Organization, but not through their employment by a tribal government for the purpose of serving veterans.

Although some tribal governments, such as the Navajo Nation, the Rosebud Sioux Tribe, and the Fort Peck Assiniboine and Sioux Tribes have established Veterans Departments or Veterans Offices within the structure of their government, none fit within the framework described in section 14.629 of title 38, C.F.R. As such, none have been recognized.

Committee Bill. Section 514 of the Committee bill would amend section 5902 of title 38 by inserting the term “Indian tribes” as de-

fined in section 450b of title 25, U.S.C. This amendment would clarify that tribal veterans organizations are eligible entities for VA recognition. This will allow representatives of these organizations to go through the process outlined in section 14.629 of title 38, C.F.R., to be recognized by VA and to be able to prepare, present, and prosecute VA claims on behalf of veterans. It is the intent of the Committee that VA affords tribal veterans organizations the same clear opportunity to complete the recognition process as is offered to State, County, and veterans service organizations.

Sec. 515. Program on participation of local and tribal governments in improving quality of claims for disability compensation submitted to Department of Veterans Affairs.

Section 515 of the Committee bill, which is derived from S. 928, would create a 2-year program on collaboration with State, local, and tribal governments to improve the quality of claims for disability compensation.

Background. Although VA, State and local governments, and tribal governments all seek to ensure eligible veterans are obtaining the benefits to which they are entitled, coordination among these entities can be limited. VA currently serves the health care needs of American Indians and Alaska Natives under a memorandum of understanding (hereinafter, "MOU") with the IHS and sharing agreements between VHA and Federally recognized tribal governments. The approach of collaborating with IHS and tribal governments through memoranda of understandings and sharing agreements has shown some promise. However, coordination between VBA and Federally recognized tribal governments is much more limited.

Furthermore, VBA has recognized the importance of soliciting a variety of stakeholders in their effort to ensure the timely and accurate delivery of benefits. According to information provided to the Committee in February 2013, five VA ROs had memorandums of understanding with State departments of veterans affairs or equivalent organizations. VA also indicated numerous ROs are in the process of initiating similar agreements with their respective State and local service organizations. These formalized partnerships can help increase the use of electronic claims submission tools, more efficiently retrieve and process copies of military medical records, and execute comprehensive outreach activities to the veterans' community. For example, an agreement between the Seattle RO and the Washington State Department of Veterans Affairs included goals such as maximizing the number of claims submitted using the Fully Developed Claims process, committing to professional development of State service officers, and increasing the number of Washington veterans enrolled in the eBenefits system.

Committee Bill. Section 515 of the Committee bill would require VA to establish and implement a 2-year program to study the feasibility and advisability of entering into MOUs with State and local governments and tribal organizations in the provision of certain benefits to veterans. VA would be required to enter into MOUs with at least two tribal organizations and at least ten State or local governments. However, VA could use existing MOUs to fulfill these requirements.

It is the Committee's intent that this program seek to improve the quality of claims submitted for compensation and provide assistance to veterans in submitting such claims. The Committee believes VA needs to continue to expand its strong working relationships and collaborative efforts with local organizations in order to help veterans and their families access the benefits they have earned.

Sec. 516. Quarterly reports on progress of Department of Veterans Affairs in eliminating backlog of claims for compensation that have not been adjudicated.

Section 516 of the Committee bill, which is derived from S. 928, would require VA to submit a quarterly report on VA efforts to eliminate the claims backlog.

Background. VA has set a goal of eliminating the compensation claims backlog in 2015 and improving decision accuracy to 98 percent. As of August 24, 2013, VA's Monday Morning Workload Report indicated the compensation and pension rating bundle stood at 760,820 pending claims with 471,650 or 62 percent pending for over 125 days and considered part of the backlog. The Monday Morning Workload Report and other publicly available information, such as the information provided by ASPIRE, provide a wealth of claims production data. However, similar data related to projected claims production is limited.

At a Committee hearing on VA's budget request on April 15, 2013, Chairman Sanders asked Secretary Shinseki, "What benchmarks have you set that VA must meet to make sure that VA achieves those goals?" In response, Secretary Shinseki and Under Secretary for Benefits Allison Hickey provided information on the historical claims situation and some of the steps the Department has taken, such as fielding of the VBMS, in an attempt to meet VA's claims processing goal. However, neither witness identified tangible benchmarks that must be met in order for VA to eliminate the compensation claims backlog, provide decisions within 125 days, and improve decision accuracy to 98 percent in 2015.

VA has provided some limited projections in its budget justification materials and a document titled "Department of Veterans Affairs (VA) Strategic Plan to Eliminate the Compensation Claims Backlog" (hereinafter, "Strategic Plan") dated January 25, 2013. For example, VA budget justification materials include estimates of future claims receipts and production for FYs 2013 and 2014. However, these materials do not contain projections for FY 2015, which is the time period VA has established for recognizing its claims processing goal.

VA's Strategic Plan also includes some information on the benchmarks and milestones that must be met in order for VA to reach its claims processing goal. For example, exhibits 5 and 6 of the Strategic Plan include the estimated change in claims received, claims produced under the transformation initiatives, timing of the initiatives, and expected elimination of the backlog prior to the end of FY 2015. However, it is unclear when these projections were made and whether they continue to serve as the Department's expectations. The Committee's assumption is that such expectations and projections should continue to evolve to reflect changing conditions such as actual receipts. Further, it is not clear to the Com-

mittee that VA is utilizing these expectations as benchmarks by which they measure progress toward reaching its claims processing goal.

Committee Bill. Section 516 of the Committee bill would require VA to submit a quarterly report, beginning no later than 90 days after enactment through calendar year 2015, to the Committees on Veterans' Affairs of the Senate and House of Representatives on VA efforts to eliminate the backlog of claims.

The report is required to include for each month through calendar year 2015 a projection of the number of claims completed, the number of claims received, the number of claims backlogged at the end of the month, the number of claims pending at the end of the month, the number of appeals pending at the end of the month, and a description of the status of the implementation of initiatives designed to address the backlog. The report must also project the accuracy of disability decisions for each quarter. In addition to projected data, the report required by section 516 of the Committee bill would include for each month through calendar year 2015 the number of claims completed, the number of claims received, the number of claims backlogged at the end of the month, the number of claims pending at the end of the month, the number of appeals pending at the end of the month, and a description of the status of the implementation of initiatives designed to address the backlog. The report would also include the actual accuracy of disability decisions for the most recently completed quarter. Section 516 of the Committee bill would also require VA to report significant information on VA's appellate workload. The report required by this section must also be made available to the public.

The Committee believes this section would provide Congress with increased visibility of VA's efforts to eliminate the claims backlog. Our intent is not to burden VA with reporting requirements. In fact, much of the information required by section 516 of the Committee bill is already publicly available. Rather, by requiring VA to report information on both projected and actual production, Congress would be able to more quickly assess VA's progress in meeting its claims processing goal, and if necessary, respond accordingly.

Sec. 517. Reports on use of existing authorities to expedite benefits decisions.

Section 517 of the Committee bill, which is derived from S. 935, would require VA to submit a report on the use of temporary, intermediate, and provisional rating decisions and a plan to increase the use of existing authorities to expedite benefit decisions.

Background. Generally, VA provides decisions on disability claims, regardless of the number of claimed disabilities within the claim, in one decision. However, under current law, VA has the authority in certain situations to provide partial or temporary decisions. Section 1156 of title 38, U.S.C., provides VA with the authority to issue temporary disability ratings in certain situations. For example, section 1156 requires VA to provide temporary disability ratings to veterans with service-connected disabilities that require hospital treatment or observation for a period in excess of 21 days. These temporary disability ratings reflect the non-permanent nature of the disability while providing VA with the ability to address

the immediate needs of veterans during the prescribed periods warranting such a decision.

Intermediate rating decisions are another tool that allows VA to provide partial decisions. The VBA Adjudication Procedures Manual Rewrite, M21-1MR (Manual), Part III, Subpart iv, Chapter 6.A.1.a., outlines the criteria for use of intermediate rating decisions. The manual requires adjudicators to “Make an intermediate rating decision if the record contains sufficient evidence to grant any claim at issue, including service connection at a noncompensable level.” This type of decision would allow VA to award benefits on one or more claimed disabilities while continuing to process other claimed disabilities within the application for benefits.

In April of this year, VA announced an initiative to expedite claims decisions for veterans who have waited 1 year or longer. Under this initiative, VA is making provisional decisions on certain claims. These decisions are based on the evidence of record at the time of the decision. VA claims this initiative provides veterans with a decision on their claims more quickly, rather than waiting until all evidence has been gathered.

As demonstrated by these examples, VA has a number of authorities and initiatives that provide it with flexibility in determining the most appropriate manner by which to issue decisions on claimed disabilities. However, there is limited evidence detailing VA’s use of such authorities and the resulting impacts on VA claimants. For example in 2010, VA piloted the Quick Pay initiative at the St. Petersburg RO. According to VA, the intent of the initiative was to fast-track payments to veterans who submitted evidence sufficient to decide all or part of a claim. However, this initiative has subsequently ended with little explanation. PVA has given some attention to VA efforts to utilize existing authorities to expedite benefit decisions. In an April 2013 policy paper titled “Confronting the VA Claims Backlog,” PVA described VA efforts such as the Quick Pay initiative and provided pros and cons for the various efforts.

Some stakeholders have argued that VA should provide decisions when it has sufficient evidence to make a decision on a claimed condition rather than wait to make a decision on the complete claim. The Committee, however, is unaware of efforts beyond PVA’s work to evaluate the effectiveness of such an approach or to plan for the increased use of existing authorities to expedite benefit decisions while ensuring there are no unintended consequences to claimants.

Committee Bill. Section 517 of the Committee bill would require VA to submit, within 180 days after enactment, a report to the Senate and House Committees on Veterans’ Affairs on the use of temporary, intermediate, and provisional rating decisions.

Section 517 requires VA to report the number of temporary and intermediate rating decisions issued during FYs 2011, 2012, and 2013. The report must also include a description of any obstacles that prevent the use of these existing authorities to issue temporary or intermediate rating decisions and a description of the Quick Pay Disability initiative, including the rationale for not expanding the initiative beyond pilot program status.

The report would also include information on VA’s initiative to expedite compensation claims decisions for veterans who have wait-

ed 1-year or longer for a decision. The report required by section 517 would include: (1) the number of provisional rating decisions issued by VA during the initiative; (2) the number of provisional decisions that involved a claim granted, a claim denied, and a claim granted or denied in part; (3) a statement of reasons claims with sufficient evidence to rate were not completed before the commencement of the initiative; (4) the average number of days to issue a provisional rating; (5) the number of provisional decisions issued for Category 1 and Category 2 claims; (6) the number of rating decisions received and issued, by each RO, that involved a brokered claim; (7) the number of provisional rating decisions to which the veteran requested that the provisional decision become final in order to appeal such decision; (8) the number provisional rating decisions as to which the veteran requested an appeal after the expiration of the 1-year period beginning on the date of notification of the provisional rating decision; and (9) an assessment of the accuracy of decisions provided during the Oldest Claims First initiative.

Section 517 would also require VA to submit, within 180 days after enactment, to the Senate and House Committees on Veterans' Affairs a plan to increase the use of temporary or intermediate rating decisions to expedite benefits decisions when sufficient evidence exists to grant any issue within the claim. In the plan required by section 517, VA must address a number of issues including (1) how it would overcome obstacles that prevent the use of temporary or intermediate rating decisions; (2) how it would ensure that appropriate claimant populations benefit from the use of temporary or intermediate rating decisions; (3) how best to provide for the use of temporary or intermediate rating decisions; (4) how to prevent the use of temporary or intermediate rating decisions in lieu of a final rating decision when a final rating decision could be made with little or no additional claim development; and (5) any administrative or legislative recommendations necessary to increase the use of temporary or intermediate rating decisions.

It is the Committee's intent that VA considers all of the existing legislative authorities available to expedite or provide decisions on issues within a claim during its transformation of the disability claims system.

Sec. 518. Reports on Department disability medical examinations and prevention of unnecessary medical examinations.

Section 518 of the Committee bill, which is derived from S. 935, would require VA to submit a report on the provision of medical examinations for purposes of adjudicating claims and a plan to prevent the ordering of unnecessary medical examinations.

Background. Under current law, section 5125 of title 38, U.S.C., in establishing eligibility for benefits, VA may accept a report of a medical examination conducted by a private physician if sufficiently complete to be adequate for purposes of adjudicating a claim.

Despite this authority, the Committee frequently hears assertions that VA often dismisses private medical evidence and orders VA medical examinations despite sufficient private medical evidence, which could be used to make a decision on a claim.

VSOs have consistently testified before the Committee on claims where VA had ordered a medical examination when the evidence

presented by a private medical provider should be adequate for rating purposes. For example on March 13, 2013, Joseph Violante, Legislative Director of DAV stated:

We hear from the field, from our people, that in some cases where the medical evidence is sufficient to be rated, the fact that it comes in from a private physician triggers an unnecessary examination.

In other cases, veterans have their claims remanded by the Board of Veterans' Appeals, because the RO failed to obtain a medical examination or opinion when necessary to decide a claim. This occurs more frequently for veterans who have not filed the claim within 1 year of leaving service. Veterans who file a claim within 1 year of service may receive extensive examinations affecting systems for which no complaint of disability is alleged.

VA has also acknowledged efficiencies may be recognized by reducing the unnecessary ordering of medical examinations. For example, last year, VA launched the Acceptable Clinical Evidence (hereinafter, "ACE") initiative to help alleviate the need for VA administered medical examinations. This initiative allows VA medical providers to perform assessments without an in-person examination when sufficient information already exists. The ACE initiative enables a VA medical provider to complete a Disability Benefits Questionnaire by reviewing existing medical evidence and supplementing such evidence with information obtained during a telephone interview with the veteran. VA reports that this initiative has reduced the average time it takes to complete a Disability Benefits Questionnaire from 25 days to 8 days.

In evaluating claims for disabilities involving the musculoskeletal system, section 4.40 of title 38, C.F.R., (Functional loss) requires an assessment of the impact of the disability on the performance of "the normal working movements of the body with normal excursion, strength, speed, coordination and endurance." Following the court's decision in *DeLuca v. Brown*, 8 Vet. App. 202 (1995), VA developed a medical examination which evaluates the effect of repetitive motion on normal working movements, by having the claimant perform an activity three times in the examining physician's office.

During oversight visits, VA physicians have consistently indicated to staff that the "three repetition requirement" does not provide a scientifically sound basis for evaluating the effect of repetitive motion on "normal working movements," such as those performed during a normal 8-hour work day. Physicians have complained about the time it takes to perform repetitive motion actions on joints for which no disability is alleged.

Committee Bill. Section 518 of the Committee bill would require VA to submit, within 180 days after enactment, a report on the provision of medical examinations for purposes of adjudicating claims and a plan to prevent the ordering of unnecessary medical examinations. There are two distinct reporting requirements contained in section 518 of the Committee bill.

The first reporting requirement requires VA to provide information on the furnishing of general medical and specialty medical examinations. The report must include the number of general medical examinations furnished by VA during the FY 2009 through FY

2012. The report must also include the number of specialty medical examinations furnished by VA during the same time period. Additionally, the report must include a summary of medical and scientific studies that provide a basis for determining that three repetitions of a joint movement is adequate to assess the effect of repetitive motion on functional loss when assessing range of motion during joint examinations. The report must identify all examination reports used for evaluation of compensation and pension disability claims which require measurements of repeated ranges of motion testing. Finally, the report would include the number of examinations for FY 2012 that required such measurements, the average amount of time taken to perform the three repetitions of movement method for each joint, a discussion of whether there are more efficient and effective methods of testing range of motion, and recommendations on whether to continue the practice of measuring functional impairment by using the three repetitions of movement method.

The second reporting requirement requires VA to provide a report on VA efforts to reduce the need for in-person disability examinations and use of the authority provided by section 5125 of title 38. This report would contain information on the ACE initiative. It would also contain information on any other efforts to further encourage the use of medical evidence provided by a private health care provider and the reliance upon reports of a medical examination or a medical opinion administered by a private physician if such report is sufficiently complete to be adequate for the purposes of adjudicating a claim for service-connection. Under this second requirement, VA would also have to submit a plan to measure, track, and prevent the ordering of unnecessary medical examinations and actions to eliminate requests for medical examinations when the record contains medical evidence and/or opinions provided by a private health care provider that is adequate for purposes of making a decision on a claim.

It is the Committee's intent that VA continue to ensure medical examinations are appropriate and used efficiently. Further, Congress has provided authority to allow VA to accept private medical evidence and take actions consistent with this authority to improve the timeliness and accuracy of claims decisions.

SUBTITLE C—BOARD OF VETERANS' APPEALS AND COURT OF APPEALS
FOR VETERANS CLAIMS

Sec. 521. Treatment of certain misfiled documents as a notice of appeal to the Court of Appeals for Veterans Claims.

Section 521 of the Committee bill, which is derived from S. 939, would treat as timely filed a document that expresses disagreement with a decision of the BVA and an intent to appeal such decision to the CAVC, that is misfiled with the BVA or an AOJ within 120 days of the Board's decision.

Background. Under current law, if a claimant disagrees with a Board decision, the claimant has the option, under section 7103 of title 38, U.S.C., to ask the Board for reconsideration or to appeal to the Court pursuant to section 7266 of title 38. Pursuant to section 7266, an appeal to the Court must be filed with the Court within 120 days after notice of the Board decision is mailed to the

claimant. Appellants are sometimes confused by this process and incorrectly send the Notice of Appeal (hereinafter, "NOA") to one of VA's offices. If that happens and the NOA is not forwarded to the Court within the 120-day window, the appeal may eventually be dismissed by the Court as untimely.

In *Posey v. Shinseki*, 23 Vet. App. 406 (2010), the Court discussed the problem that occurs when claimants mistakenly send their notification of disagreement with a decision of the Board to VA instead of the Court. The Court suggested that VA be held accountable for properly receiving and forwarding NOAs. Judge Hagel's concurring opinion included this observation:

It has become clear to me that VA somewhat routinely holds correspondence from claimants that it determines, sometime after receipt, are Notices of Appeal to this Court. As a result, in far too many cases, the Court receives the Notice of Appeal from VA only after the 120-day appeal period has expired, permitting the Secretary to then move to dismiss the appeals for lack of jurisdiction.

There is a certain level of protection for claimants in the event an appeal is not timely filed, because the Court has the discretion to exercise equitable tolling. In *Rickett v. Shinseki*, 26 Vet. App. 210 (March 12, 2013) (en banc), the Court set forth four factors it must consider when assessing whether equitable tolling is warranted when a veteran files an NOA outside of the 120-day period. First, the veteran must have misfiled his NOA in a timely manner; second, the veteran must have expressed a clear intent to appeal to the Court; third, the Secretary must have been on notice of the intent to seek further review of the claim; and fourth, the veteran must have exercised due diligence in preserving his or her legal rights. Regarding the due diligence provision, the claimant must have had some reason for believing the place he or she submitted the NOA was appropriate for obtaining judicial review. Additionally, the claimant must have taken actions to correct the mistake after learning of his or her misfiling of the NOA. The Court granted equitable tolling to the veteran in *Rickett* because his NOA was misfiled with VA's Office of the General Counsel within the 120-day period, it expressed his intent to appeal the Board decision, it put VA on notice of his intent, and he filed an NOA with the Court the same day he was informed of his prior filing error.

While the criteria outlined in *Rickett* identify when equitable tolling is available, they do place a burden on the veteran to prove that he or she exercised due diligence to a level acceptable by the Court. According to the Annual Report of the United States Court of Appeals for Veterans Claims for Fiscal Year 2012, 44 percent of the 3,649 appeals filed with the Court were without representation at the time of filing. Without representation, these veterans can be at a disadvantage when it comes to understanding all the steps they need to fulfill in order to show the Court they have exercised the due diligence necessary for the Court to apply equitable tolling.

Committee Bill. Section 521 of the Committee bill would amend section 7266 of title 38 by adding a new subsection providing that a notice of appeal mistakenly sent to the AOJ or the Board, instead of the Court, within 120 days after the date of a final decision of the Board, would be considered timely filed.

The Committee bill is consistent with the Court's decision in *Rickett* because it requires the NOA to have been filed with the Board or AOJ within 120 days, thereby putting VA on notice. It also requires an expression of disagreement with the Board's decision and a clear intent to seek review of the Board's decision. The Committee bill, however, in cases of misfiling places responsibility on VA to forward a veteran's misfiled NOA to the Court in a timely manner. If VA fails to do so, the claimant is not prejudiced as a result of VA's inaction.

Nothing in the Committee bill is intended to limit the Court's ability to provide other equitable relief, otherwise available, to claimants described in this section.

Sec. 522. Modification of filing period for notice of disagreement to initiate appellate review of decisions of Department of Veterans Affairs.

Section 522 of the Committee bill, which is derived from S. 928, would modify the filing period for an NOD from 1 year to 180 days and provides a good cause exception in the event an NOD is not filed in a timely manner.

Background. Under current law, section 7105(b) of title 38, U.S.C., a claimant has 1 year to file an NOD after the date on which VA mails notice of an initial decision on a claim for benefits. This means that, in some circumstances, VA must wait a full year to determine if a claimant disagrees with a decision on a claim for benefits. If a claimant waits until the end of the 1-year period to file an NOD, VA is often required to re-develop the record to ensure the evidence of record is current. Data from VA supports the conclusion that post-NOD development delays the resolution of the claim. In FY 2011, 2012 and through August 31, 2013, where the AOJ received an NOD more than 180 days after the date the decision was mailed, it took, on average, 46.5 additional days to decide the claim. In FY 2012, 76 percent of NODs were filed within 180 days. This data indicates a 1-year period to file an NOD is not necessary in the majority of cases, and instead can result in unnecessary delays in a veteran receiving a decision.

Committee Bill. Section 522 of the Committee bill would amend section 7105(b) of title 38, U.S.C., by modifying the filing period for an NOD from 1 year to 180 days. The provision would also permit the electronic filing of NODs. As a protective measure for veterans, VA would be authorized to grant good cause exceptions under a new paragraph (3)(A).

VA has experience implementing good cause exceptions. For example, section 7105(d)(3) provides appellants with an opportunity to extend the time period to file a substantive appeal for "good cause shown." VA has promulgated regulations to implement this requirement at section 30.303 of title 38, C.F.R. Further, both the Board and CAVC have developed a body of case law related to the interpretation of "good cause" provisions. For these reasons, the Committee chose to use a term that is currently used within VA's appellate process. It is the Committee's intent that VA rely upon this previous experience with and usage of good cause exceptions in implementing section 522 of the Committee bill. In the event good cause is shown, the NOD will be treated as timely if filed within 186 days after the initial 180-day period ends.

Section 522 of the Committee bill would apply to claims filed after the date of enactment. The Committee believes modifying the period in which a veteran has to file an NOD will allow VA to more quickly finalize the administrative processing of claims not being appealed and focus additional resources on the processing of both pending claims and appeals.

Sec. 523. Determination of manner of appearance for hearings before Board of Veterans' Appeals.

Section 523 of the Committee bill, which is derived from S. 928, would require with limited exceptions that any hearing before BVA be conducted using video teleconference technology.

Background. Under current law, section 7107(d) of title 38, if an individual appeals to the Board, the individual may request a hearing before BVA at the BVA's principal location in Washington, DC, or at a VA facility in the area of the appellant's local RO (called field hearings or travel Board hearings). Currently, field hearings may be conducted through voice or voice and picture transmission with Board members sitting in Washington, DC.

According to the *Fiscal Year 2012 Annual Report of the Board of Veterans' Appeals*, in FY 2012, the Board issued 44,300 decisions and conducted 12,334 hearings, forty percent of which were via video teleconference technology. The Board also conducted its first video hearings with appellants in Guam and American Samoa, which eliminated significant travel burdens on appellants residing in those areas. Furthermore, the Board reported that, in FY 2012, 26 percent of appellants who were scheduled for a travel board hearing did not report to the appointment. Hearings utilizing video teleconference technology would allow for greater flexibility for the Board when appellants fail to attend the scheduled hearing.

According to VA's testimony at the Committee's hearing on pending legislation on June 12, 2013, the Board is well-positioned to respond to the Committee bill. For example, much of the Board's video teleconference hearing equipment was recently upgraded; the Board has expanded its video teleconference capacity; and the Board successfully implemented its new virtual hearing docket, which provides electronic tracking and scheduling of all hearings. Further, VA's testimony indicated significant time savings result from the use of video teleconference technology. VA's testimony noted in FY 2012 video conference hearings, on average, were held nearly 100 days quicker than in-person hearings.

The Committee is also cognizant of the importance appellants and veterans service organizations place on the right of appellants to have an in-person hearing. Although VA's testimony indicated historical data shows no statistical difference in the allowance rate of appeals based on the type of hearing, the Committee included an exception in the Committee bill to protect an appellant's right to an in-person hearing.

Committee Bill. Section 523 of the Committee bill would amend section 7107 of title 38 to provide, with limited exceptions, that any hearing before the BVA be conducted using video teleconference technology.

Subsection (d)(2) of the amended section 7107 outlines the limited exceptions. First, it provides the appellant with an absolute right to request that a hearing be held in-person. Second, in-person

hearings may be conducted as BVA considers appropriate. For example, if judges are participating in previously scheduled travel and have the opportunity to conduct hearings, this provision would not limit BVA's ability to schedule such in-person hearings as it considers appropriate in ensuring appellants are provided with hearing opportunities in a timely manner.

The amendments made by section 523 of the Committee bill would apply to cases received by BVA pursuant to NODs submitted on or after the date of enactment. The Committee believes this provision would reduce hearing wait times, reduce travel time, allow existing resources to be utilized on issuing decisions, enable the Board to serve more veterans, and promote more efficient operations at BVA.

TITLE VI—OUTREACH MATTERS

Sec. 601. Program to increase coordination of outreach efforts between the Department of Veterans Affairs and Federal, State, and local agencies and nonprofit organizations.

Section 601 of the Committee bill, which is derived from S. 927, would require VA to carry out a 2-year demonstration project on coordinating with State and local government agencies and nonprofit organizations to increase veteran awareness of VA benefits and services.

Background. Under section 527 of title 38, U.S.C., VA is authorized to gather information for the purposes of planning and evaluating its programs. Similarly, chapter 63 of title 38, U.S.C., authorizes VA to conduct various outreach activities across each of its three administrations to ensure veterans and eligible dependents are aware and informed of VA benefits and services.

According to an October 18, 2010, report entitled “National Survey of Veterans” prepared by *Westat*, nearly 60 percent of veterans did not understand or were not fully aware of the benefits and services available to them. VA is required to report its outreach activities every 2 years, beginning in 2008, under section 6308 of title 38, U.S.C. Despite this requirement, Congress did not receive the December 1, 2012, outreach report by the date required in law. Continued inaction demonstrates to the Committee that the report is not a priority and consequently nor is the management of VA outreach activities.

Inadequate attention to outreach activities negatively may affect how well benefits and services are utilized. VSOs have called into question the amount of emphasis VA ascribes to its outreach activities. On June 12, 2013, The American Legion testified that only a fraction of the 22 million veterans in America use the services available to them. Likewise, DAV's testimony noted dozens of other veterans organizations are also engaged in continual outreach to veterans across the country, reaching hundreds of thousands of veterans each year. The need to improve VA outreach activities in order to better inform, educate, and assist veterans in availing themselves of earned benefits and services was also echoed by Military Officers Association of America (hereinafter, “MOAA”), VFW, Iraq and Afghanistan Veterans of America (hereinafter, “IAVA”), PVA, and the National Governors Association.

It is important to recognize that not all veterans have been captured by VA outreach activities in recent years, which by and large have targeted the newest generation of veterans. Similarly, awareness among National Guard and Reserve components present a distinct challenge. National Guard and Reserve members transition from active-duty to civilian life, often on multiple occasions as a result of numerous deployments. Transition in and out of active-duty military service leaves some Guard and Reserve members unaware and unclear of their status as a veteran. As a result of insufficient awareness, Guard and Reserve members leave active-duty with no or limited understanding of their veterans' benefits. When members of the Armed Forces, past and present, exit the military their primary focus is on a return to family, friends, communities, and careers. Veterans' benefits and enrollment in VA health care may not typically be at the forefront of most of their minds after leaving active-duty. Moreover, factors such as youth, military culture, and stigma still inhibit some exiting servicemembers from proactively seeking VA health care, especially in the area of mental health.

In a 2009 study entitled "All Volunteer Force: From Military to Civilian Service" conducted by *Civic Enterprises*, a consulting firm to nonprofits, a veteran from the wars in Iraq and Afghanistan asserted, "Recognize our usefulness. We are not charity cases. We are an American asset." Community work and volunteerism taps into this willingness to serve for the greater good. Psychologists have suggested this type of interaction between veterans and community can be therapeutic, noting a sense of well-being is correlated with social engagement. In April 2012, the *Center for a New American Security* published, "Well After Service: Veteran Reintegration and American Communities" and reported that successful Federal, State, and local collaborations were found to leverage resources, mitigate needless duplication of services, and enhance the community's culture of support by developing a network of outreach opportunities to reach and serve veterans.

Outreach activities need to be more prevalent. Current outreach activities at the Federal, State, and local levels do little to foster collaboration and cooperation. Competitive grants are a viable alternative to current efforts. Community-based organizations must complement VA outreach activities, not supplant them.

Committee Bill. Section 601 of the Committee bill would require VA to establish a 2-year program to competitively award grants to eligible State and local government entities, as well as nonprofit community-based organizations. The program would require VA to evaluate grant proposals by eligible entities for activities that improve coordination and collaboration of outreach activities related to veterans' benefits and services across Federal, State, and local assets. Eligible entities would be required to submit grant proposals that provide sufficient documentation in support of either current or planned outreach activities that increase coordination of benefits and services for veterans. Likewise, grant proposals under consideration would also be required to provide sufficient documentation in support of outreach activities that improve collaboration between VA and Federal, State, and local government and nonprofit providers of health care and benefit services for veterans.

It is the intent of the Committee for grant proposals under the program to be thoroughly evaluated by VA for the purpose of in-

creasing awareness and accessibility of benefits and services for veterans. Grant proposal submissions under this program should be reviewed by the Department in support of improving VA strategy, development, and reassessment of its outreach activities. Under the program, VA would have greater visibility of outreach activities administered outside of VA, allowing the Department to examine and assess grant proposals for effectiveness. VA would be able to also identify opportunities for greater collaboration of outreach activities, in order to leverage all applicable local outreach activities that reach, inform, and assist more veterans and their family members. It is the intent of the Committee for grants awarded under this program to be widespread.

It is also the intent of the Committee for information obtained under the program to render VA a snapshot of various veteran populations across the country, especially at locations where the Federal government has limited presence in and around a community. As a result, VA should be better able to identify localized activities that effectively augment its own outreach activities. Furthermore, it is intent of the Committee for information submitted with grant proposals to offer VA greater insight into the changing trends of effective outreach across the country. The program would award grants for a 2-year period, with an option to extend the program an additional 2 years. An authorized appropriation of \$2.5 million for FY 2015 and FY 2016 would fund the program.

Sec. 602. Cooperative agreements between Secretary of Veterans Affairs and States on outreach activities.

Section 602 of the Committee bill, which is derived from S. 927, would authorize VA to enter into cooperative veterans outreach agreements and arrangements with State agencies and departments.

Background. Currently, all fifty States have some form of State veterans' service for administering benefits and services for veterans. Each State, including the District of Columbia, America Samoa, Guam, Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands, is represented in the National Association of State Directors of Veterans Affairs. The way a State administers its State veterans' services differs by jurisdiction, while some States have agencies or services, others have commissions or boards, but all are recognized by VA as State Departments of Veterans Affairs (hereinafter, "SDVA").

Nationally, States provide the second largest amount of services to veterans. Combined, State veterans' services administered benefits and services amounting to over \$6 billion in 2012. Support for veterans and their family members continues to swell despite State budget constraints. State veterans' services tend to work with the various veterans' organizations to raise awareness among veterans about the many benefits and services offered by Federal and State governments, regardless of a veteran's age, gender, era of service, military branch, or circumstance of exiting the service.

Having benefits and services for veterans that are offered at both the Federal and State level is not a new development. However, as recent as January 2012, VA had no formal partnership between States. VA also lacked a formal partnership with the National Association of State Directors of Veterans Affairs (hereinafter,

“NASDVA”). In February 2012, VA signed an MOU with NASDVA to maintain effective communications between the two organizations, to exchange ideas and information, to identify changes or new requirements, and to allow for continuous reevaluation to identify complementary and redundant programs. In March 2013, the NASDVA testified before the Committee regarding the need to increase interaction between Federal and State governments. Later in April 2013, the Massachusetts Department of Veterans’ Services testified before the Committee about how better collaboration between Federal and State governmental assets could benefit veterans who traditionally do not use VA. For example, the Massachusetts Secretary of Veterans’ Services indicated how his organization was able to produce an information technology solution that was made possible by a \$1 million Federal grant provided through P.L. 111–5, the American Recovery and Reinvestment Act (hereinafter, “ARRA”), which greatly increased the accessibility of benefits and services among veterans living in Massachusetts. The result demonstrated how collaboration between the Federal government and a State government can successfully increase access and availability of benefits and services for veterans and their family members.

Committee Bill. Section 602 would amend chapter 63 of title 38, U.S.C., by granting VA authority to proactively engage with State partners to ensure outreach activities by the Department reach and impact veterans. Under this section, VA would also be directed to report agreements and arrangements entered into with States in its annual report required under chapter 63 of title 38, U.S.C. It is the intent of the Committee for VA to furnish its outreach report annually, thereby ensuring VA is more proactive in engaging State veterans’ services. Regardless of where veterans reside, they should have similar access to Federal and State benefits and services. Federal and State governments should work together to increase communication and collaboration to achieve this goal. By codifying the authority and requiring agreements and arrangements reached between VA and States to be included in the annual outreach report, the Committee intends for VA to improve its reporting of activities and findings associated with all outreach activities while also identifying the collaborations and cooperation between VA and SDVAs.

Sec. 603. Advisory committee on outreach activities of Department of Veterans Affairs.

Section 603 of the Committee bill, which is derived from S. 927, would authorize VA to establish an advisory committee on outreach activities.

Background. According to an October 18, 2010, report issued by *Westat* entitled “National Survey of Veterans,” nearly 60 percent of veterans did not understand or were not fully aware of the benefits and services available to them. The Office of Public and Intergovernmental Affairs is responsible for evaluating and planning VA outreach activities and on April 24, 2013, Assistant Secretary Sowers testified before the Committee regarding current efforts. According to written testimony, VA outreach activities rest upon three pillars: centralized planning with decentralized execution; leveraging technology; and maximizing partnerships. Moreover, VA is required to biennially report its outreach activities under section

6308 of title 38, U.S.C., and required to submit the report to Congress by December 1st of each even-numbered year.

Congress relies on the submission of the outreach report to evaluate and assess VA operations and oversight of such activities. VSOs have also called into question the amount of emphasis VA ascribes to its outreach activities. On June 12, 2013, The American Legion testified that only a fraction of the 22 million veterans in America use the services available to them. Likewise, DAV's testimony noted dozens of other veterans organizations are also engaged in continual outreach to veterans across the country, reaching hundreds of thousands of veterans each year. The need to improve VA outreach activities in order to better inform, educate, and assist veterans in availing themselves of earned benefits and services was also echoed by MOAA, VFW, IAVA, PVA, and the National Governors Association.

VA advisory committees provide an alternative, outside-looking-in perspective. Advisory committees offer VA an independent assessment and evaluation of a wide variety of its programs for veterans. VA has 15 advisory committees established by statute; each independently authorized under title 38, U.S.C. Furthermore, VA has nine non-statutory advisory committees, which operate under the Federal Advisory Committee Act and assess specific policies or programs. The general purpose of an advisory committee is to advise the Secretary on issues related to a specified objective and scope of activity, as well as offer policy or program recommendations.

Committee Bill. Section 603 of the Committee bill would require VA to establish an advisory committee on national outreach activities. The advisory committee would be comprised of individuals selected by the Secretary who are well-regarded in their respective fields of public relations, communications, and marketing. Also under this section, the Assistant Secretary for Public and Intergovernmental Affairs would be directed to consult with the advisory committee not less than quarterly on matters relating to the duties of the Advisory Committee. The advisory committee should submit a review of its activities and findings for inclusion in the outreach report required under section 6308 of title 38, U.S.C. Furthermore, it is the intent of the Committee for the Office of Public and Intergovernmental Affairs to maintain proactive collaboration with the advisory committee regarding all national outreach activities to ensure VA is strategically and effectively informing, engaging, and evaluating national outreach activities. Finally, the advisory committee will terminate on October 1, 2015.

Sec. 604. Advisory boards on outreach activities of Department of Veterans Affairs relating to health care.

Section 604 of the Committee bill, which is derived from S. 927, would require VA to establish an Advisory Board (hereinafter, "AB") on outreach activities at each health care system.

Background. A report prepared by Westat in 2010 entitled "National Survey of Veterans" showed nearly 60 percent of veterans did not understand or were not fully aware of their benefits and services. VA is required to report its outreach activities every 2 years, beginning in 2008, under section 6308 of title 38, U.S.C. Despite the requirement, Congress did not receive the December 1,

2012, outreach report from the Department until July 22, 2013. This inability to submit a biennial report to Congress by the date required in law demonstrates the report is not a priority and consequently nor is the management of VA outreach activities.

Congress relies on the submission of the outreach report to evaluate and assess VA outreach activities. On April 24, 2013, organizations supporting veterans and their families testified on the lack of emphasis placed upon outreach activities at VA. VSOs have also called into question the amount of emphasis VA ascribes to outreach activities. On June 12, 2013, The American Legion testified that only a fraction of the 22 million veterans in America use the services available to them. Likewise, DAV's testimony noted dozens of other veterans organizations also engage in continual outreach activities to complement VA efforts, and in doing so reach hundreds of thousands of veterans each year. Moreover, in written testimony submitted to the Committee for the June 12th hearing, a real need to improve VA outreach activities in order to better inform, educate, and assist veterans in availing themselves of earned benefits and services was echoed by MOAA, VFW, IAVA, PVA, and the National Governors Association.

VHA consists of 21 VISNs. Some VISNs may have a few medical centers located in and around a major urban setting. In such a case, one medical center will be designated a parent facility and the relationship between these few medical centers is referred to as a health care network. Moreover, VA Central Office has not recommended that a communications position be included as part of each VISN's core staff. Without a core position designated at the VISN level, communications and other outreach is done in a piecemeal approach across a network. Individual medical centers do a variety of local outreach activities. However, the cross-pollination between medical center outreach activities with a VA RO or with network Vet Centers is not common.

Committee Bill. Section 604 of the Committee bill would require VA to establish an AB at each health care system. An AB would be comprised of local individuals who are well-regarded in their respective fields of public relations, communications, and marketing. Members would also include VA employees involved in press and public relations strategy and veterans who have experience in those fields as well. This section would also require the director of a health care system to collaborate with the activities of the AB. It is the intent of this section to have collaborative planning at each health care system for purposes of comprehensive and effective outreach activities at the local level. Furthermore, it is the intent of this Committee that collaboration between the director, press and public relations staff at VA health care systems, and the AB on outreach activities ensures VA is strategically and effectively informing, engaging, and continually evolving outreach activities at the local level.

In addition, any AB established under this section would terminate 3 years after the date specified in subsection (h). Finally, this section shall take effect on a date that is 1 year after the date of enactment.

Sec. 605. Modification of requirement for periodic reports to Congress on outreach activities of the Department of Veterans Affairs.

Section 605 of the Committee bill, which is derived from S. 927, would amend current law to require VA submit to Congress an outreach report annually instead of biennially.

Background. Under current law, section 6308 of title 38, U.S.C., VA is required to submit a report to Congress on the outreach activities carried out by the Department not later than December 1 of every even-numbered year beginning in 2008. The report requires VA to provide a description of the outreach activities during the preceding FYs of the biennial plan required under section 6302 of this title. In addition, the report required under section 6308 of title 38 must include recommendations for the improvement and streamlining of outreach activities of the Department.

Committee Bill. Under section 605, VA would be required to submit the outreach report annually. By requiring the biennial report to be submitted annually, it is the intent of this Committee to increase the emphasis placed upon outreach activities at VA and hold the Department accountable.

TITLE VII—EMPLOYMENT AND RELATED MATTERS

SUBTITLE A—EMPLOYMENT MATTERS

Sec. 701. Employment of veterans with the Federal government.

Section 701 of the Committee bill, which is derived from S. 495, would require Federal agencies to develop plans to hire an aggregate of 15,000 veterans to existing vacancies within 5 years using the VRA and VEOA authorities.

Background. According to the United States Bureau of Labor Statistics, the unemployment rate for Gulf War-era II veterans was 9.9 percent in 2012. Although this represented a decline of 2.2 percent from 2011, newly-separated veterans are still entering the toughest civilian labor market in a generation. Specifically, recently separated veterans are facing hurdles transitioning their military skillsets to civilian employment or identifying occupations, in which they are interested, that lead to long-term employment.

Since FY 2007, the Federal executive branch has increased the number of veterans it employs from 462,282 to 567,314 in FY 2011. This represents a 22.7 percent increase, or 105,032 additional hires over 5 years. These overall increases have been contained mostly within two Federal agencies: DOD and VA. Over the same 5-year period, DOD and VA were responsible for the hiring of 89,555 additional veterans, while the rest of the Federal executive branch was responsible for only 15,015 collectively.¹

Federal agencies have several special appointing authorities for veterans to allow Federal hiring managers to quickly employ qualified veterans. These authorities allow the Federal government to retain veterans who received extensive training while in the military. Section 4214 of title 38, U.S.C., establishes VRA authority by which agencies can, if they wish, appoint eligible veterans without

¹ Information on Federal executive branch hiring of veterans was compiled from the OPM report “Employment of Veterans in the Federal Executive Branch Fiscal Year 2007” and “Employment of Veterans in the Federal Executive Branch Fiscal Year 2011.”

competition to positions at any grade level through General Schedule 11 or equivalent. VRA appointees are hired under excepted appointments to positions that are otherwise in the competitive service. After 2 years of satisfactory service, the agency must convert the veteran to career or career-conditional appointment, as appropriate.

Additionally, VEOA, as amended by section 511 of P.L. 106-117, the Veterans Millennium Health Care Act, provides that agencies must allow preference eligible or other eligible veterans to apply for positions announced under merit promotion procedures when the agency is recruiting from outside its own workforce. A VEOA-eligible who competes under merit promotion procedures and is selected will be given a career or career-conditional appointment. Both VRA and VEOA provide Federal hiring managers with the tools to quickly and easily hire eligible veterans, while also providing veterans with the certainty that if they work hard their positions will be converted into career appointments.

In FY 2011, DOD and VA were responsible for slightly more than 80 percent of the 47,093 total full-time permanent new veteran hires across the Federal executive branch. During that time, DOD and VA hired 37,792 veterans in total to full-time permanent positions. Further, DOD and VA used VRA or VEOA to hire 22,676, or 60 percent, of those positions. In contrast, for that same period, the other Federal agencies hired 9,301 veterans to new full-time permanent positions, with only 2,088 of those using VRA or VEOA.²

Committee Bill. Section 701 of the Committee bill would amend section 4214 of title 38, U.S.C., by directing Federal agencies, in consultation with the Director of OPM, to develop a plan to hire 15,000 qualified veterans during a 5-year period starting on the enactment of the Committee bill.

Specifically, section 701 of the Committee bill requires the Director of OPM to ensure these plans result in appointment of no fewer than 15,000 qualified covered veterans in total using VRA or VEOA. For the purposes of calculating whether Federal agencies have hired 15,000 qualified covered veterans, those veterans hired under either VRA or VEOA by DOD or VA will be excluded. Furthermore, only those veterans hired under VEOA to a full-time and permanent position will count towards the total.

The section would require each agency to annually report to Congress, during the 5-year period of this requirement, information on the pay or grade level of appointments, and whether the appointments are converted to permanent appointments. Also, no later than 180 days after the date of enactment of the Committee bill, the Director of OPM must report to Congress on the development of a plan to carry out this section.

The Committee has confidence that both DOD and VA understand the skills that veterans provide to their workforce, which is evident by the large numbers of veterans hired and retained annually. By implementing this requirement, other Federal agencies will have to proactively identify talented veterans and include them into their workforces. Once Federal hiring managers become more familiar with hiring veterans and understand the unique skillsets

²Information on Federal executive branch hiring of veterans was compiled from the OPM report "Employment of Veterans in the Federal Executive Branch Fiscal Year 2011."

and qualifications veterans developed during their military service, the Committee believes Federal agencies will be more proactive in hiring veterans.

Sec. 702. State recognition of military experience of veterans in issuing licenses and credentials to veterans.

Section 702 of the Committee bill, which is derived from S. 495, would, as a condition of receiving funding through the Jobs for Veterans State Grants (hereinafter, "JVSG") program, require States to recognize military experience when issuing licenses and credentials to veterans. This section would require States to issue licenses and credentials to certain veterans without requiring such veterans to undergo further training.

Background. Section 4102A(c) of title 38, U.S.C., provides the conditions for the receipt of funds for States participating in the JVSG program. The JVSG helps veterans find employment by providing employment services through funding for Disabled Veterans' Outreach Program (hereinafter, "DVOP") specialists and Local Veterans' Employment Representatives (hereinafter, "LVERs"). DVOPs and LVERs are State employees whose salaries and benefits are funded through formula grants to the States. DVOPs provide intensive services to veterans and LVERs focus on outreach to employers.

States are primarily responsible for issuing occupational licenses and credentials required to perform certain occupations. It is unknown the exact number of unique licenses or credentials issued by States: for example, according to information provided by The American Legion, the State of Illinois issues more than 200 occupational licenses while other States may issue as few as 40. Additionally, there may be as many as 4,000 national certifications that are recognized by employers or States. These varying State requirements make it difficult for veterans, who have transitioned from active duty to civilian life with extensive training, to navigate the labor market after they separate from the military. For those veterans who want to pursue an occupation related to their Military Occupational Specialty (hereinafter, "MOS"), they may have the requisite experience and training, but many times are unable to prove that fact to the State agencies charged with issuing the required license or credential.

Without the appropriate documentation or the State's ability to fully evaluate the training servicemembers received, many States will require veterans to retake training as if they have no existing experience. Since 2011, according to The American Legion, at least 27 States have taken legislative action to make it easier for veterans to obtain the license or credentials they are qualified for based on previous experience. One example of these efforts is North Carolina House Bill 799 (Session Law 2012-196. Passed July 24, 2012), which requires North Carolina occupational licensing boards to issue veterans licenses if: (1) the veteran has completed equivalent military training, (2) has been active in the occupation for 2 out of the last 5 years, (3) has not committed any act that would be grounds for refusal, and (4) pays the applicable fees. Other States including Colorado, Oklahoma, and Washington have all passed laws that require the appropriate State agency to take military training and experience into account when evaluating whether

to issue a license. However, even with these improvements, many States lack fully developed programs that could easily improve the job prospects of veterans.

Committee Bill. Section 702 of the Committee bill would amend section 4102A(c)(9) of title 38, U.S.C., by requiring as a condition of receipt of JVSG funds that States establish a program to administer an examination to each veteran seeking a license or credential issued by the State in order to evaluate competency and, if passed, forego additional training. A veteran would qualify for the requisite license or credential if the veteran: (1) receives a satisfactory score on the examination, as determined by the State; (2) has been awarded an MOS that is “substantially equivalent or exceeds the requirements of the State;” (3) has engaged in active practice of the occupation for 2 out of the last 5 years; and (4) pays any customary and usual fees.

Additionally, the section allows the Secretary of Labor to waive the examination requirement if the State certifies that: (1) the State already takes into account previous military training when issuing licenses and credentials; (2) the State permits veterans to satisfy training or testing requirements through examination; or (3) for any credential or license for which a veteran is unable to completely satisfy the requirements through the examination, the State must substantially reduce the training time required to satisfy such requirement.

In the Committee’s opinion, this requirement gives States the flexibility to meet the mandate while at the same time achieving the goal of easing the burden veterans’ face when transitioning skills from the military into the civilian workforce. States have the authority to develop examinations that meet their differing standards in order to ensure that veterans who pass them are experienced and knowledgeable about the occupational area the examination covers.

Sec. 703. Report on unified government Internet portal for veterans on jobs available through the Federal government.

Section 703 of the Committee bill, which is derived from S. 495, would require DOL to compile a list of Internet Web sites and applications that are beneficial for veterans in pursuit of employment. This section would also require DOL to report to the Veterans’ Affairs Committees on the feasibility and advisability of creating a single, unified employment portal.

Background. There has been a proliferation of both public and private sector job search engines targeted at veterans. Federal agencies, individual companies, and trade associations have independently developed products; these products vary in effectiveness based on the algorithm used or other variables. Although there are many effective programs, those that are less effective can lead to confusion and frustration for veterans seeking to identify occupations based on their military experience.

Many of the currently available products have an MOS translator, which evaluates the information provided by the veteran to determine which civilian occupations are related to the veteran’s military experience. Fewer products also contain the ability for companies to directly post jobs or allow the company to search for veterans with a specific MOS. The ability to have employers di-

rectly post jobs is more effective in linking veterans with potential employers versus those products that only aggregate job openings from other Web sites. Veterans using sites that only aggregate job postings often find listings that are duplicated or no longer exist. The products currently used at DOL-funded workforce offices do not contain both the capability of using an MOS translator and listing job openings posted directly from employers.

Committee Bill. Section 703 of the Committee bill would require the Secretary of Labor, in consultation with the Secretary of Veterans Affairs and Secretary of Defense, to identify Internet Web sites and applications that assist veterans seeking employment. Specifically, the Secretary of Labor should identify Web sites and applications that match veterans seeking employment with available jobs based on skills acquired in the Armed Forces, and permit employers to post information on available jobs.

Further, the section requires the Secretary of Labor to submit a report to Congress on the feasibility and advisability of creating a single, unified Internet-based employment portal for the Federal government. The report should include information on the potential cost, needed collaboration with other Federal agencies, and the utilization of the portal by veterans.

This section would take effect 1 year after the date of enactment.

The Committee believes it is important that DOL has a full understanding of Internet Web sites and applications that are currently available by other Federal agencies and the private sector. With this understanding, DOL can better disseminate that information to workforce centers or the veteran population at large. The Committee also believes that assessing whether or not there should be a single Federal government Internet Web site for veteran employment is imperative. The continual development of veteran employment products and portals by Federal agencies are often duplicative, ineffective in assisting veterans, or a poor value to taxpayers.

Sec. 704. Information on disability-related employment and education protections in Transition Assistance Program.

Section 704 of the Committee bill, which is derived from S. 889, would improve TAP by requiring DOL to provide transitioning servicemembers with information regarding disability-related employment and education protections.

Background. Current law, section 1144 of title 10, U.S.C., requires the Secretary of Labor to establish and maintain TAP in order to provide servicemembers separating from the Armed Forces with counseling, assistance with identifying or obtaining employment and training opportunities, and other related information. TAP is delivered via a partnership between DOD, DOL's Veterans' Employment and Training Service, VA, the Small Business Administration, and Department of Homeland Security. TAP includes a wide variety of employment-related training lessons and VA benefits briefing. Under current law, and pursuant to section 221 of the VOW to Hire Heroes Act of 2011 (Public Law 112-56; 38 U.S.C. 4100 note), participation in TAP is mandatory for all servicemembers transitioning from active duty, with certain limited exceptions.

Committee Bill. Section 704 of the Committee bill would amend section 1144(b) of title 10, U.S.C., by adding an additional paragraph that would require the Secretary of Labor to provide information, during TAP, about disability-related employment and education protections. TAP is a critical resource for servicemembers separating from the Armed Forces. DOD, VA, and DOL have made significant efforts to revise TAP to make the program focused and responsive to individual needs and modular in order to allow individuals to be assessed for specific needs and subsequently receive training in those areas. Nevertheless, the Committee finds that transitioning servicemembers are not receiving sufficient information regarding disability-related employment and education protections available to veterans. As a result, veterans with service-connected disabilities may not be aware of their protections as they seek meaningful employment after leaving military service.

SUBTITLE B—SMALL BUSINESS MATTERS

Sec. 711. Expansion of contracting goals and preferences of Department of Veterans Affairs to include conditionally owned small business concerns 100 percent owned by veterans.

Section 711 of the Committee bill, which is derived from S. 495, would expand VA contracting goals and preferences to include conditional ownership of small business concerns if such small business concerns are 100 percent owned by one or more veterans.

Background. Under current law, section 8127 of title 38, U.S.C., VA is required to establish contracting goals for Veteran Owned Small Businesses (hereinafter, “VOSB”) and Service Disabled Veteran Owned Small Businesses (hereinafter, “SDVOSB”). Further, the section grants VA authority to use certain contracting preferences to meet the established goals and requires a VOSB and SDVOSB to be certified by VA prior to being awarded a contracting preference under the section.

Committee Bill. Section 711 of the Committee bill would amend section 8127(l) of title 38, U.S.C., by redefining the term “small business concern owned and controlled by veterans” to include conditional ownership of small business concerns 100 percent owned by one or more veterans.

VOSBs and SDVOSBs have been denied verification by VA because the veteran owners, despite owning 100 percent of the company, have established rights of first refusal or other riders into their operating agreements. The Committee believes companies wholly owned by veterans should be entitled to contracting preferences regardless of issues related to transfer or termination. This section of the Committee bill will ensure veterans are able to establish operating agreements and small business concerns that protect their economic interests.

Sec. 712. Modification of treatment under contracting goals and preferences of Department of Veterans Affairs for small businesses owned by veterans of small businesses after death of disabled veteran owners.

Section 712 of the Committee bill, which is derived from S. 430 and S. 495, would permit the surviving spouse of a veteran owner of a small business, who is less than 100 percent disabled and

whose death is not a result of a service-connected disability, to maintain the status of such small business concern for up to 3 years following the death of such veteran.

Background. Under current law, section 8127(h) of title 38, U.S.C., if the death of a veteran causes a small business to be less than 51 percent owned by one or more veterans, the surviving spouse may be treated as if the surviving spouse is the veteran under limited circumstances for up to 10 years for the purpose of receiving contracting preferences from VA. Specifically, the spouse can only retain the status as an SDVOSB if, following the death of the veteran owner, the spouse acquires ownership rights of at least 51 percent and the veteran had a service-connected disability rated as 100 percent disabling or if the veteran died as a result of a service-connected condition.

For spouses not covered by section 8127(h), the small business concern immediately loses the SDVOSB designation, thus precluding them from benefiting from future VA procurement preferences.

Committee Bill. Section 712 of the Committee bill would amend section 8127(h) of title 38, U.S.C., by providing that the surviving spouse may retain the SDVOSB designation for a period of up to 3 years in cases where the veteran had a service-connected disability rated at less than 100 percent or who did not die as a result of a service-connected condition.

The Committee is concerned that surviving spouses may be forced to quickly sell the company or go out of business following the death of a disabled veteran if the small business loses the SDVOSB designation immediately upon death of the veteran. The 3-year period will provide adequate time for the surviving spouse to evaluate what course of action is appropriate for the small business following the death of the veteran.

Sec. 713. Treatment of businesses after deaths of servicemember-owners for purposes of Department of Veterans Affairs contracting goals and preferences.

Section 713 of the Committee bill, which is derived from S. 430 and S. 495, would permit the surviving spouse of a servicemember who owns at least 51 percent of a small business concern and dies in the line of duty to maintain the status of such small business concern for up to 10 years following the death of such servicemember.

Background. Current law, section 8127 of title 38, U.S.C., requires VA to establish contracting goals for VOSBs and SDVOSBs. Further, the section grants VA authority to use certain contracting preferences to meet established goals and requires a VOSB or SDVOSB to be certified as eligible by VA prior to being awarded a contract under this section. To be eligible, a former servicemember must be a veteran as defined by section 101(2) of title 38, U.S.C. A servicemember who is wounded in action, upon discharge, will meet the statutory definition of a veteran and become eligible for certain VA contracting preferences. Current law provides, under section 8127(h) of title 38, U.S.C., that if a wounded veteran establishes eligibility and is certified as an SDVOSB, the surviving spouse can retain the designation for VA contracting preferences if the veteran dies and is rated as 100 percent disabled or dies as a

result of a service-connected disability. However, if a servicemember dies on active duty in the line of duty, he or she will never have the ability to apply for the SDVOSB designation, and any surviving spouse or dependent would not be viewed as an SDVOSB for the purposes of VA contracting following the servicemember's death.

Additionally, according to DOD, since September 11, 2001, 6,742 servicemembers have died in the line of duty while serving in Iraq or Afghanistan. Further, of those servicemembers, at least 690 were members of the Army National Guard, Army Reserves, or Marine Corps Reserves.

Committee Bill. Section 713 of the Committee bill would amend section 8127 of title 38, U.S.C., by inserting a new subsection (i). The new subsection would provide that, if a member of the Armed Forces dies in the line of duty while on active duty and owned at least 51 percent of a small business prior to his or her death, the surviving spouse or dependent, who acquired the ownership rights of the small business, will be treated as a service-disabled veteran for the purposes of SDVOSB certification and VA contracting preferences.

Surviving spouses may retain the SDVOSB designation until the date they remarry, the date they no longer own and control 51 percent of the small business, or the date that is 10 years after the death of the servicemember. Dependents may retain the designation until they no longer own and control 51 percent of the small business or the date which is 10 years after the death of the servicemember.

SDVOSB contracting goals and preferences are designed to help service-disabled veterans lead productive and fulfilling lives after their military service by recognizing the sacrifice of those who were wounded in service to their country. The Committee believes extending the SDVOSB designation to surviving spouses and dependents, who have lost family members in the line of duty, is a small recognition of their sacrifice and may assist them in successfully operating their businesses.

Sec. 714. Special rule for treatment under contracting goals and preferences of Department of Veterans Affairs of small business concerns licensed in community property States.

Section 714 of the Committee bill, which is derived from S. 495, would require VA to consider small businesses, licensed in a community property State, as if such small business were licensed in a non-community property State if such consideration would result in a greater ownership of such small business concern for purposes of eligibility as a veteran-owned small business.

Background. In community property States, married persons are considered to own their property, assets, and income jointly. In the event of divorce, the individuals will be entitled to half ownership of any asset or property acquired or established during the divorce. Currently, there are nine community property States: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin.

For the purposes of certifying as an SDVOSB or VOSB, under section 8127 of title 38, U.S.C., veteran small business owners must demonstrate they unconditionally own and control at least 51

percent of a small business to be eligible. This includes the requirement that a veteran has the ability to sell the small business without any limitations. Veterans who are married and reside in a community property State have been denied certification because VA believes their States' community property laws preclude the veterans from unconditional ownership and control. VA's denials are based on the assumption that, if a veteran were to divorce while residing in a community property State, the veteran would automatically lose his or her controlling interest because the spouse is entitled to half of the company.

Committee Bill. Section 714 of the Committee bill would amend section 8127 of title 38, U.S.C., by establishing a special rule for community property States. Specifically, the rule would require VA to assess the degree of ownership by an individual of a small business in a community property State, and also assess what that degree of ownership would be if the small business had been licensed in a non-community property State. If VA determines the individual would have a greater degree of ownership in the non-community property State, the Secretary shall treat the small business as if it was licensed in a non-community property State.

The Committee believes VA should evaluate a small business based on current control and ownership, not on issues that may arise in the future. If a veteran loses majority ownership or no longer has unconditional control, the veteran has a legal obligation to report such a change to VA. If, due to those changes, the veteran or the small business is no longer eligible, VA has the authority to revoke the designation or require the veteran owner to make the needed modifications to the operating agreement. Section 714 of the Committee bill ensures veterans are not put at a disadvantage solely based on the State wherein their small business is licensed.

TITLE VIII—OTHER MATTERS

Sec. 801. Consideration by Secretary of Veterans Affairs of resources disposed of for less than fair market value by individuals applying for pension.

Section 801 of the Committee bill, which is derived from S. 748, would create a 3-year look-back period and a maximum 3-year penalty period for purposes of determining eligibility for VA pension benefits, by allowing VA to consider the resources of individuals applying for pension that were recently disposed of for less than fair market value.

Background. Under current law, sections 1513 and 1521 of title 38, U.S.C., pension benefits are provided to veterans of a period of war who meet service requirements and are permanently and totally disabled from non-service-connected disabilities or veterans who meet service requirements and are 65 years of age or older. Under section 1541 of title 38, U.S.C., surviving spouses of veterans of a period of war who meet service requirements or were receiving compensation or retirement pay for a service-connected disability at the time of a veteran's death are eligible for pension benefits. Certain children of veterans of a period of war are also eligible to receive pension benefits under section 1542 of title 38, U.S.C. In addition to these basic pension benefits, an increased pension is provided to veterans and surviving spouses with a dependent child

or children under sections 1521 and 1541 of title 38, U.S.C. Increased pension is also available for veterans and surviving spouses who need assistance with the activities of daily living. This increased benefit is commonly referred to as aid and attendance.

VA's pension program is a need-based program and, in addition to service and disability requirements, veterans, surviving spouses, and children must meet income and net worth requirements in order to qualify for pension benefits. The net worth limitations of VA's pension program are provided by sections 1522 and 1543 of title 38, U.S.C. Currently, VA calculates net worth at the time of application and would not consider assets disposed of or transferred prior to application as part of the claimant's net worth.

In May 2012, the GAO issued a report outlining a number of weaknesses in VA's pension program. GAO-12-540, "Veterans' Pension Benefits: Improvements Needed to Ensure Only Qualified Veterans and Survivors Receive Benefits, May 2012." One of the weaknesses identified by the report was the ability of claimants to transfer assets prior to application for VA pension benefits. As a result of this weakness, veterans or other claimants without financial need are able to obtain a need-based benefit. Also of significant concern to the Committee is the growing industry of organizations, identified by GAO's investigation and report, marketing financial products and services in order to qualify claimants for VA pension benefits.

The GAO report also identified financial products and services marketed by these organizations that may be harmful to veterans or other pension beneficiaries. One example referenced by GAO involved an organization that provided a financial plan that included a deferred annuity for an 86-year-old veteran. Payments from this deferred annuity would not have been generated until after the life expectancy of the veteran. This example highlights the potential harmful impacts of the products and services being offered by some of these organizations. Individual Members of the Committee have and continue to work with members of the consumer protection community, including the Consumer Financial Protection Bureau, the National Association of Insurance Commissioners and the Federal Trade Commission, to address these issues. Despite this ongoing engagement, the practices and prevalence of these organizations remain of significant concern to the Committee.

Committee Bill. Section 801 of the Committee bill would amend section 1522 of title 38, U.S.C., in subsection (a) by adding at the end a new paragraph which would create a 3-year look-back period and a maximum 3-year penalty period for purposes of determining eligibility for need-based pension benefits provided by VA to veterans of a period of war.

Specifically, this new paragraph would require VA to deny or discontinue the payment of pension benefits if a veteran, or the veteran's spouse, disposed of covered resources for less than fair market value during a 3-year look-back period. This new paragraph would define a covered resource as any resource that was part of the corpus of a veteran's estate, or a veteran and spouse if married, that VA considers could reasonably have been used for the veteran's maintenance. VA may also consider the transfer of an asset, including transfers to an annuity, trust or other financial instruments or investments, as a disposal of a covered resource for less

than fair market value if it reduces the corpus of a veteran's estate that could reasonably have been used for the veteran's maintenance.

The look-back period provided by this new paragraph would be 36 months before the date the veteran applied for pension or, if later, the date on which a veteran or the veteran's spouse disposed of covered resources for less than fair market value. The penalty period would begin on the first day of the first month in or after which covered resources were disposed of for less than fair market value and does not occur during another period of pension ineligibility.

The penalty period would be calculated by dividing the total, cumulative uncompensated value of the portion of covered resources, which VA determines would reasonably have been consumed for the veteran's maintenance, that were disposed of during the look-back period by the maximum monthly pension that is payable to a veteran under section 1513 or 1521 of title 38, U.S.C. This maximum amount would include the maximum amount of increased pension payable because of family members. However, it would not include any amount of pension payable because a veteran is in need of regular aid and attendance or is permanently housebound. The penalty period derived by this calculation would be rounded down to the nearest whole number and may not exceed 36 months. The Committee believes using a generic divisor (in this paragraph the maximum amount of monthly pension payable to a veteran), in each of the calculations contemplated by the Committee bill, would reduce the impact of implementing this provision on VA's already burdened claims processing system.

The Committee bill would also amend section 1522 of title 38, U.S.C., in subsection (b) by adding at the end a new paragraph that would create a 3-year look-back period and a maximum 3-year penalty period for purposes of determining eligibility for increased pension benefits as a result of a dependent child.

The Committee bill would further amend section 1522 of title 38, U.S.C., by adding a new subsection (c). New subsection (c)(1) would prohibit VA from denying or discontinuing pension benefits to a veteran if all resources transferred for less than fair market value were returned to the individual who disposed of such resources. It would also provide that partial returns could be used to reduce a penalty period by taking into account a partial return of resources. It would also create an exception to the denial or discontinuance of pension benefits if it would create an undue hardship.

Previous testimony from the bill's sponsor, Senator Wyden, on similar legislation at a Committee legislative hearing on June 27, 2012, provides insight into the purpose of new subsection (c): "We also didn't want to inadvertently punish veterans who were misled by the false or inaccurate promises, so we've included specific waiver authority to address this." The Committee continues to agree with this statement and believes the improper practices identified by GAO in its May 2012 report warrant an undue hardship exception for veterans who disposed of covered resources as the result of deceptive or unfair trade practices or other inappropriate action on the part of an individual or organization marketing and selling financial products and services.

Further, new subsection (c) would require VA to notify veterans upon application for pension or increased pension about the look-back and penalty period and to obtain necessary information from the veteran to determine whether a penalty period is necessary. It would also provide VA with the authority to take such actions at other times VA considers appropriate.

The Committee bill would also amend section 1543 of title 38, U.S.C., by inserting three new paragraphs that would create a 3-year look-back period and a maximum 3-year penalty period for purposes of determining eligibility for need-based pension benefits provided by VA to a surviving spouse or surviving child. These three new paragraphs would apply the same restrictions on the disposal of covered resources to surviving spouses and children that would apply to veterans.

The amendments made by section 801 of the Committee bill would become effective 1 year after the date of enactment and would apply to payments of pension and increased pension applied for or eligibility redeterminations made after such date. Further, a disposal of covered resources prior to the effective date would not be grounds for a reduction in pension. The purpose of this effective date is to ensure veterans are aware of the changes and are not negatively impacted by a transfer made prior to the effective date of this provision.

The Committee bill would require an annual report, beginning not later than 30 months after the date of enactment, through 2018. This report would be submitted to the Veterans' Affairs Committees of the Senate and the House of Representatives and the Senate Select Committee on Aging and would include the number of individuals who applied for and who received pension under chapter 15 of title 38, U.S.C.; the number of individuals denied pension or who had pension discontinued as a result of section 801 of the Committee bill; a description of any trends resulting from enactment of this section of the Committee bill; and any other information VA considers appropriate.

Sec. 802. Office of National Veterans Sports Programs and Special Events.

Section 802 of the Committee bill, which is derived from S. 695, would reauthorize authority for the Office of National Veterans Sports Programs and Special Events to provide monthly subsistence allowances for certain Paralympic athletes and allow VA to allocate unnecessary funds to the program at large.

Background. In 2005, the United States Olympic Committee (hereinafter, "USOC") entered into a memorandum of understanding with VA to increase interest in and access to Paralympic sports programs for veterans with physical disabilities by coordinating the activities between the two entities.

Then, in order to provide adaptive sports program opportunities to an even greater number of veterans and servicemembers, Congress passed and the President signed into law P.L. 110-389, the Veterans' Benefits Improvement Act of 2008. Section VII of this law established the VA Paralympic program: to promote the lifelong health of disabled veterans and disabled members of the Armed Forces through regular participation in physical activity and sports; to enhance the recreation activities provided by VA by

promoting disabled sports from the local level through elite levels and by creating partnerships among organizations specializing in supporting, training, and promoting programs for disabled veterans; to provide training and support to national and local organizations to provide Paralympic sports training to disabled veterans and disabled members of the Armed Forces in their own communities; and to provide support to the United States Paralympics, Inc., to increase the participation of disabled veterans and disabled members of the Armed Forces in sports of qualifying programs and events.

In order to meet the above-mentioned objectives of the program, current law, section 322 of title 38, U.S.C., requires the Office of National Veterans Sports Programs and Special Events to facilitate and encourage participation by disabled veterans in Paralympic sporting programs and events. The Office is also required, to the extent feasible, to cooperate with U.S. Paralympics, Inc., and its partners to promote the participation of disabled servicemembers and veterans in sporting events sponsored by the United States Paralympics, Inc., and its partners.

Finally, current law, section 322(d)(4), authorizes \$2 million for direct use, in the form of monthly stipends, by certain veterans training for the Paralympics. As of June 2013, more than 110 disabled veterans had qualified for the monthly stipends.

Committee Bill. Section 802 of the Committee bill would extend authorization for \$2 million in yearly funding through 2018 to support veterans training for the Paralympics. Current law would be modified to allow VA to absorb any funding that goes unused by Paralympic athletes to carry out the activities of the Office of National Veterans Sports Programs and Special Events. Additionally, it would remove the requirement to partner with U.S. Paralympics, but would continue to allow VA to partner with USOC as VA considers appropriate. The Committee believes these modifications would provide VA with flexibility in administering the program.

Finally, this section would substitute “United States Olympic Committee” for “United States Paralympics” in each place it appears in section 322 of title 38, U.S.C., because the USOC dissolved the U.S. Paralympics.

Sec. 803. Adaptive sports programs for disabled veterans and members of the Armed Forces through United States Olympic Committee.

Section 803 of the Committee bill would reauthorize VA’s adaptive sports programs for servicemembers and veterans and clarify VA’s authority to award grants to USOC for the purposes of such programs, and strengthen the reporting requirements for grantees and subgrantees.

Background. Under current law, section 521A of title 38, U.S.C., VA is authorized to award grants to U.S. Paralympics, Inc., to plan, manage, and implement an integrated adaptive sports program for disabled servicemembers and veterans. Under this authority, VA is authorized to provide up to \$8 million in yearly grants to U.S. Paralympics, Inc. VA awarded \$7.5 million in FY 2010, \$7.8 million in FY 2011, and \$8.0 million in FY 2012 through this authority.

P.L. 110–389, the Veterans’ Benefits Improvement Act of 2008, required GAO to review the integrated adaptive sports program au-

thorized in section 521A. The resulting report, *Veterans Paralympics Program: Improved Reporting Needed to Ensure Grant Accountability*, focused largely on the lack of accurate record keeping that would allow for a proper evaluation of these programs. GAO noted: “Regular reporting of relevant, reliable, and timely information and regular monitoring are necessary for an entity to run and control its operations.”

In addition to their failure to keep appropriate accounting records, GAO’s review revealed that VA and the U.S. Paralympics provided unreliable data on key operational facts, such as the number of participants in the program, and were unsure as to whether all the tasks and activities agreed to in subgrantee contracts were fulfilled. Additionally, many subgrantees seemed to be unaware that Federal funding was required to be monitored separately in order to comply with allowable uses.

Committee Bill. Like section 802 of the Committee bill, section 803 would substitute “United States Olympic Committee” for “United States Paralympics” in each place it appears in section 521A of title 38, U.S.C., because the USOC dissolved the U.S. Paralympics.

In order to address concerns noted in the above-mentioned GAO report, section 803 of the Committee bill would increase reporting requirements for grantees and subgrantees. The Committee bill would also require a follow-up evaluation by GAO if VA continues to provide grants to the USOC. The Committee believes these changes will lead to better overall management of these programs, so that the greatest number of veterans and servicemembers are provided with the best possible adaptive sports opportunities.

Section 803 of the Committee bill would reauthorize \$8 million in yearly appropriations for VA’s adaptive sports programs for an additional 2 years. However, it would also provide VA with more latitude in administering the integrated adaptive sports program by allowing, but not requiring, VA to award grants to USOC. VA would be authorized to use the authorized funding to plan, develop, manage, and implement an adaptive sports program, which could include both VA-managed sporting activities and sporting opportunities made available through the award of grants to USOC. The Committee believes VA is capable of administering certain recreational activities for veterans, as evidenced by its management of the Golden Age Games, the National Veterans Wheelchair Games, and the Winter Sports Clinic, and should be permitted to directly spend these funds in circumstances where that would be the most effective means of providing adaptive sporting opportunities.

Sec. 804. Making effective date provision consistent with provision for benefits eligibility of a veteran’s child based upon termination of remarriage by annulment.

Section 804 of the Committee bill, which is derived from S. 928, would make the effective date provisions of section 5110 of title 38 consistent with current law providing for regained recognition of a veteran’s child for purposes of VA benefits.

Background. P.L. 101–508, The Omnibus Budget Reconciliation Act of 1990, eliminated from section 103(e) of title 38 a provision under which a veteran’s child whose marriage was terminated by death or divorce regained recognition as the veteran’s child. How-

ever, no corresponding amendment was made to the effective date provisions in section 5110(1), which continues to provide an effective date for recognition of a veteran's child upon termination of such child's marriage by death or divorce. Because of the amendments made by P.L. 101-508 this effective date provision is not consistent with the regained recognition of a veteran's child for benefits purposes.

Committee Bill. Section 804 of the Committee bill would amend section 5110(1) of title 38 by removing the effective date provisions for an award or increase of benefits based upon recognition of a child upon termination of the child's marriage by death or divorce. This amendment would make this effective date provision consistent with provisions of section 103(e) providing for regained recognition of a veteran's child for benefits purposes.

Sec. 805. Extended period for scheduling of medical exams for veterans receiving temporary disability ratings for severe mental disorders.

Section 805 of the Committee bill, which is derived from S. 928, would extend the deadline by which VA has to schedule a medical examination for a veteran in receipt of a temporary disability rating for a severe mental disorder.

Background. Under current law, section 1156 of title 38, U.S.C., VA is required to assign a temporary disability rating to a veteran if such veteran, as a result of a highly stressful in-service event, has a mental disorder that was severe enough to result in his or her discharge or release from active duty. As required by section 1156 of title 38, for these veterans, VA must schedule a medical examination within 6 months of the veteran's separation or discharge from active duty. The temporary disability rating issued under the authority of section 1156 remains in effect until a rating decision is issued following the required medical examination.

In testimony before the Committee on June 12, 2013, VA testified that:

[A]n examination a mere 6 months after discharge may lead to premature conclusions regarding the severity, stability, and prognosis of a Veteran's mental disorder. Six months is a relatively short period of treatment, and the stresses of active-duty trauma and the transition to civilian life may not fully have manifested themselves after 6 months. An examination conducted up to 18 months after discharge is more likely to reflect an accurate evaluation of the severity, stability, and prognosis of a Veteran's mental disorder.

Committee Bill. Section 805 of the Committee bill would amend section 1156 of title 38, U.S.C., by extending the deadline by which VA has to schedule a medical examination for veterans in receipt of a temporary disability rating as the result of a severe mental disorder from 6 to 18 months after discharge or release from active duty.

Sec. 806. Authority to issue Veterans ID Cards.

Section 806 of the Committee bill, which is derived from S. 778, would authorize VA to provide those who have served in the mili-

tary with a photo identification card indicating their veteran status.

Background. Many retailers across the country offer special discounts to active duty servicemembers, military retirees, and veterans. To receive such discounts, a veteran or servicemember frequently is required to show proof of military service or veteran status. However, only active duty servicemembers and military retirees are issued a DOD identification card indicating their status. Without enrolling in the VA health care system, a former servicemember who did not retire from the military may not have a photo identification card proving he or she is a veteran.

Committee Bill. Subsection (a) of section 806 of the Committee bill would authorize VA to issue a Veterans ID Card to any former servicemember, regardless if he or she is enrolled in or receives benefits from VA. This section would not bestow any benefits from VA, but would provide a veteran with the ability to obtain photo identification indicating their status as a veteran. Subsection (b) of section 806 of the Committee bill would authorize VA to work with national retail chains that offer discounts on pharmaceuticals, consumer products, and services to veterans to ensure the identification cards issued under subsection (a) are recognized as valid proof of veteran status.

Sec. 807. Honoring as veterans certain persons who performed service in the reserve components of the Armed Forces.

Section 807 of the Committee bill, which is derived from S. 629, would recognize the service of certain persons in the reserve components of the Armed Forces by honoring them as veterans.

Background. Under current law, section 101(2) of title 38, U.S.C., for purposes of determining eligibility for benefits administered by VA, a veteran is defined as “a person who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable.” As such, a member of the reserve components who is eligible for retirement pay, or in receipt of retired pay, who did not have qualifying active duty service, is not recognized as a veteran for purposes of eligibility for certain VA benefits. This has led to some confusion as to whether an individual who served in the reserves, but did not have qualifying active duty service, should be referred to as a “veteran” for purposes other than determining eligibility for VA benefits.

Committee Bill. Section 807 of the Committee bill would, in a non-codified provision, honor as a veteran those individuals who are entitled under chapter 1223 of title 10, U.S.C., to retired pay for irregular service or who would be entitled to retired pay, but for age. Section 807 would ensure those who are honored as “veterans” under this section would not be entitled to any benefit by reason of such recognition.

Sec. 808. Extension of authority for Secretary of Veterans Affairs to issue and guarantee certain loans.

Section 808 of the Committee bill would extend VA’s authority to levy a loan guaranty fee for certain subsequent guaranteed housing loans.

Background. Under VA’s home loan guaranty program, VA may guarantee a loan made to eligible servicemembers, veterans, re-

servists, and certain un-remarried surviving spouses for the purchase (or refinancing) of houses, condominiums, and manufactured homes.

Section 3729(b)(2) of title 38, U.S.C., sets forth a loan fee table that lists funding fees, expressed as a percentage of the loan amount, for different types of loans.

Committee Bill. Section 808 of the Committee bill would amend the fee schedule set forth in section 3729(b)(2) of title 38 by extending VA's authority to collect certain fees. Specifically, the section would amend subparagraphs (A), (B), (C), and (D) of section 3729(b)(2) by striking "October 1, 2017" in each place it appears and inserting "October 1, 2018."

Sec. 809. Review of determination of certain service in Philippines during World War II.

Section 809 of the Committee bill, which is derived from S. 868, would require VA to review the process used to determine whether certain individuals served in support of the Armed Forces during World War II.

Background. P.L. 111-5, the ARRA authorized the payment of a one-time, lump-sum benefit to eligible World War II Philippine Veterans. The deadline to apply for this benefit was February 16, 2010.

Veterans who served before July 1, 1946, in the organized military forces of the Government of the Commonwealth of the Philippines, while such forces were in the service of the Armed Forces of the United States; members of the organized guerrilla forces under commanders appointed, designated, or subsequently recognized by the Commander-in-Chief, Southwest Pacific Area, or other competent authority in the Army of the United States; and individuals who served in the Philippine Scouts under Section 14 of the Armed Forces Voluntary Recruitment Act of 1945 were all eligible to apply for the benefit.

As of September 1, 2013, 18,841 claims for benefits under ARRA were granted; 24,846 claims were denied; and 65 claims were pending. 4,538 appeals of denied claims were received—just 61 were still pending. No appeals were overturned by the Board of Veterans' Appeals.

Because of the difficulty in verifying eligible service, Filipino veteran advocates have expressed concern that the process for determining eligibility is flawed. Recognizing these concerns, in October 2012, the White House Initiative on Asian Americans and Pacific Islanders created the Filipino Veterans Equity Compensation Fund Interagency Working Group (hereinafter, "IWG") to analyze the process faced by Filipino veterans in demonstrating eligibility for the lump sum benefit. The IWG found the U.S. Army's process to determine service is appropriate.

Committee Bill. Section 809 of the Committee bill would require VA to review the process used to determine whether Filipino veterans served in support of the Armed Forces during World War II. VA would be required to consult DOD and military historians during this review and submit a report to the Committees on Veterans' Affairs of the Senate and House of Representatives detailing findings, actions taken, or recommendations for legislative action.

The Committee recognizes the actions already undertaken in this area. However, given the advanced age of veterans who might be eligible for the benefit, it is appropriate to make certain that all avenues for reviewing the process by which eligibility is determined have been exhausted.

Sec. 810. Report on Laotian military support of Armed Forces of the United States during Vietnam War.

Section 810 of the Committee bill, which is derived from S. 200, would require VA, in consultation with DOD and such agencies or individuals VA considers appropriate, to submit a report to Congress on the extent to which Laotian military forces provided combat support to the Armed Forces of the United States between February 28, 1961, and May 15, 1975; whether the current classification by the DOD Civilian/Military Service Review Board is appropriate; and any recommendations for legislative action.

Background. Due to American involvement in South-East Asia in the 1960s, Laos became a focal point for both American and North Vietnamese operations. Due to the limited ability of formal Laotian forces to stop cross border threats and stymie North Vietnamese supply lines, the U.S. began to train and supply Hmong guerillas in Laos.³ The Hmong "Special Guerrilla Units" were trained by members of the Central Intelligence Agency (hereinafter, "CIA"). This effort by the CIA became known as the CIA's "Secret War."⁴ The Hmong were primarily responsible for interrupting communist supply lines and rescuing downed pilots.⁵ Given the secrecy that surrounded the program, establishing concrete figures for the number of Hmong guerillas who fought along-side American forces during this period is challenging. One estimate claims it was in the tens of thousands.⁶ Casualties amongst this cohort mounted rapidly. A source indicates that by 1975, 100,000 Hmong had been killed.⁷ After the fall of Saigon and the takeover of Laos by communist forces, the CIA stopped all further assistance to the Hmong. This discontinuation of support by the CIA effectively left the Hmong to fend for themselves.⁸ Those who remained sought refuge in neighboring Thailand, while others fled to the U.S.

Consequently, over the years, concern over the treatment of the Hmong has been expressed. In recent years, members of Congress have argued for interment rights at national cemeteries for these individuals. During the 113th Congress, Senator Murkowski introduced S. 200 that would grant certain burial benefits to former Hmong guerillas who qualify. Although rare, the United States has granted certain benefits to other groups who have assisted American war efforts including certain Filipino veterans who served under American command during World War II.

However, given the protracted covert nature of events in South-East Asia during the Cold War, questions have been raised about the ability to verify and document individuals' claims about partici-

³Tim Weiner, *Gen. Vang Pao's Last War*, New York Times Magazine, May 11, 2008. <http://www.nytimes.com/2008/05/11/magazine/11pao-t.html?pagewanted=all&r=0>

⁴John Prados, *Laos: The Geneva Protocol and the Not-So-Secret War*, Vietnam Veterans of America. <http://www.vva.org/veteran/0207/laos.html>

⁵William Lloyd-George, *The CIA's 'Secret War'*, The Diplomat, February 25, 2011. <http://thediplomat.com/2011/02/25/the-cia%E2%80%99s-secret-war/?all=true>

⁶Weiner.

⁷Lloyd-George.

⁸Weiner.

pation as well as whether or not these individuals acted in accordance with norms associated with the law of armed conflict. Recognizing the difficulty of answering these questions, the Committee developed a compromise proposal to get a better understanding of the Hmong involvement in American operations during the Vietnam War.

Committee Bill. Section 810 would require VA to submit to Congress a report documenting the extent to which Laotian military forces provided combat support to the Armed Forces of the U.S. between February 28, 1961, and May 15, 1975. This report requires consultation with DOD and any other agencies or individuals VA considers appropriate in order to determine whether the current classification by the DOD Civilian/Military Service Review Board is fitting and if further legislative action is necessary.

Sec. 811. Report on assistance for veterans in obtaining training on purchasing and operating a franchise.

Section 811 of the Committee bill, which is derived from S. 938, would require DOL, in consultation with VA, the Small Business Administration (hereinafter, "SBA") and other entities the Secretary considers appropriate, to submit to Congress a report outlining the benefits, services, and other assistance available to veterans to obtain the training necessary to purchase and operate a franchise; any known statistics about the number of veterans who seek and complete this type of training each year; and information regarding any barriers encountered by veterans in obtaining such training.

Background. A March 2012 report by SBA entitled, "Veteran-owned Businesses and their Owners-Data from the Census Bureau's Survey of Business Owners," found that in 2007 there were 2.45 million businesses with majority ownership by veterans.

Committee Bill. Section 811 of the Committee bill requires DOL, VA, and SBA to submit to Congress a report, not later than 1 year after the effective date, on the assistance available to veterans to obtain training necessary to purchase and operate a franchise.

The Committee's intent is to gain a better understanding of the assistance available to veterans who have interest in owning and operating a franchise. There are currently several programs administered by SBA that can assist veterans who are interested in entrepreneurship and franchising. This report to Congress should identify any gaps that may exist and what further assistance may be needed to help veterans receive the training they need to own and operate a franchise.

Sec. 812. Limitation on aggregate amount of bonuses payable to personnel of the Department of Veterans Affairs during fiscal year 2014.

Section 812 of the Committee bill, which is an original provision, would limit the amount of bonuses payable to VA employees under chapter 45, chapter 53, and other provisions of title 5, U.S.C.

Background. Under current law, chapter 45, chapter 53, and other provisions of title 5, U.S.C., VA has the authority to provide bonuses to certain employees. For example, chapter 45 of title 5 provides VA with authority to grant cash awards to employees in recognition of performance. Chapter 53 of title 5 provides VA with

authority to issue performance awards to members of the senior executive service (hereinafter, “SES”).

Given the current fiscal environment, it is vitally important these bonuses are carefully considered. In 2011, OPM issued a Memorandum for Heads of Executive Departments and Agencies, Guidance on Awards for Fiscal Years 2011 and 2012, providing budgetary limits on individual awards granted during FYs 2011 and 2012. In setting these limits, OPM noted:

When the President made the decision to propose a 2-year pay freeze beginning in January 2011, he directed the Office of Personnel Management (OPM) and the Office of Management and Budget (OMB) to evaluate the system of performance awards and incentives for cost and effectiveness. Consistent with previous Government Accountability Office reviews of Federal agencies’ use of awards and incentives, we have identified a number of concerning trends. In many cases, awards are broadly and inconsistently allocated and some Federal employees have come to expect awards as part of their compensation. At the same time, recent survey results show that a large number of both agency managers and employees do not perceive the current employee performance management/award systems to be fair or accurately reflect differences in performance levels.

The oversight of the cost and effectiveness of performance awards continues to be an area of emphasis for the Committee and for VA. For example, in April 2013, VA announced it would withhold 2012 bonuses for VBA senior officials stating savings would be used to assist in reducing the backlog of pending disability claims. However, the announcement failed to discuss the amount of bonuses withheld or how the savings would be used to reduce the backlog of pending claims. Additionally, Congress also provided limits for performance awards and bonuses to VA employees for FY 2013 in P.L. 112–249, which, in part, limited the amount of awards and bonuses VA could pay to \$395 million.

Committee Bill. Section 812 of the Committee bill would limit the aggregate amount of incentive and performance awards payable to VA employees under chapter 45, chapter 53 and other provisions of title 5, U.S.C., to \$368 million.

The Committee recognizes the importance awards and bonuses play in hiring and retaining talented employees. For this reason, the Committee provided an aggregate cap in order to provide the Secretary flexibility in the administration of VA’s incentives and awards programs.

COMMITTEE BILL COST ESTIMATE

In compliance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate, the Committee, based on information supplied by the CBO, estimates that enactment of the Committee bill would, relative to current law, increase discretionary spending by \$4 million in fiscal year 2014 and by \$170 million over the 2014–2018 period, but would not affect direct spending or revenues. Enactment of the Committee bill would not affect the budgets of State, local, or tribal governments.

The cost estimate provided by CBO, setting forth a detailed breakdown of costs, follows:

CONGRESSIONAL BUDGET OFFICE,
Washington, DC, November 12, 2013.

Hon. BERNARD SANDERS,
Chairman,
Committee on Veterans' Affairs,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 944, the Veterans Health and Benefits Improvement Act of 2013.

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

Sincerely,

DOUGLAS W. ELMENDORF,
Director.

Enclosure.

S. 944—Veterans Health and Benefits Improvement Act of 2013

Summary: S. 944 would expand health services offered by the Department of Veterans Affairs (VA), increase certain fees for guaranteeing home loans, enhance education benefits, and make other changes to compensation and employment benefits. In total, CBO estimates that implementing the bill would have a discretionary cost of \$171 million over the 2014–2018 period, assuming appropriation of the specified and estimated amounts.

In addition, CBO estimates that enacting the bill would decrease net direct spending by \$94 million over the 2014–2023 period; therefore, pay-as-you-go procedures apply to the bill. Enacting S. 944 would not affect revenues.

S. 944 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 S. 944 is summarized in Table 1. The costs of this legislation fall within budget function 700 (veterans' benefits and services).

Table 1.—Estimated Budgetary Effects of S. 944, the Veterans Health and Benefits Improvement Act of 2013

	By fiscal year, in millions of dollars—					
	2014	2015	2016	2017	2018	2014–2018
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	-5	80	38	36	24	173
Estimated Outlays	-5	73	42	36	25	171
CHANGES IN DIRECT SPENDING ^a						
Estimated Budget Authority	-1	-4	13	15	-193	-170
Estimated Outlays	-1	-4	13	15	-193	-170

^aIn addition to the changes in direct spending shown above, enacting S. 944 would have effects beyond 2018 (see Table 3). CBO estimates that enacting S. 944 would decrease net direct spending by \$94 million over the 2014–2023 period.

Basis of estimate: For this estimate, CBO assumes that the legislation will be enacted in 2014, that the necessary amounts will be

appropriated for each year, and that outlays will follow historical spending patterns for similar programs.

Spending subject to appropriation

CBO estimates that implementing S. 944 would have a discretionary cost of \$171 million over the 2014–2018 period, assuming appropriation of the specified and estimated amounts (see Table 2 for details).

Health Care. Title III would expand the provision of complementary and alternative health care, prosthetics and orthotics, and chiropractic care at the VA. Other provisions in this title would provide veterans with transportation to and from VA health care facilities and expand eligibility for health care benefits to certain veterans previously stationed at Camp Lejeune, North Carolina. CBO estimates that implementing title III would cost \$53 million over the 2014–2018 period, assuming appropriation of the estimated amounts.

Table 2.—Estimated Changes in Spending Subject to Appropriation Under S. 944

	By fiscal year, in millions of dollars—					
	2014	2015	2016	2017	2018	2014–2018
HEALTH CARE						
Complementary and Alternative Medicine						
Estimated Authorization Level	0	8	6	7	*	21
Estimated Outlays	0	7	6	7	*	20
Prosthetic and Orthotic Care						
Authorization Level	0	10	0	0	0	10
Estimated Outlays	0	9	1	*	*	10
Transportation Benefits						
Authorization Level	4	4	0	0	0	8
Estimated Outlays	4	4	*	*	*	8
Chiropractic Care						
Estimated Authorization Level	0	*	*	4	4	8
Estimated Outlays	0	*	*	4	4	8
Expand Eligibility for Camp Lejeune Health Benefits						
Estimated Authorization Level	2	2	1	1	0	6
Estimated Outlays	2	2	1	1	*	6
Pilot Program for Health Promotion						
Estimated Authorization Level	0	1	*	*	*	1
Estimated Outlays	0	1	*	*	*	1
Subtotal, Health Care						
Estimated Authorization Level	6	25	7	12	4	54
Estimated Outlays	6	23	8	12	4	53
SURVIVORS AND DEPENDENTS BENEFITS						
Grief Counseling						
Estimated Authorization Level	0	2	4	2	0	8
Estimated Outlays	0	2	4	2	*	8
Spina Bifida Benefits						
Estimated Authorization Level	0	*	1	1	1	3
Estimated Outlays	0	*	1	1	1	3
Subtotal, Survivors and Dependents Benefits						
Estimated Authorization Level	0	2	5	3	1	11
Estimated Outlays	0	2	5	3	1	11
ACCOUNTABILITY AND ADMINISTRATIVE IMPROVEMENTS						
Regional Support Centers for VISNs						
Estimated Authorization Level	0	1	2	2	2	7
Estimated Outlays	0	1	2	2	2	7
Commission on Capital Planning						
Estimated Authorization Level	2	2	1	0	0	5

Table 2.—Estimated Changes in Spending Subject to Appropriation Under S. 944—Continued

	By fiscal year, in millions of dollars—					
	2014	2015	2016	2017	2018	2014–2018
Estimated Outlays	2	2	1	*	*	5
Public Access to VA Research and Data Sharing						
Estimated Authorization Level	0	1	1	1	1	4
Estimated Outlays	0	1	1	1	1	4
Budget Transparency						
Estimated Authorization Level	*	*	0	0	0	1
Estimated Outlays	*	*	0	0	0	1
Subtotal, Accountability and Administrative Improve- ments						
Estimated Authorization Level	2	4	4	3	3	17
Estimated Outlays	2	4	4	3	3	17
PROCESSING CLAIMS OF COMPENSATION						
Medical Examinations for Military Sexual Trauma						
Estimated Authorization Level	0	2	2	2	2	8
Estimated Outlays	0	2	2	2	2	8
Working Group						
Estimated Authorization Level	*	*	0	0	0	1
Estimated Outlays	*	*	0	0	0	1
Task Force						
Estimated Authorization Level	*	*	0	0	0	1
Estimated Outlays	*	*	0	0	0	1
Subtotal, Processing Claims of Compensation						
Estimated Authorization Level	*	2	2	2	2	10
Estimated Outlays	*	2	2	2	2	10
OUTREACH						
Outreach Coordination						
Authorization Level	0	3	3	0	0	5
Estimated Outlays	0	3	3	0	0	5
Advisory Board						
Estimated Authorization Level	0	1	1	1	0	3
Estimated Outlays	0	1	1	1	*	3
Subtotal, Outreach						
Estimated Authorization Level	0	4	4	1	0	8
Estimated Outlays	0	4	4	1	*	8
OTHER PROVISIONS						
Asset Look-Back for Disability Pensions						
Estimated Authorization Level	0	7	7	7	7	28
Estimated Outlays	0	7	7	7	7	28
VA Support of Paralympic Program						
Authorization Level	10	10	2	2	2	26
Estimated Outlays	10	10	2	2	2	26
Limitations on Bonuses						
Estimated Authorization Level	-25	0	0	0	0	-25
Estimated Outlays	-25	0	0	0	0	-25
Long-Term Solution						
Estimated Authorization Level	0	15	*	*	*	15
Estimated Outlays	0	10	3	1	1	15
Issuance of Vet Cards						
Estimated Authorization Level	0	3	3	3	3	12
Estimated Outlays	0	3	3	3	3	12
Reports						
Estimated Authorization Level	*	6	2	1	*	9
Estimated Outlays	*	6	2	*	*	8
Subtotal, Other Provisions						
Estimated Authorization Level	-15	41	14	13	12	65
Estimated Outlays	-15	36	17	13	13	64

Table 2.—Estimated Changes in Spending Subject to Appropriation Under S. 944—Continued

	By fiscal year, in millions of dollars—					
	2014	2015	2016	2017	2018	2014–2018
Total Changes to Spending Subject to Appropriation						
Estimated Authorization Level	-5	80	38	36	24	173
Estimated Outlays	-5	73	42	36	25	171

Notes: VISN = Veteran Integrated Service Network; VA = Department of Veterans Affairs; * = between 0 and \$500,000. Components may not sum to totals because of rounding.

Complementary and Alternative Medicine. Several sections of the title would allow VA greater authority to provide complementary and alternative medicine to veterans at its medical facilities. Those sections would take effect 1 year after enactment. Complementary medicine generally refers to using a non-mainstream approach together with conventional medicine; alternative medicine refers to using a non-mainstream approach in place of conventional medicine. In total, CBO estimates that implementing these sections would cost \$20 million over the 2014–2018 period.

Section 322 would establish a 3-year program to assess the feasibility of integrating complementary and alternative medicine at 15 VA Medical Centers. Based on costs for implementing other pilot programs of similar scope (such as using meditation for veterans with Post Traumatic Stress Disorder), CBO expects that developing and operating the program would require two additional full time employees at each of the 15 facilities to engage in research, training, and assessment of the program. CBO estimates that the annual cost per person for those employees would be \$120,000 in 2014. In total, the estimated cost for those employees would be \$12 million over the 5-year period.

CBO expects that the use of complementary and alternative medicine would partially displace the use of traditional care (emergency care, primary care, and physical therapy) but would lead to greater use of medical services on balance, than under current law. Specifically, CBO estimates that the cost to deliver medical services, after adjusting for the expected reduction in usage of traditional health care services, would increase by roughly \$1 million annually during the 3-year pilot program. Thus, in total, implementing section 322 would cost \$15 million over the 2014–2018 period, assuming appropriation of the necessary amounts.

Section 323 would authorize the appropriation of \$2 million in 2015 for a study of the use of alternative medicine at the VA. CBO estimates the cost for this study would be \$2 million over the 2014–2018 period, assuming appropriation of the specified amount.

Section 324 would establish a 3-year program to assess the value of wellness programs at the VA. Wellness programs may include a number of services, such as disease management and assistance in losing weight or stopping smoking. This section would allow VA to provide grants to public and private entities to assess the use of such programs as part of the mental health care provided to veterans and their families. Based on similar programs at the VA, such as the demonstration project for Post Traumatic Stress Disorder and the pilot program to provide lifestyle coaching by telephone, CBO estimates this program would cost \$3 million over the 2014–2018 period.

Prosthetic and Orthotic Care. Section 312 would authorize the appropriation of \$10 million in 2015 to expand prosthetic and orthotic care at the VA. CBO estimates this expansion would cost \$10 million through 2018, with most of the outlays falling in 2015, assuming appropriation of the specified amount.

Transportation Benefits. Section 304 would authorize the appropriation of \$4 million in 2014 and 2015 for VA to hire professional drivers to provide transportation to veterans receiving medical care, educational counseling, and vocational rehabilitation at VA facilities. Under current law, VA's authority to hire professional drivers expires on January 10, 2014. This section would extend that authority through September 30, 2015. CBO estimates that implementing this section would cost \$8 million over the 2014–2018 period, assuming appropriation of the specified amounts.

Chiropractic Care. Section 301 would require VA to expand the availability of chiropractic care at its medical centers. VA currently has about 40 chiropractors providing care at 39 VA Medical Centers (VAMCs). This section would require VA to provide such care at 42 VAMCs by 2016 and at 76 VAMCs by 2017.

Based on the level of service provided at the VAMCs that currently provide chiropractic care, CBO estimates that VA would require three additional chiropractors in 2016, growing to 41 additional chiropractors in 2017. CBO also assumes that the use of chiropractic care would partially displace the use of traditional care (emergency care, primary care, and physical therapy). Based on an average cost per chiropractor of about \$115,000 in 2012 and adjusting for inflation, CBO estimates that implementing section 301 would result in an increase in costs totaling \$8 million over the 2014–2018 period, assuming appropriation of the necessary amounts.

Expand Eligibility for Camp Lejeune Health Benefits. Section 302 would extend VA health benefits to former military members who were stationed at Camp Lejeune, North Carolina, between 1953 and 1956 and to their dependents whose health was affected by exposure to environmental contaminants while residing on the base.

Under current law, all veterans stationed at Camp Lejeune between 1957 and 1987 are eligible for VA health benefits. Spouses and children are also eligible for health care if they have certain health conditions that may be related to exposure to environmental contaminants (that is, leukemia, lung, kidney, or breast cancer). Under this section, CBO estimates that about 300 additional veterans and dependents would become eligible for health care benefits. Based on participation and other factors in similar programs, we estimate that about half of them would apply and be approved to use the benefit, resulting in estimated costs of \$6 million over the 2014–2018 period, assuming appropriation of the necessary amounts.

Pilot Program for Health Promotion. Effective 1 year after enactment, section 306 would require VA to carry out a 3-year pilot program to assess the feasibility of establishing fitness facilities in select VA medical facilities. This section would require VA to establish fitness facilities in up to five medical centers at a maximum cost of \$60,000 per location and five outpatient clinics at a maximum cost of \$40,000 per location. Adding a small cost for mainte-

nance and reporting requirements, CBO estimates that this pilot program would cost \$1 million over the 2014–2018 period, assuming the availability of appropriated funds.

Survivors and Dependents Benefits. Title I includes two provisions that would provide assistance to survivors and dependents of veterans. The provisions discussed below would be effective 1 year after the date of enactment. CBO estimates that implementing those provisions would cost \$11 million over the 2014–2018 period, assuming appropriation of the estimated amounts.

Grief Counseling. Section 108 would require VA to establish a 2-year pilot program for grief counseling in retreat settings for surviving spouses and children of veterans who die while serving on active duty. The provision would require that those services be provided through at least six separate retreats. Based on an existing pilot program that provides counseling in retreat settings for female veterans, CBO estimates that the six retreats would cost \$8 million over the 2014–2018 period, assuming appropriation of the necessary amounts.

Spina Bifida Benefits. Section 106 would expand eligibility for benefits related to spina bifida to include the children of veterans who served in Thailand between January 9, 1962, and May 7, 1975, and who may have been exposed to herbicide agents. Those children would be eligible for health care and certain other benefits from VA similar to those provided to children with spina bifida of veterans who served in Vietnam. Based on information from VA about the current population of children receiving health benefits for spina bifida relative to the number of servicemembers who served in Vietnam, and on information about the number of veterans who served in Thailand, CBO estimates that roughly 30 people per year would take advantage of the health care benefits, at an estimated cost of \$32,000 per beneficiary in 2014. Adjusting for inflation, CBO estimates that providing health benefits to this population would cost \$3 million over the 2014–2018 period. The other benefits provided under this provision are discussed in the section of the estimate titled “Direct Spending.”

Accountability and Administrative Improvements. Title IV would require the VA to establish regional support offices for medical care, assess capital planning for medical facilities, and improve data sharing and budget transparency. CBO estimates that implementing title IV would cost \$17 million over the 2014–2018 period, assuming appropriation of the estimated amounts.

Regional Support Centers for VISNs. Section 402 would require VA to establish up to four regional support centers, starting in 2015, to assess the delivery of medical services within Veterans Integrated Service Networks (VISNs). Based on information from VA regarding staff resources at existing rural support offices, which evaluate the provision of VA health services, CBO estimates that five employees would be needed to operate each new regional center. CBO assumes half of the initial support center staff would be transferred from VA headquarters. Based on information on relocation expenses from the General Services Administration, we estimate that relocation costs would total \$20,000 per person. In total, CBO estimates that implementing section 402 would cost \$7 million over the 2014–2018 period for transferring existing staff, com-

pensating additional staff, and leasing office space for the VISN regional support centers.

Commission on Capital Planning. Section 403 would create a commission of 10 voting, and 10 nonvoting members to evaluate and provide recommendations for capital planning for VA medical facilities. The commission—which would terminate 2½ years after its initial meeting—would consist of veterans, federal employees, and representatives of veteran service organizations with knowledge of construction and leasing of capital assets. Nonfederal employees on the commission would be compensated based on the Executive Pay Schedule.

While section 403 specifies that federal employees may be detailed to the commission without further reimbursement, CBO anticipates that other employees would cover the regular duties of the commission members in their absence, thereby resulting in costs for overtime hours for some employees. CBO estimates that five federal employees would work part time for the commission at a cost of \$42,000 each per year, 15 nonfederal employees would work part time at a cost of \$23,000 each year, and five additional federal staff would work full time at a cost of \$210,000 each per year. In total, CBO estimates that the cost for staff and travel reimbursements for the commission would be \$5 million over the 2014–2018 period.

Public Access to VA Research and Data Sharing. Section 404 would require VA to provide access on their Web site to all of the data files used for research by VA and to submit an annual report on the use of that data. This section would also require VA to create a digital archive of all publications that use data from VA, and to make that archive available on its Web site. Based on input from VA on the costs of establishing and maintaining a data archive, CBO estimates that implementing section 404 would cost \$4 million over the 2014–2018 period, assuming an effective date of 2015.

Budget Transparency. Section 405 would require VA to include in its annual budget justification a statement of the amounts the agency is requesting for outreach as a whole and for each individual administration within the agency. CBO estimates that compiling that data would cost about \$1 million over the 2014–2018 period.

Processing Claims of Compensation. Title V would require VA to provide medical examinations for all veterans identifying military sexual trauma as the basis for their claim for disability compensation and to form a working group and task force to review VA's claims process. CBO estimates that implementing title V would cost \$10 million over the 2014–2018 period, assuming appropriation of the estimated amounts.

Medical Examinations for Military Sexual Trauma. Section 501 would require VA to include a medical examination as part of the adjudication process on disability claims based on military sexual trauma (MST) and to provide a report on the number of MST claims submitted to VA. Under current law, VA can deny a claim without an examination based on the evidence presented for the claim.

VA receives about 4,000 claims per year that are based on MST. Assuming a similar trend over the 2014–2023 period, and given the approximately 50 percent denial rate for MST, CBO expects that

enacting this provision would require VA to provide about 1,900 examinations to veterans who would otherwise not be eligible. Based on a cost per exam of about \$1,000, CBO estimates that providing such examinations would cost about \$8 million over the 2014–2018 period. CBO also estimates that enacting this provision would increase mandatory spending for veterans disability compensation. That estimate is discussed below, under the “Direct Spending” heading.

Working Group. Section 511 would require VA to establish a working group to provide recommendations for improving the employee work credit and work management systems of the Veterans Benefits Administration. The working group would include individuals assigned by the Secretary who have knowledge about the claims review process. The working group would be required to submit a report with findings and recommendations within a year from date of creation of the group. CBO estimates that implementing section 511 would cost \$1 million over the 2014–2018 period.

Task Force. Section 512 would require VA to establish a task force, composed of federal employees and certain members of the public, to assess the retention and training of claims processors and adjudicators employed by VA and other federal agencies. The task force would last no longer than 2 years and would be required to submit a report to the Congress. The provision would not authorize compensation for members of the task force. CBO estimates that the administrative costs of implementing section 512 would amount to \$1 million over the 2014–2018 period.

Outreach. Effective in 2015, title VI would assess and improve VA’s outreach efforts. CBO estimates that implementing title VI would cost \$8 million through 2018, assuming appropriation of the estimated amounts.

Outreach Coordination. Section 601 would require VA to carry out a program to assess the feasibility of using State and local governments and nonprofit agencies to increase veterans’ awareness of available benefits and services and to improve coordination of outreach activities among VA, States, and local governments regarding veterans’ benefits. The provision would authorize \$2.5 million for each of 2015 and 2016 to provide grants to State and local governments and non-profit agencies to carry out the program. CBO estimates that implementing section 601 would cost \$5 million over the 2014–2018 period.

Advisory Board. Section 604 would require VA to create an advisory board on outreach practices at every Veterans Integrated Service Network and any subdivisions of those networks (46 locations in total). Those boards would be authorized for 3 years. Membership on the boards would be largely composed of knowledgeable individuals from the private sector, but would include a small number of employees of VA. CBO expects that duties related to the advisory board would be a small part of their duties for the VA employees. Members from the private sector would serve without compensation. CBO estimates that staff and administrative costs for the advisory boards would total \$3 million over the 2014–2018 period.

Other Provisions. Other provisions would have differing effects on discretionary cost. CBO estimates that implementing those require-

ments would have a net cost of \$64 million over the 2014–2018 period, assuming appropriation actions consistent with the bill.

Asset Look-Back for Disability Pensions. Section 801 would authorize VA to conduct a review of the financial records of all applicants for pensions. The review would cover the 3 years preceding each application. This look-back would determine if the applicant disposed of any assets or resources for less than fair market value. Individuals who were found to have disposed of such assets would be ineligible to receive pensions for up to 3 years, depending on the value of the assets involved. This provision would affect only those individuals applying for veterans' or survivors' pension benefits starting in 2015.

Based on information from VA on the time needed to process a pension claim, CBO estimates that to implement this provision, VA would eventually hire about 70 additional employees to maintain the current processing times. VA reports that under this provision, most of the hiring of additional employees would take place in 2015. At an average cost of about \$100,000 per employee, CBO estimates that implementing section 801 would cost \$28 million over the 2014–2018 period. The savings from reduced spending for pension benefits are discussed below, under "Direct Spending."

VA Support of Paralympic Program. Sections 802 and 803 would extend, through 2018, two programs related to VA's authority to support the United States Olympic Committee (USOC) Paralympic Program. Those programs are scheduled to expire on December 31, 2013. The first program would authorize VA to provide an allowance to certain veterans for any month in which they are in training for a USOC event or are residing at the USOC training center. Under section 802, \$2 million would be authorized annually to provide the monthly allowances through the Office of National Veterans Sports and Special Events.

The second program would authorize VA to make grants to the USOC to plan, develop, manage, and implement the Paralympic Program for disabled veterans and disabled members of the armed services. Section 803 would authorize VA to provide \$8 million in grant money in 2014 and 2015 to the USOC for those purposes.

Together, CBO estimates that implementing sections 802 and 803 would cost \$26 million over the 2014–2018 period, assuming appropriation of the authorized amounts.

Limitations on Bonuses. Section 812 would limit to \$370 million the amount that VA could pay in awards and bonuses to VA employees in 2014. Over the 2008–2012 period, VA paid an average of \$395 million each year in awards and bonus payments to employees. Assuming such payments will continue at that level, CBO estimates that implementing section 812 would reduce discretionary spending for pay and performance by \$25 million over the 2014–2018 period, assuming appropriation actions consistent with the bill.

Long-Term Solution (LTS). To help VA transition from paper-based to electronic claims processing for Post-9/11 GI Bill benefits, VA has developed and deployed (on a limited basis) the LTS—VA's automated claims processing system. As described below under "Direct Spending," sections 104 and 105 would modify programs offered under the Post-9/11 GI Bill. Benefits under that program are paid from a mandatory spending account. To implement those

changes, VA would need to modify the LTS to electronically process the claims of affected individuals. Modifying the LTS would cost \$15 million over the 2014–2018 period, CBO estimates.

Issuance of Vet Cards. Effective 1 year after enactment, section 806 would allow VA to issue identification cards (Vet Cards) to all veterans enrolled in the VA health care system or receiving educational assistance, compensation, or a pension through the VA. Under current law, VA issues Veterans Identification Cards (VICs) to certain eligible veterans. VA reports that 8.5 million VICs were issued through 2012. After adjusting for the number of VICs issued under current law and the anticipated participation rate, CBO estimates that under this provision about 1.5 million new cards would be issued each year at a cost of \$2 per card. Thus, CBO estimates that implementing this proposal would cost \$12 million over the 2014–2018 period.

Reports. S. 944 would require VA to complete reports by various deadlines. CBO estimates that those provisions, collectively, would cost about \$8 million over the 2014–2018 period.

State Certifications and Licensing. As a condition of receiving grants from the Department of Labor (DOL) to provide employment services to veterans, section 702 would require States to establish programs to facilitate the provision of State-issued licenses and credentials to veterans with certain qualifications. The section also would allow States to receive waivers from having to establish such programs as long as those States certify to DOL that they:

- Take into consideration previous military training for the purposes of issuing licenses or credentials;
- Allow veterans to completely satisfy through examination any training or testing requirement for a license or credential for which they have received military training; and
- Reduce the required training time for such licenses or credentials for veterans unable to completely satisfy that requirement through examination.

Based on information from DOL, CBO estimates that most States would receive waivers and that implementing this provision would cost the federal government less than \$500,000 over the 2014–2018 period.

Jobs Portal. Section 703 would require DOL to identify Web sites and online tools that would match veterans seeking employment with available jobs based on the skills those veterans acquired while serving in uniform. DOL then would be required to assess the feasibility and costs of creating a single Internet-based portal that would provide those Web sites and online tools to all veterans seeking employment. CBO estimates that identifying those Web sites and online tools, conducting the feasibility and cost analysis, and then reporting those findings to the Congress would cost less than \$500,000 over the 2014–2018 period.

Transition Assistance Program (TAP). Under current law, servicemembers receive pre-separation counseling through TAP to help prepare them for the transition from military service. Section 704 would require DOL to incorporate into its existing TAP curriculum information about protections for disabled individuals, such as those provided by the Americans with Disabilities Act and the Rehabilitation Act of 1973. Based on information from DOL, CBO estimates that revising TAP's curriculum and updating hand-

out materials would cost less than \$500,000 over the 2014–2018 period.

Employment of Veterans in the Federal Government. Section 701 would require that at least 15,000 qualified veterans be appointed to positions in the federal government over the 5-year period beginning on the date of enactment. Because recent hiring trends are consistent with that goal, CBO estimates that implementing this requirement would probably have no budgetary impact.

Direct spending

S. 944 contains provisions that would modify several mandatory spending programs; some of those provisions would increase direct spending, and others would decrease it. CBO estimates that, on net, enacting S. 944 would decrease direct spending by \$94 million over the 2014–2023 period (see Table 3).

Fees for Guaranteed Loans. 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 promise lenders a payment of up to 25 percent of the outstanding loan balance (subject to some limitations on the original loan amount) in the event that a veteran defaults on a guaranteed loan. Section 808 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.¹

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 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,
- 0.75 percent of the loan amount for loans with a 10 percent down payment,
- 3.30 percent of the loan amount for all loans if the veteran has used the guarantee benefit in the past.

Those fees are scheduled to decline on October 1, 2017, to 1.40 percent, 0.75 percent, 0.50 percent, and 1.25 percent, respectively.

Under section 808, that scheduled fee reduction would be delayed by 7 months, until May 1, 2018. Continuing the fees at their current level for that period would increase collections by VA in 2018, thereby lowering the subsidy cost of the loan guarantees. Based on program data from VA, CBO estimates that enacting section 808 would reduce direct spending by \$206 million in 2018.

¹Under 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.

Table 3.—Estimated Changes in Direct Spending Under S. 944

	Outlays by fiscal year, in millions of dollars—												
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014–2018	2014–2023	
CHANGES IN DIRECT SPENDING													
Fees for Guaranteed Loans	0	0	0	0	-206	0	0	0	0	0	-206	-206	
Marine Gunnery Sergeant John David Fry Scholarship	0	0	24	25	24	24	23	23	24	25	73	192	
In-State Tuition for Post-9/11 GI Bill Beneficiaries	0	-6	-13	-13	-14	-15	-16	-16	-17	-17	-46	-127	
Medical Examinations for Military Sexual Trauma	1	2	3	5	6	7	8	10	11	12	17	65	
Additional Assistance for Surviving Spouses	0	4	5	5	5	5	6	6	6	6	19	48	
Reporting Fees	-4	-4	-4	-4	-4	-4	-4	-4	-4	-5	-22	-44	
Asset Look-Back for Disability Pensions	0	-2	-3	-4	-5	-5	-5	-5	-5	-5	-14	-39	
Expansion of the Yellow Ribbon GI Education Enhancement Program	0	*	1	1	1	1	1	1	1	1	4	10	
Extension and Expansion of Work-Study Program	2	2	0	0	0	0	0	0	0	0	4	4	
Spina Bifida Benefits	0	*	*	*	*	*	*	*	*	*	1	3	
Total Changes	-1	-4	13	15	-193	13	13	15	16	17	-170	-94	

Notes: Components may not sum to totals because of rounding; * = between -\$500,000 and \$500,000.

Marine Gunnery Sergeant John David Fry Scholarship. Under current law, when servicemembers die in the line of duty while serving in an active-duty status, certain children of those servicemembers become entitled to education benefits under both the Marine Gunnery Sergeant John David Fry Scholarship (Fry Scholarship) and the Survivors' and Dependents' Education Assistance Program (DEAP). However, surviving spouses become entitled to education benefits under the DEAP only. Beginning 2 years after the date of enactment, section 104 would expand the eligibility criteria of the Fry Scholarship to include spouses. The Fry Scholarship entitles qualifying recipients to education benefits under the Post-9/11 GI Bill. Those benefits include the payment of in-State tuition and fees for beneficiaries attending public schools, a monthly housing allowance, and a stipend to pay for books and supplies. DEAP currently provides education benefits to qualifying recipients at a maximum rate—for full-time students—of \$987 per month.

Based on information from VA and DOD, CBO estimates that under S. 944 approximately 1,800 spouses per year would elect to receive education benefits under the Fry Scholarship rather than the DEAP over the 2016–2023 period. Each of those spouses would receive, on average, about \$15,700 in Fry Scholarship benefits in 2016 and, after cost-of-living increases, about \$21,000 in 2023, CBO estimates. Under DEAP, we estimate that each of those spouses would have received about \$4,600 in benefits in 2016 and, after cost-of-living increases, about \$5,400 in benefits in 2023. After accounting for the interactive effects of section 201 (discussed immediately below), CBO estimates that this change in eligibility would increase direct spending by \$192 million over the 2014–2023 period. In addition, implementing this section would increase discretionary costs. Those costs are discussed in the “Spending Subject to Appropriation” section of the estimate under the subheading “Long-Term Solution.”

In-State Tuition for Post-9/11 GI Bill Beneficiaries. Effective July 1, 2015, section 201 would require the Secretary of Veterans Affairs to approve, for the purposes of education benefits provided under the Montgomery GI Bill and Post-9/11 GI Bill programs, only certain public institutions of higher education. Institutions could only be approved if they charge tuition and fees at no more than the in-State rate to veterans who enroll within 3 years of separation from service on active duty. In order to qualify for the in-State rate, dependents also would need to enroll within 3 years from when the servicemember from whom they derived their eligibility separated from active duty. As long as the veteran or dependent remained continuously enrolled, institutions would have to continue to offer the in-State rate. Institutions that choose not to comply with those conditions would no longer be approved to participate in Montgomery GI Bill or Post-9/11 GI Bill programs.

Under current law, VA pays up to the actual net cost of in-State tuition and fees for individuals who are eligible for the full Post-9/11 GI Bill benefit. Students attending public institutions where nonresident tuition and fees exceed the maximum amount payable may be eligible for additional assistance under the Yellow Ribbon GI Education Enhancement Program (YRP). When an institution enters into a YRP agreement with VA, it agrees to cover a portion of the student's tuition shortfall. VA then matches the institution's contribution to further reduce or eliminate the student's out-of-pocket expenses.

CBO expects that all affected institutions would comply with the requirements of this provision. Based on information from VA, CBO estimates that under the bill approximately 3,400 veterans and dependents would no longer require YRP assistance to help cover the costs of non-resident tuition and fees. Under current law, CBO estimates that those veterans will receive about \$3,900 each in YRP assistance in 2015 and, after taking into consideration annual increases in tuition costs, \$4,900 each by 2023. In total, the reduction in YRP assistance would decrease direct spending by \$127 million over the 2014–2023 period, CBO estimates. In addition, implementing this section would increase discretionary costs. Those costs are discussed above in the section titled “Long-Term Solution” under “Spending Subject to Appropriation.”

Medical Examinations for Military Sexual Trauma. Section 501 would require VA to provide a medical exam in order to make a decision on a claim of disability based on military sexual trauma (MST). Under current law, VA can deny a claim without an examination based on the evidence presented for the claim. VA generally places Post Traumatic Stress Disorder (PTSD) or mental disorder claims resulting from MST in one of three categories: (1) veterans who have enough substantiated information via examination and reports to grant a claim of service connection because of MST; (2) veterans who do not have enough information to grant a service-connection claim, but whose file contains enough information to grant an examination; or (3) veterans who do not have enough substantiated information to provide an examination, and who therefore receive an automatic denial of benefits. The third category is the 1 that would be affected by section 501. According to VA, about half of all claims for PTSD or mental disorders because of MST are denied because they lack substantiation.

VA receives about 340 claims per month that are based on MST (about 4,000 annually), and about one-half of those are denied. Of those claims that are denied, about one-quarter involved an examination (the second category above) and three-quarters did not (the third category above). Assuming a similar pattern over the 2014–2023 period, CBO expects that enacting this provision would require VA to provide an additional roughly 1,400 examinations per year to veterans who would otherwise not be eligible. Based on discussions with VA, CBO expects that 10 percent of the new examinations would result in new accessions to the compensation rolls per year, meaning about 140 new accessions. The costs of providing those examinations are discussed in the “Spending Subject to Appropriation” section of the estimate under the subheading “Medical Examinations for Military Sexual Trauma.”

Including adjustments for mortality, CBO expects that under this provision about 140 additional veterans would receive payments in 2014, increasing to a total of about 1,320 recipients in 2023. The average disability rate for a new claim in 2012 for PTSD or a mental disorder was 40 percent or \$7,464 annually. After accounting for inflation, CBO estimates that enacting section 501 would increase direct spending by about \$65 million over the 2014–2023 period.

Additional Assistance for Surviving Spouses. Under section 101, surviving spouses who are eligible for Dependency and Indemnity Compensation (DIC) and have 1 or more children under age 18 would have their monthly DIC payment increased by about \$320 for up to 3 years from the date that the survivor becomes eligible for DIC. That amount would increase annually with inflation. Under current law, surviving spouses who fit those criteria are eligible for 2 years of such additional payments. This extension would become effective on September 30, 2014, and would apply to all eligible surviving spouses receiving the additional payments on or after the enactment date of this bill. The additional payments would end sooner if all of the surviving spouse’s children reached age 18 before the end of the 2-year period.

Based on information from VA, about 25,800 surviving spouses began receiving DIC in 2012. Assuming a similar pattern over the 2014–2023 period, and accounting for mortality and the fact that about 5 percent of all DIC accessions have a dependent under 18, CBO estimates that about 1,280 surviving spouses with children under the age of 18 would receive an additional year of \$250 payments in 2015. Assuming that the ratio of new surviving spouses to surviving spouses with children under the age of 18 remains the same over the 10-year period and that survivors begin receiving payments uniformly over the year, CBO estimates that enacting section 101 would increase direct spending for DIC by \$48 million over the 2014–2023 period.

Reporting Fees. VA pays reporting fees to institutions that provide education or training to veterans using VA education benefits. Those fees are paid at a rate of \$12 per calendar year for each eligible enrolled veteran or \$15 in cases where educational institutions assume temporary custody of education assistance checks until the time of registration. Section 204 would reduce the amount of those fees to \$7 and \$11, respectively. Based on current levels

of spending for these fees, CBO estimates that change would decrease direct spending by \$44 million over the 2014–2023 period.

Asset Look-Back for Disability Pensions. Section 801 would authorize VA to conduct a review of the financial records of all applicants for pensions. The review would cover the 3 years preceding each application. This look-back would determine if the applicant disposed of any assets or resources for less than fair market value. This provision would only affect those individuals applying for veterans' or survivors' pension benefits in 2015 or later.

Based on information from VA and the Government Accountability Office about the income and resources of most pension applicants, CBO expects that less than 1 percent of all eligible veterans or survivors have disposed of assets that would disqualify them from eligibility within the 3-year window. Therefore, CBO estimates that in 2015, about 200 veterans and 140 survivors would be disqualified from eligibility because of the review and that a similar pattern would continue over the 2014–2023 period. Such individuals would be disqualified, on average, for 3 years. CBO estimates an average veteran's pension rate will be about \$9,800 in 2015 and an average survivor's pension rate will be about \$6,300. After accounting for inflation and mortality, CBO estimates that enacting section 801 would decrease direct spending by \$39 million over the 2014–2023 period.

Those estimated savings would occur whether or not VA hires additional personnel; however, CBO expects VA to do so to maintain the current processing time for applications. The costs for those additional employees are discussed in the "Spending Subject to Appropriation" section of the estimate.

Expansion of the Yellow Ribbon GI Education Enhancement Program (YRP). Under current law, dependents receiving education benefits under the Fry Scholarship are not eligible for YRP assistance (a description of the YRP can be found under "In-State Tuition for Post-9/11 GI Bill Beneficiaries"). Section 105 would expand YRP eligibility to Fry Scholarship recipients starting July 1, 2015. Based on information from VA, and assuming that sections 104 and 201 are concurrently enacted, CBO estimates that about 250 children and spouses each year would benefit from this provision, with each receiving an average of about \$4,600 in YRP assistance. Thus, enacting this provision would increase direct spending by \$10 million over the 2014–2023 period, CBO estimates. In addition, implementing this section would increase discretionary costs. Those costs are discussed in the "Spending Subject to Appropriation" section of the estimate under the subheading "Long-Term Solution."

Extension and Expansion of Work-Study Program. Veterans using their educational benefits on a full-time or three-quarters-time basis may be eligible to receive a work-study allowance for performing VA-related work on school campuses and at other qualifying locations. Those veterans are paid the federal minimum wage or their State's minimum wage, whichever is greater. VA's authority to pay work-study allowances to certain veterans performing outreach services, providing hospital and domiciliary care to veterans in State homes, or performing activities at national or State veterans' cemeteries expired on June 30, 2013. Section 202 would extend that authority through June 30, 2015. Assuming the legislation is enacted near the beginning of 2014, VA's authority to pay

work-study allowances for about 400 positions would be interrupted for several months.

The section also would expand the work-study program to include certain activities performed in the offices of Members of Congress. That authority would also expire on June 30, 2015. Based on information from VA, CBO estimates that about 700 veterans each year would benefit from the extension and expansion of these work-study programs and that each would be paid, on average, about \$2,800 annually. Over the 2014–2023 period, enacting this provision would increase direct spending by \$4 million, CBO estimates.

Spina Bifida Benefits. Starting 1 year after enactment, section 106 would expand eligibility for benefits related to spina bifida to include the children of veterans who served in Thailand between January 9, 1962, and May 7, 1975, and who may have been exposed to an herbicide agent. Those children would be eligible for a monetary allowance and certain other benefits from VA similar to those provided to children with spina bifida of veterans who served in Vietnam. Based on information from VA about the current population of children receiving benefits for spina bifida relative to the number of servicemembers who served in Vietnam, and information about the number of veterans who served in Thailand, CBO estimates that about 30 individuals per year would receive a monetary allowance under this provision. With an average allowance of \$700 per month, CBO estimates that enacting section 106 would increase direct spending by \$3 million over the 2014–2023 period. Section 106 would also provide health care for those eligible individuals. The cost of that care is discussed in the “Spending Subject to Appropriation” section of the estimate.

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. S. 944 would modify several programs that provide benefits to veterans. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in the following table.

Table 4.—CBO Estimate of Pay-As-You-Go Effects for S. 944 as ordered reported by the Senate Committee on Veterans’ Affairs on July 24, 2013

	By fiscal year, in millions of dollars—												
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014–2018	2014–2023	
NET INCREASE OR DECREASE (-) IN THE DEFICIT													
Statutory Pay-As-You-Go Impact	-1	-4	13	15	-193	13	13	15	16	17	-170	-94	

Estimated impact on State, local, and tribal governments: S. 944 contains no intergovernmental mandates as defined in UMRA, but it would place additional conditions on States for participating in voluntary federal programs. The bill would require public institutions of higher education to charge certain veterans no more than in-State tuition and fees regardless of State of residency in order for veterans enrolled in those institutions to be eligible to use their VA education benefits at those institutions. In addition, the bill would require States to comply with new standards for licensing professionals. Any costs incurred by those institutions or governments would be incurred voluntarily.

Estimated impact on the private sector: This bill contains no new private-sector mandates as defined in UMRA.

Estimate prepared by: Federal costs: Ann E. Futrell, Bill Ma, David Newman, and Dwayne 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.

REGULATORY IMPACT STATEMENT

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee has made an evaluation of the regulatory impact that would be incurred in carrying out S. 944. The Committee finds that S. 944 would not entail any regulation of individuals or businesses or result in any impact on the personal privacy of any individuals and that the paperwork resulting from enactment would be minimal.

TABULATION OF VOTES CAST IN COMMITTEE

In compliance with paragraph 7 of rule XXVI of the Standing Rules of the Senate, the following is a tabulation of votes cast in person or by proxy by Members of the Committee on Veterans' Affairs at its July 24, 2013, meeting. Three amendments were offered to S. 944 by Members of the Committee.

An amendment by Ranking Member Burr would have required that, prior to establishing any fitness facility under section 306 that requires the construction of a facility, all projects in the Strategic Capital Investment Planning project list for fiscal year 2014 must have been completed. This amendment was not agreed to.

Ranking Member Burr's second amendment would require the addition of a prohibition on benefits for disqualifying conduct under a new process related to Filipino Veterans. This amendment was agreed to by voice vote.

Senator Boozman's amendment sought to amend adaptive sports programs for disabled veterans and members of the Armed Forces through the USOC. This amendment was not agreed to.

S. 944 as amended, and as subsequently amended during the markup, was agreed to by voice vote and ordered reported to the Senate.

AGENCY REPORT

On May 9, 2013, Robert L. Jesse, M.D., Ph.D., Principal Deputy Under Secretary for Health, Veterans Health Administration, Department of Veterans Affairs, and on June 12, 2013, Curtis L. Coy, Deputy Under Secretary for Economic Opportunity, Veterans Benefits Administration, appeared before the Committee and submitted testimony on various bills incorporated into the Committee bill. In addition, on September 11 and September 13, 2013, VA provided views on various bills incorporated into the Committee bill. Excerpts from both the testimony and Department views are reprinted below:

STATEMENT OF ROBERT L. JESSE, M.D., PH.D., PRINCIPAL
DEPUTY UNDER SECRETARY FOR HEALTH, VETERANS
HEALTH ADMINISTRATION, U.S. DEPARTMENT OF VET-
ERANS AFFAIRS

Good Morning Chairman Sanders, Ranking Member Burr, and Members of the Committee. Thank you for inviting me here today to present our views on several bills that would affect Department of Veterans Affairs (VA) benefits programs and services. Joining me today is Susan Blauert, Deputy Assistant General Counsel.

We do not yet have cleared views on sections 4, 10, 11, or 12 of S. 131, S. 287, section 3 of S. 522, S. 800, S. 832, S. 845, S. 851, S. 852, or the draft bill described as “The Veterans Affairs Research Transparency Act of 2013.” Also, we do not have estimated costs associated with implementing S. 131, S. 422, S. 455, or S. 825. We will forward the views and estimated costs to you as soon as they are available.

* * * * *

S. 229, CORPORAL MICHAEL J. CRESCENZ ACT OF 2013

S. 229 would designate the Department of VAMC located at 3900 Woodland Avenue in Philadelphia, Pennsylvania, as the “Corporal Michael J. Crescenz Department of Veterans Affairs Medical Center.” VA defers to Congress in the naming of this facility.

* * * * *

S. 422 CHIROPRACTIC CARE AVAILABLE TO ALL VETERANS ACT OF 2013

S. 422 would require VA to establish programs for the provision of chiropractic care and services at not fewer than 75 medical centers by not later than December 31, 2014, and at all VAMCs by not later than December 31, 2016. Currently, VA is required (by statute) to have at least one site for such program in each VHA geographic services area.

Section 3(a) would amend the statutory definition of “medical services” in section 1701 of chapter 17, U.S.C., to include chiropractic services. Subsection (b) would amend the statutory definition of “rehabilitative services” in that same section to include chiropractic services. Finally, subsection (c) would amend the statutory definition of “preventive health services” in that same section to include periodic and preventive chiropractic examinations and services.

The bill would also make technical amendments needed to effect these substantive amendments.

In general, VA supports the intent of S. 422, but believes the decision to provide on-site or fee care should be determined based on existing clinical demands and business needs. Chiropractic care is

available to all Veterans and is already part of the standard benefits package.

As VA increases the number of VA sites providing on-site chiropractic care, we will be able to incrementally assess demand for chiropractic services and usage, and to best determine the need to add chiropractic care at more sites.

Currently, VA does not have an assessment that would support providing on-site chiropractic care at all VAMCs by the end of 2016. Such a mandate could potentially be excessive, given the availability of resources for on-site chiropractors and non-VA care to meet the current need for services. VA does not object to sections 3(a) and (b) as those changes reflect VA's consideration of chiropractic care as properly part of what should be considered medical and rehabilitative services. VA, however, cannot support section 3(c) for lack of a conclusive consensus on the use of chiropractic care as a preventative intervention.

S. 455 TRANSPORTATION IN CONNECTION WITH REHABILITATION, COUNSELING, EXAMINATION, TREATMENT, AND CARE

S. 455 would make permanent VA's broad authority to transport individuals to and from VA facilities in connection with vocational rehabilitation, counseling, examination, treatment, or care. That authority currently will expire on January 10, 2014. This authority has allowed VA to operate the Veterans Transportation Program which uses paid drivers to complement the Volunteer Transportation Network, which uses volunteer drivers. The Volunteer Transportation Network supported by Veterans Service Organizations, especially the Disabled American Veterans, is invaluable; however, with increasing numbers of transportation-disadvantaged Veterans, there simply are not enough volunteers to serve the level of need. Furthermore, volunteer drivers are generally precluded from transporting Veterans who are not ambulatory, require portable oxygen, have undergone a procedure involving sedation, or have other clinical issues. Also, some volunteers, for valid reasons, are reluctant to transport non-ambulatory or very ill Veterans. Paid drivers have resulted in better access to VA health care, often for those for whom travel is the most difficult.

VA thus supports enactment of this bill, and proposed a five-year extension of this authority in the FY 2014 President's Budget. The budget assumes savings of \$19.2 million in FY 2014 and \$102.7 million over five years. As a technical matter, we suggest the bill's insertion of a new section 111A be changed to instead reflect the intent to replace the existing section 111A with the revised version.

S. 522, WOUNDED WARRIOR WORKFORCE ENHANCEMENT ACT

S. 522, the Wounded Warrior Workforce Enhancement Act, would direct VA to establish two grant award programs. Section 2 of the bill would require VA to award grants to institutions to: (1) establish a master's or doctoral degree program in orthotics and prosthetics, or (2) expand upon an existing master's degree program in such area. This section would require VA to give a priority in the award of grants to institutions that have a partnership with a VAMC or clinic or a DOD facility. Grant awards under this provision must be at least \$1 million and not more than \$1.5 million.

Grant recipients must either be accredited by the National Commission on Orthotic and Prosthetic Education or demonstrate an ability to meet such accreditation requirements if receiving a grant. VA would be required to issue a request for proposals for grants not later than 90 days after the date of enactment of this provision.

In addition to the two purposes noted above, grantees would be authorized to use grants under this provision to train doctoral candidates and faculty to permit them to instruct in orthotics and prosthetics programs, supplement the salary of faculty, provide financial aid to students, fund research projects, renovate buildings, and purchase equipment. Not more than half of a grant award may be used for renovating buildings. Grantees would be required to give a preference to Veterans who apply for admission in their programs.

VA does not support enactment of section 2 of this bill. We believe VHA has adequate training capacity to meet the requirements of its health care system for recruitment and retention of orthotists and prosthetists. VA offers one of the largest orthotic and prosthetic residency programs in the Nation. In FY 2013, VA allocated \$837,000 to support 19 Orthotics/Prosthetics residents at 10 VAMCs. The training consists of a year-long post masters residency, with an average salary of \$44,000 per trainee. In recent years, VA has expanded the number of training sites and the number of trainees. Moreover, recruitment and retention of orthotists and prosthetists has not been a challenge for VA. Nationally, VA has approximately 240 orthotic and prosthetic staff; there are currently only seven positions open and being actively recruited.

Much of the specialized orthotic and prosthetic capacity of VA is met through contract mechanisms. VA contracts with more than 600 vendors for specialized orthotic and prosthetic services. Through both in-house staffing and contractual arrangements, VA is able to provide state-of-the-art commercially-available items ranging from advanced myoelectric prosthetic arms to specific custom fitted orthoses.

We also note the bill would not require these programs to affiliate with VA or send their trainees to VA as part of a service obligation. We also have technical concerns about the language in section 2, subsection (e). Specifically, the language directs the appropriators to provide funding (\$15 million) in only one fiscal year, FY 2014, which would expire after three fiscal years. This subsection contemplates that unobligated funds would be returned to the General Fund of the Treasury immediately upon expiration. Under 31 U.S.C. section 1553(a), expired accounts are generally available for 5 fiscal years following expiration for the purpose of paying obligations incurred prior to the account's expiration and adjusting obligations that were previously unrecorded or under recorded. If the unobligated balance of these funds were required to be returned to the Treasury immediately upon expiration, then VA would be unable to make obligation adjustments to reflect unrecorded or under recorded obligations. A bookkeeping error could result in an Antideficiency Act violation. Accordingly, we recommend the deletion of paragraph (2) of subsection (e). Further, we recommend that the words "for obligation" be deleted from paragraph (e)(1) of section 2 because they are superfluous. Last, we note that 90 days

after the date of enactment of this provision is not enough time for VA to prepare a request for proposals for these grants.

VA is unable to provide views on section 3 at this time, but will provide views for the record at a future time.

S. 529 MODIFICATION OF CAMP LEJEUNE ELIGIBILITY

Public Law 112–154 provided authority for VA to provide hospital services and medical care to Veterans and family members who served on active duty or resided at Camp Lejeune for no less than 30 days from January 1, 1957, to December 31, 1987, for care related to 15 illnesses specified in the public law. S. 529 would modify the commencement date of the period of service at Camp Lejeune, North Carolina for eligibility under 1710(e)(1)(F) from January 1, 1957, to August 1, 1953, or to such earlier date as the Secretary, in consultation with the Agency for Toxic Substances and Disease Registry (ATSDR), specifies.

VA supports this change due to information provided in the scientific studies conducted by ATSDR. We do not believe this change would result in substantial additional costs.

VA also recommends that the Committee consider including language to simplify the administrative eligibility determination process and thereby relieve some of the burden from the Veteran and family member. Other special eligibility authorities included participation by DOD to determine exposure while on active duty. The current statute for Camp Lejeune Veterans and family members does not include this provision. VA recommends including a requirement for DOD to determine if the Veteran or family member met the 30-day presence requirement on Camp Lejeune.

S. 543 VISN REORGANIZATION ACT OF 2013

Section 2 of S. 543 would require VHA to consolidate its 21 Veterans Integrated Service Networks (VISN) into 12 geographically defined VISNs, would require that each of the 12 VISN headquarters be co-located with a VAMC, and would limit the number of employees at each VISN headquarters to 65 full-time equivalent employees (FTEE). VA opposes section 2 for the following reasons.

By increasing the scope of responsibility for each VISN headquarters while reducing the number of employees at each, the legislation would impede VA's ability to implement national goals. Currently, VISN headquarters are capable of providing assistance to supplement resource needs at facilities and are able to support transitions in staff within local facilities when there are personnel changes; with a responsibility for oversight of more facilities and fewer staff, the VISN headquarters would lose the opportunity to provide this essential service when needed. VHA has reviewed each VISN headquarters and is working with each to streamline operations, create efficiencies internal to each VISN, and realign resources. This will achieve savings without the negative impact of the restructuring proposed in S. 543.

The requirement in section 2 that VISN budgets be balanced at the end of each fiscal year may have unintended consequences. Currently, each VISN balances its accounts at the end of each fiscal year. Sometimes this is achieved by providing additional resources from VHA. These resources may be needed for a number

of reasons, including greater-than-anticipated demand, a national disaster or emergency, new legal requirements enacted during the year, and other factors. Under S. 543, VA may lose the flexibility to supplement VISNs with additional resources, potentially compromising patient care.

Section 2 would also require VA to identify and reduce duplication of functions in clinical, administrative, and operational processes and practices in VHA. We are already doing this by identifying best practices and consolidating functions, where appropriate. Further, section 2 describes how the VISNs should be consolidated but fails to articulate clearly the flow of leadership authority. Consequently, S. 543 would blur the lines of authority from VHA Central Office, regions, and VISNs to medical centers, which could actually impede oversight and create confusion.

Additionally, the original VISN boundaries were drawn carefully based on the health needs of the local population. By contrast, the proposed combination of VISNs does not account for the underlying referral patterns within each VISN. For example, it is unclear why VISNs 19 and 20 should be consolidated. This would produce a single Network responsible for overseeing 12 States, 15 VA health care systems or medical centers, and a considerable land mass, while VISN 6 would continue to oversee three States and eight health care systems or medical centers. VA would appreciate the opportunity to review the Committee's criteria for determining these boundaries.

Finally, section 2 seems to assume that locating the management function away from a medical center represents an inefficient organizational approach. That assumption is not valid in all cases. Currently, six VISNs (1, 2, 3, 20, 21, and 23) are co-located with a VAMC. The legislation's requirement for co-location with a VAMC would require either construction to expand existing medical centers, using resources that would otherwise be devoted to patient care to cover administrative costs, or would require the removal of certain clinical functions to create administrative space for VISN staff in at least nine VISNs.

As a result, Veterans potentially would be forced to travel to different locations for services or would be unable to access new services that would have been available had construction resources not been required to modify existing facilities to accommodate VISN staff. While section four States that nothing in the bill shall be construed to require any change in the location or type of medical care or service provided by a VA medical center, the reality is that requiring co-location would necessitate this result.

VA also does not support section 3 of S. 543. Section 3 would require VA to create up to four regional support centers to "assess the effectiveness and efficiency" of the VISNs. Section 3 identifies a number of functions to be organized within the four regional support centers including:

- Financial quality assurance;
- Operation Enduring Freedom/Operation Iraqi Freedom/Operation New Dawn outreach;
- Women's Veterans programs assessments;
- Homelessness effectiveness assessments;
- Energy assessments; and

- Other functions as the Secretary deems appropriate.

Certain services are more appropriately organized as national functions rather than regional ones. For example, regional functions addressing homelessness and women Veterans issues would duplicate existing national services. The current structure (VISN accountability and national oversight) ensures accountable leadership oversight that is proximate to health care services provided to Veterans at VA facilities. By contrast, S. 543 would create competing oversight entities.

In addition, the functions listed in section 3 may not be the most appropriate ones for consolidation. VHA has created seven Consolidated Patient Account Centers to achieve superior levels of sustained revenue cycle management, established national call centers to respond to questions from Veterans and their families, and is assessing consolidation of claims payment functions to achieve greater efficiencies and accuracy. We believe these types of functions are more appropriate to move off-station. S. 543 appears to contemplate a reduction in the FTEE associated with regional management but in practice, the proposed regional support centers are likely to increase overall staffing needs, resulting in a diversion of resources from patient care. If each of the four regional support centers is 110 FTEE, a realistic assumption given the scope of responsibilities identified in the legislation, the proposed model would result in overall growth of regional staff compared with VHA's current plans.

Currently, it is not possible to identify costs for the proposed legislation; however, it is expected that the requirement to collocate functions with Medical Centers will result in costlier clinical leases. Additionally, the proposed VA Central Office, VISN, and Regional Support Center structure will result in increased FTEE requirements.

* * * * *

Mr. Chairman, this concludes my statement. Thank you for the opportunity to appear before you today. I would be pleased to respond to questions you or the other Members may have.

STATEMENT OF CURTIS L. COY, DEPUTY UNDER SECRETARY FOR ECONOMIC OPPORTUNITY, VETERANS BENEFITS ADMINISTRATION, U.S. DEPARTMENT OF VETERANS AFFAIRS

Good morning, Mr. Chairman and Members of the Committee. I am pleased to be here today to provide the views of the Department of Veterans Affairs (VA) on pending legislation affecting VA's programs, including the following: Sections 101, 102 and 103 of S. 6, S. 200, S. 257, S. 262, S. 294, S. 373, S. 430, sections 5, 6, 7, and 8 of S. 495, S. 514, S. 515, S. 572, S. 629, S. 674, S. 690, S. 695, S. 705, S. 748, S. 893, S. 894, S. 922, sections 103, 104, 201, 202, 301, 302, 303, 304, and 305 of S. 928, and S. 939. VA has not had time to develop cost estimates for S. 514 and S. 894 and but will work to provide them. VA has not had time to develop views and costs on the other sections of S. 928. I cannot address today views and costs on S. 735, S. 778, S. 819, S. 863, S. 868, S. 889,

S. 927, certain sections of S. 928, S. 930, S. 932, S. 935, S. 938, S. 944, S. 1039, S. 1042, and S. 1058, but, with your permission, we will work to provide that information. Other legislative proposals under discussion today would affect programs or laws administered by the Department of Labor (DOL), Department of Homeland Security (DHS), Department of Defense (DOD), the Office of Personnel Management (OPM), and the General Services Administration (GSA). Respectfully, we defer to those Departments' views on those legislative proposals. Accompanying me this morning are Thomas Murphy, Director, Compensation Service, Veterans Benefits Administration; Richard Hipolit, Assistant General Counsel; and John Brizzi, Deputy Assistant General Counsel.

* * * * *

S. 200

S. 200 would establish eligibility for interment in a national cemetery for any individual who: (1) the Secretary of Veterans Affairs determines served in combat support of the Armed Forces in Laos during the period beginning on February 28, 1961, and ending on May 15, 1975; and (2) at the time of death was a U.S. citizen or lawfully admitted alien.

Section 401 of Public Law 95-202 authorizes the Secretary of Defense to determine whether the service of members of civilian or contractual groups shall be considered active duty for the purposes of all laws administered by VA. The DOD Civilian/Military Service Review Board advises the Secretary of Defense in determining if civilian service in support of the U.S. Armed Forces during a period of armed conflict is equivalent to active military service for VA benefits. VA provides burial and memorial benefits to individuals deemed eligible by reason of active military service established by the Secretary of Defense.

VA does not support this bill because it would bypass the statutorily mandated process established under section 401 of Public Law 95-202 that promotes consistency in evaluation of various types of service. The established process under Public Law 95 202 ensures that determinations regarding individuals or groups who did not serve in the Armed Forces are based on adequate information regarding the nature of the operations of the U.S. Armed Forces at the relevant times and locations and the nature of the support provided by the individuals or groups in question.

Further, VA relies on DOD to determine the circumstances of an individual's service and when such service was rendered, and, for purposes of this bill, VA would have to rely on DOD to make determinations such as whether such service was "in combat support of the Armed Forces." VA is not equipped to make those determinations on a case-by-case basis. Yet the bill makes no provision for DOD involvement in the process. In addition, it is unclear how "combat support" would be defined and documented for purposes of implementing this bill.

If the assumption is made that the impacted population would be small, no significant cemetery construction or interment costs would be associated with this legislation.

S. 257

S. 257, the “GI Bill Tuition Fairness Act of 2013,” would amend section 3679 of title 38, United States Code, to direct VA, for purposes of the educational assistance programs administered by the Secretary, to disapprove courses of education provided by public institutions of higher education that do not charge tuition and fees for Veterans at the same rate that is charged for in-State residents, regardless of the Veteran’s State of residence. The bill does not address whether tuition and fee rates for Servicemembers or other eligible beneficiaries of the GI Bill affect the approval status of a program of education. S. 257 would apply to educational assistance provided after August 1, 2014. In the case of a course of education in which a Veteran or eligible person (such as a spouse or dependent who is eligible for education benefits) is enrolled prior to August 1, 2014, that is subsequently disapproved by VA, the Department would treat that course as approved until the Veteran or eligible person completes the course in which the individual is enrolled. After August 1, 2018, any disapproved course would be treated as such, unless the Veteran or eligible person receives a waiver from VA. While VA is sympathetic to the issue of rising tuition costs, it is difficult to endorse the proposed legislation until we know more about the impact.

VA cannot predict what reductions in offerings by educational institutions would result from this requirement. In-State tuition rules are set by individual States, and are undoubtedly driven by overall fiscal factors and other policy considerations. Additionally, the bill creates ambiguity since it is unclear whether institutions that charge out-of-state tuition and fees to other eligible persons for a course of education, but that charge in-State tuition to Veterans in the same course, would also be disapproved.

VA estimates approximately 11.8 percent of Yellow Ribbon participants attended public institutions since the program’s inception. Of those, an estimated 80.6 percent were Veterans during the 2012 fall enrollment period. VA applied these percentages to the total amount of Yellow Ribbon benefits paid in FY 2012 and projected through FY 2023, assuming growth consistent with the overall chapter 33 program. Based on those projections, VA estimates that enactment of S. 257 would result in benefit savings to VA’s Readjustment Benefits account of \$2.3 million in the first year, \$70.3 million over 5 years, and \$179.9 million over 10 years. VA estimates there would be no additional GOE administrative costs required to implement this bill.

* * * * *

S. 294

Section 2(a) of S. 294, the “Ruth Moore Act of 2013,” would add to 38 U.S.C. § 1154 a new subsection (c) to provide that, if a Veteran alleges that a “covered mental health condition” was incurred or aggravated by military sexual trauma (MST) during active service, VA must “accept as sufficient proof of service-connection” a mental health professional’s diagnosis of the condition together with satisfactory lay or other evidence of such trauma and the professional’s opinion that the condition is related to such trauma, pro-

vided that the trauma is consistent with the circumstances, conditions, or hardships of such service, irrespective of whether there is an official record of incurrence or aggravation in service. Service connection could be rebutted by “clear and convincing evidence to the contrary.” In the absence of clear and convincing evidence to the contrary, and provided the claimed MST is consistent with the circumstances, conditions, and hardships of service, the Veteran’s lay testimony alone would be sufficient to establish the occurrence of the claimed MST. The provision would define the term “covered mental health condition” to mean Post Traumatic Stress Disorder (PTSD), anxiety, depression, “or other mental health diagnosis described in the current version” of the American Psychiatric Association Diagnostic and Statistical Manual of Mental Disorders that VA “determines to be related to military sexual trauma.” The bill would define MST to mean “psychological trauma, which in the judgment of a mental health professional, resulted from a physical assault of a sexual nature, battery of a sexual nature, or sexual harassment which occurred during active military, naval, or air service.”

Section 2(b) would require VA, for a 5-year period beginning with FY 2014, to submit to Congress an annual report on claims covered by new section 1154(c) that were submitted during the fiscal year. Section 2(b) would also require VA to report on the: (1) number and percentage of covered claims submitted by each sex that were approved and denied; (2) rating percentage assigned for each claim based on the sex of the claimant; (3) three most common reasons for denying such claims; (4) number of claims denied based on a Veteran’s failure to report for a medical examination; (5) number of claims pending at the end of each fiscal year; (6) number of claims on appeal; (7) average number of days from submission to completion of the claims; and (8) training provided to Veterans Benefits Administration (VBA) employees with respect to covered claims.

Section 2(c) would make proposed section 1154(c) applicable to disability claims “for which no final decision has been made before the date of the enactment” of the bill.

VA is committed to serving our Nation’s Veterans by accurately adjudicating claims based on MST in a thoughtful and caring manner, while fully recognizing the unique evidentiary considerations involved in such an event. Before addressing the specific provisions of S. 294, it would be useful to outline those efforts, which we believe achieve the intent behind the bill. The Under Secretary for Benefits has spearheaded VBA’s efforts to ensure that these claims are adjudicated compassionately and fairly, with sensitivity to the unique circumstances presented by each individual claim.

VA is aware that, because of the personal and sensitive nature of the MST stressors in these cases, it is often difficult for the victim to report or document the event when it occurs. To remedy this, VA developed regulations and procedures specific to MST claims that appropriately assist the claimant in developing evidence necessary to support the claim. As with other PTSD claims, VA initially reviews the Veteran’s military service records for evidence of the claimed stressor. VA’s regulation also provides that evidence from sources other than a Veteran’s service records may

corroborate the Veteran's account of the stressor incident, such as evidence from mental health counseling centers or statements from family members and fellow Servicemembers. Evidence of behavior changes, such as a request for transfer to another military duty assignment, is another type of relevant evidence that may indicate occurrence of an assault. VA notifies Veterans regarding the types of evidence that may corroborate occurrence of an in-service personal assault and asks them to submit or identify any such evidence. The actual stressor need not be documented. If minimal circumstantial evidence of a stressor is obtained, VA will schedule an examination with an appropriate mental health professional and request an opinion as to whether the examination indicates that an in-service stressor occurred. The mental health professional's opinion can establish occurrence of the claimed stressor.

With respect to claims for other disabilities based on MST, VA has a duty to assist in obtaining evidence to substantiate a claim for disability compensation. When a Veteran files a claim for mental or physical disabilities other than PTSD based on MST, VBA will obtain a Veteran's service medical records, VA treatment records, relevant Federal records identified by the Veteran, and any other relevant records, including private records, identified by the Veteran that the Veteran authorizes VA to obtain. VA must also provide a medical examination or obtain a medical opinion when necessary to decide a disability claim. VA will request that the medical examiner provide an opinion as to whether it is at least as likely as not that the current symptoms or disability are related to the in-service event. This opinion will be considered as evidence in deciding whether the Veteran's disability is service-connected.

VBA has also placed a primary emphasis on informing VA regional office (RO) personnel of the issues related to MST and providing training in proper claims development and adjudication. VBA developed and issued Training Letter 11-05, Adjudicating Posttraumatic Stress Disorder Claims Based on Military Sexual Trauma, in December 2011. This was followed by a nationwide broadcast on MST claims adjudication. The broadcast focused on describing the range of potential markers that could indicate occurrence of an MST stressor and the importance of a thorough and open-minded approach to seeking such markers in the evidentiary record. In addition, the VBA Challenge Training Program, which all newly hired claims processors are required to attend, now includes a module on MST within the course on PTSD claims processing. VBA also provided its designated Women Veterans Coordinators with updated specialized training. These employees are located in every VA RO and are available to assist both female and male Veterans with their claims resulting from MST.

VBA worked closely with the Veterans Health Administration (VHA) Office of Disability Examination and Medical Assessment to ensure that specific training was developed for clinicians conducting PTSD compensation examinations for MST-related claims. VBA and VHA further collaborated to provide a training broadcast targeted to VHA clinicians and VBA raters on this very important topic, which aired initially in April 2012 and has been rebroadcast numerous times.

Prior to these training initiatives, the grant rate for PTSD claims based on MST was about 38 percent. Following the training, the grant rate rose and at the end of February 2013 stood at about 52 percent, which is roughly comparable to the approximate 59-percent grant rate for all PTSD claims.

In December 2012, VBA's Systematic Technical Accuracy Review team, VBA's national quality assurance office, completed a second review of approximately 300 PTSD claims based on MST. These claims were denials that followed a medical examination. The review showed an overall accuracy rate of 86 percent, which is roughly the same as the current national benefit entitlement accuracy level for all rating-related end products.

In addition, VBA's new standardized organizational model has now been implemented at all of our ROs. It incorporates a case-management approach to claims processing. VBA reorganized its workforce into cross-functional teams that give employees visibility of the entire processing cycle of a Veteran's claim. These cross-functional teams work together on one of three segmented lanes: express, special operations, or core. Claims that predictably can take less time flow through an express lane (30 percent); those taking more time or requiring special handling flow through a special operations lane (10 percent); and the rest of the claims flow through the core lane (60 percent). All MST-related claims are now processed in the special operations lane, ensuring that our most experienced and skilled employees are assigned to manage these complex claims.

The Under Secretary for Benefits' efforts have dramatically improved VA's overall sensitivity to MST-related PTSD claims and have led to higher current grant rates. However, she recognized that some Veterans' MST-related claims were decided before her efforts began. To assist those Veterans and provide them with the same evidentiary considerations as Veterans who file claims today, VBA in April 2013 advised Veterans of the opportunity to request that VA review their previously denied PTSD claims based on MST. Those Veterans who respond will receive review of their claims based on VA's heightened sensitivity to MST and a more complete awareness of evidence development. VBA will also continue to work with VHA medical professionals to ensure they are aware of their critical role in processing these claims.

Through VA's extensive, recent, and ongoing actions, we are ensuring that MST claimants are given a full and fair opportunity to have their claim considered, with a practical and sensitive approach based on the nature of MST. As noted above, VA has recognized the sensitive nature of MST-related PTSD claims and claims based on other covered mental health conditions, as well as the difficulty inherent in obtaining evidence of an in-service MST event. Current regulations provide multiple means to establish an occurrence, and VA has initiated additional training efforts and specialized handling procedures to ensure thorough, accurate, and timely processing of these claims.

VA's regulations reflect the special nature of PTSD. Section 3.304(f) of title 38 Code of Federal Regulations, currently provides particularized rules for establishing stressors related to personal assault, combat, former prisoner-of-war status, and fear of hostile

military or terrorist activity. These particularized rules are based on an acknowledgement that certain circumstances of service may make the claimed stressor more difficult to corroborate. Nevertheless, they require threshold evidentiary showings designed to ensure accuracy and fairness in determinations as to whether the claimed stressor occurred. Evidence of a Veteran's service in combat or as a prisoner of war generally provides an objective basis for concluding that claimed stressors related to such service occurred. Evidence that a Veteran served in an area of potential military or terrorist activity may provide a basis for concluding that stressors related to fears of such activity occurred. In such cases, VA also requires the opinion of a VA or VA-contracted mental health professional, which enables VA to ensure that such opinions are properly based on consideration of relevant facts, including service records, as needed. For PTSD claims based on a personal assault, lay evidence from sources outside the Veteran's service records may corroborate the Veteran's account of the in-service stressor, such as statements from law enforcement authorities, mental health counseling centers, family members, or former Servicemembers, as well as other evidence of behavioral changes following the claimed assault. Minimal circumstantial evidence of a stressor is sufficient to schedule a VA examination and request that the examiner provide an opinion as to whether the stressor occurred. We recognize that some victims of sexual assault may not have even this minimal circumstantial evidence, and we are committed to addressing the problem.

As VA has continued its close review of this legislation as part of an Administration-wide focus on the critical issue of MST, we would like to further consider whether statutory changes could also be useful, while continuing to carry forward the training, regulatory, and case review efforts described above. VA would like to follow up with the Committee on the results of this review, and of course are glad to meet with you or your staff on this critical issue.

VA does not oppose section 2(b).

Section 2(c) does not define the term "final decision." As a result, it is unclear whether the new law would be applicable to an appealed claim in which no final decision has been issued by VA or, pursuant to 38 U.S.C. § 7291, by a court.

Benefit costs are estimated to be \$135.9 million during the first year, \$2.0 billion for 5 years, and \$7.1 billion over 10 years.

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S. 430

Section 2 of S. 430, the "Veterans Small Business Opportunity and Protection Act of 2013," would expand the scope of the "surviving spouse" exception associated with VA's Veteran-owned small business (VOSB) acquisition program established by 38 U.S.C. § 8127. This program requires that VA verify the ownership and control of VOSBs by Veterans in order for the VOSB to participate in VA acquisitions set aside for these firms.

Currently, an exception in the law is provided for certain surviving spouses to stand in the place of a deceased service-disabled spouse owner for verification purposes if the Veteran owner had a

service-connected disability rated as 100 percent disabling or died as a result of a service-connected disability for a limited period of time. Section 2 would continue to provide that if the deceased Veteran spouse had a service-connected disability rated as 100 percent disabling or died as a result of a service-connected disability, the surviving spouse owner could retain verified service-disabled Veteran-owned small business (SDVOSB) status for VA's program for a period of 10 years. In addition, a surviving spouse of a deceased Veteran with any service-connected disability, regardless of whether the Veteran died as a result of the disability, could retain verified SDVOSB status for VA's program for a period of 3 years. VA supports this provision.

Section 3 of S. 430 would add a separate, new provision to 38 U.S.C. §8127 to enable the surviving spouse or dependent of an servicemember killed in the line of duty who acquires 51 percent or greater ownership rights of the servicemember's small business to stand in place of the deceased servicemember for purposes of verifying the small business as one owned and controlled by Veterans in conjunction with VA's VOSB set-aside acquisition program also created by 38 U.S.C. §8127. This status would continue, for purposes of a surviving spouse, until the earlier of the re-marriage of the surviving spouse, the relinquishment of ownership interest such that the percentage falls below 51 percent, or 10 years. With respect to dependent status, this would continue until the dependent holds less than 51 percent ownership interest or 10 years, whichever occurs earlier. VA supports this provision but recommends clarifying the term "dependent," as appropriate, to ensure the individual is one having legal capacity to contract with the Federal government. VA stands ready to work with the Committee to address this issue. VA estimates no additional appropriations would be required to implement this bill if enacted.

S. 492

S. 492, which would require conditioning certain DOL grants upon States establishing programs to recognize military experience in its licensing and credentialing programs. This bill affects programs or laws administered by DOL. Respectfully, we defer to that Department's views on this bill.

S. 495

Section 5 of S. 495, "Careers for Veterans Act of 2013," would add a new definition to 38 U.S.C. §8127, VA's VOSB set-aside acquisition program, to clarify that any small business concern owned exclusively by Veterans would be deemed to be unconditionally owned by Veterans. VA supports this provision.

Section 6 of the bill essentially duplicates the extension of surviving spouse status previously discussed in conjunction with section 2 of S. 430. VA supports this provision. Section 7 of this bill essentially duplicates the provisions of section 3 of S. 430. Again, VA supports this provision subject to the caveat that "dependent" be more specifically defined. Last, section 8 of this bill would add a new subsection to 38 U.S.C. §8127 that would eliminate consideration of State community property laws in verification examinations with respect to determinations of ownership percentage by

the Veteran or Veterans of businesses located in States with community property laws. VA supports this provision. VA estimates that no additional appropriations would be required to implement the provisions of sections 5 through 8 of S. 495.

Section 2 affects programs or laws administered by OPM and sections 3 and 4 affect programs or laws administered by DOL. Respectfully, we defer to those Departments for views on those sections of S. 495.

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S. 515

S. 515 would amend title 38, United States Code, to permit a recipient of the Marine Gunnery Sergeant John David Fry Scholarship (available to a child of an individual who, on or after September 11, 2001, dies in the line of duty while serving on active duty) to be eligible for the “Yellow Ribbon G.I. Education Enhancement Program” (Yellow Ribbon Program), under the Post-9/11 Educational Assistance Program (Post-9/11 GI Bill). The Yellow Ribbon Program is available to Veterans and transfer-of-entitlement recipients receiving Post-9/11 GI Bill benefits at the 100% benefit level attending school at a private institution or as a non-resident student at a public institution. The Program provides payment for up to half of the tuition-and-fee charges that are not covered by the Post-9/11 GI Bill, if the institution enters into an agreement with VA to pay or waive an equal amount of the charges that exceed Post-9/11 GI Bill coverage. This bill would take effect at the beginning of the academic year after the date of enactment.

VA supports S. 515, but has some concerns, expressed below, that we believe should be addressed. The enactment of this proposed legislation would require programming changes to VA’s Long Term Solution computer processing system. Obviously development funding is not available in VA’s fiscal year 2013 budget for the changes that would be necessitated by enactment of this legislation. If funding is not made available to support them, manual processes would be required, which could result in some decrease in timeliness and accuracy of Post-9/11 GI Bill claims. The effective date for the proposed legislation would be the first academic year after enactment, which is also problematic. VA estimates that it would require one year from date of enactment to make the system changes necessary to implement this bill.

VA estimates that if S. 515 were enacted, the costs to the Readjustment Benefits account would be \$609 thousand in the first year, \$3.6 million over 5 years, and \$8.4 million over 10 years. There are no additional FTE or GOE costs associated with this proposal.

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S. 629

S. 629, the “Honor America’s Guard-Reserve Retirees Act of 2013,” would add to chapter 1, title 38, United States Code, a provision to honor as Veterans, based on retirement status, certain persons who performed service in reserve components of the Armed Forces but who do not have service qualifying for Veteran status

under 38 U.S.C. § 101(2). The bill provides that such persons would be “honored” as Veterans, but would not be entitled to any benefit by reason of the amendment.

Under 38 U.S.C. § 101(2), Veteran status is conditioned on the performance of “active military, naval, or air service.” Under current law, a National Guard or Reserve member is considered to have had such service only if he or she served on active duty, was disabled or died from a disease or injury incurred or aggravated in line of duty during active duty for training, or was disabled or died from any injury incurred or aggravated in line of duty or from an acute myocardial infarction, a cardiac arrest, or a cerebrovascular accident during inactive duty training. S. 629 would eliminate these service requirements for National Guard or Reserve members who served in such a capacity for at least 20 years. Retirement status alone would make them eligible for Veteran status.

VA recognizes that the National Guard and Reserves have admirably served this country and in recent years have played an even greater role in our Nation’s overseas conflicts. Nevertheless, VA does not support this bill because it represents a departure from active service as the foundation for Veteran status. This bill would extend Veteran status to those who never performed active military, naval, or air service, the very circumstance which qualifies an individual as a Veteran. Thus, this bill would equate longevity of reserve service with the active service long ago established as the hallmark for Veteran status.

VA estimates that there would be no additional benefit or administrative costs associated with this bill if enacted.

S. 674

S. 674, the “Accountability for Veterans Act of 2013,” would require responses within a fixed period of time from the heads of covered Federal agencies when the Secretary of Veterans Affairs requests information necessary to adjudicate claims for benefits under laws administered by the Secretary. Covered agencies would include the Department of Defense (DOD), the Social Security Administration (SSA), and the National Archives and Records Administration (NARA).

The bill would require covered agencies to provide VA with requested Federal records within 30 days or submit to VA the reason why records cannot be obtained within 30 days, along with an estimate as to when the records could be furnished. If VA does not receive the records within 15 days after the estimated date, then VA would resubmit such request and the agency must, within 30 days, furnish VA with the records or provide an explanation of why the records have not been provided and an estimate of when the records will be provided. The bill would also require VA to provide notices to the claimant regarding the status of the records requests and to submit a semiannual report to the Senate and House Committees on Veterans’ Affairs regarding the progress of records requests for the most recent 6-month period.

VA appreciates this effort to accelerate the response times when VA requests records from Federal agencies that are necessary to adjudicate disability claims. However, VA opposes this bill because

adequate measures are already in place to facilitate expeditious transfer of records from the identified covered agencies.

Under a recent Memorandum of Understanding (MOU) between VA and DOD, DOD provides VA, at the time of a Servicemember's discharge, a 100-percent-complete service treatment and personnel record in an electronic, searchable format. As this MOU applies to the 300,000 annually departing Active Duty, National Guard, and Reserve Servicemembers, it represents a landmark measure that will significantly contribute to VA's efforts to achieve its 125-day goal to complete disability compensation claims.

VA also continues to work with SSA to enhance information sharing through SSA's Web-based portal, Government to Government Services Online (GSO). VA and SSA officials confer weekly to develop strategies to allow VA to more quickly obtain SSA medical records needed for VA claims. As a result, SSA is now directly uploading electronic medical records into VBA's electronic document repository at several regional offices (RO). These improvements are reducing duplication and streamlining the records transmittal and review processes. VA will continue with a phased nationwide deployment of this initiative for our new paperless processing system, beginning with the San Juan Regional Office.

VA is also concerned about the requirement to notify the claimant of the status of records requests. Although these extra administrative steps would provide additional information to claimants, they also require more work of claims processors and thus reduce claims processing capacity in ROs. VA wishes to concentrate its resources on eliminating the disability claims backlog.

There are no mandatory costs associated with this proposal. The discretionary costs associated with this bill cannot be determined, given the speculative nature of estimating what additional actions would be required of other Federal agencies.

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S. 695

S. 695 would amend section 322 of title 38, United States Code, to extend for 5 years (through FY 2018) the yearly \$2 million appropriations authorization for VA to pay a monthly assistance allowance to disabled Veterans who are invited to compete for a slot on, or have been selected for, the U.S. Paralympic Team in an amount equal to the monthly amount of subsistence allowance that would be payable to the Veteran under chapter 31, title 38, United States Code, if the Veteran were eligible for and entitled to rehabilitation under such chapter. S. 695 also would amend section 521A of title 38 to extend for 5 years (through FY 2018) VA's appropriations authorization, with amounts appropriated remaining available without fiscal year limitation, for grants to United States Paralympics, Inc. (now the United States Olympic Committee) to plan, develop, manage, and implement an integrated adaptive sport program for disabled Veterans and disabled members of the Armed Forces. These Paralympic programs have experienced ongoing improvement and expansion of benefits to disabled Veterans and disabled Servicemembers, to include 115 Veterans qualifying for the monthly assistance allowance, and over 1,900 Paralympic grant

events with over 16,000 Veteran participants during FY 2012. Under current law, both authorities will expire at the end of FY 2013.

VA supports extension of these authorities, but recommends further revisions, to improve the accessibility and equity of these programs, by extending monthly assistance allowances to disabled Veterans who are invited to compete for a slot on, or have been selected for, the United States Olympic Team (not just the Paralympic Team) or Olympic and Paralympic teams representing the American Samoa, Guam, Puerto Rico, the Northern Mariana Islands, and the U.S. Virgin Islands, by authorizing grants to those Olympic and Paralympic sports entities, and by clarifying that the current authority to award grants is to promote programs for all adaptive sports and not just Paralympic sports.

VA estimates there would be no costs associated with implementing this bill.

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S. 748

S. 748, the “Veterans Pension Protection Act,” would amend sections 1522 and 1543 of title 38, United States Code, to establish in VA’s pension programs a look-back and penalty period of up to 36 months for those claimants who dispose of resources for less than fair market value that could otherwise be used for their maintenance.

Subsection (a) would amend the net worth limitations applicable to Veteran’s pension in section 1522 of title 38, United States Code. If a Veteran (or a Veteran’s spouse) disposes of assets before the date of the Veteran’s pension claim, VA currently does not generally consider those assets as part of the Veteran’s net worth, so long as the transfer was a gift to a person or entity other than a relative living in the same household. As amended, section 1522 would provide that when a Veteran (or Veteran’s spouse) disposes of “covered resources” for less than fair market value on or after the beginning date of a 36-month look-back period, the disposal may result in a period of ineligibility for pension. In such cases, the law would provide for a period of ineligibility for pension beginning the first day of the month in or after which the resources were disposed of and which does not occur in any other period of ineligibility.

Subsection (a) would also provide a method for calculating the period of ineligibility for pension resulting from a disposal of covered resources at less than fair market value. The period of ineligibility, expressed in months, would be the total uncompensated value of all applicable covered resources disposed of by the Veteran (or the Veteran’s spouse) divided by the maximum amount of monthly pension that would have been payable to the Veteran under section 1513 or 1521 without consideration of the transferred resources.

This subsection would also give VA authority to promulgate regulations under which VA would consider a transfer of an asset, including a transfer to an annuity, trust, or other financial instrument or investment, to be a transfer at less than fair market value,

if the transfer reduced the Veteran's net worth for pension purposes and VA determines that, under all the circumstances, the resources would reasonably be consumed for maintenance.

Subsection (a) would also provide that VA shall not deny or discontinue payment of pension under sections 1513 and 1521 or payment of increased pension under subsections (c), (d), (e), or (f) of section 1521 on account of a child based on the penalty and look-back periods established by sections (a)(2) or (b)(2) of the bill if: (1) the claimant demonstrates to VA that the resources disposed of for less than fair market value have been returned to the transferor; or (2) VA determines that the denial would work an undue hardship.

Finally, subsection (a) would require VA to inform Veterans of the asset transfer provisions of the bill and obtain information for making determinations pertaining to such transfers.

VA supports in principle the look-back and penalty-period provisions of subsection (a), but cannot support the bill as written because of the manner in which the length of the penalty period would be calculated. Our reading of the bill indicates that the method used to calculate the penalty period in proposed section 1522(a)(2)(E)(i), "the total, cumulative uncompensated value of all covered resources," could be unnecessarily punitive because VA might have determined that only a small portion of the covered resources should have been used for the Veteran's maintenance. VA has similar concerns with language in proposed section 1522(b)(2)(E)(i).

VA proposes, as an alternative, that the dividend under proposed section 1522(a)(2)(E)(i) be, "the total, cumulative uncompensated value of the portion of the covered resources so disposed of by the veteran (or the spouse of the veteran) on or after the look-back date described in subparagraph (C)(i), that the Secretary determines would reasonably have been consumed for the Veteran's maintenance;" We propose that similar language be used in section 1522(b)(2)(E)(i).

Apart from the concerns expressed regarding the method for calculating the penalty period, VA supports this subsection of the bill, which would clarify current law by prescribing that pension applicants cannot create a need for pension by gifting assets that the applicant could use for the applicant's own maintenance. It would also clarify that an applicant cannot restructure assets during the 36-month period preceding a pension application through transfers using certain financial products or legal instruments, such as annuities and trusts. A 2012 Government Accountability Office study found that there is a growing industry that markets these products and instruments to vulnerable Veterans and survivors, potentially causing them harm. Subsection (a) would amend the law in a manner that will authorize VA's implementation of necessary program integrity measures.

Subsection (b) of S. 748 would amend the net worth limitations applicable to survivor's pension in section 1543 of title 38, United States Code. Subsection (b) of the bill would apply to surviving spouses and surviving children the same restrictions pertaining to disposal of covered resources at less than fair market value as would be applied to Veterans under subsection (a). This subsection

would also provide that if the surviving spouse transferred assets during the Veteran's lifetime that resulted in a period of ineligibility for the Veteran, VA would apply any period of ineligibility remaining after the Veteran's death to the surviving spouse.

As with subsection (a), VA supports in principle the look back and penalty period provisions of subsection (b), but cannot support the bill as written because of the manner in which the length of the penalty period would be calculated. VA has the same concerns with the methodology language in proposed sections 1543(a)(2)(E)(i) and (b)(2)(E)(i) as expressed above pertaining to sections 1522(a)(2)(E)(i) and (b)(2)(E)(i).

VA opposes carrying over a penalty based on a transfer of assets made during the Veteran's lifetime to a pension claim filed by a surviving spouse because it could be potentially punitive. Under proposed paragraph (a)(2)(C) of section 1543, VA would apply the same 36-month look-back period to surviving spouses that it applies to Veterans. If the Veteran died soon after his or her pension claim was filed and the surviving spouse filed a claim for pension within 36 months of the Veteran's pension claim, VA would evaluate resource transfers that the surviving spouse made during the Veteran's lifetime under section 1543(a)(2)(C). However, if the surviving spouse did not claim pension until many years after the Veteran's pension claim or many years after the Veteran's death, under proposed section 1543(a)(2)(F), VA would apply the remainder of any penalty period assessed the Veteran based on a spouse's pre-death transfer of assets. In applying a penalty period based on a very old transaction to a new pension claim, this provision could be viewed as imposing a much longer look-back period for surviving spouses than that proposed for Veterans. Because VA will evaluate the surviving spouse's claim for pension on its own merits, VA proposes that the penalty-period carry-over provisions be eliminated.

Subsection (c) would provide that the amendments to section 1522(a)(2), (b)(2), and (c), and section 1543(a)(2), (a)(4), (b)(2), and (c) prescribed in the bill would take effect one year after the date of enactment and would apply to applications filed after the effective date as well as to any pension redetermination occurring after the effective date.

Subsection (d) provides for annual reports from VA to Congress, beginning not later than two years after the date of enactment, as to: (1) the number of individuals who applied for pension; (2) the number of individuals who received pension; and (3) the number of individuals whose pension payments were denied or discontinued because covered resources were disposed of for less than fair market value.

VA would not oppose inclusion of subsections (c) and (d) if the bill were amended as we recommend.

We lack sufficient data to estimate benefit or administrative costs associated with this proposal.

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S. 894 would amend section 3485(a)(4) of title 38, United States Code, extending for 3 years (through June 30, 2016) VA's authority

to provide work-study allowances for certain already-specified activities. Under current law, the authority is set to expire on June 30, 2013.

Public Law 107–103, the “Veterans Education and Benefits Expansion Act of 2001,” established a 5-year pilot program under section 3485(a)(4) that expanded qualifying work-study activities to include outreach programs with State Approving Agencies, an activity relating to the administration of a National Cemetery or a State Veterans’ Cemetery, and assisting with the provision of care to Veterans in State Homes. Subsequent public laws extended the period of the pilot program and, most recently, section 101 of Public Law 111–275, the “Veterans’ Benefits Act of 2010,” extended the sunset date from June 30, 2010 to June 30, 2013.

S. 894 also would add a provision to section 3485(a) that would authorize for a 3-year period from June 30, 2013 to June 30, 2016, work-study activities to be carried out at the offices of Members of Congress for such Members. Work-study participants would distribute information about benefits and services under laws administered by VA and other appropriate governmental and non-governmental programs to Servicemembers, Veterans, and their dependents. Work-study participants would also prepare and process papers and other documents, including documents to assist in the preparation and presentation of claims for benefits under laws administered by VA.

Finally, S. 894 would require VA, not later than June 30 each year beginning with 2014 and ending with 2016, to submit a report to Congress on the work-study allowances paid during the most recent 1-year period for qualifying work-study activities. Each report would include a description of the recipients of the allowances, a list of the locations where qualifying work-study activities were carried out and a description of the outreach conducted by VA to increase awareness of the eligibility of such work-study activities for work-study allowances.

VA does not oppose legislation that would extend the current expiration date of the work-study provisions to June 30, 2016. However, we would prefer that the legislation provide a permanent authorization of the work-study activities, rather than extending repeatedly for short time periods.

VA has no objection to work-study participants conducting and promoting the outreach activities and services contemplated by the bill. We also have no objection to work-study participants assisting in the preparation and processing of papers and other documents, “including documents to assist in the preparation and presentation of claims for VA benefits” under the proposed new section. However, work-study participants would be subject to the limitations found in chapter 59 of title 38 on representing claimants for VA benefits.

VA does not oppose submitting annual reports to Congress regarding the work-study program.

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S. 928, the “Claims Processing Improvement Act of 2013” would amend title 38, United States Code, to improve the processing of claims for compensation under laws administered by the Secretary of VA, and for other purposes. VA will provide later for the record its views on sections 101, 102, 104, 105, 106, and 203 of the draft bill.

Currently, section 5103A(c)(2) of title 38, United States Code, requires VA, when requesting records on a claimant’s behalf from a Federal department or agency, to continue to request records until VA obtains them or it is reasonably certain that such records do not exist or that further efforts to obtain them would be futile. VA is rarely able to determine with certainty that particular records do not exist or that further efforts to obtain them would be futile. Under current law, VA regional offices experience significant challenges and delays in their attempts to obtain certain non-VA Federal records, particularly service treatment records for National Guard and Reserve members who have been activated. While VA is currently working with other Federal agencies to improve the process of procuring non-VA Federal records, past efforts to obtain records from other government agencies have significantly delayed adjudication of pending disability claims.

Section 103 of this draft bill would provide that, when VA attempts to obtain records from a Federal department or agency other than a component of VA itself, it shall make not fewer than two attempts to obtain the records, unless the records are obtained or the response to the first request makes evident that a second request would be futile. Section 103 would also ensure that if any relevant record requested by VA from a Federal department or agency before adjudication is later provided, the relevant record would be treated as though it was submitted as of the date of the original filing of the claim. This provision would streamline the process for obtaining non-VA Federal records, would further balance the responsibilities of VA and Veterans to obtain evidence in support of a claim, and would allow VA to better address its pending inventory of disability claims. Section 103 would provide a more feasible and realistic standard in this time of limited resources and burgeoning claim inventory, which would help ensure valuable resources are focused most effectively on what will make a difference for faster more accurate adjudications of Veterans’ claims.

VA supports section 103 of this bill, which is similar to one of VA’s legislative proposals in the FY 2014 budget submission.

No benefit costs or savings would be associated with this section.

Section 104 would amend section 5902(a)(1) of title 38, United States Code, to include “Indian tribes” with the American National Red Cross, the American Legion, the Disabled American Veterans, the United Spanish War Veterans, and the Veterans of Foreign Wars as an enumerated organization whose representatives may be recognized by the Secretary in the preparation, presentation, and prosecution of claims under laws administered by the Secretary.

VA does not support section 104 of S. 928. With the exception of the American National Red Cross, which provides services generally as a charitable organization, the organizations listed in cur-

rent section 5902(a)(1) have as a primary purpose serving Veterans. Indian tribes are not charitable organizations, nor do they have as a primary purpose serving Veterans; therefore, VA does not believe Indian tribes should be named among these organizations in the statute. Under this bill as drafted, all Indian tribes, regardless of their size, capability, and resources to represent VA claimants, would essentially receive similar treatment as organizations recognized by VA for the purpose of providing representation to VA claimants. In other words, under section 14.629(a) of title 38, Code of Federal Regulations, Indian tribes could certify to VA that certain members are qualified to represent claimants before VA for the purpose of obtaining VA accreditation for those members, despite the tribes not meeting all the requirements for recognition under section 14.628 of title 38, Code of Federal Regulations.

Pursuant to the authority granted in section 5902(a), VA has established in section 14.628 of title 38, Code of Federal Regulations, the requirements for recognition of organizations to assist claimants in the preparation, presentation, and prosecution of claims under laws administered by the Secretary. Under this regulation, the organization must, among other requirements, have as a primary purpose serving veterans, demonstrate a substantial service commitment to Veterans, and commit a significant portion of its assets to Veterans' services. VA believes these are necessary characteristics of an organization whose representatives will be recognized in providing such assistance to Veterans. Indian tribes necessarily engage in a much broader scope of governance activities and operations and, therefore, generally do not have the Veteran-specific focus that is common to the organizations (save for the American Red Cross) recognized pursuant to section 5902(a)(1) of title 38, United States Code, and the VA regulations implementing that statute.

Currently, a member of an Indian tribe may request accreditation to assist Veterans in the preparation, presentation, and prosecution of claims for VA benefits as an agent or attorney under section 14.629(b) of title 38, Code of Federal Regulations, or as a representative of a currently recognized Veterans Service Organization. Thus, a member of an Indian tribe may be individually recognized by the Secretary to assist Veterans despite "Indian tribes" not being included among the enumerated organizations in section 5902(a)(1) of title 38, United States Code.

Section 201 of the bill would amend section 7105(b)(1) of title 38, United States Code, to require persons seeking appellate review of a VA decision to file a notice of disagreement (NOD) within 180 days from the date VA mails such decision to the claimant. Currently, persons challenging a decision of a VA agency of original jurisdiction (AOJ) have one year from the date the AOJ mails the decision to initiate an appeal to the Board of Veterans' Appeals (Board) by filing a NOD. This provision would reduce the time period for initiating appellate review from one year to 180 days.

The intent behind this provision is to allow VA to more quickly resolve claims and appeals. Currently, VA must wait up to one year to determine if a claimant disagrees with a decision on a claim for benefits. If a claimant waits until the end of the 1-year period to file a NOD, VA is often required to re-develop the record to en-

sure the evidence of record is up to date. Data support the conclusion that such late-term development delays the resolution of the claim. If the period in which to file a NOD were reduced, VA could more quickly finalize the administrative processing of claims not being appealed and focus resources on the processing of new claims and appeals. Accordingly, adoption of this proposal would allow VA to more actively manage cases and work toward a faster resolution of claims and appeals.

Because most claimants are able to quickly determine if they are satisfied with VA's decision on their claims and because the NOD is a relatively simple document, enactment of this provision would not adversely affect claimants for VA benefits. The average filing time for NODs demonstrates that most claimants file their NOD shortly after receiving notice of VA's decision, and, consequently, claimants would not be adversely affected by this amendment.

VA supports this provision. VA submitted a similar proposal with the FY 2014 budget request. While this proposal is clearly a step in the right direction, VA believes that further changes are needed in what currently is an extraordinarily lengthy and cumbersome appellate process in order to provide Veterans with timely resolution of their appeals. VA believes there is a need to further shorten the timeframe for Veterans to initiate appellate review to 60 days. Data show that most appeals are filed within the first 30 days following notice to a claimant of VA's decision on a claim. We therefore believe this 60-day time period would still protect Veterans' rights to appeal VA's decisions while bringing the appeal filing period more in line with that of Federal district courts and the Social Security Administration, which allows 60 days for appeal of the initial agency decision.

This proposal has no measurable monetary costs or savings. However, VA estimates that enactment of the proposal would result in more expeditious adjudication of claims because VA would not have to wait one year from the date of an adverse decision to determine whether a claimant intended to file an appeal. Under this proposal, VA would have to wait only 180 days for such determination and could therefore more timely process the appeal.

Section 202 would allow for greater use of video conference hearings by the Board, while still providing Veterans with the opportunity to request an in-person hearing if they so elect. This provision would apply to cases received by the Board pursuant to a NOD submitted on or after the date of the enactment of the Act. VA fully supports section 202 as drafted, as this provision would potentially decrease hearing wait times for Veterans, enhance efficiency within VA, and better focus Board resources toward issuing more final decisions.

The Board has historically been able to schedule video conference hearings more quickly than in-person hearings, saving valuable time in the appeals process for Veterans who elect this type of hearing. In FY 2012, on average, video conference hearings were held almost 100 days sooner than in-person hearings. Section 202 would allow both the Board and Veterans to capitalize on these time savings by giving the Board greater flexibility to schedule video conference hearings than is possible under the current statutory scheme.

Historical data also shows that there is no statistical difference in the ultimate disposition of appeals based on the type of hearing selected. Veterans who had video conference hearings had an allowance rate for their appeals that was virtually the same as Veterans who had in-person hearings, only Veterans who had video conference hearings were able to have their hearings scheduled much more quickly. Section 202 would, however, still afford Veterans who want an in-person hearing with the opportunity to specifically request one.

Enactment of section 202 could also lead to more final decisions for Veterans as a result of increased productivity at the Board. Time lost due to travel and time lost in the field due to appellants failing to show up for their hearing would be greatly reduced, allowing Veterans Law Judges (VLJs) to better focus their time and resources on issuing decisions. The time saved for VLJs could translate into additional final Board decisions for Veterans.

Major technological upgrades to the Board's video conference hearing equipment over the past several years have resulted in the Board being well-positioned for the enactment of section 202. These upgrades include the purchase of high-definition video equipment, a state-of-the-art digital audio recording system, implementation of a virtual hearing docket, and significantly increased video conference hearing capacity. These upgrades also include expanding the video conferencing system to other strategic satellite sites in the continental United States, Puerto Rico, Guam, American Samoa, and the Philippines to support Veterans living in remote areas. Section 202 would allow the Board to better leverage these important technological enhancements.

In short, section 202 would result in shorter hearing wait times, better focus Board resources on issuing more decisions, and provide maximum flexibility for both Veterans and VA, while fully utilizing recent technological improvements. VA therefore strongly endorses this proposal.

Section 301 of the bill would extend the authority currently provided by section 315(b) of title 38, United States Code, to maintain the operations of VA's Manila RO from December 31, 2013, to December 31, 2014. Maintaining an RO in the Philippines has two principal advantages. First, it is more cost effective to maintain the facility in Manila than it would be to transfer its functions and hire equivalent numbers of employees to perform those functions on the U.S. mainland. Because the Manila RO employs mostly foreign nationals who receive a lower rate of pay than U.S. Government employees, transferring that office's responsibilities to a U.S. location would result in increased payroll costs. Second, VA's presence in Manila significantly enhances its ability to manage potential fraud. In an FY 2002 study of Philippine benefit payments, the VA Inspector General stated: "VA payments in the Philippines represent significant sums of money. That, coupled with extreme poverty and a general lack of economic opportunity, fosters an environment for fraudulent activity." Relocation of claims processing for VA benefits arising from Philippine service would result in less control of potential fraud. VA would lose the expertise the Manila staff applies to these claims and would need time to develop such expertise at a mainland site. Relocation would also diminish the RO's close and

effective working relationship with the VHA's Outpatient Clinic, which is essential for the corroboration of the evidentiary record. Based on these factors, VA could not maintain the same quality of service to the beneficiaries and the U.S. Government if claims processing were moved outside of the Philippines.

VA supports this provision and submitted a similar proposal with the FY 2014 budget request. VA's version of the proposal would extend operating authority for 2 years rather than 1 year.

There would be no significant benefits costs or savings associated with this proposal.

Section 302 of the draft bill would amend section 1156(a)(3) of title 38, United States Code, to extend from 6 months to 18 months the deadline after separation or discharge from active duty by which VA must schedule a medical examination for certain Veterans with mental disorders.

Section 1156(a)(3) currently requires VA to schedule a medical examination not later than 6 months after the date of separation or discharge from active duty for each Veteran "who, as a result of a highly stressful in-service event, has a mental disorder that is severe enough to bring about the veteran's discharge or release from active duty." However, an examination a mere six months after discharge may lead to premature conclusions regarding the severity, stability, and prognosis of a Veteran's mental disorder. Six months is a relatively short period of treatment, and the stresses of active-duty trauma and the transition to civilian life may not fully have manifested themselves after 6 months. An examination conducted up to 18 months after discharge is more likely to reflect an accurate evaluation of the severity, stability, and prognosis of a Veteran's mental disorder.

VA supports section 302 of the bill, which is identical to one of VA's legislative proposals in the FY 2014 budget submission.

This provision will not result in cost savings or benefits.

Section 303 of the draft bill would amend section 1541(f)(1)(E) of title 38, United States Code, to extend eligibility for death pension to certain surviving spouses of Persian Gulf War Veterans who were married for less than 1 year; had no child born of, or before, the marriage; and were married on or after January 1, 2001.

Section 1541 authorizes the payment of pension to the surviving spouse of a wartime Veteran who met certain service requirements or of a Veteran who was entitled to receive compensation or retirement pay for a service-connected disability when the Veteran died. Section 1541(f) prohibits the payment of such a pension unless: (1) the surviving spouse was married to the Veteran for at least 1 year immediately preceding the Veteran's death; (2) a child was born of the marriage or to the couple before the marriage; or (3) the marriage occurred before a delimiting date specified in section 1541(f)(1). The current delimiting date applicable to a surviving spouse of a Gulf War Veteran is January 1, 2001. Section 303 would eliminate those restrictions and extend that delimiting date.

The Persian Gulf War Veterans' Benefits Act of 1991 established the delimiting marriage date of January 1, 2001, when pension eligibility was initially extended to surviving spouses of Veterans of the Gulf War. However, due to the duration of the Gulf War, this date is no longer consistent with the other marriage delimiting

dates in section 1541(f)(1). Generally, these delimiting dates are set for the day following 10 years after the war or conflict officially ended, (e.g., the Korean War officially ended on January 31, 1955; the applicable delimiting date is February 1, 1965). As provided in section 101(33) of title 38, United States Code, the official Persian Gulf War period, which began on August 2, 1990, is still ongoing and will end on a date to be prescribed by Presidential proclamation or law. Revising the marriage delimiting date for surviving spouses of Gulf War Veterans to 10 years and 1 day after the end of the war as prescribed by Presidential proclamation or law would make that delimiting date consistent with the other dates in section 1541(f)(1) and would prevent any potentially incongruous results in death pension claims based on Gulf War service compared to claims based on other wartime service. Furthermore, because the Gulf War has not yet ended, the language in this amendment would ensure that a standing 10-year qualifying period will be in place for surviving spouses seeking pension based on Gulf War service.

VA supports section 303 of the bill, which is identical to one of VA's legislative proposals in the FY 2014 budget submission.

There would be no significant benefit costs or savings associated with this proposal.

Section 304 of the draft bill would amend section 5110(l) of title 38, United States Code, to make the effective date provision consistent with section 103(e), which provides: "The marriage of a child of a veteran shall not bar recognition of such child as the child of the veteran for benefit purposes if the marriage is void, or has been annulled by a court with basic authority to render annulment decrees unless the Secretary determines that the annulment was secured through fraud by either party or collusion." Section 103(e) implies that a child's marriage that is not void and has not been annulled does bar recognition of the child as a child of the Veteran for VA benefit purposes, even if the marriage was terminated by death or divorce. In fact, section 8004 of the Omnibus Budget Reconciliation Act of 1990 repealed a prior provision in section 103(e) that "[t]he marriage of a child of a veteran shall not bar the recognition of such child as the child of the veteran for benefit purposes if the marriage has been terminated by death or has been dissolved by a court with basic authority to render divorce decrees unless the Veterans' Administration determines that the divorce was secured through fraud by either party or collusion."

Nevertheless, no amendment has been made to the corresponding effective date provision in section 5110(l), which still provides an effective date for an award or increase in benefits "based on recognition of a child upon termination of the child's marriage by death or divorce." Section 304 of the bill would delete that provision from section 5110(l) and make section 5110(l) consistent with section 103(e).

VA supports section 304 of the bill, which is identical to one of VA's legislative proposals in the FY 2014 budget submission.

There would be no costs or savings associated with this technical amendment.

Section 305 of the draft bill would amend section 704(a) of the Veterans Benefits Act of 2003, Public Law 108-183, which author-

izes VA to provide for the conduct of VA compensation and pension examinations by persons other than VA employees by using appropriated funds other than mandatory funds appropriated for the payment of compensation and pension. In accordance with section 704(b), VA exercises this authority pursuant to contracts with private entities. However, under section 704(c), as amended by section 105 of the Veterans' Benefits Improvement Act of 2008, by section 809 of the Veterans' Benefits Act of 2010, and by section 207 of the VA Major Construction Authorization and Expiring Authorities Extension Act of 2012, this authority will expire on December 31, 2013.

Section 305(a) of the bill would extend VA's authority to provide compensation and pension examinations by contract examiners for another year. The continuation of this authority is essential to VA's ability to continue to provide prompt and high-quality medical disability examinations for our Veterans. If this authority is allowed to expire, VA will not be able to provide contracted disability examinations to Veterans in need of examinations. Extending the authority for another year would enable VA to effectively utilize supplemental and other appropriated funds to respond to increasing demands for medical disability examinations. Contracting for examinations is essential to VA's objective of ensuring timely adjudication of disability compensation claims and allows the VHA to better focus its resources on providing needed health care to Veterans.

Section 305(b) of the bill would require VA to provide to the House and Senate Committees on Veterans' Affairs a report within 180 days of enactment of the bill. The report would have to include extensive information regarding medical exams furnished by VA from FY 2009 to FY 2012. Similarly, section 305(c) would require VA to provide a report to the same committees in the same time-frame regarding Acceptable Clinical Evidence.

VA supports section 305(a) of this bill and submitted a similar proposal with the FY 2014 budget request. VA's version of the proposal would extend operating authority for five years rather than one year.

VA does not oppose the reporting requirements of sections 305(b) and 305(c); however, one year rather than 180 days would provide adequate time to compile the data needed to comply with the detailed reporting requirements and to adequately coordinate review of the report before submission.

No benefit or administrative costs would result from enactment of this provision.

S. 939

Section 1 of this draft bill would amend section 7103 of title 38, United States Code, to provide that the Board of Veterans' Appeals (Board) or Agency of Original Jurisdiction (AOJ) shall treat any document received from a person adversely affected by a decision of the Board expressing disagreement with that Board decision as a motion for reconsideration when that document is submitted to the Board or AOJ not later than 120 days after the date of the Board decision and an appeal with the United States Court of Appeals for Veterans Claims (Veterans Court) has not been filed. The

section would further explain that a document will not be considered as a motion for reconsideration if the Board or AOJ determines that the document expresses an intent to appeal the decision to the Court and forwards the document to the Court in time for receipt before the appeal filing deadline. As explained below, VA has several concerns with the draft legislation.

Proposed new section 7103(c)(1) would state that a document filed within 120 days of a Board decision that “expresses disagreement with such decision” shall be treated as a motion for reconsideration. We believe this draft standard would prove too vague and would result in an excessive amount of uncertainty for reviewers determining how to classify a piece of correspondence. The Board and AOJ receive a significant amount of correspondence on a regular basis. The fact that a piece of correspondence is received at the Board or AOJ after a Board decision does not necessarily mean that the appellant intends to challenge that Board decision, nor does it necessarily indicate an expression of disagreement with a Board decision. An appellant could be contacting VA to challenge a Board decision by way of a motion to vacate the decision, a motion to revise the decision based on clear and unmistakable error, or a motion for reconsideration—all types of motions that imply some level of disagreement. Additionally, an appellant could be contacting VA after a Board decision to file a new claim, reopen an old claim, check on the status of a claim, or simply express a generalized complaint, without intending to initiate an appeal. In order for Board or AOJ correspondence reviewers to be able to properly identify an appellant’s intent from a piece of correspondence, it is not unreasonable to require the appellant to articulate the purpose of his or her correspondence and the result he or she is seeking. Allowing an appellant to seek reconsideration by merely expressing disagreement with a final Board decision would not provide reviewers with sufficient ability to distinguish whether the appellant is seeking a motion for reconsideration or some other legitimate action, such as a motion to vacate a Board decision or a motion to challenge based on clear and unmistakable error. This broad standard would, in turn, result in greater uncertainty and delay in an already heavily burdened system while benefiting few Veterans. The current proposal’s broad language will likely lead to reconsideration rulings in cases where the appellant was not seeking further appellate review and would occupy limited adjudicative resources, thus delaying the claims of other Veterans.

Under section 20.1001(a) of title 38, Code of Federal Regulations, a motion for reconsideration must “set forth clearly and specifically the alleged obvious error, or errors, of fact or law in the applicable decision, or decisions, of the Board or other appropriate basis for requesting Reconsideration.” Further, the discretion of the Chairman or his delegate to grant reconsideration of an appellate decision is limited to the following grounds: (a) upon allegation of obvious error of fact or law; (b) upon discovery of new and material evidence in the form of relevant records or reports of the service department concerned; or (c) upon allegation that an allowance of benefits by the Board has been materially influenced by false or fraudulent evidence submitted by or on behalf of the appellant. Although VA construes all claimants’ filings liberally, under these

governing regulations, a document that expresses general disagreement with a Board decision would not be construed a motion for reconsideration.

The draft legislation would, however, require VA to consider such general statements of dissatisfaction or disagreement to be motions for reconsideration, thereby considerably broadening and weakening the standard required to render a Board decision nonfinal. This could cause confusion among correspondence reviewers. In fact, the standard contemplated by the draft legislation would be lower than the standard used to determine whether a document is a notice of disagreement (NOD) with an AOJ decision, pursuant to section 20.201 of title 38, Code of Federal Regulations.

Moreover, the language of proposed new section 7103(c)(1) indicates that the lower standard would only apply to documents submitted within the 120-day period for appeal to the Veterans Court. This would essentially result in two standards being applied to motions for reconsideration based on whether the appellant submits the motion before or after the 120-day appeal period. Such different standards would understandably result in confusion in determining whether a document is a reconsideration motion.

Proposed new section 7103(c)(2) indicates that VA will not treat a submitted document as a motion for reconsideration if VA determines that the document expresses an intent to appeal the Board decision to the Veterans Court and forwards that document to the court, and the court receives the document within the statutory deadline to appeal the Board decision. The draft legislation appears to make VA's determination of whether a document is a motion for reconsideration or a notice of appeal (NOA) to the Veterans Court partially contingent upon whether VA forwards the document to the court and the court timely receives it. Yet court decisions have found equitable tolling may apply in situations where VA timely received a misfiled NOA, but the Veterans Court did not timely receive it. The bill would give VA the authority to potentially take away a course of action from an appellant. The legislation would essentially provide VA with the authority to determine whether a document is an NOA based in part on whether VA can timely forward the document to the Veterans Court. This would prevent an appellant who timely misfiled an NOA with VA from having an opportunity to have the court determine whether equitable tolling applies and whether the court will accept the misfiled submission as timely. Further, an appellant may have been seeking to file a motion for reconsideration with the Board. However, if VA determines that a document is an NOA instead of a motion for reconsideration, VA may inadvertently prevent an appellant from having the Board consider his or her motion for reconsideration. Consequently, the proposed legislation would pose a number of legal and practical difficulties.

Mr. Chairman, this concludes my statement. Thank you for the opportunity to appear before you today. I would be pleased to respond to questions you or the other Members may have.



THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON

September 11, 2013

The Honorable Bernie Sanders
Chairman
Senate Committee on Veterans' Affairs
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

The agenda for the Senate Committee on Veterans Affairs' May 9, 2013, legislative hearing included a number of bills that the Department of Veterans Affairs was unable to address in our testimony. We are aware of the Committee's interest in receiving our views and cost estimates for those bills. By this letter, we are providing views and cost estimates on section 4 and sections 10-12 of S. 131; S. 287; section 3 of S. 522; S. 800; sections 2-3 and 5-10 of S. 825; S. 832; S. 845; S. 851; and S. 877. We are also providing views for S. 852. In addition, we are providing cost estimates for sections 2 and 3 of S. 131; S. 422; section 2 of S. 522; and sections 6 and 7 of S. 852.

We appreciate this opportunity to comment on this legislation and look forward to working with you and the other Committee Members on these important legislative issues.

Sincerely,

A handwritten signature in cursive script, appearing to read "Eric K. Shinseki".

Eric K. Shinseki

Enclosure

ENCLOSURE:
VA VIEWS

S. 422, CHIROPRACTIC CARE AVAILABLE TO ALL VETERANS ACT OF 2013

VA provided views on S. 422 in our testimony on May 9, 2013. In general, VA supports the intent of S. 422, but believes the decision to provide on-site or fee care should be determined based on existing clinical demands and business needs. Chiropractic care is available to all Veterans and is already part of the standard benefits package. As VA increases the number of VA sites providing on-site chiropractic care, we will be able to incrementally assess demand for chiropractic services and usage, and to best determine the need to add chiropractic care at more sites.

Currently, VA does not have an assessment that would support providing on-site chiropractic care at all VAMCs by the end of 2016. Such a mandate could potentially be excessive, given the availability of resources for on-site chiropractors and non-VA care

to meet the current need for services. VA does not object to sections 3(a) and (b) as those changes reflect VA's consideration of chiropractic care as properly part of what should be considered medical and rehabilitative services. VA, however, cannot support section 3(c) for lack of a conclusive consensus on the use of chiropractic care as a preventative intervention. VA estimates the costs associated with S. 422 to be \$4.99 million in FY 2014; \$26.8 million over five years; and \$59 million over ten years.

S. 522, WOUNDED WARRIOR WORKFORCE ENHANCEMENT ACT

Section 3 of S. 522 would require VA to award a \$5 million grant to an institution to: (1) establish the Center of Excellence in Orthotic and Prosthetic Education (the Center) and (2) improve orthotic and prosthetic outcomes by conducting orthotic and prosthetic-based education research. Under the bill, grant recipients must have a robust research program; offer an education program that is accredited by the National Commission on Orthotic and Prosthetic Education in cooperation with the Commission on Accreditation of Allied Health Education Programs; be well recognized in the field of orthotics and prosthetics education; and have an established association with a VA medical center or clinic and a local rehabilitation hospital. This section would require VA to give priority in the grant award to an institution that has, or is willing and able to enter into: (1) a memorandum of understanding with VA, the Department of Defense (DOD), or other Government agency; or (2) a cooperative agreement with a private sector entity. The memorandum or agreement would provide resources to the Center or assist with the Center's research. VA would be required to issue a request for proposals for grants not later than 90 days after the date of enactment of this provision.

VA does not support section 3 because VA would not have oversight of the Center and there would be no guarantee of any benefit to VA or Veterans. Further, we believe that a new Center is unnecessary. DOD has an Extremity Trauma and Amputation Center of Excellence (EACE), and VA works closely with EACE to provide care and conduct scientific research to minimize the effect of traumatic injuries and improve outcomes of wounded Veterans suffering from traumatic injury. VA also has six Research Centers of Excellence that conduct research related to prosthetic and orthotic interventions, amputation, and restoration of function following trauma:

1. Center of Excellence for Limb Loss Prevention and Prosthetic Engineering in Seattle, WA.
2. Center of Excellence in Wheelchairs and Associated Rehabilitation Engineering in Pittsburgh, PA.
3. Center for Functional Electrical Stimulation in Cleveland, OH.
4. Center for Advanced Platform Technology (APT) in Cleveland, OH.
5. Center for Neurorestoration and Neurotechnology in Providence, RI.
6. Maryland Exercise and Robotics Center of Excellence (MERCE) in Baltimore, MD.

These centers provide a rich scientific environment in which clinicians work closely with researchers to improve and enhance care. They are not positioned to confer terminal degrees for prosthetic and orthotic care/research but they are engaged in training and mentoring clinicians and engineers to develop lines of inquiry that will have a positive impact on amputee care. Finally, the requirement to issue a request for proposals within 90 days of enactment would be very difficult to meet as VA would first need to promulgate regulations prior to being able to issue the RFP.

VA estimates that sections 2 (views previously provided) and 3 of S. 522 would cost \$160,000 in FY 2014 and \$21.7 million over 5 years.

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S. 832, IMPROVING THE LIVES OF CHILDREN WITH SPINA BIFIDA
ACT OF 2013

Section 2 of S. 832 would require VA to carry out a three-year pilot program to assess the feasibility and advisability of furnishing children of Vietnam Veterans and certain Korea service Veterans born with spina bifida and children of women Vietnam Veterans born with certain birth defects with case management services under a national contract with a third party. The Secretary would have the option to extend the program for an additional 2 years.

Under the bill, a covered individual is any person who is entitled to health care under chapter 18 of title 38 and who lives in a rural area and does not have access to case management services. The Secretary would be responsible for determining the appropriate number of covered individuals to participate in the pilot. S. 832 would require VA to provide these individuals with coordination and management of needed health care, monetary, and general care services authorized under Chapter 18; transportation services; and such other services as the Secretary considers appropriate. The bill would also require the Secretary to inform all covered individuals of the services available under the pilot program and to submit preliminary and final reports to the Senate and House Committees on Veterans Affairs.

VA supports section 2 of the bill but notes that VA already has authority to provide case management services, and currently reimburses beneficiaries for case management services by an approved provider. Support of section 2 of S. 832 is contingent on appropriation of any additional funds for services beyond what are currently provided by VA. See 38 U.S.C. § 1803(c)(1)(A). In addition, VA is reviewing the viability of providing case management via contract to increase access to these services to all covered beneficiaries, including those in rural areas. As this beneficiary population ages into adulthood, increased case management and care coordination services are needed to meet their unique health care challenges, and a systematic approach to offering these services may better serve this group of beneficiaries.

In addition, VA has several technical comments to the bill language. As noted above, section 2(e)(2) would require VA to provide "transportation services" to all covered individuals in the program. These services could include transportation for both health care

purposes and personal purposes such as for vacations etc. The services could also include transportation for visiting family and friends and for those providing health care and other services to the covered individuals. It is unclear whether the Committee intends to require VA to provide the full extent of transportation services described above and not permit VA to limit transportation services provided. If this is not the case, we recommend that the Committee clearly authorize VA to limit the scope of transportation services by adding “as the Secretary considers appropriate” after “transportation services” in section 3(e)(2).

As noted above, section 2(e)(1) would require VA to provide “[c]oordination and management of needed health care, monetary, and general care services authorized under chapter 18 of title 38, United States Code.” The reference to “monetary, and general care services” is confusing. The term “health care” is already defined in chapter 18, and that definition does not include monetary and general care services. It is unclear whether monetary and general care services are intended to be services in addition to what is included in the definition of “health care.” If so, we recommend revising this provision to read: “[c]oordination and management of needed health care authorized under chapter 18 of title 38, United States Code, and monetary and general care services.” We further recommend defining the terms “monetary services” and “general care services.” Finally, we note that section 2(a) would require VA to enter into “a national contract with a third party entity” to carry out the pilot program while section 2(f)(2) would require VA to enter into “contracts” for the same purpose. It may be possible to provide these services through a national contract but in case that is not feasible, we would prefer the flexibility to enter into contracts regionally as needed. Accordingly, we recommend replacing the words “a national contract with a third party entity” in section 2(a) with the words “contracts with third party entities.”

VA estimates the total costs for section 2, including case management, care coordination and oversight, to be \$3.024 million in FY 2014; \$15.98 million over five years; and \$36.97 million over ten years.

Section 3 of S. 832 would require VA to carry out a three-year pilot program to assess the feasibility and advisability of providing assisted living, group home care, and similar services in lieu of nursing home care to covered individuals. The Secretary would have the option to extend the pilot for an additional two years. Section 3(d) of the bill would require VA to provide covered individuals with assisted living, group home care, or such other similar services; transportation services; and such other services as the Secretary considers appropriate. The bill would also direct the Secretary to provide covered individuals with notice of the services available under the pilot; to consider contracting with appropriate providers of these services; and to determine the appropriate number of covered individuals to be enrolled in the pilot and criteria for enrollment. Section 3 of the bill would also specify preliminary and final reporting requirements.

VA does not support section 3 of the S. 832. The provision would extend benefits to spina bifida beneficiaries beyond what VA is authorized to provide to Veterans, including service-connected vet-

erans. Service-connected Veterans who need assisted living, group home care, and similar services are equally deserving of receiving these benefits.

VA is unable to develop an accurate cost estimate at this time; however, we have several technical comments to the bill language. Section 3(a) would require VA to commence carrying out this program not later than 180 days after enactment of this Act. This would not be sufficient time because VA would be required to issue regulations, including a notice and public comment period, prior to carrying out this program. In particular, regulations would be required to define assisted living and group home care, to designate what services are similar to assisted living and group home care, and to identify any other services appropriate for the care of covered individuals under the pilot program. Finally, VA would be required by regulation to establish the criteria for enrollment of the appropriate number of covered individuals.

By requiring VA to carry out the program of providing assisted living, group home care, or similar services to covered individuals “in lieu of nursing home care,” VA could only provide these services if the spina bifida beneficiary would otherwise need nursing home care. We question whether many spina bifida beneficiaries who need nursing home care could be provided care instead in assisted living facilities, group homes or similar institutions. The Committee may wish to consider deleting the reference to “in lieu of nursing home care.”

Section 3(b) defines “covered individuals” for purposes of this section to be spina bifida beneficiaries who are entitled to health care under subchapter I or III of chapter 18 of title 38, United States Code. This would include many beneficiaries who do not need assisted living, group home care, or similar services. The scope of services that VA is required to provide under this program includes services that could be useful to these beneficiaries even if they do not need assisted living, group home care, or similar services. These services include transportation services and such other services as the Secretary considers appropriate for the care of covered individuals under the program. This section thus could be interpreted to require VA to provide these additional services to covered beneficiaries even if they are not in need of assisted living, group home care, or similar services in lieu of nursing home care. If the Committee intends this program to be for only spina bifida beneficiaries who need care in assisted living facilities, group homes or similar institutions, we recommend amending the definition of covered individual to require that they be determined to need assisted living, group home care, or similar services.

As noted above, section 3(d)(2) would require VA to provide “transportation services” to all covered individuals in the program. These services could include transportation for both health care purposes and personal purposes such as for vacations. The services could also include transportation for visiting family and friends and for those providing health care and other services to the covered individuals. It is unclear whether the Committee intends to require VA to provide the full extent of transportation services described above and not permit VA to limit transportation services provided. If this is not the case, we recommend that the Committee clearly

authorize VA to limit the scope of transportation services by adding “as the Secretary considers appropriate” after “transportation services.”

Section 3(g) would limit funding for this program to amounts appropriated or otherwise made available before the date of enactment of this Act. This would severely limit funding for the program. We suggest deleting “before the date of enactment of this Act.”

Finally, this section does not provide for what happens to covered beneficiaries who are in assisted living when the pilot ends, who have no place else to go, and who have insufficient personal funds to stay in their current location. Although VA does not support section 3 of S. 832, if enacted we recommend authorizing VA to continue providing assisted living, group home care, or similar services to those who had received these services prior to the completion of the program to avoid adverse impact on this population.

S. 845, TO IMPROVE THE PROFESSIONAL EDUCATIONAL ASSISTANCE PROGRAM

VA supports S. 845, which would amend 38 U.S.C. § 7619 by eliminating the December 31, 2014 sunset date for the Health Professionals Scholarship Program (HPSP). The HPSP authorizes VA to provide tuition assistance, a monthly stipend, and other required education fees for students pursuing education/training that would lead to an appointment in a healthcare profession. This program will help VA meet future need for health care professionals by obligating scholarship recipients to complete a service obligation at a VA health care facility after graduation and licensure/certification.

Extending this program for an additional five years would allow VA to offer additional scholarships to satisfy recruitment and retention needs for critical health care providers. The regulation development process is lengthy, involving legal review and public comment, and VHA anticipates that final HPSP regulations will be published by early 2014. If HPSP expires in December 2014, the program would be in operation for less than one academic year.

VA estimates that this bill would cost \$850,000 in FY 2014 and \$23.73 million over five years.

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S. 852, VETERANS HEALTH PROMOTION ACT OF 2013

Section 2 of S. 852, the Veterans Health Promotion Act of 2013 would require VA, acting through the Director of the Office of Patient Centered Care for Cultural Transformation (OPCC&CT), to operate at least one center of innovation for complementary and alternative medicine (CAM) in health research, education and clinical activities in each VISN.

Section 3 of the bill would require VA to establish a 3-year pilot program through OPCC&CT to assess the feasibility and advisability of establishing CAM centers within VA medical centers to promote the use and integration of such services for mental health diagnoses and pain management. The pilot would operate in no fewer than 15 separate medical centers and would provide voluntary CAM services to Veterans with a mental health condition

diagnosed by a VA clinician or a pain condition for which the Veteran has received a pain management plan from a VA clinician. Section 3 would also impose quarterly and final reporting requirements.

VA supports sections 2 and 3 of S. 852. CAM practices already are widespread within VA, although with significant variation. According to the National Institute of Health (NIH) National Center for Complementary and Alternative Medicine (NCCAM), defining CAM is difficult. Thus, VA recommends using the term “Integrative Health” (IH) instead. In addition, because IH impacts the entire spectrum of healthcare and involves practitioners across healthcare professions and all points of care, VA recommends that the legislation not limit the provision of care to clinicians who provide IH services exclusively.

VA supports an integrated implementation of sections 2 and 3 that could build on the existing infrastructure within VHA and OPCC&CT that could include: (1) Expanding the capacity of existing VHA OPCC&CT Centers of Innovation to serve as National Integrative Health Centers of Innovation to develop and implement innovative clinical activities and systems of care, serve as regional learning centers, and work collaboratively with the identified pilot sites; (2) Creating additional sites of innovation (i.e., one in each VISN) that could develop specific models for the delivery of Integrative Health, including CAM; (3) Expanding the OPCC&CT Field Implementation Teams and educational initiatives to include IH and IH coaching to support the implementation of these sites/pilot projects; (4) Creating a national strategy and to address any barriers to implementation identified through the pilot and Centers of Innovation; and (5) Developing an evaluation strategy to assess impact.

These pilots would also operate in conjunction with existing initiatives, including the Mental Health Innovations Committee, the VA/DOD Health Executive Council’s Pain Management Work Group, VHA’s National Pain Office, and IH pilot projects being undertaken at three Polytrauma Centers by OPCC&CT and the Physical Medicine and Rehabilitation Service National Program Office. Building on these pilots, VA recommends the legislation specify a total of “up to five” pilot projects at Designated Polytrauma Centers rather than five. The funding source for this proposed legislation is unclear, and implementation of sections 2 and 3 would be problematic without additional funding.

Section 4 of S. 852 would require VA to carry out a 3-year pilot program through the award of grants to public or private nonprofit entities to assess the feasibility and advisability of using wellness programs to complement the provision of mental health care to veterans and family members eligible for counseling under 38 U.S.C. 1712A(a)(1)(C). Grantees would be required to periodically report to the Secretary, and VA in turn would report to Congress every 180 days during the pilot period.

VA supports section 4 but recommends that contracts be used instead of grants, because of the limited ability to fund grants within existing VA funding authority. In addition, VA uses the term “well-being” instead of wellness because well-being is a broader concept

that incorporates whole person health, inclusive of mind, body and spirit.

As a component of the pilots identified in section 3 of S. 852, VA would pilot at up to five sites the use of wellness programs as a complementary approach to mental health care. This would be accomplished by training peers, volunteers, and patient advocates as IH coaches who will link Veterans to community organizations that can provide support focused on the Veterans' health and well-being, including self-development and spirituality, concepts that until recently were not associated with traditional medical care in the United States.

Section 5 of S. 852 would require VA to carry out a 2-year pilot program through the National Center for Preventive Health to assess the feasibility and advisability of promoting health in covered Veterans through support for fitness center membership. Covered Veterans would be defined as any Veteran who is determined by a VA clinician to be overweight or obese at the commencement of the pilot and who resides more than 15 minutes driving distance from a fitness center at a VA facility that would otherwise be open to the public for at least 8 hours, 5 days a week. The program would be piloted at no less than ten VA medical centers. VA would cover the full reasonable cost of a fitness center membership at a minimum of five locations; VA would cover half of the reasonable membership costs at a minimum of five other locations.

Section 6 of S. 852 would require VA to carry out a 3-year pilot program to assess the feasibility and advisability of promoting health in covered Veterans through the establishment of VA fitness facilities at no fewer than five VA medical centers and five VA outpatient clinics. Covered Veterans would include any Veteran enrolled under 38 U.S.C. 1705. In selecting locations, VA would consider rural areas and areas not in close proximity to an active duty military installation. Section 6 would set a \$60,000 cap on spending for a fitness facility at a VA medical center and a \$40,000 cap on spending for a facility at an outpatient clinic. Under the bill, VA could not assess a fee for use of the facilities.

VA strongly supports the intent of sections 5 and 6 to support physical activity interventions for overweight or obese and all Veterans because of the substantial evidence that physical activity has significant health benefits and is an important component of weight management and other chronic disease self-management strategies, but does not support the provisions as drafted.

VA is committed to providing effective physical fitness education, training, and support for all Veterans to enhance their health and well-being. VA has a number of programs available for Veterans, both young and old, that encourage regular physical activity. The Gerofit program is an example of an effective physical activity intervention for frail elderly Veterans. A new program has been developed to reach overweight/obese Veterans in the MOVE! Weight Management Program who receive care in outpatient clinics. This program uses telehealth technology to provide group sessions, led by a physical activity specialist at a VA medical center, to multiple outpatient clinic sites simultaneously.

Costs for this bill are still under development, but we believe it could be challenging to implement the programs in this Bill on a

system-wide scale. Constructing space in medical centers and outpatient clinics for fitness centers may not be feasible in many locations. As noted above, we are committed to encouraging physical activity and VA will continue to develop cost effective and innovative ways to support active, healthy lifestyles for all Veterans.

Section 7 of S. 852 would require VA to enter into a contract to study the barriers encountered by Veterans in receiving CAM from VA. Specifically, VA would study the perceived barriers associated with obtaining CAM, the satisfaction of Veterans with CAM in primary care, the degree to which Veterans are aware of eligibility for and scope of CAM services furnished by VA, and the effectiveness of outreach to Veterans about CAM. The head of specified VA departments would be required to review the results of the study and to submit findings to the Under Secretary for Health.

VA supports section 7 of the bill. The current healthcare system supports conventional approaches to prevention and disease care. Barriers exist and need to be addressed in order to optimize and incentivize health and well-being. VA would coordinate research activities around the design, diffusion, and evaluation of IH. The creation and diffusion of the IH initiative will be informed by Veterans and VA healthcare team end users. VA recommends studies in two areas of focus: (1) Veteran and healthcare team end users, and (2) system properties. With respect to the first area, VA could ascertain from Veterans VHA healthcare team end users their experiences with IH and the real and perceived barriers to IH. With respect to the second area of focus, VA could study the current VHA system and other barriers (laws, policies, business practices, workload capture, credentialing and privileging, etc.) that support or impede the delivery of IH.

Findings of a comprehensive report would inform recommendations for system changes and program design and implementation. VA would coordinate and oversee the writing, approval process, and dissemination of the report. VA estimates the requirements of this section would cost approximately \$2,000,000.

Section 8 would define the term “complementary and alternative medicine” to have the meaning in 38 U.S.C. 7330B, as added by section 2 of the bill. As stated in sections 2 and 3 above, VA recommends using the term Integrative Health instead of CAM.

VA is working to develop a complete cost estimate for this bill. As noted in the views, fully implementing an enterprise wide system of integrative health and complementary alternative medicine is complex and would include multiple types of clinicians, clinical practices and new products and services. On a smaller scale, the same is true for pilot sites. VA is analyzing the multiple components that would go into the full cost estimate and will provide to the Committee upon completion of this analysis.

S. 877, THE VETERANS AFFAIRS RESEARCH TRANSPARENCY ACT OF 2013

S. 877, the “Veterans Affairs Research Transparency Act of 2013,” would permit public access to research results on VA Web sites. Specifically, the bill would require VA to make available data files that contain information on research, data dictionaries on data files for research, and instructions how to access such files. Under the bill, VA would also be required to create a digital archive of

peer-reviewed manuscripts that use such data. Finally, the bill would direct VA to submit to the Senate and House Committees on Veterans Affairs annual reports that include the number, title, authors, and manuscript information for each publication in the digital archive.

VA supports the objectives of this bill but does not believe that legislation is needed to achieve them. Key elements of S. 877 are already covered by the February 22, 2013 memorandum from the Office of Science and Technology Policy (OSTP) regarding "Increasing Access to the Results of federally Funded Scientific Research." Efforts are already underway to coordinate governmentwide compliance with the OSTP memorandum.

VA believes that transparency is most effectively accomplished using PubMed Central, an archive maintained by the NIH. VHA Office of Research and Development is negotiating with NIH with the objective of disseminating published findings using this vehicle. Using this common platform to disseminate VA funded research would be more cost-effective and would better serve the needs of the Federal and non-Federal research community.

VA estimates the costs associated with this bill to be \$107,518 in FY 2014; \$1.46 million over five years, and \$8.8 million over ten years for the entire research program.



THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON

September 13, 2013

The Honorable Bernard Sanders
Chairman
Committee on Veterans' Affairs
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

I am writing to provide you with the views of the Department of Veterans Affairs (VA) on the following bills: S. 735, S. 778, S. 819, S. 863, S. 889, S. 927, sections 101, 102, 105, and 106 of S. 928, S. 930, S. 932, S. 935, S. 938, S. 944, S. 1039, and S. 1042. These bills were included on the Senate Committee on Veterans' Affairs agenda for its June 12, 2013, hearing, but VA was unable to provide its views in time for that hearing. We are also providing cost estimates for S. 514, S. 894, and S. 922, as promised during the hearing. S. 868 would affect programs or laws administered by the Department of Defense. Respectfully, we defer to that Department's views on the bill.

We appreciate this opportunity to comment on this legislation and look forward to working with you and the other Committee Members on these important legislative issues.

Sincerely,

Eric K. Shinseki

Enclosure

ENCLOSURE:
VA VIEWS

* * * * *

S. 735

S. 735, the "Survivor Benefits Improvement Act of 2013," would amend title 38, United States Code, to improve benefits and assistance provided to surviving spouses of Veterans under laws administered by the Secretary of VA and for other purposes.

Section 2 of this bill would amend section 1311 of title 38, United States Code, by extending, from 2 to 5 years, the period for increased dependency and indemnity compensation (DIC) for surviving spouses with children. VA supports the extended period of eligibility, subject to Congress identifying the appropriate offsets. The bill extends the with-children increase period by 3 additional years. Benefits costs associated with section 2 are estimated to be \$5.6 million during the first year, \$72.1 million for 5 years, and \$199.3 million over 10 years.

Section 3 of S. 735 would extend eligibility for DIC, health care, and home loan guaranty benefits to surviving spouses who remarry

after age 55. Currently, such benefits may be granted to surviving spouses who remarry after age 57. VA supports this provision because it would make consistent VA's provision of benefits and health care to surviving spouses. Under section 103(d)(2)(b) of title 38, United States Code, remarriage after age 55 is not a bar to health care benefits. On December 16, 2003, Congress enacted the Veterans Benefits Act of 2003, which for the first time gave certain surviving spouses the right to retain VA benefits after remarriage. Prior law required VA to terminate those benefits upon remarriage regardless of the age of the surviving spouse.

There will be no additional costs for health care as, under section 103(d)(2)(b) of title 38, United States Code, remarriage after age 55 is not a bar to health care benefits. Regarding costs associated with home loans, the provision would produce negligible estimated subsidy costs over 10 years because of a very small change expected in loan volume. We do not currently have an estimate of the costs associated with additional DIC eligibility.

Section 4 of S. 735 would provide benefits to children of certain Thailand service Veterans born with spina bifida. The Spina Bifida Health Benefits Program was originally enacted for the birth of children with spina bifida to Vietnam Veterans based on evidence of an increased incidence of spina bifida among Veterans exposed to herbicides. The program was later expanded to include the children with spina bifida of certain Veterans whom the Veterans Benefits Administration (VBA) determined had been exposed to herbicides in Korea. The proposed bill would incorporate language from Subchapter I of Chapter 18 regarding spina bifida benefits for children of Vietnam Veterans and from Subchapter II, section 1821, regarding spina bifida benefits for children of Veterans with covered service in Korea. The covered service in this proposed bill is defined as "active military, naval, or air service in Thailand, as determined by the Secretary in consultation with the Secretary of Defense, during the period beginning on January 9, 1962, and ending on May 7, 1975," in which an individual "is determined by the Secretary, in consultation with the Secretary of Defense, to have been exposed to a herbicide agent during such service in Thailand." The proposed bill goes on to define "herbicide agent" as "a chemical in a herbicide used in support of United States and allied military operations in Thailand, as determined by the Secretary in consultation with the Secretary of Defense, during the period beginning on January 9, 1962, and ending on May 7, 1975."

VA supports section 4, pending congressional funding, which would provide benefits for this population similar to the benefits offered to those eligible under the Spina Bifida Health Care Benefits Program. However, there are several aspects that may limit its application. The benefit it seeks to provide to children of Veterans with Thailand service is based on the premise that the parent Veteran was exposed to the herbicide Agent Orange with its carcinogenic element dioxin, and that this contributed to the spina bifida. Veterans with service in Vietnam from January 9, 1962, to May 7, 1975, are presumed exposed to this herbicide based on section 1116 of title 38, United States Code. Veterans with service in certain units located on the Korean demilitarized zone (DMZ) from April 1, 1968, to August 31, 1971, are also given the presumption of expo-

sure under section 3.307(a)(6)(iv) of title 38, Code of Federal Regulations. This presumption is the basis for the child's spina bifida benefits. However, there is no presumption of Agent Orange exposure for service in Thailand, and DOD has stated that only commercial herbicides were used within the interiors of military installations in Thailand. As a result, there is some question as to how the proposed bill's "covered service" in Thailand would be applied.

Although there is no applicable presumption of herbicide exposure for purposes of identifying "covered service" in Thailand, there is some evidence supporting the possibility that tactical herbicides, such as Agent Orange, may have been used on the fenced-in perimeters of Thailand air bases during the Vietnam War. Some evidence for this is found in the 1973 DOD document "CHECO Report: Base Defense in Thailand," which emphasizes the security role of herbicides within the fenced-in perimeters, but does not specifically identify the herbicide type. As a result, VA has given the benefit of the doubt to those Veterans who walked the perimeters as dog handlers or security guards and has acknowledged their exposure on a direct facts-found occupational basis. This is not the same as a legal presumption of exposure. These Veterans would be the only ones currently recognized as having the "covered service" that is referred to in the proposed legislation. General service in Thailand is not considered by VA to be the "covered service" involved with this legislation.

VA estimates that medical-care costs associated with this section would be \$3.14 million in fiscal year (FY) 2014; \$17.81 million over 5 years; and \$56.73 million over 10 years. Benefits costs associated with this section of the bill are estimated to be \$1.8 million during the first year, \$9.4 million for 5 years, and \$19.8 million over 10 years.

Section 5 of S. 735 would require VA, not later than 6 months after the date of enactment, to conduct a pilot program to assess the feasibility of providing grief counseling services in a group retreat setting to surviving spouses of Veterans who die while serving on active duty in the Armed Forces. The pilot program would be carried out by the Readjustment Counseling Service (RCS). Participation would be at the election of the surviving spouse. The pilot program would be carried out at not fewer than six locations, including three locations where surviving spouses with dependent children are encouraged to bring their children, and three locations where surviving spouses with dependent children are not encouraged to bring their children. Services provided under the pilot would include information and counseling on coping with grief, information about benefits and services available to surviving spouses under laws administered by VA, and other information considered appropriate to assist a surviving spouse with adjusting to the death of a spouse.

VA supports the concept of providing readjustment counseling in retreat settings. Initial results from similar retreat-based pilot programs operated by RCS found participants were able to reduce symptoms and maintain a higher quality of life after the retreat. The retreats proposed in section 5 have the potential for similar results; however, a permissive or discretionary authority to operate such a program would be preferable to a mandatory pilot authority.

Such authority would permit VA to determine eligible cohort participation based on criteria such as local demand and available funding.

We estimate that the cost of the pilot would be approximately \$512,730.

S. 778

S. 778 would grant VA the authority to issue a card, known as a "Veterans ID Card," to a Veteran that identifies the individual as a Veteran and includes a photo and the name of the Veteran. The issuance of the card would not be premised on receipt of any VA benefits nor enrollment in the system of annual patient enrollment for VA health care established under section 1705(a) of title 38, United States Code. The card could be used by Veterans to identify themselves as Veterans in order to secure pharmaceuticals and consumer products offered by retailers to Veterans at reduced prices.

VA understands and appreciates the purpose of this bill, to provide Veterans a practical way to show their status as Veterans to avail themselves of the many special programs or advantages civic-minded businesses and organizations confer upon Veterans. However, VA does not support this bill. The same benefit to Veterans can best be achieved by VA and DOD working with the States, the District of Columbia, and United States territories to encourage programs for them to issue such identification cards. Those entities already have the experience and resources to issue reliable forms of identification.

VA is working with States on these efforts. For example, VA and the Commonwealth of Virginia launched a program to allow Veterans to obtain a Virginia Veteran's ID Card from its Department of Motor Vehicles (DMV). The program will help thousands of Virginia Veterans identify themselves as Veterans and obtain retail and restaurant discounts around the State. On May 30, 2012, the program was launched in Richmond, and a DMV "2 Go" mobile office was present to process Veterans' applications for the cards.

Virginia Veterans may apply for the cards in person at any Virginia DMV customer service center, at a mobile office, or online. Each applicant presents an unexpired Virginia driver's license or DMV-issued ID card, a Veterans ID card application, his or her DOD Form DD-214, DD-256, or WD AGO document, and \$10. The card, which does not expire, is mailed to the Veteran and should arrive within a week. In the meantime, the temporary Veterans ID card received at the time of the in-person application can be used as proof of Veteran status.

Other jurisdictions can use this model to establish similar programs without creating a new program within VA that may not be cost-efficient. It is not known whether enough Veterans would request the card to make necessary initial investments in information technology and training worthwhile.

In addition, a VA-issued card could create confusion about eligibility. Although the card would not by itself establish eligibility, there could nonetheless be misunderstandings by Veterans that a Government benefit is conferred by the card. As the Committee knows, entitlement to some VA benefits depends on criteria other

than Veteran status, such as service connection or level of income. Confusion may also occur because the Veterans Health Administration (VHA) issues identification cards to Veterans who are eligible for VA health care. Having two VA-issued cards would pose the potential for confusion.

It is difficult to predict how many Veterans would apply for such a card. Therefore, VA cannot provide a reliable cost estimate for S. 778.

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S. 868

S. 868, the “Filipino Veterans Promise Act,” would require the Secretary of Defense, in consultation with the Secretary of VA, to establish a process to determine whether individuals claiming certain service in the Philippines during World War II are eligible for certain benefits despite not being on the so-called “Missouri List.” This bill affects programs and laws administered by DOD. Respectfully, we defer to that Department’s views on this bill.

S. 889

S. 889, the “Servicemembers’ Choice in Transition Act of 2013,” would amend section 1144 of title 10, United States Code, to improve the Transition Assistance Program (TAP). The current law does not stipulate any requirements for TAP beyond pre-separation counseling and the Department of Labor (DOL) Employment Workshop.

S. 889 would mandate the following additions to TAP providing: (1) information on disability-related employment and education protection; (2) an overview of available education benefits; and (3) testing to determine academic readiness for post-secondary education. The deadline for implementation of these provisions would be April 1, 2015. The bill would also require a feasibility study by VA on providing the instruction of pre-separation counseling (described in subsection (b) of section 1142 of title 10, United States Code) at overseas locations, no later than 270 days after the date of the enactment.

VA appreciates the strong interest and support from the Committee to ensure that separating Servicemembers are given full and effective engagement on their employment and training opportunities, as well as other VA benefits they have earned. However, VA does not support this legislation. The passage of the Veterans Opportunity to Work (VOW) to Hire Heroes Act (VOW Act) of 2011 and the introduction of the President’s Veterans Employment Initiative (VEI) satisfy the intent underlying S. 889. VA believes those efforts should be afforded an opportunity to be fully implemented and assessed before any further legislation concerning TAP is enacted. Allowing agencies to proceed under current plans will provide greater flexibility in implementing improvements and making adjustments based on accurate data analysis during assessment. VA will be pleased to brief the Committee on the improvements and enhancements that are currently being implemented as part of the Administration’s VEI.

VA and Federal agency partners including DOD, DOL, Department of Education, Office of Personnel Management (OPM), and the Small Business Administration (SBA), are currently working to develop a plan for the implementation of an enhanced TAP curriculum, known as Transition GPS (Goals, Plans, Success), which was developed under the Administration's VEI.

Current components of the Transition GPS curriculum include mandatory pre-separation counseling, service-delivered modules, enhanced VA benefits briefings, a DOL Employment Workshop, and Servicemember-selected tracks focused on technical training, higher education, and entrepreneurship opportunities. With the implementation of the Capstone event by the end of FY 2013, the Transition GPS curriculum will take approximately 7 to 8 days to complete.

VA has primary responsibility in the development and delivery of the VA benefits briefings and the Career Technical Training Track, and additional responsibilities to support partner agencies in the development of curriculum of the higher education track, the entrepreneurship track, and the Capstone event. The Capstone event is intended to serve as a standardized end-of-career experience to validate, verify, and bolster transition training and other services to prepare for civilian career readiness, including those delivered throughout the entire span of a Servicemember's career, from accession to post-military civilian life.

The VA Benefits I and II Briefings are part of the current Transition GPS Curriculum. During the VA Benefits I Briefing, information is provided on VA education benefits, as well as identifying the forms and documentation necessary to access those education benefits. The VA Benefits I Briefing also provides information on all other benefits and services offered by VA. The Benefits II Briefing provides an in-depth overview of VA's disability compensation process, VA health care, and navigation of the eBenefits portal, a one-stop, self-service tool providing access to all benefits information.

Testing to determine academic readiness for post-secondary education for any member who plans to use educational assistance under title 38 does not play a role in how VA determines eligibility and disburses VA education benefits. VA does not agree that this type of testing should be a part of Transition GPS, since Servicemembers who are interested in pursuing post-secondary education already go through an application process in order to determine readiness and acceptance to accredited schools, universities, or colleges. The final determination for one's acceptance to post-secondary education is the responsibility of the academic institutions. VA believes the intent of this amendment is already being met under the revised Transition GPS. As part of the new process, Servicemembers receive pre-separation counseling by a representative within their respective Service, where they may receive additional guidance on appropriate next steps to include planning for a post-secondary education.

This legislation would also mandate providing information on disability-related employment and education protections. As VA does not have oversight on employment and education protections, we defer to our agency partners (e.g., DOL and Department of Edu-

cation) regarding the extent to which they address these topic areas during Transition GPS.

Because pre-separation counseling is the responsibility of DOD, the feasibility study on the implementation of subsection (b) of section 1142 of title 10, United States Code, would be a new requirement for VA and would necessitate agreements and information sharing between VA and DOD to finalize within 270 days after enactment.

We note that the Transition GPS curriculum is new and still being evaluated for effectiveness and efficiency. VA is in the process of fine tuning delivery and content to best meet Servicemembers' needs, and additional legislation at this stage may hinder those efforts. For these reasons, VA does not support the feasibility study.

VA estimates that, if S. 889 were enacted, costs for the first year would be \$8.2 million (including salary, benefits, travel, rent, supplies, training, equipment, and other services [including curriculum development]), \$40.6 million over 5 years, and \$86.5 million over 10 years. VA estimates that IT costs for the first year would be \$0.3 million (including the IT equipment for FTE, installation, maintenance, and IT support) \$0.9 million over 5 years, and \$2.0 million over 10 years.

S. 894

S. 894 would extend, through June 30, 2016, the Secretary's authority to pay allowances for certain qualifying work-study activities performed by certain individuals pursuing programs of education. This bill would also amend section 3485(a)(4) of title 38, United States Code, to add a new subparagraph to add to the list of qualifying work-study activities certain activities performed at the offices of Members of Congress. Finally, this bill would require VA to submit annual reports to Congress regarding the work-study allowances paid under section 3485(a). VA provided views for this bill at the June 12, 2013, hearing.

VA estimates that, if enacted, benefit costs for S. 894 would be \$572,000 during FY 2013 and \$7.4 million for the 3-year period beginning on June 30, 2013, and ending on June 30, 2016. There are no additional FTE or GOE cost requirements associated with this legislation.

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S. 927

S. 927, the "Veterans Outreach Act of 2013," would require VA to carry out a demonstration project to assess the feasibility and advisability of using State and local government agencies and non-profit organizations to increase outreach to Veterans regarding VA benefits and services. VA would require additional resources, such as manpower, funds, and space, to administer the mandated grant program, comply with the reporting requirements, and support the advisory committee called for in section 5 of the bill. In addition, VA has several recommendations and concerns regarding particular bill language. Because of the central role of outreach in ensuring that Veterans know of the benefits they have earned and

the role of outreach throughout the myriad missions of VHA, VBA, and the National Cemetery Administration, we would benefit from meeting with the Committee to discuss ongoing outreach efforts and the ideas represented in this bill.

Section 2 of S. 927 would require VA to conduct a demonstration project to increase coordination of outreach efforts between VA and Federal, State, and local agencies and nonprofit organizations. In the absence of a requirement for specific appropriations dedicated to the implementation of the bill, VA requests that, in section 2(a), “shall” be replaced with “may.”

Section 2(a)(2) lists “nonprofit providers of health care and benefits services for veterans” as an entity with which VA would coordinate outreach activities. VA would like for the bill to have broad reach but would like to discuss with the Committee the different types of entities this language could cover.

Section 2(c)(3) would require the Secretary to “consider where the projects will be carried out” and a number of other factors. VA recommends the considerations of section 2(c)(3) be deleted and that VA be directed to include appropriate project criteria, such as location and other factors, in VA implementing regulations. VA is concerned that, under section 2(c)(5), which would limit awards to a single State entity to 20 percent of all grant amounts awarded in a fiscal year, limitations would only be established for State entities while local and nonprofit entities would not be subject such limitations. VA recommends including all eligible grantees in this paragraph. Similarly, under section 2(d), the 50 percent matching funds requirement would only apply to States while county, municipal, and nonprofit entities would not have this burdensome requirement. VA recommends including all eligible grantees in this subsection as well. Essentially, there should be one standard: matching funds should be required for all entities or no such requirement should exist. VA already submits a consolidated biennial report on outreach activities, and therefore recommends that, rather than requiring the annual report as prescribed by section 2(e), the biennial report already submitted address the grants called for in this proposed legislation.

Section 3 would provide for cooperative agreements between the Secretary and States on outreach activities. VA already has an existing Memorandum of Agreement through the National Association of State Directors of Veterans Affairs that encompasses the intent of this legislation. Therefore, VA recommends removing this section.

Section 4 would provide for specific budget reporting requirements for VA’s outreach activities. VA administrations currently plan and track outreach budgets without a Congressionally-mandated requirement in order to report to VA’s Office of Public and Intergovernmental Affairs (OPIA). However, the language of section 4 would require additional collection and coordination that could represent additional expenditures for VA. Additional manpower would be required to plan, coordinate, track, and report all outreach budget activities throughout VA. VA would be glad to discuss the requirements of this section with the Committee.

Section 5 would establish an advisory committee on outreach activities in VA. Additional resources would be required to manage,

plan, coordinate, support, and report on an outreach advisory committee's activities. In addition, VA already has several committees, such as the Advisory Committee on Minority Veterans, the Advisory Committee on Women Veterans, and the Research Advisory Committee on Gulf War Veterans' Illnesses, which look at outreach as a component of their charters. Should this additional advisory committee be established, VA believes that the quarterly consultation and reporting requirements contemplated by section 5(d) and (e) are excessive. Most VA committees already meet two to three times annually. VA recommends instead a biannual meeting requirement.

Section 6 would require each VA medical center to establish an advisory board on outreach activities. VA does not support this section of S. 927 as it would require 152 additional advisory boards, each one being a potential distracter to mission workload.

VA is unable to estimate the costs of this bill, as they would depend upon the scope of the grant program which, in turn, would depend upon amounts appropriated for such grants.

S. 928

Section 101 of S. 928, the "Claims Processing Improvement Act of 2013," would establish a working group to improve the employee work credit and work management systems of VBA. Not later than 90 days after the date of the enactment of this Act, VA would establish a working group to assess and develop recommendations for the improvement of the employee work credit and work management systems of VBA. The work group would be comprised of VA adjudicators, labor representatives, and individuals from Veterans Service Organizations (VSOs). The working group would develop a data-based methodology to be used in revising the employee work credit system and a schedule by which revisions to such system would be made, and would assess and develop recommendations for improvement of the resource allocation model. In carrying out its duties, the working group would review the findings and conclusions of the Secretary regarding previous studies of the employee work credit and work management systems of VBA.

Within 180 days following establishment of the working group, VA would submit a progress report to Congress. Within 1 year following the establishment of the working group, VA would submit a report to Congress detailing the methodology and schedule developed by the working group.

VA does not support section 101. VA is fully aware of the need to improve its work credit and work management systems, but does not believe it necessary to legislate a formal working group to carry out an improvement plan. VA benefited from the Center for Naval Analyses report, mandated by section 226, Public Law 110-389, which revealed needed improvements of VA's work credit and management system. It is vital that VA continue to improve its evolving claims processing system, including the enhancement of the Veterans Benefits Management System (VBMS) to incorporate advanced workload management functionalities. VBA's planned future State includes development of VBMS workload management capabilities that are entirely electronic. The workload management capabilities of VBMS are being developed in two steps. Currently,

a working group is building the design requirements that will provide managers with the tools and reporting capabilities to manage their workload most effectively at the regional office level. Second, a national work queue will be developed, to include the capability of routing claims automatically through a pre-determined model, which will route claims based on VBA's priorities and the skill levels of our employees, essentially matching claims processors with the "next best claim" to work based on their skill levels and areas of expertise, as well as national workload management policies.

As VBA moves toward the full integration of the entire claims process in VBMS, the capability to capture transactional data will allow VA to move from a points-based work credit system dependent on employee-user input to a system that can automatically capture employees' transactions, activities, claims completions, and timeliness, enabling VBA to measure performance against standards that truly reflect the desired outcome of timely and accurate completion of claims. VBA recognizes the importance of assessing the impact of our transformational initiatives on employees' job requirements and appropriately adjusting the work credit system. VBA established a new team in April 2013 to work in concert with VBMS programmers to ensure the requirements and functionality for employee work-credit is incorporated into VBMS and that a system is established that measures and manages the work production of employees in accordance with actions required by the updated claims process.

No mandatory or discretionary costs are associated with this section of the bill.

Section 102 of the bill would establish a task force on retention and training of claims processors and adjudicators who are employed by VA and other Federal agencies and departments. The task force would be comprised of the VA Secretary, Director of OPM, Commissioner of the Social Security Administration, a representative from a VSO, and other individuals from institutions as the Secretary considers appropriate. The duties of the task force would include:

- (1) Identifying key skills required by claims processors and adjudicators to perform the duties of claims processors and adjudicators in the various claims processing and adjudication positions throughout the Federal government;

- (2) Identifying reasons for employee attrition from claims processing positions;

- (3) No later than 1 year after establishment of the task force, developing a Government-wide strategic and operational plan for promoting employment of Veterans in claims processing positions in the Federal government;

- (4) Coordinating with educational institutions to develop training and programs of education for members of the Armed Forces to prepare such members for employment in claims processing and adjudication positions in the Federal government;

- (5) Identifying and coordinating offices of DOD and VA located throughout the United States to provide information about, and promotion of, available claims processing positions to members of the Armed Forces transitioning to civilian life and to Veterans with disabilities;

(6) Establishing performance measures to assess the plan developed under paragraph (3), assessing the implementation of such plan, and revising such plan as the task force considers appropriate; and

(7) Establishing performance measures to evaluate the effectiveness of the task force.

No later than 1 year after the date of the establishment of the task force, VA would be required to submit to Congress a report on the plan developed by the task force. Not later than 120 days after the termination of the task force, the Secretary would be required to submit to Congress a report that assesses the implementation of the plan developed by the task force.

VA does not support section 102 because VA already has systems and programs in place to achieve the goals of the bill.

As VA's claims processes evolve, VA continues to identify critical skills needed by adjudicators. Establishing a task force to address concerns at this stage would be premature and counterproductive as VA implements, modifies, and enhances its transformational initiatives and automated processing systems.

With regard to development of a Government-wide strategic and operational plan for promoting employment of Veterans in claims processing positions in the Federal government, VA defers to OPM. However, 73 percent of VBA's hires this year have been Veterans, and over 51 percent of VBA's current workforce is Veterans. Our attrition rate in disability claims processing positions was only 6 percent last year and 4 percent this fiscal year through June 30. VA currently utilizes tools in regional offices that capture reasons for attrition when employees leave Federal service. This information is used for succession planning and future hiring at the local level.

Over the last several years, VBA has developed competency models for claims processing positions. The models describe the knowledge, skills and abilities necessary for these jobs. VBA is in the process of linking the models to training.

The linked models will guide supervisors and employees as they develop training plans to improve capabilities and/or remediate skill deficits. Training to develop claims processing skill requires practical application using VA systems and processes that closely guard Veterans' privacy. Effective training requires close evaluation achievable only by experts in claims processing, such as is conducted within VA. Educational institutions are unlikely to provide meaningful development of claims processor skills in Veterans.

The requirement to coordinate with educational institutions to develop training and programs for members of the Armed Forces seems to contradict the rules in section 3680A of title 38, United States Code, which prohibits VA from approving programs of education where more than 85 percent of the students enrolled are in receipt of VA education benefits. Additionally, VA has concerns that the intent of providing specific training for employment for claims processing positions may actually limit their employment opportunities as their training would be specific to a position and not an industry or general career field.

VA has partnered with other Federal agencies to include DOD, Department of Education, DOL, SBA, and OPM to develop a proc-

ess through redesign of the TAP in order to achieve the President's intent for a "career-ready military." The redesign provides training to enable transitioning Servicemembers to meet Career Readiness Standards by translating military skills into Federal or private work opportunities and better prepare Servicemembers in making a successful transition from military to civilian life. VA is also responsible for delivering the Career Technical Training Track (CTTT) which assists Servicemembers in developing a plan for a technical career after departing the military. The CTTT is a 16-hour course targeted toward Servicemembers who may not choose a 4-year education option and who are seeking rapid employment. As part of the redesign efforts of TAP, VA partners with DOD and the Military Services in implementing a Capstone event to verify Servicemembers are career ready when departing the military. VA will provide support in the development of a Military Life Cycle, which will incorporate Career Readiness Standards throughout an individual's military career versus during the last few months prior to separation.

There are no mandatory or discretionary costs associated with this section.

Section 105 of S. 928 would mandate a pilot program to assess the feasibility and advisability of entering into memorandums of understanding with local governments and tribal organizations, to include at least two tribal organizations and 10 State or local governments, for the purpose of improving the quality of claims submitted and assisting Veterans who may be eligible for disability compensation in submitting claims.

While VA supports efforts to enhance service and benefits delivery to all categories of Veterans to include those of tribal organizations, the rationale and intent behind this section of the bill is unclear. Therefore, VA does not support this section. A pilot is unnecessary given that VA regularly conducts outreach to tribal organizations. Further, VA works closely with State and local governments, which employ claims representatives to assist Veterans and their family members with filing claims. VA regularly trains State and county personnel to ensure they are equipped to assist Veterans in their communities.

Costs cannot be accurately estimated without understanding the scope of this provision. However, it is anticipated that additional discretionary funds would be needed to administer the program and to train the local governments and tribal organizations to accurately discuss VA benefit programs and assist with claims.

Section 106 of the bill would require VA, not later than 90 days after the date of the enactment of this Act and not less frequently than quarterly thereafter through calendar year 2015, to submit to the Senate and House Committees on Veterans' Affairs a report on the backlog of claims. The report would include the following elements:

(1) For each month through calendar year 2015, a projection of the following:

- a. The number of claims completed;
- b. The number of claims received;
- c. The number of claims backlogged at the end of the month;

d. The number of claims pending at the end of the month;
and

e. A description of the status of the implementation of initiatives carried out by the Secretary to address the backlog.

(2) For each quarter through calendar year 2015, a projection of the average accuracy of disability determinations for compensation claims that require a disability rating (or disability decision);

(3) For each month during the most recently completed quarter, the following:

a. The number of claims completed;

b. The number of claims received;

c. The number of claims backlogged at the end of the month;

d. The number of claims pending at the end of the month;

and

e. A description of the status of the implementation of initiatives carried out by the Secretary to address the backlog.

(4) For the most recently completed quarter, an assessment of the accuracy of disability determinations for compensation claims that require a disability rating (or disability decision).

VA does not oppose section 106. Although various data elements from this bill are already publicly available and/or provided to Congress on a regular basis, this section of the bill would formalize the transmission of specific performance data.

No mandatory or discretionary costs are associated with this section.

S. 930

S. 930 would add a new subsection to section 5314 of title 38, United States Code, to delay the recovery of overpayments made by VA to individuals receiving Post-9/11 GI Bill benefits until their last payment or payments under that program. This new provision would not apply to individuals, who either completed the program of education for which the debt was made or failed to attend class during the two academic semesters following the creation of the overpayment. VA would be authorized to charge interest on the amount of indebtedness so that the delayed payment actuarially would be equal to the amount as if the debt were paid immediately. The new subsection would apply to all debts created after the date of enactment and would expire 9 years after the date of enactment.

VA does not support this bill. It would require VA to delay the collection of debts by making deductions from the last payment or payments due to beneficiaries. VA would not be able to project when Post-9/11 GI Bill beneficiaries would use their benefits for the last time and the amount of the last payment. As a result, it would be difficult to determine when the debt should be recouped. Furthermore, withholding some or all the payments due to a Veteran for his/her final enrollment may place undue financial burden on the Veteran during his/her last school term, potentially putting at risk the Veteran's ability to complete his or her program and graduate. If an overpayment remains after the final payment has been withheld, that overpayment would be the responsibility of the Veteran and would be subject to collection through the Treasury Offset Program if the Veteran is unable to pay out of pocket.

This legislation would not apply to individuals who fail to attend classes in a manner consistent with “normal pursuit” of a program of education during the next two academic semesters after such overpayment. It is not clear what is meant by “normal pursuit” as individuals may pursue training on a part-time basis and may take short breaks in training periods. Furthermore, the proposed legislation directs VA to charge the individual interest for debts that must be collected. It is not clear whether interest would accrue from the date the overpayment is created or the date VA begins collection due to non-pursuit of training. It is also unclear whether the debt should be deferred if the individual resumes “normal pursuit” after the debt collection process is initiated.

VA does not believe that the potential benefits gained by deferring some Veteran debts would outweigh the increased burden Veterans may face to repay large amounts out-of-pocket (as there will be little to no benefits remaining) or the burden placed on VA to administer this provision. Moreover, this legislation conflicts with the intended spirit of the Improper Payment Elimination and Recovery Act of 2010 and the Debt Collection Improvement Act of 1996, both of which speak to proper identification and recovery of Federal debts.

S. 930 would be effective on the date of enactment; however, its implementation would require extensive changes to VA’s collection process, including labor-intensive systems changes. Thus, VA would need at least 18 months from the date of enactment to develop and/or amend systems to account for this change, train personnel on the change, and inform beneficiaries.

VA estimates that enactment of S. 930 would result in benefits costs to VA of \$233 million during the first year, \$1.3 billion over 5 years, and \$2.4 billion over 10 years.

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S. 935

S. 935, the “Quicker Veterans Benefits Delivery Act of 2013,” would revise statutes pertaining to adjudications and payment of disability benefits.

Section 2 of this bill would prohibit VA from requesting a medical examination when the claimant submits medical evidence or an opinion from a non-VA provider that is competent, credible, probative, and adequate for rating purposes. Section 3 would add a third level of pre-stabilization rates under section 4.28 of title 38, Code of Federal Regulations, that can be assigned to recently discharged Veterans. Currently, pre-stabilization rates include a 50-percent and 100-percent evaluation. This bill proposes to add a 30-percent evaluation. In addition, the bill would create a new “temporary minimum disability rating.” The bill would authorize such a rating for a Veteran who has one or more disabilities not already covered under the current temporary-rating scheme and “submits a claim for such disability that has sufficient evidence to support a minimum disability rating.” Under section 4, VA would be authorized to issue benefits payments prior to the month for which such payments are issued. Currently, VA issues benefits payments on the first of the month for the previous month’s entitlement.

VA does not support S. 935. VA appreciates the intent of the provisions, which seek to provide benefits to Veterans more expeditiously. However, as written, these provisions are, in some respects, unnecessary, unclear, and problematic to implement.

Section 2 of the bill is duplicative of existing law. This section prohibits VA from requesting a medical examination when evidence that is submitted is adequate for rating purposes. Section 5103A(d)(2) of title 38, United States Code, notes that an examination or opinion is only required when the record does not contain sufficient medical evidence to make a decision. Furthermore, section 5125 of title 38, United States Code, explicitly notes that private examinations may be sufficient, without conducting additional VA examinations, for adjudicating claims. VA regulations are consistent with these statutory requirements. Therefore, this section is unnecessary and duplicative. VA is already allowed to adjudicate a claim without an examination if evidence is provided by the claimant that is adequate for rating purposes. There are no costs associated with section 2.

VA does not support section 3. The intent of this provision and how it would be implemented are unclear. The existing pre-stabilization rates, 50 percent and 100 percent, are used to compensate Veterans with severe injuries that are unstable and which materially impair employability. The criteria for when the proposed 30-percent evaluation would be used are not specified. However, generally, a rating of 30 percent indicates that an individual is able to participate in the examination process and is capable of employment. Because the Veteran would be required to be re-examined and re-evaluated between 6 and 12 months after discharge, this provision would inconvenience Veterans as well as require additional work on the part of claims adjudicators and medical examiners.

To the extent the bill would create a whole new category of claimants eligible to receive a temporary minimum disability rating, VA does not support this provision. It is unclear how this would be implemented (i.e., whether the term “temporary minimum disability rating” refers to the proposed 30 percent pre-stabilization rating or whether it refers to the current minimum compensable schedular rating of 10 percent. Additionally, it is unclear what is meant by the requirement that the claimant submit “sufficient evidence to support a minimum disability rating.” If interpreted to mean that the claimant need only submit evidence of a current disability to be assigned a temporary rating of 30 percent, such a practice would likely result in frequent overpayments that would later need to be adjusted. Likewise, a Veteran with multiple disabilities would often be undercompensated. In general, establishing temporary ratings means that cases will need to be processed twice, which is not an efficient use of resources. Subsection (c), which directs that cases with pre-stabilization ratings or temporary minimum disability ratings not be counted in the backlog of disability claims, raises questions about how these cases would be tracked and counted in VA’s workload and concern about data integrity. VA is unable to provide costs for section 3, as the provision is unclear. Additional information concerning the criteria that would create entitlement would be required to determine costs.

VA does not support section 4 of the bill, as its intent is unclear, and it could create significant administrative burdens and costs for VA. This provision would authorize the Secretary to certify benefit payments so that payments will be delivered “before the first day of the calendar month for which such payments are issued.” VA is already authorized to make payments prior to the first of the month whenever the first day of the calendar month falls on a Saturday, Sunday, or legal public holiday. The payment VA makes on or near the first of the month is payment for the prior month’s entitlement. If the intent of section 4 is to permit VA to make this payment prior to the first of the month irrespective of whether that date falls on a weekend or holiday, we recommend replacing the phrase “for which such payments are issued” with the phrase “in which such payments would otherwise be issued.” However, if the intent is to authorize VA to deliver disability payments a full month in advance, such a change in procedure would raise several concerns. For a Veteran with an award that is currently ongoing, an additional month of mandatory funding would be required, as an extra payment would need to be made to advance payments to a month-in-advance status. Additionally, paying benefits in advance significantly increases the chances for overpayment of benefits and directly conflicts with the spirit of the Debt Collection Improvement Act and the Improper Payment Elimination and Recovery Improvement Act. Current processing allows VA to prevent payments from being released if a Veteran becomes ineligible during the month. For example, if a Veteran student drops out of school or passes away during the month, VA is able to amend his or her benefit award and prevent payment from being released. Paying in advance would eliminate VA’s ability to prevent this type of improper payment. Paying benefits prior to the month in which they are earned would potentially result in increased overpayments.

Absent clarification as discussed above, VA opposes this section of the bill, as it potentially would create an administrative burden and significant costs in the reprogramming of VA’s computer systems. The systems used by VA do not currently allow prospective payments, and this section would create the need to reprogram multiple applications.

For section 4, if the intent of the proposed bill is to release benefit payments on the last day of the month for which they are due, rather than the first of the following month, as is the current practice, VA sees little impact to our internal processes or Office of Information Technology (OIT) applications. This change would require that our schedule of operations be modified by at least 1 business day to send our bulk payment files to the Department of the Treasury earlier in the month so payments could be delivered (by mail or electronically) on the last business day of the month rather than the first of the following month. The Department of the Treasury does not anticipate this potential change would be an issue with regards to processing and releasing VA benefit payments.

However, if the intent of section 4 is to issue payments in advance of when they are due, VA OIT systems would require significant modifications, which would take longer than the 90-day period allowed to implement this section. For example, if the intent is that

payment for July be received prior to July 1 (e.g., June 30), rather than August 1, the current functionality that generates the recurring or monthly payment files would require significant changes. VBA has ten separate OIT payment applications that produce a recurring or monthly payment file that would need to be modified. Changes of this nature would require significant OIT funding that is not budgeted and re-prioritization of planned OIT initiatives.

If the intent of section 4 is to release benefit payments on the last day of the month for which they are due, rather than the first of the following month as is the current practice, there are no benefit costs or savings associated with section 4. While this provision would impact the timing of outlays, it would not affect obligations. If the intent of section 4 is to issue payments in advance of when they are due, there would be costs, including costs associated with the increased chances of overpayments. However, more information would be required to calculate the benefit costs in this scenario.

S. 938

S. 938, the “Franchise Education for Veterans Act of 2013,” would amend title 38 United States Code, to allow Veterans who are eligible for educational assistance under the All-Volunteer Force Educational Assistance Program (chapter 30) or the Post-9/11 Educational Assistance Program (chapter 33) and no longer on active duty, to pursue training and receive educational assistance for franchise training. The amount of educational assistance payable under this program shall be, within any 12-month period in which training is pursued, the sum of the fees assessed by the training establishment, a monthly housing stipend for each month of training pursued equal to the monthly amount of the basic allowance for a Servicemember with dependents in pay grade E-5 residing in military housing within the zip code area of the training establishment, and a monthly stipend in the amount equal to \$83 for each month of training for books, supplies, equipment, and other educational costs or \$15,000, whichever is less.

VA supports the intent of S. 938; however, we cannot support this bill due to significant administrative impacts and a need for further refinement in order to make this policy executable and supportable. We are unclear how VA would determine that the franchise training pursued by the Veteran would result in the establishment of a franchise. Franchise training times vary depending on what the franchise business requirements are (e.g., Meineke may be 4 weeks, whereas 7-Eleven may be 2–4 weeks). VA would have to establish ways to measure the franchise training and conduct adequate oversight to ensure compliance that is necessary for the State Approving Agencies (SAA) to approve the training programs. It is unclear whether any limitations should be established as to when VA should approve the individual pursuit of the franchise training. For example, it is unclear whether VA would need to ensure the individual who desires to open a business first provide business plans or proof of funding in order to establish the franchise.

Due to the need to develop regulations to provide rules to administer this new benefit type, provide training to the SAAs who will approve the training, and provide training to the field offices on

processing, VA recommends that this provision become effective at the beginning of a fiscal year but no earlier than 12 months from date of enactment.

VA estimates that benefit costs associated with enactment of S. 938 would be \$1.5 million in the first year, \$7.5 million over 5 years, and a total of \$15.0 million over 10 years.

S. 944

S. 944, the “Veterans’ Educational Transition Act of 2013,” would amend section 3679 of title 38, United States Code, by adding a new subsection at the end. The new subsection would require VA to disapprove any course offered by a public institution of higher education that does not charge Veterans and eligible dependents pursuing a course of education with educational assistance under the All-Volunteer Force Educational Assistance Program (chapter 30) or the Post-9/11 Educational Assistance Program (chapter 33), in-State tuition, and fees, regardless of their State of residence.

Under this legislation, a “covered individual” would be a Veteran who was discharged or released from a period of no less than 180 days of service in the active military, naval, or air service less than 2 years before the date of enrollment in the course concerned, or an individual who is entitled to assistance under section 3311(b)(9) or 3319 of title 38 by virtue of such individual’s relationship to a covered Veteran.

S. 944 would apply to educational assistance provided for pursuit of programs of education during academic terms that begin after July 1, 2015.

While VA is sympathetic to the issue of rising educational costs, we cannot endorse this legislation until we know more about the impact. VA is concerned that possible reductions in course offerings could be the result from this requirement, which could negatively impact Veterans’ educational choices. In-State tuition rules are set by individual States and are undoubtedly driven by overall fiscal factors and other policy considerations.

Enactment of S. 944 may result in cost savings for VA because the Department would no longer make Yellow Ribbon program payments to public institutions of higher learning—these schools would either charge in-State tuition, negating the need to make up the difference between in-State and out-of-state tuition, or the school would cease to be approved for VA education benefit participation. However, as noted above, it is difficult to project the effect of this legislation on the courses offered by public educational institutions, so students may choose not to use their benefits at all because of reduced educational choices.

VA estimates that benefit savings to the Readjustment Benefits account would be \$70.2 million over 5 years and \$206.2 million over 10 years.

VA estimates that there would be no additional GOE administrative costs required to implement this amendment.

S. 1039

S. 1039, the “Spouses of Heroes Education Act,” would amend the Post-9/11 GI Bill (chapter 33 of title 38, United States Code) to expand the Marine Gunnery Sergeant John David Fry scholar-

ship to include spouses of members of the Armed Forces who die in the line of duty. Currently, only children of Servicemembers who die in the line of duty while serving on active duty in the Armed Forces are eligible for such education benefits.

This bill would make spouses eligible for education benefits under chapter 33 for 15 years from the date of the Servicemember's death, or the date on which the spouse remarries, whichever comes first.

A surviving spouse who establishes chapter 33 eligibility based on this bill and is also eligible for education benefits under the Dependents' Educational Assistance (chapter 35) program would have to make an irrevocable election with respect to receipt of educational assistance (under one program only).

S. 1039 also would amend section 3321(b)(4) of title 38 to specify that the period of eligibility for a child entitled to Post-9/11 GI Bill educational assistance under the Marine Gunnery Sergeant John David Fry scholarship expires 15 years after the child's eighteenth birthday.

VA supports S. 1039, subject to Congress identifying appropriate offsets for the benefit costs. If enacted, this legislation would offer eligible surviving spouses more generous monetary benefits than they are currently eligible to receive. Currently, a surviving spouse of a Servicemember who dies in the line of duty may receive education benefits under chapter 35, which include a 20-year delimiting date, 45 months of entitlement, and a current full-time monthly rate of \$987. Under this legislation, eligible spouses would receive full tuition and fees at a public institution (or the maximum amount payable at private institutions), a housing allowance, and a books and supplies stipend of up to \$1,000.

Since the benefits are greater under chapter 33 than under chapter 35, VA anticipates surviving spouses would elect to receive benefits under chapter 33. As a consequence, this would decrease the number of chapter 35 beneficiaries.

VA estimates that, if enacted, S. 1039 would result in benefit costs to VA of \$10.3 million during the first year, \$67.7 million for 5 years, and \$163.9 million over 10 years. No administrative or personnel costs to VA are associated with this bill. VA IT costs are estimated to be \$9.3 million. These costs include enhancements to the Post-9/11 GI Bill Long-Term Solution. If these IT enhancements could not be implemented, manual processing of claims would be required, which would result in an overall decrease in timeliness and accuracy in processing Post-9/11 GI Bill claims. We estimate that VA would need one year from date of enactment to implement this change.

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MINORITY VIEWS OF RANKING MEMBER
HON. RICHARD BURR

On July 24, 2013, the Senate Committee on Veterans' Affairs (hereinafter, "the Committee") voted, by voice vote, to approve S. 944, as amended, the Veterans Health and Benefits Improvement Act of 2013 (hereinafter, "the Committee bill"). While I agreed with a number of the provisions included in the Committee bill, I have concerns about Title VI, which included items addressing the Department of Veterans Affairs (hereinafter, "VA") outreach efforts. In these supplemental views, I will outline a number of my concerns and unresolved questions.

On April 24, 2013, the Senate Committee on Veterans' Affairs convened a hearing entitled, "Call to Action: VA Outreach and Community Partnerships," to examine VA outreach activities and efforts to expand community partnerships. One of the main issues discussed was the lack of coordination between VA, state and local governments, and private entities. These non-VA organizations have been effective in identifying the needs of veterans in their local areas, and providing services that are either difficult for VA to provide or are outside of VA's primary responsibilities. VA testified that they are reevaluating how they coordinate with outside groups, and are educating VA medical centers and Regional Offices about how to best leverage existing local capabilities. I believe that this should be the focus of the Committee's efforts when trying to improve VA's outreach.

Section 601 of the Committee bill would establish a pilot program to provide grants to state and local governments or nonprofit organizations to increase veterans' awareness of benefits and services and improve coordination of outreach activities between Federal, state and local agencies and nonprofit organizations. While I believe that further coordination between VA and other providers is needed, I do not believe the testimony provided during the April 24 hearing indicated a grant program was required. The Committee bill is vague as to what projects the Secretary of Veterans Affairs should award grants to, yet authorizes \$5 million over a two year period for that purpose.

What was clear from the outreach hearing was that state governments, local governments, and nonprofit entities are already providing a number of services, yet VA is completely unaware of their existence. To my mind, this underscores the need for greater oversight of VA's current outreach activities; including a full accounting of the amount of money VA currently spends enterprise-wide. During the hearing, I asked Assistant Secretary for Public and Intergovernmental Affairs Tommy Sowers for this information, and have yet to get a response. Providing grants to those already assisting veterans may bolster a few of their services, but it places the onus, not on VA, but on outside groups to coordinate their efforts with

VA. It will likely not fix the underlying issues identified at the hearing.

Before we proceed any further legislatively on the outreach pilot, I believe, the Committee needs a better understanding of: (1) the types of projects to be provided by the section; (2) whether these projects, funded by the pilot, will duplicate existing services; (3) how funding additional projects outside of VA will improve VA's outreach efforts; and (4) what specific steps VA is taking to coordinate with outside groups?

Finally, I would like to mention my apprehension with establishing advisory committees on outreach activities at both VA Central Office and at VA medical centers. Previously established advisory committees at VA have not demonstrated their effectiveness. While I hope the additional advisory committees are successful in forging relationships, I believe that real change that leads to better outreach and coordination will need to be derived from strong leadership at VA Central Office, individual VA medical centers, and VA Regional Offices.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of Rule XXVI of the Standing Rules of the Senate, 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 10. Armed Forces

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Subtitle A. General Military Law

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Part II. Personnel

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CHAPTER 58. BENEFITS AND SERVICES FOR MEMBERS BEING SEPARATED OR RECENTLY SEPARATED

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SEC. 1144. EMPLOYMENT ASSISTANCE, JOB TRAINING ASSISTANCE, AND OTHER TRANSITIONAL SERVICES: DEPARTMENT OF LABOR

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(b) * * *

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(9) Provide information about disability-related employment and education protections.

* * * * *

Title 38. Veterans' Benefits

* * * * *

Part I. General Provisions

* * * * *

Chapter 1. General

* * * * *

SEC. 103. SPECIAL PROVISIONS RELATING TO MARRIAGES

- * * * *
- (d)(1) * * *
- (2)(A) * * *

[(B) The remarriage after age 57 of the surviving spouse of a veteran shall not bar the furnishing of benefits specified in paragraph (5) to such person as the surviving spouse of the veteran. Notwithstanding the previous sentence, the remarriage after age 55 of the surviving spouse of a veteran shall not bar the furnishing of benefits under section 1781 of this title to such person as the surviving spouse of the veteran.]

(B) The remarriage after age 55 of the surviving spouse of a veteran shall not bar the furnishing of benefits specified in paragraph (5) to such person as the surviving spouse of the veteran.

* * * *

(5) [Paragraphs (2)(A)] *Paragraphs (2) and (3) apply with respect to benefits under the following provisions of this title:*

- * * * *

SEC. 111A. TRANSPORTATION OF INDIVIDUALS TO AND FROM DEPARTMENT FACILITIES

- (a) * * *
- (1) * * *
- (2) The authority granted by paragraph (1) shall expire on [the date that is one year after the date of the enactment of this section] *September 30, 2015.*

(b) * * *

(c) FUNDING.—There is hereby authorized to be appropriated for each of fiscal years 2014 and 2105 for the Department, \$4,000,000 to carry out this section.

- * * * *

Chapter 3. Department of Veterans Affairs

- * * * *

SEC. 322. OFFICE OF NATIONAL VETERANS SPORTS PROGRAMS AND SPECIAL EVENTS

- * * * *
- (b) * * *

(4) [shall, to the extent feasible,] *may cooperate with the [United States Paralympics, Inc.] United States Olympic Committee and its partners to promote the participation of disabled veterans and disabled members of the Armed Forces in [sporting] paralympic events sponsored by the [United States Paralympics, Inc.] United States Olympic Committee and its partners;*

- * * * *

(d) MONTHLY ASSISTANCE ALLOWANCE.—
(1) Subject to the availability of appropriations for such purpose, the Secretary may provide a monthly assistance allowance to a veteran with a disability invited by the [United

States Paralympics, Inc.,] *United States Olympic Committee* to compete for a slot on, or selected for, the Paralympic Team for any month in which the veteran is training or competing in any event sanctioned by the [United States Paralympics, Inc.,] *United States Olympic Committee* or who is residing at a [United States Paralympics, Inc.,] *United States Olympic Committee* training center.

* * * * *

(4) (A) There is authorized to be appropriated to carry out this subsection \$2,000,000 for each of fiscal years 2010 through [2013] 2018.

(B) *Any amounts appropriated or otherwise made available to carry out this subsection that the Secretary determines are unnecessary to carry out this subsection may be used by the Secretary to carry out this section.*

* * * * *

Chapter 5. Authority and Duties of the Secretary

Sec.

SUBCHAPTER I. GENERAL AUTHORITIES

* * * * *

SUBCHAPTER II. SPECIFIED FUNCTIONS

* * * * *

[521A. Assistance for United States Paralympics, Inc.]

521A. *Adaptive sports programs for disabled veterans and members of the Armed Forces through the United States Olympic Committee.*

* * * * *

Subchapter II. Specified Functions

* * * * *

[SEC. 521A. ASSISTANCE FOR UNITED STATES PARALYMPICS, INC.]

SEC. 521A. ADAPTIVE SPORTS PROGRAMS FOR DISABLED VETERANS AND MEMBERS OF THE ARMED FORCES THROUGH THE UNITED STATES OLYMPIC COMMITTEE

[(a) AUTHORIZATION TO PROVIDE ASSISTANCE.—The Secretary may award grants to the United States Paralympics, Inc., to plan, develop, manage, and implement an integrated adaptive sports program for disabled veterans and disabled members of the Armed Forces.]

(a) *ADAPTIVE SPORTS PROGRAM.—(1) The Secretary may plan, develop, manage, and implement an integrated adaptive sports program for disabled veterans and disabled members of the Armed Forces.*

(2) *The Secretary may award grants to the United States Olympic Committee to carry out paragraph (1).*

(b) *OVERSIGHT BY SECRETARY.—As a condition of receiving a grant under this section, the [United States Paralympics, Inc.,] United States Olympic Committee shall permit the Secretary to conduct such oversight of the use of grant funds as the Secretary*

determines is appropriate. The **United States Paralympics, Inc.,** *United States Olympic Committee* shall be responsible for the use of grant funds provided under this section.

(c) APPLICATION REQUIREMENT.—

(1) Before the Secretary may award a grant to the **United States Paralympics, Inc.,** *United States Olympic Committee* under this section, the **United States Paralympics, Inc.,** *United States Olympic Committee* shall submit to the Secretary an application that describes the activities to be carried out with the grant, including information on specific measurable goals and objectives to be achieved using grant funds.

(2) The application shall include—

(A) a detailed description of all partnerships referred to in paragraph (3) at the national and local levels that will be participating in such activities and the amount of grant funds that the **United States Paralympics, Inc.,** *United States Olympic Committee* proposes to make available for each of such partnerships; **and**

(B) for any fiscal year for which a grant is sought, the amount of private donations received by the **United States Paralympics, Inc.,** *United States Olympic Committee* expected to be expended to support operations during that fiscal year ~~.~~; *and*

(C) a statement that includes a detailed description of—

(i) the anticipated personnel, travel, and administrative costs that will be paid for by the *United States Olympic Committee* with funds provided under this section;

(ii) the financial controls implemented by the *United States Olympic Committee*, including methods to track expenditures of funds provided under this section;

(iii) the performance metrics to be used by the *United States Olympic Committee* to evaluate the effectiveness of the activities to be carried out with the funds provided under this section; *and*

(iv) the anticipated personnel, travel, and administrative costs that will be paid for by subgrantees with funds provided under this section.

(3) Partnerships referred to in this paragraph are agreements between the **United States Paralympics, Inc.,** *United States Olympic Committee* and organizations with significant experience in the training and support of disabled athletes and the promotion of disabled sports at the local and national levels. Such organizations may include Disabled Sports USA, Blaze Sports, Paralyzed Veterans of America, and Disabled American Veterans. The agreements shall detail the scope of activities and funding to be provided by the **United States Paralympics, Inc.,** *United States Olympic Committee* to the partner.

(d) USE OF FUNDS.—

(1) The **United States Paralympics, Inc.,** with the assistance **United States Olympic Committee,** with the assistance and cooperation of the Secretary and the heads of other appropriate Federal and State departments and agencies and part-

nerships referred to in subsection (c)(3), shall use a grant under this section to reimburse grantees with which the [United States Paralympics, Inc., has entered] *United States Olympic Committee* has entered into a partnership under subsection (c) for the direct costs of recruiting, supporting, equipping, encouraging, scheduling, facilitating, supervising, and implementing the participation of disabled veterans and disabled members of the Armed Forces in the activities described in paragraph (3) by supporting a program described in paragraph (2).

* * * * *

(4) A grant made under this section may include, at the discretion of the Secretary, an amount for the administrative expenses of the [United States Paralympics, Inc.] *United States Olympic Committee*, but not to exceed five percent of the amount of the grant.

(5) Funds made available by the [United States Paralympics, Inc.,] *United States Olympic Committee* to a grantee under subsection (c) may include an amount for administrative expenses, but not to exceed ten percent of the amount of such funds.

* * * * *

(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated \$8,000,000 for each of fiscal years 2010 through [2013] 2015 to carry out this section. Amounts appropriated pursuant to this subsection shall remain available without fiscal year limitation.

(h) SEPARATE ACCOUNTING.—The Department shall have a separate line item in budget proposals of the Department for funds to be appropriated to carry out this section. Funds appropriated to carry out this section shall not be commingled with any other funds appropriated to the Department, *except that funds appropriated to carry out this section may be used by the Department to carry out subsections (a), (b), and (c) of section 322 of this title.*

(i) LIMITATION ON USE OF FUNDS.—Except as provided in paragraphs (4) and (5) of subsection (d), funds appropriated to carry out this section may not be used to support or provide services to individuals who are not disabled veterans or disabled members of the Armed Forces.

(j) ANNUAL REPORT TO SECRETARY.—

(1) As a condition of receiving a grant under this section, the [United States Paralympics, Inc.,] *United States Olympic Committee* shall agree that by not later than 60 days after the last day of a fiscal year for which a grant is provided under this section, the [United States Paralympics, Inc.,] *United States Olympic Committee* shall submit to the Secretary a report setting forth in detail the use of the grant funds during that fiscal year, including the number of veterans who participated in the integrated adaptive sports program, including any programs carried out through a partnership under subsection (c)(3), and the administrative expenses of the integrated adaptive sports program.

(2) * * *

(3) For any fiscal year after fiscal year 2010, the eligibility of the [United States Paralympics, Inc.,] *United States Olympic Committee* to receive a grant under this section shall be contingent upon the submission of the report under paragraph (1) for the preceding fiscal year.

(k) ANNUAL REPORT TO CONGRESS.—For any fiscal year during which the Secretary provides assistance under this section, the Secretary shall submit to Congress a report on the use of funds provided under this section.

(l) COMPTROLLER GENERAL REPORT.—(1) *Not later than two years after the date of the enactment of the Veterans Health and Benefits Improvement Act of 2013, the Comptroller General of the United States shall submit to Congress a report on the use of grants, if any, awarded to the United States Olympic Committee, under this section during the two-year period preceding the report.*

(2) *The report required under paragraph (1) shall contain the following:*

(A) *An assessment of how the Department, the United States Olympic Committee, and subgrantees of the United States Olympic Committee, have provided adaptive sports opportunities to veterans and members of the Armed Forces through grants awarded under this section.*

(B) *An assessment of how the Department oversees the use of funds provided under this section by the United States Olympic Committee and subgrantees of the United States Olympic Committee.*

(C) *A description of the benefit provided to veterans and members of the Armed Forces through programs and activities developed through grants awarded under this section.*

(m) [(1)] TERMINATION.—The Secretary may only provide assistance under this section during fiscal years 2010 through [2013] 2015.

* * * * *

Part II. General Benefits

* * * * *

Chapter 11. Compensation for Service-Connected Disability or Death

* * * * *

Subchapter VI. General Compensation Provisions

* * * * *

SEC. 1156. TEMPORARY DISABILITY RATINGS

(a) ASSIGNMENT OF TEMPORARY RATINGS.—(1) * * *

* * * * *

(3) With respect to a veteran described in paragraph (1)(B), the Secretary shall schedule a medical examination for such veteran

not later than ~~【six months】~~ 18 months after the separation or discharge of such veteran from active duty.

* * * * *

Chapter 13. Dependency and Indemnity Compensation for Service-Connected Deaths

* * * * *

Subchapter II. Dependency and Indemnity Compensation

* * * * *

SEC. 1311. DEPENDENCY AND INDEMNITY COMPENSATION TO A SURVIVING SPOUSE

* * * * *

(f)(1) * * *

(2) Dependency and indemnity compensation shall be increased under this subsection only for months occurring during the ~~【two-year】~~ three-year period beginning on the date on which entitlement to dependency and indemnity compensation commenced.

* * * * *

Chapter 15. Pension for Non-Service-Connected Disability or Death or for Service

* * * * *

Subchapter II. Veterans' Pensions

* * * * *

Non-Service-Connected Disability Pension

* * * * *

SEC. 1522. NET WORTH LIMITATION

(a)(1) The Secretary shall * * *

(2)(A) *If a veteran otherwise eligible for payment of pension under section 1513 or 1521 of this title or the spouse of such veteran disposes of covered resources for less than fair market value on or after the look-back date described in subparagraph (C)(i), the Secretary shall deny or discontinue the payment of pension to such veteran under section 1513 or 1521 of this title, as the case may be, for months during the period beginning on the date described in subparagraph (D) and equal to the number of months calculated as provided in subparagraph (E).*

(B)(i) *For purposes of this paragraph, a covered resource is any resource that was a part of the corpus of the estate of the veteran or, if the veteran has a spouse, the corpus of the estates of the veteran and of the veteran's spouse, that the Secretary considers that under all the circumstances, if the veteran or spouse had not disposed of such resource, it would be reasonable that the resource (or some portion of the resource) be consumed for the veteran's maintenance.*

(ii) *For purposes of this paragraph, the Secretary may consider, in accordance with regulations the Secretary shall prescribe, a*

transfer of an asset (including a transfer of an asset to an annuity, trust, or other financial instrument or investment) a disposal of a covered resource for less than fair market value if such transfer reduces the amount in the corpus of the estate of the veteran or, if the veteran has a spouse, the corpus of the estates of the veteran and of the veteran's spouse, that the Secretary considers, under all the circumstances, would be reasonable to be consumed for the veteran's maintenance.

(C)(i) The look-back date described in this clause is a date that is 36 months before the date described in clause (ii).

(ii) The date described in this clause is the date on which the veteran applies for pension under section 1513 or 1521 of this title or, if later, the date on which the veteran (or the spouse of the veteran) disposes of covered resources for less than fair market value.

(D) The date described in this subparagraph is the first day of the first month in or after which covered resources were disposed of for less than fair market value and which does not occur in any other period of ineligibility under this paragraph.

(E) The number of months calculated under this subparagraph shall be equal to—

(i) the total, cumulative uncompensated value of the portion of covered resources so disposed of by the veteran (or the spouse of the veteran) on or after the look-back date described in subparagraph (C)(i) that the Secretary determines would reasonably have been consumed for the veteran's maintenance; divided by

(ii) the maximum amount of monthly pension that is payable to a veteran under section 1513 or 1521 of this title, including the maximum amount of increased pension payable under such sections on account of family members, but not including any amount of pension payable under such sections because a veteran is in need of regular aid and attendance or is permanently housebound,

rounded down, in the case of any fraction, to the nearest whole number, but shall not in any case exceed 36 months.

(b)(1) The Secretary shall deny or discontinue the payment of increased pension under subsection (c), (d), (e), or (f) of section 1521 of this title on account of a child when the corpus of such child's estate is such that under all the circumstances, including consideration of the veteran's and spouse's income, and the income of the veteran's children, it is reasonable that some part of the corpus of such child's estate be consumed for the child's maintenance. During the period such denial or discontinuance remains in effect, such child shall not be considered as the veteran's child for purposes of this chapter.

(2)(A) If a veteran otherwise eligible for payment of increased pension under subsection (c), (d), (e), or (f) of section 1521 of this title on account of a child, the spouse of the veteran, or the child disposes of covered resources for less than fair market value on or after the look-back date described in subparagraph (C)(i), the Secretary shall deny or discontinue payment of such increased pension for months during the period beginning on the date described in subparagraph (D) and equal to the number of months calculated as provided in subparagraph (E).

(B)(i) *For purposes of this paragraph, a covered resource is any resource that was a part of the corpus of the estate of the child that the Secretary considers that under all the circumstances, if the veteran, the spouse of the veteran, or the child had not disposed of such resource, it would be reasonable that the resource (or some portion of the resource) be consumed for the child's maintenance.*

(ii) *For purposes of this paragraph, the Secretary may consider, in accordance with regulations the Secretary shall prescribe, a transfer of an asset (including a transfer of an asset to an annuity, trust, or other financial instrument or investment) a disposal of a covered resource for less than fair market value if such transfer reduces the amount in the corpus of the estate of the child that the Secretary considers, under all the circumstances, would be reasonable to be consumed for the child's maintenance.*

(C)(i) *The look-back date described in this clause is a date that is 36 months before the date described in clause (ii).*

(ii) *The date described in this clause is the date on which the veteran applies for payment of increased pension under subsection (c), (d), (e), or (f) of section 1521 of this title on account of a child or, if later, the date on which the veteran, the spouse of the veteran, or the child disposes of covered resources for less than fair market value.*

(D) *The date described in this subparagraph is the first day of the first month in or after which covered resources were disposed of for less than fair market value and which does not occur in any other period of ineligibility under this paragraph.*

(E) *The number of months calculated under this subparagraph shall be equal to—*

(i) *the total, cumulative uncompensated value of the portion of the covered resources so disposed of by the veteran, the spouse of the veteran, or the child on or after the look-back date described in subparagraph (C)(i) that the Secretary determines would reasonably have been consumed for the child's maintenance; divided by*

(ii) *the maximum amount of increased monthly pension that is payable to a veteran under subsection (c), (d), (e), or (f) of section 1521 of this title on account of a child,*

rounded down, in the case of any fraction, to the nearest whole number, but shall not in any case exceed 36 months.

(c)(1)(A) *The Secretary shall not deny or discontinue payment of pension under section 1513 or 1521 of this title or payment of increased pension under subsection (c), (d), (e), or (f) of section 1521 of this title on account of a child by reason of the application of subsection (a)(2) or (b)(2) of this section to the disposal of resources by an individual—*

(i) *if—*

(I) *a satisfactory showing is made to the Secretary (in accordance with regulations promulgated by the Secretary) that all resources disposed of for less than fair market value have been returned to the individual who disposed of the resources; or*

(II) *the Secretary determines, under procedures established by the Secretary in accordance with subparagraph*

- (B), that the denial or discontinuance of payment would work an undue hardship; or
- (ii) to the extent that any portion of the resources disposed of for less than fair market value have been returned to the individual who disposed of the resources.
- (B) Undue hardship would be worked by the denial or discontinuance of payment for purposes of subparagraph (A)(i)(II) if the denial or discontinuance of payment would deprive the individual during the period of denial or discontinuance—
 - (i) of medical care such that the individual’s life or health would be endangered;
 - (ii) of necessary food or clothing, or other necessities of life;
 - or
 - (iii) on such other basis as the Secretary shall specify in the procedures required by subparagraph (A)(i)(II).
- (C) If payment of pension or increased pension that would otherwise be denied or discontinued by reason of the application of subsection (a)(2) or (b)(2) is denied or discontinued only in part by reason of the return of resources as described in subparagraph (A)(ii), the period of the denial or discontinuance as determined pursuant to subparagraph (E) of subsection (a)(2) or (b)(2), as applicable, shall be recalculated to take into account such return of resources.
- (2) At the time a veteran applies for pension under section 1513 or 1521 of this title or increased pension under subsection (c), (d), (e), or (f) of section 1521 of this title on account of a child, and at such other times as the Secretary considers appropriate, the Secretary shall—
 - (A) inform such veteran of the provisions of subsections (a)(2) and (b)(2) providing for a period of ineligibility for payment of pension under such sections for individuals who make certain dispositions of resources for less than fair market value, including the exception for hardship from such period of ineligibility;
 - (B) obtain from such veteran information which may be used in determining whether or not a period of ineligibility for such payments would be required by reason of such subsections; and
 - (C) provide such veteran a timely process for determining whether or not the exception for hardship shall apply to such veteran.

* * * * *

Subchapter III. Pensions to Surviving Spouses and Children

* * * * *

Other Periods of War

SEC. 1541. SURVIVING SPOUSES OF VETERANS OF A PERIOD OF WAR

* * * * *

- (f) No pension shall be paid under this section to a surviving spouse of a veteran unless the spouse was married to the veteran—
 - (1) before (A) December 14, 1944, in the case of a surviving spouse of a Mexican border period or World War I veteran, (B) January 1, 1957, in the case of a surviving spouse of a World War II veteran, (C) February 1, 1965, in the case of a surviving

spouse of a Korean conflict veteran, (D) May 8, 1985, in the case of a surviving spouse of a Vietnam era veteran, or (E) **[January 1, 2001]** *the date that is 10 years and one day after the date on which the Persian Gulf War was terminated, as prescribed by Presidential proclamation or by law*, in the case of a surviving spouse of a veteran of the Persian Gulf War;

* * * * *

SEC. 1543. NET WORTH LIMITATION

(a)(1) * * *

* * * * *

(2)(A) *If a surviving spouse otherwise eligible for payment of pension under section 1541 of this title disposes of covered resources for less than fair market value on or after the look-back date described in subparagraph (C)(i), the Secretary shall deny or discontinue the payment of pension to such surviving spouse under section 1541 of this title for months during the period beginning on the date described in subparagraph (D) and equal to the number of months calculated as provided in subparagraph (E).*

(B)(i) *For purposes of this paragraph, a covered resource is any resource that was a part of the corpus of the estate of the surviving spouse that the Secretary considers that under all the circumstances, if the surviving spouse had not disposed of such resource, it would be reasonable that the resource (or some portion of the resource) be consumed for the surviving spouse's maintenance.*

(ii) *For purposes of this paragraph, the Secretary may consider, in accordance with regulations the Secretary shall prescribe, a transfer of an asset (including a transfer of an asset to an annuity, trust, or other financial instrument or investment) a disposal of a covered resource for less than fair market value if such transfer reduces the amount in the corpus of the estate of the surviving spouse that the Secretary considers, under all the circumstances, would be reasonable to be consumed for the surviving spouse's maintenance.*

(C)(i) *The look-back date described in this clause is a date that is 36 months before the date described in clause (ii).*

(ii) *The date described in this clause is the date on which the surviving spouse applies for pension under section 1541 of this title or, if later, the date on which the surviving spouse disposes of covered resources for less than fair market value.*

(D) *The date described in this subparagraph is the first day of the first month in or after which covered resources were disposed of for less than fair market value and which does not occur in any other period of ineligibility under this paragraph.*

(E) *The number of months calculated under this subparagraph shall be equal to—*

(i) *the total, cumulative uncompensated value of the portion of the covered resources so disposed of by the surviving spouse on or after the look-back date described in subparagraph (C)(i) that the Secretary determines would reasonably have been consumed for the surviving spouse's maintenance; divided by*

(ii) *the maximum amount of monthly pension that is payable to a surviving spouse under section 1541 of this title, including the maximum amount of increased pension payable under such section on account of a child, but not including any amount of*

pension payable under such section because a surviving spouse is in need of regular aid and attendance or is permanently housebound,

rounded down, in the case of any fraction, to the nearest whole number, but shall not in any case exceed 36 months.

(3) **[(2)]** The Secretary shall * * *

(4)(A) *If a surviving spouse otherwise eligible for payment of increased pension under subsection (c), (d), or (e) of section 1541 of this title on account of a child or the child disposes of covered resources for less than fair market value on or after the look-back date described in subparagraph (C)(i), the Secretary shall deny or discontinue payment of such increased pension for months during the period beginning on the date described in subparagraph (D) and equal to the number of months calculated as provided in subparagraph (E).*

(B)(i) *For purposes of this paragraph, a covered resource is any resource that was a part of the corpus of the estate of the child that the Secretary considers that under all the circumstances, if the surviving spouse or the child had not disposed of such resource, it would be reasonable that the resource (or some portion of the resource) be consumed for the child's maintenance.*

(ii) *For purposes of this paragraph, the Secretary may consider, in accordance with regulations the Secretary shall prescribe, a transfer of an asset (including a transfer of an asset to an annuity, trust, or other financial instrument or investment) a disposal of a covered resource for less than fair market value if such transfer reduces the amount in the corpus of the estate of the child that the Secretary considers, under all the circumstances, would be reasonable to be consumed for the child's maintenance.*

(C)(i) *The look-back date described in this clause is a date that is 36 months before the date described in clause (ii).*

(ii) *The date described in this clause is the date on which the surviving spouse applies for payment of increased pension under subsection (c), (d), or (e) of section 1541 of this title on account of a child or, if later, the date on which the surviving spouse (or the child) disposes of covered resources for less than fair market value.*

(D) *The date described in this subparagraph is the first day of the first month in or after which covered resources were disposed of for less than fair market value and which does not occur in any other period of ineligibility under this paragraph.*

(E) *The number of months calculated under this clause shall be equal to—*

(i) *the total, cumulative uncompensated value of the portion of the covered resources so disposed of by the surviving spouse (or the child) on or after the look-back date described in subparagraph (C)(i) that the Secretary determines would reasonably have been consumed for the child's maintenance; divided by*

(ii) *the maximum amount of increased monthly pension that is payable to a surviving spouse under subsection (c), (d), or (e) of section 1541 of this title on account of a child, rounded down, in the case of any fraction, to the nearest whole number, but shall not in any case exceed 36 months.*

(b)(1) The Secretary shall * * *

(2)(A) *If a child otherwise eligible for payment of pension under section 1542 of this title or any person with whom such child is residing who is legally responsible for such child's support disposes of covered resources for less than fair market value on or after the look-back date described in subparagraph (C)(i), the Secretary shall deny or discontinue the payment of pension to such child under section 1542 of this title for months during the period beginning on the date described in subparagraph (D) and equal to the number of months calculated as provided in subparagraph (E).*

(B)(i) *For purposes of this paragraph, a covered resource is any resource that was a part of the corpus of the estate of the child or the corpus of the estate of any person with whom such child is residing who is legally responsible for such child's support that the Secretary considers that under all the circumstances, if the child or person had not disposed of such resource, it would be reasonable that the resource (or some portion of the resource) be consumed for the child's maintenance.*

(ii) *For purposes of this paragraph, the Secretary may consider, in accordance with regulations the Secretary shall prescribe, a transfer of an asset (including a transfer of an asset to an annuity, trust, or other financial instrument or investment) a disposal of a covered resource for less than fair market value if such transfer reduces the amount in the corpus of the estate described in clause (i) that the Secretary considers, under all the circumstances, would be reasonable to be consumed for the child's maintenance.*

(C)(i) *The look-back date described in this clause is a date that is 36 months before the date described in clause (ii).*

(ii) *The date described in this clause is the date on which the child applies for pension under section 1542 of this title or, if later, the date on which the child (or person described in subparagraph (B)) disposes of covered resources for less than fair market value.*

(D) *The date described in this clause is the first day of the first month in or after which covered resources were disposed of for less than fair market value and which does not occur in any other period of ineligibility under this paragraph.*

(E) *The number of months calculated under this clause shall be equal to—*

(i) *the total, cumulative uncompensated value of the portion of the covered resources so disposed of by the child (or person described in subparagraph (B)) on or after the look-back date described in subparagraph (C)(i) that the Secretary determines would reasonably have been consumed for the child's maintenance; divided by*

(ii) *the maximum amount of monthly pension that is payable to a child under section 1542 of this title, rounded down, in the case of any fraction, to the nearest whole number, but shall not in any case exceed 36 months.*

(c)(1)(A) *The Secretary shall not deny or discontinue payment of pension under section 1541 or 1542 of this title or payment of increased pension under subsection (c), (d), or (e) of section 1541 of this title on account of a child by reason of the application of subsection (a)(2), (a)(4), or (b)(2) of this section to the disposal of resources by an individual—*

(i) *if—*

(I) a satisfactory showing is made to the Secretary (in accordance with regulations promulgated by the Secretary) that all resources disposed of for less than fair market value have been returned to the individual who disposed of the resources; or

(II) the Secretary determines, under procedures established by the Secretary in accordance with subparagraph (B), that the denial or discontinuance of payment would work an undue hardship; or

(ii) to the extent that any portion of the resources disposed of for less than fair market value have been returned to the individual who disposed of the resources.

(B) Undue hardship would be worked by the denial or discontinuance of payment for purposes of subparagraph (A)(i)(II) if the denial or discontinuance of payment would deprive the individual during the period of denial or discontinuance—

(i) of medical care such that the individual's life or health would be endangered;

(ii) of necessary food or clothing, or other necessities of life; or

(iii) on such other basis as the Secretary shall specify in the procedures required by subparagraph (A)(i)(II).

(C) If payment of pension or increased pension that would otherwise be denied or discontinued by reason of the application of subsection (a)(2), (a)(4), or (b)(2) is denied or discontinued only in part by reason of the return of resources as described in subparagraph (A)(ii), the period of the denial or discontinuance as determined pursuant to subparagraph (E) of subsection (a)(2), (a)(4), or (b)(2), as applicable, shall be recalculated to take into account such return of resources.

(2) At the time a surviving spouse or child applies for pension under section 1541 or 1542 of this title or increased pension under subsection (c), (d), or (e) of section 1541 of this title on account of a child, and at such other times as the Secretary considers appropriate, the Secretary shall—

(A) inform such surviving spouse or child of the provisions of subsections (a)(2), (a)(4), and (b)(2), as applicable, providing for a period of ineligibility for payment of pension or increased pension under such sections for individuals who make certain dispositions of resources for less than fair market value, including the exception for hardship from such period of ineligibility;

(B) obtain from such surviving spouse or child information which may be used in determining whether or not a period of ineligibility for such payments would be required by reason of such subsections; and

(C) provide such surviving spouse or child a timely process for determining whether or not the exception for hardship shall apply to such surviving spouse or child.

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Chapter 17. Hospital, Nursing Home, Domiciliary, and Medical Care

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Subchapter I. General

SEC. 1701. DEFINITIONS

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(6) * * *

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(H) *Chiropractic services.*

(7) * * *

(8) The term “rehabilitative services” means such professional, counseling, *chiropractic*, and guidance services and treatment programs as are necessary to restore, to the maximum extent possible, the physical, mental, and psychological functioning of an ill or disabled person.

(9) * * *

(A) * * *

* * * * *

(F) *periodic and preventive chiropractic examinations and services;*

(G) [(F)] immunizations against infectious disease;

(H) [(G)] prevention of musculoskeletal deformity or other gradually developing disabilities of a metabolic or degenerative nature;

(I) [(H)] genetic counseling concerning inheritance of genetically determined diseases;

(J) [(I)] routine vision testing and eye care services;

(K) [(J)] periodic reexamination of members of likely target populations (high-risk groups) for selected diseases and for functional decline of sensory organs, together with attendant appropriate remedial intervention; and

(L) [(K)] such other health-care services as the Secretary may determine to be necessary to provide effective and economical preventive health care.

* * * * *

Subchapter II. Hospital, Nursing Home, or Domiciliary Care and Medical Treatment

SEC. 1710. ELIGIBILITY FOR HOSPITAL, NURSING HOME, AND DOMICILIARY CARE

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(e)(1)(A) * * *

* * * * *

(F) Subject to paragraph (2), a veteran who served on active duty in the Armed Forces at Camp Lejeune, North Carolina, for not fewer than 30 days during the period beginning on [January 1, 1957,] *August 1, 1953 (or such earlier date for the commencement of exposure to contaminated water at Camp Lejeune as the Secretary, in consultation with the Agency for Toxic Substances and Disease Registry, shall specify)*, and ending on December 31, 1987, is eligible for hospital care and medical services under subsection (a)(2)(F) for any of the following illnesses or conditions, notwith-

standing that there is insufficient medical evidence to conclude that such illnesses or conditions are attributable to such service:

* * * * *

SEC. 1720D. COUNSELING AND TREATMENT FOR SEXUAL TRAUMA

(a)(1) The Secretary shall operate a program under which the Secretary provides counseling and appropriate care and services to veterans who the Secretary determines require such counseling and care and services to overcome psychological trauma, which in the judgment of a mental health professional employed by the Department, resulted from a physical assault of a sexual nature, battery of a sexual nature, or sexual harassment which occurred while the veteran was serving on active duty [or active duty for training] , *active duty for training, or inactive duty training.*

* * * * *

Chapter 18. Benefits for Children of Vietnam Veterans and Other Veterans

Sec.

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**[SUBCHAPTER III. CHILDREN OF CERTAIN KOREA SERVICE VETERANS BORN WITH SPINA BIFIDA]
SUBCHAPTER III. CHILDREN OF CERTAIN KOREA AND THAILAND SERVICE VETERANS BORN WITH SPINA BIFIDA**

1821. Benefits for children of certain Korea service veterans born with spina bifida.

1822. *Benefits for children of certain Thailand service veterans born with spina bifida.*

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Subchapter III. Children of Certain Korea and Thailand Service Veterans Born with Spina Bifida

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SEC. 1822. BENEFITS FOR CHILDREN OF CERTAIN THAILAND SERVICE VETERANS BORN WITH SPINA BIFIDA

(a) *BENEFITS AUTHORIZED.—The Secretary may provide to any child of a veteran of covered service in Thailand who is suffering from spina bifida the health care, vocational training and rehabilitation, and monetary allowance required to be paid to a child of a Vietnam veteran who is suffering from spina bifida under subchapter I of this chapter as if such child of a veteran of covered service in Thailand were a child of a Vietnam veteran who is suffering from spina bifida under such subchapter.*

(b) *SPINA BIFIDA CONDITIONS COVERED.—This section applies with respect to all forms and manifestations of spina bifida, except spina bifida occulta.*

(c) *VETERAN OF COVERED SERVICE IN THAILAND.—For purposes of this section, a veteran of covered service in Thailand is any individual, without regard to the characterization of that individual's service, who—*

(1) served in the active military, naval, or air service in Thailand, as determined by the Secretary in consultation with the

Secretary of Defense, during the period beginning on January 9, 1962, and ending on May 7, 1975; and

(2) is determined by the Secretary, in consultation with the Secretary of Defense, to have been exposed to a herbicide agent during such service in Thailand.

(d) HERBICIDE AGENT.—For purposes of this section, the term “herbicide agent” means a chemical in a herbicide used in support of United States and allied military operations in Thailand, as determined by the Secretary in consultation with the Secretary of Defense, during the period beginning on January 9, 1962, and ending on May 7, 1975.

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Subchapter IV. General Provisions

SEC. 1831. DEFINITIONS

In this chapter:

(1) * * *

(A) * * *

* * * * *

(B) For purposes of [subchapter III of this chapter] section 1821 of this title, an individual, regardless of age or marital status, who—

(i) is the natural child of a veteran of covered service in Korea (as determined for purposes of [section 1821 of this title] that section); and

(ii) * * *

(C) For purposes of section 1822 of this title, an individual, regardless of age or marital status, who—

(i) is the natural child of a veteran of covered service in Thailand (as determined for purposes of that section); and

(ii) was conceived after the date on which that veteran first entered service described in subsection (c) of that section.

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Part III. Readjustment and Related Benefits

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Chapter 33. Post-9/11 Educational Assistance

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Subchapter II. Educational Assistance

SEC. 3311. EDUCATIONAL ASSISTANCE FOR SERVICE IN THE ARMED FORCES COMMENCING ON OR AFTER SEPTEMBER 11, 2001: ENTITLEMENT

(a) * * *

(b) * * *

* * * * *

(9) An individual who is the child or spouse of a person who, on or after September 11, 2001, dies in line of duty while serving on active duty as a member of the Armed Forces.

* * * * *

(f) * * *

(1) * * *

(2) *LIMITATION.*—The entitlement of an individual to assistance under subsection (a) pursuant to paragraph (9) of subsection (b) because the individual was a spouse of a person described in such paragraph shall expire on the earlier of—

(A) the date that is 15 years after the date on which the person died; and

(B) the date on which the individual remarries.

(3) *ELECTION ON RECEIPT OF CERTAIN BENEFITS.*—A surviving spouse entitled to assistance under subsection (a) pursuant to paragraph (9) of subsection (b) who is also entitled to educational assistance under chapter 35 of this title may not receive assistance under both this section and such chapter, but shall make an irrevocable election (in such form and manner as the Secretary may prescribe) under which section or chapter to receive educational assistance.

(4) **[(2)] DEFINITION OF CHILD.**—For purposes of that paragraph, the term “child” includes a married individual or an individual who is above the age of twenty-three years.

* * * * *

SEC. 3317. PUBLIC-PRIVATE CONTRIBUTIONS FOR ADDITIONAL EDUCATIONAL ASSISTANCE

(a) **ESTABLISHMENT OF PROGRAM.**—In instances where the educational assistance provided pursuant to section 3313(c)(1)(A) does not cover the full cost of established charges (as specified in section 3313), the Secretary shall carry out a program under which colleges and universities can, voluntarily, enter into an agreement with the Secretary to cover a portion of those established charges not otherwise covered under section 3313(c)(1)(A), which contributions shall be matched by equivalent contributions toward such costs by the Secretary. The program shall only apply to covered individuals described **[(in paragraphs (1) and (2)) in paragraphs (1), (2), and (9)]** of section 3311(b).

* * * * *

Subchapter III. Administrative Provisions

SEC. 3321. TIME LIMITATION FOR USE OF AND ELIGIBILITY FOR ENTITLEMENT

* * * * *

(b) * * *

* * * * *

(4) Applicability to children of deceased members. The period during which **[(an individual)] a child** entitled to educational assistance by reason of section 3311(b)(9) may use **[(such individual’s)] such child’s** entitlement expires at the end of the 15-

year period beginning on the date of [such individual's] *such child's* eighteenth birthday.

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Chapter 34. Veterans Educational Assistance

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Subchapter IV. Payments to Eligible Veterans; Veteran-Student Services

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SEC. 3485. WORK-STUDY ALLOWANCE

(a)(1) * * *

* * * * *

(4) * * *

(A) The outreach services program under chapter 63 of this title as carried out under the supervision of a Department employee or, during the period preceding [June 30, 2013] *June 30, 2015*, outreach services to servicemembers and veterans furnished by employees of a State approving agency.

(B) * * *

(C) The provision of hospital and domiciliary care and medical treatment under chapter 17 of this title, including, during the period preceding [June 30, 2013] *June 30, 2015*, the provision of such care to veterans in a State home for which payment is made under section 1741 of this title.

(D) * * *

(E) * * *

(F) During the period preceding [June 30, 2013] *June 30, 2015*, an activity relating to the administration of a national cemetery or a State veterans' cemetery.

* * * * *

(J) * * *

(K) *During the period beginning on June 30, 2013, and ending on June 30, 2015, the following activities carried out at the offices of Members of Congress for such Members:*

(i) The distribution of information to members of the Armed Forces, veterans, and their dependents about the benefits and services under laws administered by the Secretary and other appropriate governmental and nongovernmental programs.

(ii) The preparation and processing of papers and other documents, including documents to assist in the preparation and presentation of claims for benefits under laws administered by the Secretary.

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Chapter 36. Administration of Educational Benefits

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Subchapter I. State Approving Agencies

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SEC. 3679. DISAPPROVAL OF COURSES

(a) * * *

(b) * * *

(c)(1) Notwithstanding any other provision of this chapter and subject to paragraphs (3) through (6), the Secretary shall disapprove a course of education provided by a public institution of higher learning to a covered individual pursuing a course of education with educational assistance under chapter 30 or 33 of this title while living in the State in which the public institution of higher learning is located if the institution charges tuition and fees for that course for the covered individual at a rate that is higher than the rate the institution charges for tuition and fees for that course for residents of the State in which the institution is located, regardless of the covered individual's State of residence.

(2) For purposes of this subsection, a covered individual is any individual as follows:

(A) A veteran who was discharged or released from a period of not fewer than 90 days of service in the active military, naval, or air service less than three years before the date of enrollment in the course concerned.

(B) An individual who is entitled to assistance under section 3311(b)(9) or 3319 of this title by virtue of such individual's relationship to a veteran described in subparagraph (A).

(3) If after enrollment in a course of education that is subject to disapproval under paragraph (1) by reason of paragraph (2)(A) or (2)(B) a covered individual pursues one or more courses of education at the same public institution of higher learning while remaining continuously enrolled (other than during regularly scheduled breaks between courses, semesters or terms) at that institution of higher learning, any course so pursued by the covered individual at that institution of higher learning while so continuously enrolled shall also be subject to disapproval under paragraph (1).

(4) It shall not be grounds to disapprove a course of education under paragraph (1) if a public institution of higher learning requires a covered individual pursuing a course of education at the institution to demonstrate an intent, by means other than satisfying a physical presence requirement, to establish residency in the State in which the institution is located, or to satisfy other requirements not relating to the establishment of residency, in order to be charged tuition and fees for that course at a rate that is equal to or less than the rate the institution charges for tuition and fees for that course for residents of the State.

(5) The Secretary may waive such requirements of paragraph (1) as the Secretary considers appropriate.

(6) Disapproval under paragraph (1) shall apply only with respect to educational assistance under chapters 30 and 33 of this title.

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Subchapter II. Miscellaneous Provisions

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SEC. 3684. REPORTS BY VETERANS, ELIGIBLE PERSONS, AND INSTITUTIONS; REPORTING FEE

* * * * *

(c) The Secretary may pay to any educational institution, or to the sponsor of a program of apprenticeship, furnishing education or training under either this chapter or chapter 31, 34, or 35 of this title, a reporting fee which will be in lieu of any other compensation or reimbursement for reports or certifications which such educational institution or joint apprenticeship training committee is required to submit to the Secretary by law or regulation. Such reporting fee shall be computed for each calendar year by multiplying **[\$12]** \$7 by the number of eligible veterans or eligible persons enrolled under this chapter or chapter 31, 34, or 35 of this title, or **[\$15]** \$11 in the case of those eligible veterans and eligible persons whose educational assistance checks are directed in care of each institution for temporary custody and delivery and are delivered at the time of registration as provided under section 3680(d)(4) of this title, during the calendar year. * * *

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Chapter 37. Housing and Small Business Loans

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Subchapter III. Administrative Provisions

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SEC. 3729. LOAN FEE

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- (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】 May 1, 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】 May 1, 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】 May 1, 2018)	3.30	3.30	NA

LOAN FEE TABLE—Continued

Type of loan	Active duty veteran	Reservist	Other obligor
(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 <i>May 1, 2018</i>)	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 <i>May 1, 2018</i>)	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 <i>May 1, 2018</i>)	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 <i>May 1, 2018</i>)	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 <i>May 1, 2018</i>)	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
(J) Loan under section 3733(a)	2.25	2.25	2.25

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Chapter 41. Job Counseling, Training, and Placement Service for Veterans

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SEC. 4102A. ASSISTANT SECRETARY OF LABOR FOR VETERANS' EMPLOYMENT AND TRAINING; PROGRAM FUNCTIONS; REGIONAL ADMINISTRATORS

* * * * *

(c) CONDITIONS FOR RECEIPT OF FUNDS.—

* * * * *

[(9)(A) As a condition of a grant or contract under which funds are made available to a State in order to carry out section 4103A or 4104 of this title for any program year, the Secretary may require the State—

- [(i) to demonstrate that when the State approves or denies a certification or license described in subparagraph (B) for a veteran the State takes into consideration any training received or experience gained by the veteran while serving on active duty in the Armed Forces; and**
- [(ii) to disclose to the Secretary in writing the following:**

[(I) Criteria applicants must satisfy to receive a certification or license described in subparagraph (B) by the State.

[(II) A description of the standard practices of the State for evaluating training received by veterans while serving on active duty in the Armed Forces and evaluating the documented work experience of such

veterans during such service for purposes of approving or denying a certification or license described in subparagraph (B).

【(III) Identification of areas in which training and experience described in subclause (II) fails to meet criteria described in subclause (I).

【(B) A certification or license described in this subparagraph is any of the following:

【(i) A license to be a nonemergency medical professional.

【(ii) A license to be an emergency medical professional.

【(iii) A commercial driver's license.

【(C) The Secretary shall share the information the Secretary receives under subparagraph (A)(ii) with the Secretary of Defense to help the Secretary of Defense improve training for military occupational specialties so that individuals who receive such training are able to receive a certification or license described in subparagraph (B) from a State.

【(D) The Secretary shall publish on the Internet website of the Department available to the public—

【(i) any guidance the Secretary gives the Secretary of Defense with respect to carrying out this section; and

【(ii) any information the Secretary receives from a State pursuant to subparagraph (A).】

(9)(A) *As a condition of a grant or contract under which funds are made available to a State under subsection (b)(5) in order to carry out section 4103A or 4104 of this title, the State shall—*

(i) establish a program under which the State administers an examination to each veteran seeking a license or credential issued by the State and issues such license or credential to such veteran without requiring such veteran to undergo any training or apprenticeship if the veteran—

(I) receives a satisfactory score on completion of such examination, as determined by the State;

(II) has been awarded a military occupational specialty that is substantially equivalent to or exceeds the requirements of the State for the issuance of such license or credential;

(III) has engaged in the active practice of the occupation for which the veteran is seeking such license or credential for at least two of the five years preceding the date of application; and

(IV) pays any customary or usual fees required by the State for such license or credential; and

(ii) submit each year to the Secretary a report on the exams administered under clause (i) during the most recently completed 12-month period that includes, for the period covered by the report the number of veterans who completed an exam administered by the State under clause (i) and a description of the results of such exams, disaggregated by occupational field.

(B) The Secretary may waive the requirement under subparagraph (A) that a State establish a program described in that

subparagraph as a condition of a grant or contract if the State certifies to the Secretary that the State—

(i) takes into account previous military training for the purposes of issuing licenses or credentials;

(ii) permits veterans to completely satisfy through examination any training or testing requirements for a license or credential with respect to which a veteran has previously completed military training; and

(iii) for any credential or license for which a veteran is unable to completely satisfy such requirements through examination, the State substantially reduces training time required to satisfy such requirement based on the military training received by the veteran.

(C) Not less frequently than once each year, the Secretary shall submit to Congress and the Secretary of Defense a report summarizing the information received by the Secretary under subparagraph (A)(ii).

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Chapter 42. Employment and Training of Veterans

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SEC. 4214. EMPLOYMENT WITHIN THE FEDERAL GOVERNMENT

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(b)(1) * * *

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(4)(A) The requirement under this paragraph is in addition to the appointment of qualified covered veterans under the authority under paragraph (1) by the Department of Veterans Affairs and the Department of Defense.

(B) The head of each agency, in consultation with the Director of the Office of Personnel Management, shall develop a plan for exercising the authority specified in subparagraph (C) during the five-year period beginning on the date of the enactment of the Veterans Health and Benefits Improvement Act of 2013.

(C) The authority specified in this subparagraph is the authority as follows:

(i) The authority under paragraph (1).

(ii) The authority available to the agency concerned under the Veterans Employment Opportunities Act of 1998 (Public Law 105-339) and the amendments made by that Act.

(D) The Director of the Office of Personnel Management shall ensure that under the plans developed under subparagraph (B) agencies shall appoint to existing vacancies not fewer than 15,000 qualified covered veterans during the five-year period beginning on the date of the enactment of the Veterans Health and Benefits Improvement Act of 2013. For purposes of complying with this subparagraph, an appointment pursuant to the authority referred to in subparagraph (C)(ii) shall not count toward the number required by this subparagraph unless the appointment is to a vacancy in a full-time, permanent position.

* * * * *

(d) The Office of Personnel Management shall be responsible for the review and evaluation of the implementation of this section and the activities of each agency to carry out the purpose and provisions of this section. The Office shall periodically obtain (on at least an annual basis) information on the implementation of this section by each agency and on the activities of each agency to carry out the purpose and provisions of this section. The information obtained shall include specification of the use and extent of appointments made by each agency under subsection (b) of this section (*including, during the 5-year period beginning on the date of the enactment of the Veterans Health and Benefits Improvement Act of 2013, the development and implementation by each agency of the plan required under subsection (b)(4), which shall include information regarding the grade or pay level of appointments by the agency under the plan and whether the appointments are, or are converted to, career or career-conditional appointments*) and the results of the plans required under subsection (c) of this section.

(e)(1) The Office of Personnel Management shall submit [to the Congress] *to the appropriate committees of Congress* annually a report on activities carried out under this section. Each such report shall include the following information with respect to each agency:

(A) The number of appointments made under subsection (b) of this section since the last such report and the grade levels in which such appointments were made (*including, during the 5-year period beginning on the date of the enactment of the Veterans Health and Benefits Improvement Act of 2013, the development and implementation by the agency of the plan required under subsection (b)(4), which shall include information regarding the grade or pay level of appointments by the agency under the plan and whether the appointments are, or are converted to, permanent appointments*).

* * * * *

(3) *In this subsection, the term “appropriate committees of Congress” means—*

(A) *the Committee on Veterans’ Affairs and the Committee on Homeland Security and Governmental Affairs of the Senate; and*

(B) *the Committee on Veterans’ Affairs and the Committee on Oversight and Government Reform of the House of Representatives.*

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Part IV. General Administrative Provisions

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Chapter 51. Claims, Effective Dates, and Payments

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Subchapter I. Claims

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SEC. 5103A. DUTY TO ASSIST CLAIMANTS

* * * * *
(d) * * *

* * * * *
(3)(A) *In the case of a claim for disability compensation based on a mental health condition related to military sexual trauma, the Secretary shall treat an examination or opinion as being necessary to make a decision on a claim for purposes of paragraph (1) if the evidence of record before the Secretary, taking into consideration all information and lay or medical evidence (including statements of the claimant)—*

(i)(I) contains competent evidence that the claimant has a current disability, or persistent or recurrent symptoms of disability; and

(II) indicates that the disability or symptoms may be associated with the claimant's active military, naval, or air service; but

(ii) does not contain a diagnosis or opinion by a mental health professional that may assist in corroborating the occurrence of a military sexual trauma stressor related to a diagnosable mental health condition.

(B) In this paragraph, the term "military sexual trauma" shall have the meaning specified by the Secretary for purposes of this paragraph, and shall include "sexual harassment" (as so specified).

* * * * *

Subchapter II. Effective Dates

SEC. 5110. EFFECTIVE DATES OF AWARDS

* * * * *
(1) The effective date of an award of benefits to a surviving spouse based upon a termination of a remarriage by death or divorce[, or of an award or increase of benefits based on recognition of a child upon termination of the child's marriage by death or divorce,] shall be the date of death or the date the judicial decree or divorce becomes final, if an application therefor is received within one year from such termination.

* * * * *

Chapter 59. Agents and Attorneys

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SEC. 5902. RECOGNITION OF REPRESENTATIVES OF ORGANIZATIONS

(a)(1) The Secretary may recognize representatives of the American National Red Cross, the American Legion, the Disabled American Veterans, the United Spanish War Veterans, the Veterans of Foreign Wars, and such other organizations as the Secretary may approve , *including Indian tribes (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C.*

450b)), in the preparation, presentation, and prosecution of claims under laws administered by the Secretary.

* * * * *

Chapter 63. Outreach Activities

Sec.

* * * * *

6306. Use of other agencies.

6306A. *Cooperative agreements with States.*

6307. Outreach for eligible dependents.

6308. **[Biennial]** *Annual* report to Congress.

6309. *Budget transparency.*

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SEC. 6306A. COOPERATIVE AGREEMENTS WITH STATES

(a) *IN GENERAL.*—*The Secretary may enter into cooperative agreements and arrangements with various State agencies and State departments to carry out this chapter and to otherwise carry out, coordinate, improve, or enhance outreach activities of the Department and the States.*

(b) *REPORT.*—*The Secretary shall include in each report submitted under section 6308 of this title a description of the agreements and arrangements entered into by the Secretary under subsection (a).*

* * * * *

SEC. 6308. [BIENNIAL] ANNUAL REPORT TO CONGRESS

(a) **REPORT REQUIRED.**—*The Secretary shall, not later than December 1 of every [even-numbered] year (beginning in 2008), submit to Congress a report on the outreach activities carried out by the Department.*

(b) **CONTENT.**—*Each report under this section shall include the following:*

(1) *A description of the implementation during the preceding fiscal year of the current [biennial] plan under section 6302 of this title.*

(2) *Recommendations for legislative and administrative action for the improvement or more effective administration of the outreach activities of the Department.*

(3) *Recommendations that such administrative actions as may be taken—*

(A) to maximize resources for outreach activities of the Department; and

(B) to focus outreach efforts on activities that are proven to be more effective.

SEC. 6309. BUDGET TRANSPARENCY

(a) **BUDGET REQUIREMENTS.**—*In the budget justification materials submitted to Congress in support of the Department budget for a fiscal year (as submitted with the budget of the President under section 1105(a) of title 31), the Secretary shall include a separate*

statement of the amount requested for such fiscal year for activities of the Office of Public and Intergovernmental Affairs as follows:

- (1) For outreach activities of the Department in aggregate.
- (2) For outreach activities of each element of the Department specified in subsection (b)(1).

(b) *PROCEDURES FOR EFFECTIVE COORDINATION AND COLLABORATION.*—(1) Not later than 180 days after the date of the enactment of the Veterans Health and Benefits Improvement Act of 2013, the Secretary shall establish and maintain procedures for the Office of Public and Intergovernmental Affairs to ensure the effective coordination and collaboration of outreach activities of the Department between and among the following:

- (A) Office of the Secretary.
- (B) Veterans Health Administration.
- (C) Veterans Benefits Administration.
- (D) National Cemetery Administration.

(2) The Secretary shall—

(A) beginning after the date on which the Secretary establishes procedures under paragraph (1), not less frequently than once every two years conduct a review of the procedures established and maintained under paragraph (1) to ensure that such procedures meet the requirements of such paragraph;

(B) make such modifications to such procedures as the Secretary considers appropriate based upon reviews conducted under subparagraph (A) in order to better meet such requirements; and

(C) not later than 45 days after completing a review under subparagraph (A), submit to Congress a report on the findings of such review.

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Part V. Boards, Administrations, and Services

Chapter 71. Board of Veterans' Appeals

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SEC. 7105. FILING OF NOTICE OF DISAGREEMENT AND APPEAL

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(b)(1) Except in the case of simultaneously contested claims, notice of disagreement shall be filed within **[one year]** 180 days from the date of mailing of notice of the result of initial review or determination. Such notice, and appeals, must be in writing and be filed with the activity which entered the determination with which disagreement is expressed (hereinafter referred to as the “agency of original jurisdiction”). A notice of disagreement postmarked or transmitted by electronic means before the expiration of the **[one-year]** 180-day period will be accepted as timely filed.

(2) * * *

(3) A notice of disagreement not filed within the time prescribed by paragraph (1) shall be treated by the Secretary as timely filed if—

- (A) the Secretary determines that the claimant, legal guardian, or other accredited representative, attorney, or authorized

agent filing the notice had good cause for the lack of filing within such time; and

(B) the notice of disagreement is filed not later than 186 days after the expiration of the period prescribed by paragraph (1).

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SEC. 7106. ADMINISTRATIVE APPEALS

Application for review on appeal may be made within the [one-year period prescribed in section 7105] *period described in section 7105(b)(1)* of this title by such officials of the Department as may be designated by the Secretary. An application entered under this paragraph shall not operate to deprive the claimant of the right of review on appeal as provided in this chapter.

SEC. 7107. APPEALS: DOCKETS; HEARINGS

(a)(1) Except as provided in paragraphs (2) and (3) and [in subsection (f)] *in subsection (g)*, each case received pursuant to application for review on appeal shall be considered and decided in regular order according to its place upon the docket.

* * * * *

[(d)(1) An appellant may request that a hearing before the Board be held at its principal location or at a facility of the Department located within the area served by a regional office of the Department.

[(2) A hearing to be held within an area served by a regional office of the Department shall (except as provided in paragraph (3)) be scheduled to be held in accordance with the place of the case on the docket under subsection (a) relative to other cases on the docket for which hearings are scheduled to be held within that area.

[(3) A hearing to be held within an area served by a regional office of the Department may, for cause shown, be advanced on motion for an earlier hearing. Any such motion shall set forth succinctly the grounds upon which the motion is based. Such a motion may be granted only—

[(A) if the case involves interpretation of law of general application affecting other claims;

[(B) if the appellant is seriously ill or is under severe financial hardship; or

[(C) for other sufficient cause shown.

[(e)(1) At the request of the Chairman, the Secretary may provide suitable facilities and equipment to the Board or other components of the Department to enable an appellant located at a facility within the area served by a regional office to participate, through voice transmission or through picture and voice transmission, by electronic or other means, in a hearing with a Board member or members sitting at the Board's principal location.

[(2) When such facilities and equipment are available, the Chairman may afford the appellant an opportunity to participate in a hearing before the Board through the use of such facilities and equipment in lieu of a hearing held by personally appearing before a Board member or panel as provided in subsection (d). Any such hearing shall be conducted in the same manner as, and shall be considered the equivalent of, a personal hearing. If the appellant declines to participate in a hearing through the use of such facili-

ties and equipment, the opportunity of the appellant to a hearing as provided in such subsection (d) shall not be affected.】

(d)(1) *Except as provided in paragraph (2), a hearing before the Board shall be conducted through picture and voice transmission, by electronic or other means, in such a manner that the appellant is not present in the same location as the members of the Board during the hearing.*

(2)(A) *A hearing before the Board shall be conducted in person upon the request of an appellant.*

(B) *In the absence of a request under subparagraph (A), a hearing before the Board may also be conducted in person as the Board considers appropriate.*

(e)(1) *In a case in which a hearing before the Board is to be held as described in subsection (d)(1), the Secretary shall provide suitable facilities and equipment to the Board or other components of the Department to enable an appellant located at an appropriate facility within the area served by a regional office to participate as so described.*

(2) *Any hearing conducted as described in subsection (d)(1) shall be conducted in the same manner as, and shall be considered the equivalent of, a personal hearing.*

(f)(1) *In a case in which a hearing before the Board is to be held as described in subsection (d)(2), the appellant may request that the hearing be held at the principal location of the Board or at a facility of the Department located within the area served by a regional office of the Department.*

(2) *A hearing to be held within an area served by a regional office of the Department shall (except as provided in paragraph (3)) be scheduled to be held in accordance with the place of the case on the docket under subsection (a) relative to other cases on the docket for which hearings are scheduled to be held within that area.*

(3) *A hearing to be held within an area served by a regional office of the Department may, for cause shown, be advanced on motion for an earlier hearing. Any such motion shall set forth succinctly the grounds upon which the motion is based. Such a motion may be granted only—*

(A) if the case involves interpretation of law of general application affecting other claims;

(B) if the appellant is seriously ill or is under severe financial hardship; or

(C) for other sufficient cause shown.

(g) **[(f)]** *Nothing in this section shall preclude the screening of cases for purposes of—*

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Chapter 72. United States Court of Appeals for Veterans Claims

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Subchapter II. Procedure

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SEC. 7266. NOTICE OF APPEAL

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(e)(1) If a person adversely affected by a final decision of the Board, who has not filed a notice of appeal with the United States Court of Appeals for Veterans Claims under subsection (a), misfiles a document with the Board or the agency of original jurisdiction referred to in section 7105(b)(1) of this title that expresses disagreement with such decision and a clear intent to seek review of such decision by the United States Court of Appeals for Veterans Claims, not later than 120 days after the date of such decision, such document shall be treated as timely filed under subsection (a).

(2) The treatment of misfiled documents under paragraph (1) does not limit equitable relief that may be otherwise available to a person described in that paragraph.

Chapter 73. Veterans Health Administration—Organization and Functions

Sec.

SUBCHAPTER I. ORGANIZATION

7301. Functions of Veterans Health Administration: in general.

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7310. Veterans Integrated Service Networks.

7310A. Regional support centers for Veterans Integrated Service Networks.

Subchapter I. Organization

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SEC. 7310. VETERANS INTEGRATED SERVICE NETWORKS

(a) ORGANIZATION.—(1) The Secretary shall organize the Veterans Health Administration in geographically defined Veterans Integrated Service Networks.

(2) Each Veterans Integrated Service Network shall be organized in consideration of the following:

- (A) The size of the veteran population of the region of the network.*
- (B) The complexity of the medical needs of the veterans in such region.*
- (C) Patient referral patterns.*
- (D) The availability of a full continuum of health care services.*
- (E) The ability of the Department to furnish health care efficiently.*
- (F) Partnerships with non-Department health care entities.*

(b) STAFFING MODEL.—(1) The Secretary shall establish a staffing model for each Veterans Integrated Service Network that—

- (A) is appropriate for the mission and responsibilities of the Veterans Integrated Service Network; and*
- (B) accounts for the specific health care needs of differing populations in the Veterans Integrated Service Network.*

(2) The Secretary shall ensure that each Veterans Integrated Service Network complies with the staffing model established by the Sec-

retary under paragraph (1) for such Veterans Integrated Service Network.

(c) *INTEGRATED HEALTH CARE SYSTEM.*—The Secretary shall ensure that each Veterans Integrated Service Network maintains a regional integrated healthcare system by—

(1) *implementing alliances with such other governmental, public, and private health care organizations and practitioners as the Secretary considers appropriate to meet the needs of veterans in the Network;*

(2) *providing oversight and management of, and taking responsibility for, a regional budget for the activities of the Veterans Health Administration in the geographic area of the Network that is—*

(A) *aligned with the budget guidelines of the Department and the Veterans Health Administration;*

(B) *balanced at the end of each fiscal year; and*

(C) *sufficient to provide high-quality health care to veterans within the region and to meet any unique needs of the veterans of the region;*

(3) *using national metrics to develop systems to provide effective, efficient, and safe delivery of health care; and*

(4) *ensuring high-quality clinical programs and services are rendered in and through—*

(A) *the medical centers and outpatient clinics of the Department that are located in the Network; and*

(B) *other non-Department clinical or health care delivery settings located in the Network.*

(d) *REDUCTION IN DUPLICATE FUNCTIONS.*—The Secretary shall ensure that the Veterans Integrated Service Networks identify and reduce, whenever practicable, the duplication of functions in clinical, administrative, and operational processes and practices of the Veterans Health Administration.

(e) *COLLABORATION AND COOPERATION.*—The Secretary shall ensure that each Veterans Integrated Service Network—

(1) *works to achieve maximum effectiveness in patient care and safety, graduate medical education, and research; and*

(2) *assesses the consolidation or realignment of institutional functions, including capital asset, safety, and operational support functions, in collaboration and cooperation with other Veterans Integrated Service Networks and the following offices or entities within the geographical area of the Network:*

(A) *The offices of the Veterans Benefits Administration and the National Cemetery Administration.*

(B) *The offices, installations, and facilities of the Department of Defense, including the offices, installations, and facilities of each branch of the Armed Forces and the reserve components of the Armed Forces.*

(C) *The offices, installations, and facilities of the Coast Guard.*

(D) *Offices of State and local agencies that have a mission to provide assistance to veterans.*

(E) *Medical schools and other affiliates.*

(F) *Offices of Congress, offices of State and local elected officials, and other government offices.*

(G) Federal, State, and local emergency preparedness organizations.

(H) Community and nonprofit organizations.

(I) Such other entities of the Federal Government as the Secretary considers appropriate.

(f) HEADQUARTERS.—(1) The Secretary shall ensure that each Veterans Integrated Service Network has only one headquarters office.

(2) The location of a headquarters office for a Veterans Integrated Service Network shall be determined by the Secretary and co-located with a Department of Veterans Affairs medical center.

(3)(A) The Secretary may employ or contract for the services of such full time equivalent employees and contractors at the headquarters of each Veterans Integrated Service Network as the Secretary considers appropriate in accordance with the staffing models established under subsection (b).

(B) Not later than December 31 each year, the Secretary shall submit to the Committee on Veterans' Affairs of the Senate and the Committee on Veterans' Affairs of the House of Representatives a report on employment at the headquarters of Veterans Integrated Service Networks during the most recently completed fiscal year.

(C) Each report submitted under subparagraph (B) shall include the following for the year covered by the report:

(i) The number of individuals employed at each headquarters of a Veterans Integrated Service Network.

(ii) The number of individuals employed by the Veterans Health Administration in each Veterans Integrated Service Network who are not employed at the same location as the headquarters of the Network.

(iii) The title for each position of employment at a headquarters of a Veterans Integrated Service Network.

(iv) The title for each position of employment with the Veterans Health Administration in each Veterans Integrated Service Network that is not at the same location as the headquarters of the Network.

(v) An assessment of the impact on the budget of the Department by the employment of individuals at the headquarters of the Veterans Integrated Service Networks.

(g) TRIENNIAL STRUCTURE REVIEW, REASSESSMENT, AND REPORT.—(1) Beginning three years after the date of the enactment of this section and not less frequently than once every three years thereafter, the Secretary shall conduct a review and assessment of the structure and operations of the Veterans Integrated Service Networks in order to identify recommendations—

(A) for streamlining and reducing costs associated with the operation of each headquarters of a Veterans Integrated Service Network; and

(B) for reducing costs of health care within the Veterans Health Administration.

(2) Not later than 180 days after conducting a review and assessment under paragraph (1), the Secretary shall submit to the Committee on Veterans' Affairs of the Senate and the Committee on Veterans' Affairs of the House of Representatives a report on such review and assessment, which shall include such recommendations

for legislative or administrative action as the Secretary considers appropriate to improve the Veterans Integrated Service Networks.

SEC. 7310A. REGIONAL SUPPORT CENTERS FOR VETERANS INTEGRATED SERVICE NETWORKS

(a) *ESTABLISHMENT.*—The Secretary shall establish not more than four regional support centers within the Veterans Health Administration to assess the effectiveness and efficiency of the Veterans Integrated Service Networks. The head of each regional support center shall report to the Under Secretary of Health.

(b) *FUNCTIONS.*—The functions of the regional support centers established under subsection (a) are as follows:

(1) To assess the quality of work performed within finance operations and other compliance related activities of the Veterans Integrated Service Networks.

(2) To assess how effectively and efficiently each Veterans Integrated Service Network conducts outreach to veterans who served in Operation Enduring Freedom, Operation Iraqi Freedom, Operation New Dawn, or any other contingency operation (as that term is defined in section 101 of title 10).

(3) To assess how effectively and efficiently each Veterans Integrated Service Network conducts programs for the benefit of women veterans.

(4) To assess how effectively and efficiently each Veterans Integrated Service Network conducts programs that address homelessness among veterans.

(5) To assess how effectively and efficiently each Veterans Integrated Service Network consumes energy.

(6) To assess such other matters concerning the operations and activities of the Veterans Integrated Service Networks as the Secretary considers appropriate.

(c) *STAFF.*—The Secretary may hire such employees and contractors as the Secretary considers appropriate to carry out the functions of the regional support centers.

(d) *LOCATION OF REGIONAL SUPPORT CENTERS.*—(1) Except as provided in paragraph (2), the location of each regional support center established under subsection (a) shall be determined by the Secretary and co-located with a medical center of the Department.

(2) The Secretary may choose a location for a regional support center established under subsection (a) that is not co-located with a medical center of the Department if the Secretary submits to the Committee on Veterans' Affairs of the Senate and the Committee on Veterans' Affairs of the House of Representatives, before entering into a contract for a location that is not co-located with a medical center, a report describing the reasons for choosing a location for the regional support center that is not co-located with a medical center of the Department. Such report shall include the following:

(A) A list of medical centers of the Department in the Veterans Integrated Service Network of the regional support center with underutilized buildings, the number of all Veterans Health Administration buildings in such Network, and the total underutilized square footage for each medical center of the Department in such Network.

(B) *The estimated cost of such lease (the annual amount of rent, the total cost over the life of the lease, and the total cost per square foot) and the square footage to be leased.*

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Chapter 76. Health Professionals Educational Assistance Program

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Subchapter II. Scholarship Program

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SEC. 7619. EXPIRATION OF PROGRAM

The Secretary may not furnish scholarships to new participants in the Scholarship Program after **[December 31, 2014]** *December 31, 2019.*

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Part VI. Acquisition and Disposition of Property

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Chapter 81. Acquisition and Operation of Hospital and Domiciliary Facilities; Procurement and Supply; Enhanced-use Leases of Real Property

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Subchapter II. Procurement and Supply

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SEC. 8127. SMALL BUSINESS CONCERNS OWNED AND CONTROLLED BY VETERANS: CONTRACTING GOALS AND PREFERENCES

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(h) TREATMENT OF BUSINESSES AFTER DEATH OF VETERAN-OWNER.—(1) * * *

(2) * * *

* * * * *

[(C) The date that is ten years after the date of the veteran's death.]

(C) The date that—

(i) in the case of a surviving spouse of a veteran with a service-connected disability rated as 100 percent disabling or who dies as a result of a service-connected disability, is 10 years after the date of the veteran's death; or

(ii) in the case of a surviving spouse of a veteran with a service-connected disability rated as less than 100 percent disabling who does not die as a result of a service-connected disability, is three years after the date of the veteran's death.

(3) Paragraph (1) only applies to a surviving spouse of a veteran with a service-connected disability **[rated as 100 percent disabling or who dies as a result of a service-connected disability.]** .

(i) *TREATMENT OF BUSINESSES AFTER DEATH OF SERVICE-MEMBER-OWNER.—(1) If a member of the Armed Forces owns at least 51 percent of a small business concern and such member is killed in line of duty in the active military, naval, or air service, the surviving spouse or dependent child of such member who acquires such ownership rights in such small business concern shall, for the period described in paragraph (2), be treated as if the surviving spouse or dependent child were a veteran with a service-connected disability for purposes of determining the status of the small business concern as a small business concern owned and controlled by veterans for purposes of contracting goals and preferences under this section.*

(2) *The period referred to in paragraph (1) is the period beginning on the date on which the member of the Armed Forces dies and ending on the date as follows:*

(A) *In the case of a surviving spouse, the earliest of the following dates:*

(i) *The date on which the surviving spouse remarries.*

(ii) *The date on which the surviving spouse relinquishes an ownership interest in the small business concern and no longer owns at least 51 percent of such small business concern.*

(iii) *The date that is ten years after the date of the member's death.*

(B) *In the case of a dependent child, the earliest of the following dates:*

(i) *The date on which the surviving dependent child relinquishes an ownership interest in the small business concern and no longer owns at least 51 percent of such small business concern.*

(ii) *The date that is ten years after the date of the member's death.*

(j) **[(i)] PRIORITY FOR CONTRACTING PREFERENCES.— * * ***

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(k) **[(j)] APPLICABILITY OF REQUIREMENTS TO CONTRACTS.—**

(1) * * *

* * * * *

(l) **[(k)] ANNUAL REPORTS.— * * ***

* * * * *

(m) **[(l)] DEFINITIONS.—In this section:**

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(2) * * *

(A)(i) not less than 51 percent of which is *unconditionally* owned by one or more veterans or, in the case of a publicly owned business, not less than 51 percent of the stock of which is *unconditionally* owned by one or more veterans; and

(ii) the management and daily business operations of which are controlled by one or more veterans; or

(B) not less than 51 percent of which is *unconditionally* owned by one or more veterans with service-connected disabilities that are permanent and total who are unable to

manage the daily business operations of such concern or, in the case of a publicly owned business, not less than 51 percent of the stock of which is *unconditionally* owned by one or more such veterans.

(3) *The term “unconditionally owned” includes, with respect to ownership of a small business concern, conditional ownership of such small business concern if such business concern is 100 percent owned by one or more veterans.*

(n) *SPECIAL RULE FOR COMMUNITY PROPERTY STATES.—Whenever the Secretary assesses, for purposes of this section, the degree of ownership by an individual of a small business concern licensed in a community property State, the Secretary shall also assess what that degree of ownership would be if such small business concern had been licensed in a State other than a community property State. If the Secretary determines that such individual would have had a greater degree of ownership of the small business concern had such small business concern been licensed in a State other than a community property State, the Secretary shall treat, for purposes of this section, such small business concern as if it had been licensed in a State other than a community property State.*

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Department of Veterans Affairs Health Care Programs Enhancement Act of 2001

(Public Law 107–135; 115 Stat. 2459; 38 U.S.C. 1710 note)

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Title II. Other Matters

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SEC. 204. PROGRAM FOR PROVISION OF CHIROPRACTIC CARE AND SERVICES TO VETERANS.

(a) * * *

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(c) **LOCATION OF PROGRAM.—***(1) The program shall be carried out at sites designated by the Secretary for purposes of the program. The Secretary shall designate at least one site for such program in each geographic service area of the Veterans Health Administration. The sites so designated shall be medical centers and clinics located in urban areas and in rural areas.*

(2) The program shall be carried out at not fewer than two medical centers or clinics in each Veterans Integrated Service Network by not later than one year after the effective date specified in section 301(c) of the Veterans Health and Benefits Improvement Act of 2013, and at not fewer than 50 percent of all medical centers in

each Veterans Integrated Service Network by not later than two years after such effective date.

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