



**STATEMENT OF
JOHN KAMIN, CREDENTIALING AND EDUCATION POLICY ASSOCIATE
NATIONAL VETERANS EMPLOYMENT AND EDUCATION DIVISION
THE AMERICAN LEGION**

BEFORE A HEARING OF THE

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

ON

"H.R. 95, H.R. 444, H.R. 1448, H.R. 1718, AND DRAFT LEGISLATION"

APRIL 9, 2019

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PENDING AND DRAFT LEGISLATION**

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Chairman Levin, Ranking Member Bilirakis, and distinguished members of the committee, on behalf of National Commander Brett P. Reistad and our nearly 2 million members, we thank you for the opportunity to testify before this committee.

The American Legion is a resolution-based organization directed and driven by active Legionnaires who dedicate their money, time, and resources to the continued service of veterans and their families. Our positions are guided by 100 years of advocacy and resolutions that originate at the grassroots level of the organization – local American Legion posts and veterans in every congressional district across the United States. The headquarters staff of The American Legion works daily on behalf of veterans, military personnel, and our communities through our roughly 20 national programs and thousands of outreach programs led by our posts across the country.

H.R. 95: THE HOMELESS VETERANS FAMILIES ACT

To amend title 38, United States Code, to ensure that children of homeless veterans are included in the calculation of the amounts of certain per diem grants

The *Homeless Veteran Families Act* provides the Secretary of the Department of Veterans Affairs (VA) the authority to reimburse Homeless Providers Grant and Per Diem (GPD) Program providers at a 50% rate for the costs of housing minor dependent(s) of homeless veterans while the veteran is receiving services from the grant recipient. Currently, 38 C.F.R. §61.33 only authorizes per diem payments to individual grant recipients.¹ Consequently, service providers are not reimbursed for housing services provided to the veteran's dependents. The American Legion supports the intent of this legislation to address the unintended consequence of creating a disincentive for GPD providers to serve homeless veterans with children.

The GPD program allows VA to award grants to community-based agencies to create transitional housing programs and offer per diem payments. The purpose of the program is to promote the development and provision of supportive housing and supportive services with the goal of helping

¹ 38 C.F.R. §61.33

homeless veterans achieve residential stability, increase their skills levels, income, and obtain greater self-management.

Through *Resolution No. 24: Supporting Funding and Changes to the Department of Veterans Affairs Grant and Per Diem Program*, The American Legion supports legislation that expands the criteria of per diem payments for homeless veterans with specialized needs and veterans with dependents.²

The American Legion supports H.R. 95.

H.R. 444: REDUCE UNEMPLOYMENT FOR VETERANS OF ALL AGES ACT OF 2019

To amend title 38, United States Code, to eliminate the period of eligibility for the Vocational Rehabilitation and Employment program of the Department of Veterans Affairs

The deployment of active-duty servicemembers, national guardsmen, and reservists, in support of Operation Iraqi Freedom and Operation Enduring Freedom, led to an increase of service-connected disabilities after servicemember separation. VA's Vocational Rehabilitation and Employment (VR&E) Program provides comprehensive services and assistance to veterans with service-connected disabilities and employment handicaps. The goal of the program is to enable the service-disabled veteran to achieve maximum independence in daily living, become employable, and obtain and maintain suitable employment.

The standard period of eligibility for VR&E benefits is limited to 12-years from the date of separation from military service or the date of notification by VA of a service-connected disability rating. Unfortunately, not all disabled veterans are aware of their possible eligibility when separating from their service and some may not need VR&E until later in their career. This legislation eliminates the 12-year limitation to participate in the program and extends opportunities and resources to deserving veterans.

The American Legion recognized this in 2016 when it passed a resolution asking Congress to lift the delimiting date for participation in the program.

Through *Resolution No. 336: Support Legislation that Would Change the 12-Year Delimiting Date for Eligibility to Chapter 31 Benefits*, The American Legion supports eliminating the 12-year expiration date for chapter 31 benefits.³

The American Legion supports H.R. 444.

H.R. 1448

² American Legion Res. No. 24 (2018): [*Supporting Funding and Changes to the Department of Veterans Affairs Grant and Per Diem Program*](#)

³ American Legion Res. No. 336 (2016): [*Support Legislation that Would Change the 12-Year Delimiting Date for Eligibility to Chapter 31 Benefits*](#)

To amend title 38, United States Code, to waive fees for Purple Heart recipients serving on active duty for loans guaranteed under the home loan program of Department of Veterans Affairs

The Purple Heart is a symbol of the sacrifice made by a servicemember to their country. Active duty Purple Heart recipients who meet the 90-day continuous service requirement are eligible for the VA Home Loan Guaranty Program. Current law waives the VA funding fee for veterans with a VA rating for a service-connected disability. However, active duty Purple Heart recipients who have not initiated or received their VA disability claim are required to pay the funding fee.

This legislation makes technical changes to the VA Home Loan Guaranty Program. The American Legion supports legislation that closes the loophole that requires payment of the funding fee for Purple Heart recipients and their surviving spouses. The proposed legislation further extends the VA home loan funding fee waiver to active duty Purple Heart recipients that have not received a VA disability rating.

The American Legion believes active duty Purple Heart recipients should not be penalized and required to pay the funding fee because they continue to serve on active duty. Furthermore, this draft legislation also includes language that changes the characterization of surviving spouses as stand-alone and independent recipients of the funding fee waiver, thus removing additional explanations and ambiguity related to their funding fee waiver eligibility.

While The American Legion applauds waiving this fee for Purple Heart recipients, it holds that the VA Home Loan funding fee should be removed for all veterans.

Through *Resolution No. 314: Support Elimination of the VA Home Loan Funding Fee*, The American Legion strongly urges this committee to remove the VA Home Loan funding fee requirement.⁴

The American Legion supports this Draft Bill but requests the removal of funding fee requirements for all veterans.

H. R. 1718: GI EDUCATION BENEFITS FAIRNESS ACT

To amend title 38, United States Code, to provide for clarification regarding the children to whom entitlement to educational assistance may be transferred under the Post-9/11 Educational Assistance Program

One of the many innovations of the Post-9/11 GI Bill is the ability for servicemembers to transfer their earned education benefits to their spouses or children. However, incongruent statutory language resulted in ward and foster children being denied the same privileges of transferability as adopted child or biological children.

⁴ Resolution No. 314 (2016): [Support Elimination of the VA Home Loan Funding Fee](#)

This policy on transferability is not explicitly stated in any VA literature or guidance and only recently articulated in 2018 in The Department of Defense’s (DOD) Transfer of Education Benefits (TEB) Beneficiary Guide. The guidelines state, "*wards and foster children are not considered dependents by the Department of Veterans Affairs.*"⁵

DOD clarified the statutory discrepancy as under U.S.C. Title 10 authority, wards, and foster children meet the definition of an eligible child for education benefits, however under 38 U.S.C. § 101(4)(A), wards and foster children are excluded from the VA’s definition of the term “child” for the purpose of benefits delivery.

The American Legion urges Congress to correct the misalignment, and H.R. 1718 would accomplish this by clarifying the definition of “children” to be consistent with DOD’s statutory language.

Through *Resolution 308: Amending the Eligibility for the Transfer for the Post-9/11 GI Bill Educational Benefits*, The American Legion supports legislation that would authorize servicemembers to use transferability entitlements towards their children, regardless if they are wards, foster, or biological.⁶

The American Legion supports H.R. 1718.

DISCUSSION DRAFT

To make certain improvements to the educational assistance programs of the Department of Veterans Affairs concerning flight training programs and certain other programs of education, and for other purposes

The American Legion supports legislation to improve cost control measures for flight programs offered by colleges and universities. In 2015, The Los Angeles Times exposed how some institutions of higher learning had instituted extreme costs for flight fees. Presently, no caps exist for public schools.⁷ After exposure by the LA Times, VA and State Approving Agencies (SAAs) increased oversight resulting in lowered overall expenditures for flight training to \$48.4 million in 2016, from a height of \$79.8 million in 2014.

Among the external factors responsible for this reduction was a 100% compliance survey conducted by SAAs in 2015. The survey resulted in 12 suspensions and withdrawals; largely due to violations of the 85-15 rule requiring that no more than 85 percent of flight-training students at public schools can attend using GI Bill funds. However, the mandate to micromanage flight

⁵ Transfer of Education Benefits (TEB) Beneficiary Guide, milConnect TEB Version 1.09, Pg. 27, Department of Defense Manpower Data Center, November 9, 2018

https://milconnect.dmdc.osd.mil/milconnect/help/pdf/teb_beneficiary_guide.pdf (accessed March 28, 2019)

⁶ American Legion Res. No. 308 (2016): [Amending the Eligibility for the Transfer for the Post-9/11 GI Bill Educational Benefits](#)

⁷ U.S. taxpayers stuck with the tab as helicopter flight schools exploit GI Bill loophole – March 15, 2015
<http://www.latimes.com/nation/la-me-adv-gibill-20150315-story.html#page=1>

programs is unsustainable, even as institutions learn to adjust to requirements while hedging veteran credit enrollment. For these reasons, The American Legion believes a solution is still necessary to ensure Post-9/11 GI Bill dollars remain an honorable investment by the public.

The obligation to protect from abuse must be measured against the responsibility our nation has to veterans who aspire to careers in aviation using the GI Bill. Legislation capping the maximum GI Bill amount per year for flight schools would have the inevitable consequence of discouraging pursuit of this vocation, with greater debt incurred by veterans and servicemembers who remain committed to the vocation.

This draft legislation accounts for both of these considerations. The language sets specific caps, and provides the option for veterans to elect to spend remaining months of entitlement to accelerate payments at a rate of up to twice the amount for tuition and fees.

As a practical example: if a veteran enrolls in a flight program costing \$45,700 in tuition and fees, this draft legislation would cap GI payment at \$23,672 (the maximum 2018-2019 tuition reimbursement for private schools). The veteran then has to pay half, but can then elect to have the GI Bill cover the remaining tuition by accelerating GI Bill payments for 12 additional months, covering the full cost of tuition.

This solution appears to alleviate concerns of discouraging veterans from pursuit of a career in aviation, while putting the choice in the hands of the veteran for how to appropriately allocate their GI Bill. The American Legion commends the Committee for this measured approach, and is encouraged by the cost savings made in aviation programs.

Through *Resolution No. 23: Close the GI Bill Flight School Loophole*, The American Legion supports legislation that aligns the cost of Post-9/11 GI Bill Chapter 33 tuition and fees allowable for flight training at a public institution of higher learning, provided that all cost-savings projected by these measures be reallocated to Department of Veterans Affairs education programs.⁸

The American Legion supports this Draft Bill.

DISCUSSION DRAFT

To amend the United States Housing Act of 1937 and title 38, United States Code, to expand eligibility for the HUD-VASH program

Currently, HUD-VASH provisions in 42 U.S.C. §1437 do not define the term ‘veteran.’ As a result, the Department of Housing and Urban Development’s interpretation of the statute limits the Department’s ability to provide the services expected of the HUD-VASH program. This draft legislation defines the term ‘veteran’ as it relates to the staffing of VA Case Managers responsible for housing program services set forward in 38 U.S.C. §2003. Moreover, this draft legislation increases oversight and promotes accountability for homeless veteran programs.

⁸ American Legion Res. No. 23 (2018): [*Close the GI Bill Flight School Loophole*](#)

Further, it removes 42 U.S.C. §1437 and 38 U.S.C. §2003 ‘zone of ambiguities’ thereby aligning the intent of the HUD-VASH Program with the expected outcomes, and establishes the minimum frequency and mandated reporting requirements of homeless veteran program updates to the Committee on Veterans’ Affairs of the Senate and the House of Representatives.⁹

Through *Resolution No. 332: Support Funding for the Department of Housing and Urban Development (HUD) and Veterans Affairs (VA) Supportive Housing (HUD-VASH) Homeless Program*¹⁰, The American Legion supports legislation that expands the criteria for HUD-VASH eligibility.

The American Legion supports this Draft Bill.

DISCUSSION DRAFT: HOMES FOR OUR HEROES ACT OF 2019

To provide for greater transparency in the HUD–VASH supported housing program for homeless veterans, and for other purposes

Current law allows VA and HUD to authorize and determine the formula and criteria used to allocate HUD-VASH vouchers in a given geographical area. “Other factors” is the term used to characterize the variables used to make voucher allocations. This legislation increases legislative oversight and federal agency accountability for the HUD-VASH program by requiring reports and hearings covering the program’s discretionary policies and priorities.

Through *Resolution No. 332: Support Funding for the Department of Housing and Urban Development (HUD) and Veterans Affairs (VA) Supportive Housing (HUD-VASH) Homeless Program*¹¹, The American Legion supports legislation that improves HUD-VASH transparency.

The American Legion supports the Homes For Our Heroes Act of 2019.

DISCUSSION DRAFT: VETERAN EMPLOYMENT AND CHILD CARE ACCESS ACT

To amend title 38, United States Code, to require the Secretary of Veterans Affairs to provide child care assistance to veterans receiving certain training or vocational rehabilitation, and for other purposes

⁹ Matthew C. Stephenson, “Statutory interpretations by agencies,” Research handbook on public choice and public law, ed. Daniel A Farber and Anne O’Connell, 288.

<http://www.law.harvard.edu/faculty/mstephenson/2011PDFs/Statutory%20Interpretation%20by%20agencies.pdf>

¹⁰ Resolution No. 332 (2016) *Support Funding for the Department of Housing and Urban Development (HUD) and Veterans Affairs (VA) Supportive Housing (HUD-VASH) Homeless Program*

¹¹ American Legion Res. No. 332 (2016) *Support Funding for the Department of Housing and Urban Development (HUD) and Veterans Affairs (VA) Supportive Housing (HUD-VASH) Homeless Program*

In 2010, Congress established a childcare pilot program as part of the Caregivers and Veterans Omnibus Health Services Act of 2010, signed into law in 2011. The program established childcare for veterans while receiving health care services at a VA facility.

The American Legion continues to advocate for making the child care pilot program permanent through the Veterans' Access to Child Care Act in the Senate. It is with the same conviction that we believe access to childcare services must be granted to veterans participating in workforce programs.

Many veterans possess the skillsets and experience to meet a wide array of critical workforce requirements. The Vocational Rehabilitation and Employment (VR&E) program provides a training pathway to meet these requirements. However, a lack of childcare often inhibits pursuit of education and training by eligible veterans. Too often veterans settle for low paying jobs to make ends meet because childcare is expensive and subsidies are limited. Further, this lack of childcare disproportionately disenfranchises women veterans as the primary caretakers of dependent children.

The Veterans Employment and Child Care Access Act will provide access to child care services to a veteran who is the primary caretaker of a child; and participates in VA or DOL workforce or job training program, to include VR&E. Eligible veterans will be provided a stipend for payment of child care at a licensed provider or receive direct childcare at an on-site facility at VA.

Through *Resolution No. 43: Department of Veterans Affairs Child Care Program*¹², The American Legion supports legislation to provide child care services to veterans with children for the veteran to receive access to the quality care they have earned.

The American Legion supports the Veteran Employment and Child Care Access Act.

DISCUSSION DRAFT: PROTECT AFFORDABLE MORTGAGES FOR VETERANS ACT OF 2019

To clarify seasoning requirements for certain refinanced mortgage loans, and for other purposes

Predatory and exploitative non-bank lenders are targeting Veterans and service-members with questionable home loans and home refinance options. This tactic is known as loan churning. The American Legion urges Congress to support legislation that will stop misleading and illegal mortgage refinance advertisements directed at service-members and veterans. This legislation attempts to reduce loan churning by specifying a loan age requirement -- loan seasoning -- before a veteran can refinance, thus disincentivizing questionable lenders.

American Legion Resolution No. 329: *Support Home Loan Guaranty Program*¹³ supports legislation that ends predatory loan churning targeting veterans with VA home loans.

¹² American Legion Res. No. 43 (2016): [Department of Veterans Affairs Child Care Program](#)

¹³ American Legion Res. No. 329 (2016): [Support Home Loan Guaranty Program](#)

The American Legion supports the Protect Affordable Mortgages for Veterans Act of 2019.

**DISCUSSION DRAFT: BOOSTING RATES OF AMERICAN VETERAN
EMPLOYMENT (BRAVE) ACT**

To authorize the Department of Veterans Affairs (VA), in awarding a contract for the procurement of goods or services, to give preference to offerors based on the percentage of the offeror's full-time employees who are veterans

The American Legion supports veteran entrepreneurship programs because small businesses form the backbone of the US economy. According to SBA, small businesses were responsible for about 1.9 million new jobs in 2018.¹⁴ One reason for outsourcing some federal functions to the private sector is to create jobs. While The American Legion supports programs that encourage federal contractors to hire veterans, we refrain from supporting the proposed language, at this time.

The inclusion of the proposed §8129 potentially gives higher preference to large businesses over small veteran owned businesses when a solicitation is released on an unrestricted basis. By sheer size and capacity, large corporations with national footprint will always be able to employ more veterans than small businesses. The American Legion does not want veteran small businesses to be permanently disadvantaged when competing against large corporations in the federal market space. Until the impact to small businesses is clarified and this issue is resolved, The American Legion withholds our support.

The American Legion does not support the BRAVE Act as currently written.

DISCUSSION DRAFT – JUSTICE FOR SERVICEMEMBERS ACT OF 2019

To amend title 38, United States Code, to clarify the scope of procedural rights of members of the uniformed services with respect to their employment and reemployment rights, and for other purposes

As currently drafted, the Uniformed Services Employment and Reemployment Rights Act of 1994 fails to adequately support military personnel returning to civilian employment. Countless employers violate rules laid out in U.S.C. Title 38. This draft legislation strengthens the protections in current law to ensure servicemembers' employment and reemployment rights are effectively enforced under the Uniformed Services Employment and Reemployment Rights Act of 1994.

A notable lawsuit filed by Michael T. Garrett, a Lieutenant Colonel in the Marine Corps Reserve, stated his employer violated the Uniformed Services Employment and Reemployment Act (USERRA), 42 U.S.C. §4301, by wrongfully terminating his employment. Lt. Col. Garrett chose

¹⁴ “Small Businesses Drive Job Growth in the U.S. | The U.S. Small Business Administration.” *Small Business Administration*, www.sba.gov/advocacy/small-businesses-drive-job-growth-us.

to file because his employer did not respond to his initial complaint. On the contrary, the employer filed a motion to compel arbitration.

Servicemembers struggle daily to balance their dual military and civilian lives, only to return and find their employers did not uphold the same balance. The Justice for Servicemembers Act of 2019 is a critical improvement to ensure a remedy for heroes such as Lt. Col. Garrett.

Through *Resolution No. 85: Support Employment and Reemployment Rights of National Guard and Reservists Returning from Deployment*, The American Legion supports amending and strengthening USERRA to ensure the National Guard and reservists receive the employment and reemployment rights afforded to them through their dedicated service to the country and as required under law. The American Legion supports explicitly stating USERRA supersedes the Federal Arbitration Act of 1924, so servicemembers cannot be blocked from utilizing the court system by arbitration agreements.¹⁵

The American Legion supports the Justice for Servicemembers Act.

DISCUSSION DRAFT: THE NAVY SEAL CHIEF PETTY OFFICER WILLIAM ‘BILL’ MULDER (RET.) TRANSITION IMPROVEMENT ACT OF 2019

To amend the Social Security Act, to amend the Dignified Burial and Other Veterans’ Benefits Improvement Act of 2012, and to direct the Secretaries of Veterans Affairs, Defense, Labor, and Homeland Security, and the Administrator of the Small Business Administration, to take certain actions to improve transition assistance to members of the Armed Forces who separate, retire, or are discharged from the Armed Forces, and for other purposes

This legislation would make improvements to the Transition Assistance Program (TAP) and the overall transition process for servicemembers to include an increased focus on career opportunities and entrepreneurship. This bill would represent the largest reorganization of TAP since 2011.

The restructure would require servicemembers to choose specific career-oriented tracks that best suit their post-service plans and would require servicemembers take part in one-on-one counseling a year before separation to evaluate which transition pathway suits them best. It would authorize a five-year pilot program that grants funds to community providers offering wraparound transition services to veterans and transitioning servicemembers. Finally, the legislation would require a third-party entity to conduct an independent assessment of the TAP curriculum and require a separate longitudinal study on the efficacy of TAP and long-term outcomes for veterans.

TAP is a joint program administered by the U.S. Departments of Defense (DoD), Department of Labor (DOL), and Veterans Affairs (VA) charged with providing veterans a successful transition from military to civilian life.

¹⁵ American Legion Res. No. 85 (2017): [Support Employment and Reemployment Rights of National Guard and Reservists Returning from Deployment](#)

The goal of TAP is to ease the adjustment of separating servicemembers during the difficult transition from active duty into civilian life by offering job search assistance, medical/health services, the advising of available benefits, and other related counseling. The American Legion believes TAP represents an important step towards providing transitioning servicemembers, and their families, with the information they need to transition into civilian life successfully.

Servicemembers are now mandated to attend TAP with an option for their spouses. However, TAP provides a tremendous amount of information, which at times can be extremely intricate, overwhelming, or even excessive to a participant. DOL's portion is three-days long and is responsible for most of that information. The American Legion recommends the course be mandated for servicemembers at different intervals of their careers prior to separation or transitioning into the civilian sector, along with pre-counseling for servicemembers intending to leave the military.

The American Legion supports the independent assessment of the effectiveness of TAP. The purpose of this assessment is to ensure transitioning servicemembers are receiving the adequate skills and training needed to complete a seamless transition from the military to the civilian sector.

There is a vast difference between a transitioning servicemember who served one enlistment in contrast to a transitioning servicemember who is retiring after 20 years of service. Differences include, but is not limited to, servicemembers who separate for medical reasons and/or other unexpected reasons.

Additionally Congress should require DoD and DOL to submit a report of servicemembers who have attended TAP, branched into three cohorts: 1) attended TAP counseling as implemented on the date of this Act; 2) attended TAP after the Secretaries of Defense and Labor implements recommended changes; and 3) those who have not attended TAP counseling. It is imperative this longitudinal study be conducted after each cohort in order to assess the efficacy and effectiveness of each change made to TAP.

Furthermore, The American Legion is pleased to see language from H.R. 4835 included in this bill. In 2012, The American Legion helped push for expansion of TAP to those who had already separated from service. In response, Congress passed the Dignified Burial and Other Veterans' Benefits Improvement Act of 2012. Provisions in the act authorized an Off-Base Transition Training (OBTT) pilot program extending the TAP programs to veterans and their spouses in a community-based setting. The law required the pilot program be established by DOL in a minimum of three states, with selection favoring states with "high rates of unemployment among veterans." DOL ultimately conducted 21, three-day workshops in Georgia, Washington, and West Virginia. Overall course ratings by participants were high. The OBTT pilot program expired in January of 2015.

The inclusion of language from H.R. 4835 provides for a new five-year pilot program and establishes 50 centers across the country to expand access to job resources and ensure DOL provides classes with job-training information. The expansion of this program will give our veterans and their spouses the support they deserve.

Through *Resolution No. 70: Improve Transition Assistance Program*, The American Legion supports legislation urging Congress to thoroughly review TAP for maximum effectiveness in helping servicemembers transition to civilian life and find gainful employment, while encouraging cooperation and the inclusion of nationally accredited service organizations in their program.¹⁶

The American Legion supports the Navy SEAL Chief Petty Officer William `Bill' Mulder (Ret.) Transition Improvement Act of 2019.

DISCUSSION DRAFT

To amend title 38, United States Code, to adjust certain limits on the guaranteed amount of a home loan under the home loan program of the Department of Veterans Affairs, and for other purposes

Current loan regulations contain language lowering the guaranteed amount of jumbo loans. Veterans purchasing homes in designated high-cost areas receive less loan guarantee, resulting in stringent underwriting criteria. In addition, Native American veteran home loans require a memorandum of understanding with the tribal organization before receiving a direct VA backed home loan. Purple Heart recipients are required to pay the VA funding fee if they have not received a VA disability rating.

Section 1 submits language that increases the amount of VA home loan guaranteed by removing provisions permitting the government to lower its liability to the maximum guaranteed amount if that amount is less than 25 percent of the loan. The bill eliminates restrictions to Native American veterans utilizing their VA home loan benefits. This bill includes language that eliminates the VA home loan funding fee for Purple Heart recipients.

The new bill increases the government's guarantee amount to 25 percent of the conforming loan amount, instead of, the guaranteed amount limit. For example, a veteran purchasing a 1 million dollar home would have 25% (\$181,631.25) of the maximum guaranteed amount of \$726,525 backed by the government. This new bill introduces language that removes the "lesser of the maximum guarantee amount" and increases the guaranteed portion to 25% of the loan. In this example, the guaranteed amount of a 1 million dollar home loan would be \$250,000.

The Veteran thus gets more of his/her loan guaranteed making them a more attractive customer to lenders. Lenders get more money guaranteed from the government minimizing risk. This bill reduces the guidelines of the VA guarantee. Data suggests more expensive VA home loans have a smaller default rate.¹⁷

The bill also removes provisions in 38 U.S.C. §3762 that requiring VA establish a memorandum of understanding with tribal organizations before making a direct loan to a veteran. This legislation also adds language to waive fees for Purple Heart Recipients.

¹⁶ American Legion Res. No. 70 (2016): [Improve Transition Assistance Program](#)

¹⁷Ben Lane, "Adding this one test could cut FHA default rates in half," Housing Wire, July 2017, <https://www.housingwire.com/articles/30672-adding-this-one-test-could-cut-fha-default-rates-in-half>

Through *Resolution No. 329: Support Home Loan Guaranty Program*, The American Legion supports legislation ending predatory loan churning targeting veterans with VA home loans, and American Legion Resolution No. 314: *Support Elimination of the VA Home Loan Funding Fee*¹⁸, supports the removal of the VA Home Loan funding fee requirement.

The American Legion supports this Draft Bill.

DISCUSSION DRAFT

To make certain improvements to the Edith Nourse Rogers STEM Scholarship program of the Department of Veterans Affairs

The American Legion wants all veterans to succeed and would like to see more veterans enter Science, Technology, Engineering and Math (STEM) fields. To support this, we successfully supported the creation of the Edith Nourse Rogers STEM Scholarship program, extending the GI Bill for up to nine additional months of eligibility for eligible veterans.

Unfortunately, feedback from schools indicates provisions of this scholarship preclude the majority of education programs from participation due to the requirement that eligible programs of study be at least 128 semester credit hours. While 128 credit hours are a common requirement to earn many Bachelor of Science Degrees, it is exceptionally rare that the entireties of these credits are within one course of study. This bill eliminates this arbitrary goal post by striking the requirement for credit hours for completion in a standard undergraduate college degree.

Through *Resolution No. 318: Ensuring the Quality of Servicemember and Veteran Student's Education at Institutions of Higher Education*, The American Legion supports any legislative proposal that improves the Post-9/11 GI Bill.¹⁹

The American Legion supports this Draft Bill.

DISCUSSION DRAFT – FRY SCHOLARSHIP IMPROVEMENT ACT OF 2019

To expand eligibility for the Marine Gunnery Sergeant John David Fry Scholarship to children and spouses of certain members of the reserve components of the Armed Forces who die from service-connected disabilities, and for other purposes

Under current law, if an active duty servicemember attends a training exercise, becomes ill, returns home, and then passes away, the branch of service considers this loss “in the line of duty” and service-connected by VA. Fry affords the family much-needed death gratuity benefits including the Fry Scholarship and Survivor Benefit Plan (SBP).

¹⁸ American Legion Res. No. 314 (2016): [Support Elimination of the VA Home Loan Funding Fee](#)

¹⁹ American Legion Res. No. 318 (2016): [Ensuring the Quality of Servicemember and Veteran Student's Education at Institutions of Higher Education](#)

If a reserve servicemember attends the same training exercise and suffers the same fate, the branch of service does not consider the loss “in the line of duty”, and the surviving family is ineligible for a line-of-duty investigation. This arbitrary difference eliminates the eligibility for the Fry Scholarship, and while in some cases the death may be deemed service connected for the purpose of SBP they are set up to fail.

The Fry Scholarship Improvement Act of 2019 would establish long-deserved parity between active duty and reserve death gratuity benefits, by amending the eligibility for Fry Scholarship to include the child or spouse of a member of the select reserve who died not later than four years after the date of the last discharge, or release of that member from active duty or active duty training.

While The American Legion applauds this effort, it is concerned that the statutes may be interpreted to exclude Reserve servicemembers who die after attending inactive duty training (IDT) under Title 10 U.S.C. 10147 authority.

Resolution No. 318: Ensuring the Quality of Servicemember and Veteran Student’s Education at Institutions of Higher Education, The American Legion supports any legislative proposal that improves the Post-9/11 GI Bill.²⁰

The American Legion supports the Fry Scholarship Improvement Act of 2019 but requests additional amendments to cover survivors of persons who dies within 4 years of discharge or release from inactive-duty training.

DISCUSSION DRAFT

To improve the ability of veterans to receive in-state tuition using educational assistance administered by the Secretary of Veterans Affairs.

The American Legion believes that the commitment servicemembers make to protect our country affords them the right in-state college tuition rates at public universities for VA education benefits.

In 2014, the VA mandated that all student veterans be eligible for in-state tuition at public colleges and universities regardless of their residency status, eliminating the need for veterans seeking a post-secondary credential to accrue student loan debt while attending a public institution. While this was welcomed, it came with several caveats:

- Only applied to veterans who enroll in school within 3 years of discharge or their dependents
- Fry Scholarship recipients must enroll within 3 years of their parent's date of death
- GI Bill recipients who were originally within the 3 year time period when they started school before July 2, 2015, but are now past their 3 year eligibility are not covered

²⁰ American Legion Res. No. 318 (2016): [*Ensuring the Quality of Servicemember and Veteran Student’s Education at Institutions of Higher Education*](#)

In 2016 Public Law 114-315, also known as the "Jeff Miller and Richard Blumenthal Veterans Health Care and Benefits Improvement Act" expanded these provisions further to:

- Dependents using [transferred Post-9/11 GI Bill benefits](#) who lives in the state where the school is located and the transferor is an active-duty member of the military
- Survivors using benefits under the [Fry Scholarship](#) who lives in the state where the school is located (regardless of their formal state of residence).

Now, we believe that it is time to amend statutes to recognize a core truth: that veterans, military dependents and survivors are a value-add to campuses regardless of their date of separation. Just as the Harry W. Colmery Veterans Educational Assistance Act ushered in a Forever GI Bill, forever in-state tuition should follow. This Draft Bill assures this by striking the three-year separation cap from Title 38.

American Legion Resolution No. 318 supports legislation that improves the GI Bill so servicemembers veterans, and their families can maximize its usage.²¹

The American Legion supports this Draft Bill.

CONCLUSION

The American Legion thanks this subcommittee for the opportunity to elucidate the position of the over 2.2 million veteran members of this organization. For additional information regarding this testimony, please contact Mr. Jonathan Espinoza, Policy Associate of the Legislative Division at The American Legion, at (202-263-5756 or JEspinoza@legion.org).

²¹ American Legion Res. No. 318 (2016): [Ensuring the Quality of Servicemember and Veteran Student's Education at Institutions of Higher Education](#)