

STATEMENT OF
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VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE

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

WITH RESPECT TO

**H.R. 294, H.R. 1169, H.R. 1182, H.R. 2416, H.R. 2461, H.R. 2614, H.R. 2696, H.R. 2874, H.R. 2928,
H.R. 3223, H.R. 3554, H.R. 3561, H.R. 3577, and H.R. 3579.**

WASHINGTON, DC

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MADAM CHAIRWOMAN AND MEMBERS OF THIS SUBCOMMITTEE:

On behalf of the 2.2 million members of the Veterans of Foreign Wars of the United States and our Auxiliaries, I would like to thank this committee for the opportunity to testify. The issues under consideration today are of great importance to our members and the entire veteran population.

The economic downturn has impacted the entire nation and nowhere is it more demoralizing than with our recently separated veterans. The most recent monthly survey from the Bureau of Labor Statistics highlighted the dire situation facing America's newest veterans. There are only 9,000 fewer unemployed post-9/11 servicemembers in the United States than there are servicemembers in Iraq and Afghanistan (185,000 unemployed—194,000 in OEF & OIF). The economic stimulus may or may not be working, but it surely is not working for veterans.

In March of this year, the Veterans of Foreign Wars testified before this body that the economic stimulus was largely circumventing this at-risk population. We worked with the Senate prior to passage of the economic stimulus, in an attempt to pass legislation that would help America help veterans in the economic stimulus and through these tough times. However, these changes never occurred.

In consideration of this, and the startling unemployment numbers for post-9/11 veterans, the VFW requests that any and all federal stimulus money be subjected to the same requirements it currently is as if it were directly spent by the federal government. Federal laws relating to veterans preference and contracting are being circumvented by distributing large sums of federal money in the form of state grants.

The VFW believes expansion of any government workforce as a result of stimulus funds should be bound, as a condition for use of federal dollars, to adhere to all federal veterans' employment laws; specifically the *Veterans Employment Opportunity Act*. Any government contracts awarded due to federal stimulus funding should be bound to set-aside 3% of all such contracts and sub-contracts for disabled veteran owned small businesses (SDVOSBs) as required by P.L. 106-50. Any company that receives a contract of more than \$100,000, and was funded in any part from the federal stimulus, should also be bound by the *Jobs for Veterans Act*.

Our nation's economic stimulus package should not be a mechanism for skirting federal veterans' employment and small business laws. Less than one-half of the total stimulus dollars have been distributed and this needs to be corrected immediately.

H.R. 294, to amend title 38, United States Code, to provide for the reauthorization of the Department of Veterans Affairs small business loan program, and for other purposes.

The Veterans of Foreign Wars does not have a formal position on H.R. 294 at this time. In previous testimony before the House Small Business Committee, VFW urged Congress to create a direct loan or hybrid loan program via the Small Business Administration for veterans' small businesses. Many have argued that the better route is to raise loan guarantees thereby increasing the lender's incentive to provide veterans with capital. However, the VFW has found that if lenders are not lending, as has been the case in the current economic situation, raising loan guarantees is insufficient. Offering an array of financial tools, guarantees, and/or a direct loan program, would increase veterans' options in regard to starting and maintaining businesses. Clearly, different types of loans would require different conditions of lending based on the situational factors of the veteran.

H.R. 1169, to amend title 38, United States Code, to increase the amount of assistance provided by the Secretary of Veterans Affairs to disabled veterans for specially adapted housing and automobiles and adapted equipment.

The Veterans of Foreign Wars offers its enthusiastic support for H.R. 1169; legislation that would increase the amount of assistance provided by VA to disabled veterans for specially adapted housing, automobiles and adapted equipment.

For many years the amount of grants provided to certain severely disabled veterans who need adaptations made to home or automobiles have not kept pace with inflation causing the benefit to erode. VFW believes that H.R. 1169 would provide much needed relief by increasing from \$12,000 to \$36,000 the maximum amount authorized by VA for specially adapted features in a home and from \$60,000 to \$180,000 for the construction of specially adapted housing. It also makes a much needed change to the adaptive automobile benefit by providing up to \$33,000 for the purchase of an automobile and specially modified automobile equipment for our severely disabled veterans and servicemembers.

H.R. 1182, to amend the Servicemembers Civil Relief Act to guarantee the equity of spouses of military personnel with regard to matters of residency, and for other purposes.

The Veterans of Foreign Wars strongly supports H.R. 1182. This important legislation would amend the *Servicemembers Civil Relief Act* so that certain rights and protections of this act apply not only to servicemembers, but to their spouses as well. Particularly, this legislation provides a guarantee of residency for spouses for voting purposes. Spouses of servicemembers who have moved out of state will no longer be deemed to have lost residency in their original state, nor be deemed to have acquired a residence in any other state. Thus, spouses' voting eligibility will be kept to their original state of residence if they choose.

Also of importance, this legislation helps determine residency of spouses of servicemembers in dealing with taxes. A spouse's relocation will neither cause them to lose nor gain state residency as long as they moved to their new location for the sole purpose of being with their spouse who moved due to military orders. A spouse's income will not be deemed to be income within the new tax jurisdiction. Lastly, H.R. 1182 applies the suspension of land rights residency requirement to the spouses of service members.

H.R. 2416, to require the Department of Veterans Affairs to use purchases of goods or services through the Federal supply schedules for the purpose of meeting certain contracting goals for participation by small business concerns owned and controlled by veterans, including veterans with service-connected disabilities.

The Veterans of Foreign Wars supports this legislation that would help the federal government meet its legally established 3% disabled veteran owned small business (SDVOSB) set-aside mandate of all federal contracts. Ten years have gone by since the passage of P.L. 106-50, and the federal government has yet to surpass 1.5% of all federal contracts. The VFW calls on Congress to step up its efforts to ensure governmental departments meet their established mandates.

This particular legislation would extend an opportunity to veteran small businesses to fulfill regularly and often needed consumable items of the VA.

According to the VA, the National Acquisition Center Federal Supply Schedule Service is responsible for establishing, soliciting, awarding, and administering the VA's Federal Supply Schedule Program, which currently consists of 8 active schedules. These schedules encompass such products as pharmaceuticals; medical equipment and supplies; dental supplies; x-ray equipment and supplies (including medical and dental x-ray film); patient mobility devices (including wheelchairs, scooters, walkers, etc.); antiseptic skin cleansers, detergents and soaps; in vitro diagnostics, reagents, test kits and sets; and clinical analyzers, laboratory cost-per-test. There are a total of over 1,200 contracts in place for the various commodity groups. Annual sales against these contracts exceed \$2 billion. All Federal Supply Schedule contracts are multiple award, indefinite delivery-indefinite quantity type, and are national in scope. These contracts are available for use by all Government agencies including but not limited to: VA medical centers, Department of Defense, Bureau of Prisons, Indian Health Services, Public Health Services, some State Veterans Homes, etc. Performance periods can be established up to five years in length.

H.R. 2461, to amend title 38, United States Code, to clarify the responsibility of the Secretary of Veterans Affairs to verify the veteran status of the owners of small business concerns listed in the database maintained by the secretary.

The Veterans of Foreign Wars strongly supports this legislation that would verify small businesses that claim to be veteran or disabled veteran owned are in fact owned and operated by those veterans. The potential exists for companies to claim veteran status in order to gain unearned access to veterans' business benefits. These companies then may become competitors of benefit eligible veteran or disabled veteran owned businesses.

This legislation would require VA to confirm a small business is owned and controlled by veterans and a veteran/s are in fact disabled prior to being listed in the VA's database of veteran owned and service disabled veterans. The legislation would also require all unverified parties currently in the database be verified within 60 days of the passage of this Act. The VFW hopes to see both the VA and Congress address this issue immediately.

H.R. 2614, to amend title 38, United States Code, to reauthorize the Veterans' Advisory Committee on Education.

The Veterans of Foreign Wars supports H.R. 2614 which would allow the Veterans' Advisory Committee on Education to continue to serve our veterans for another six years. The Veterans' Advisory Committee on Education is an important committee that provides advice on the administration of education and training programs to our veterans.

H.R. 2696, to amend the Servicemembers Civil Relief Act to provide for the enforcement of rights afforded under that Act.

The VFW strongly supports this legislation that would add a new title VIII to the *Servicemembers Civil Relief Act* to enhance the protections provided under that Act for servicemembers and their dependents.

This legislation would authorize the Attorney General to commence a civil action in any appropriate United States District Court whenever the Attorney General has reasonable cause to believe that any person or group of persons is engaged in, or has engaged in a pattern or practice of conduct in violation of any provision of the *Servicemembers Civil Relief Act*; or any person or group of persons is denying, or has denied, any person or group of persons any protection afforded by any provision of this Act, and such denial raises an issue of general public importance. It establishes the right of those persons individually protected by the Act to intervene in any action brought by the Attorney General and to receive injunctive and monetary relief, along with reasonable attorneys' fees and costs.

The Act would also clarify that those persons individually protected by the Act have their own personal cause of action, independent of any enforcement action the Attorney General might initiate. Those individually protected who bring their own private action may generally seek and obtain the same remedies available upon intervention in an action brought by the Attorney General.

Furthermore, this act would make explicit that in addition to attorneys' fees, consequential and punitive damages may be awarded for violations of the Act. Although some courts have found such damages to be implied, others have not. This disparity will now be eliminated.

H.R. 2874, to amend the Servicemembers Civil Relief Act to improve the equitable relief available for servicemembers called to active duty, and for other purposes.

The VFW supports this legislation which addresses rent and lease amounts for premises and motor vehicles for service members. H.R. 2874 states that unpaid lease amounts preceding the effective date of the lease will be paid on a prorated basis. This legislation also prohibits the lessor from imposing an early termination charge. However, any taxes, summonses, title and registration fees, or other obligations and liabilities would still be paid by the lessee.

This legislation also addresses tuition relief for postsecondary students who are called to military service. H.R. 2874 would allow for a student, who is a member of the military, to get reimbursed for their tuition and fees for school if they are called away to military action and are thus absent and do not receive school credit. These refunds however do not include tuition or fees paid on behalf of the student by scholarships awarded to the student by the institution of higher learning or through funds awarded under Title 20 U.S.C.

H.R. 2928, to amend title 38, United States Code, to provide for an apprenticeship and on-job training program under the Post-9/11 Veterans Educational Assistance Program.

While the VFW fully supports the intent of H.R. 2928 the legislation needs clarification. The VFW fully supports providing apprenticeship and on-job training under the purview of the Post-9/11 Veterans Educational Assistance Program. However, H.R. 2928 is not clear in that it does not provide a clear measurement for the benefit. The VFW believes that the current suggested criteria would actually provide less for apprenticeship training than is currently provided under Chapter 30 educational benefits. Therefore, the VFW suggests that the minimum that be offered under Chapter 33 be that which is currently offered under chapter 30 with that rate being tied to a favorable annual rate of inflation.

H.R. 3223, to amend title 38, United States Code, to improve the Department of Veterans Affairs contracting goals and preferences for small business concerns owned and controlled by veterans.

The Veterans of Foreign Wars strongly supports H.R. 3223. This important legislation would clarify a long-standing issue in the veterans' business community by simply changing "may" to "shall" in regards to a GAO interpretation of the law that caused massive confusion in regards to priority of contracting set-asides. Furthermore, the legislation would clarify that veterans who may own more than one business would not be a means for disqualification of small business set-asides. Also, the legislation would clarify the term "control of management and daily business operations."

H.R. 3554, to amend title 38, United States Code, to provide for the inclusion of certain active-duty service in the reserve components as qualifying service for purposes of Post-9/11 Educational Assistance Program, and for other purposes.

The Veterans of Foreign Wars strongly supports this legislation that would qualify certain members of the Army National Guard who were activated under title 32 orders but due to a clerical error were excluded from Chapter 33 benefits. Over 30,000 members of the National Guard who currently do not enjoy the benefits of the Post 9/11 GI Bill but may have been actively involved in both Operation Iraqi Freedom and Operation Enduring Freedom would become eligible for it. In regards to post-9/11 G.I. Bill fixes, this is the VFW's number one priority. Certain veterans who should be eligible for the benefit are not and the VFW strongly encourages Congress to address this issue as quickly as possible.

H.R. 3561, to amend title 38, United States Code, to increase the amount of educational assistance provided to certain veterans for flight training.

The Veterans of Foreign Wars supports this legislation that would allow veterans to receive additional assistance paying for their flight school programs. This important legislation increases the amount of educational funding for flight programs from 60% to 75% of the immediate costs up to the maximum amount of benefit provided under Chapter 30 educational benefits. H.R. 3561 would help eliminate funding barriers facing veterans interested in using their educational benefits to pursue certified flight training programs.

H.R. 3577, to amend title 38, United States Code, to provide authority for certain members of the Armed Forces who have served 20 years on active duty to transfer entitlement to Post-9/11 Educational Assistance to their dependants.

The Veterans of Foreign Wars strongly supports this legislation. H.R. 3577 would make eligible for the transferability of the Post-9/11 G.I. Bill all active duty military that served at least 90 days after September 10, 2001 and retired with 20 years of service between the dates of September 11, 2001 and July 31, 2009. The VFW has received numerous calls and emails from upset soldiers, sailors, and marines who found the August 1, 2009 deadline unfair. Had many of these servicemembers known such a benefit was going to be available many would have likely extended in order to receive it. The VFW believes these men and women served their country proudly and honorably during a time of war and ought to be offered the same benefit as their counterparts.

H.R. 3579, to amend title 38, United States Code, to provide for an increase in the amount of the reporting fees payable to educational institutions that enroll veterans receiving educational assistance from the Department of Veterans Affairs, and for other purposes.

The VFW supports this legislation that would raise the reporting fees, payable to institutions that enroll veterans receiving educational assistance from the VA, from \$7 or \$11 dollars to \$50 dollars. This will raise the funding levels of institutions in order to assist them with the large influx of veterans using the post-9/11 G.I. Bill.

Madam Chairwoman, this concludes my testimony and I will be pleased to respond to any questions you or the members of this Subcommittee may have. Thank you.