

Union Calendar No. 70

112th Congress, 1st Session - - - - - House Report 112-120

FIRST SEMIANNUAL REPORT OF THE
ACTIVITIES

OF THE

COMMITTEE ON VETERANS' AFFAIRS

OF THE

HOUSE OF REPRESENTATIVES

DURING THE

ONE HUNDRED TWELFTH CONGRESS

PURSUANT TO

CLAUSE 1(d) RULE XI OF THE RULES OF THE HOUSE
OF REPRESENTATIVES



JUNE 24, 2011.—Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

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LETTER OF TRANSMITTAL

HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, June 24, 2011.

Hon. KAREN L. HAAS,
Clerk of the House of Representatives,
Washington, DC.

DEAR MS. HAAS: In accordance with clause 1(d) of rule XI of the Rules of the House of Representatives, I submit herewith the report of the Committee on Veterans' Affairs setting forth its activities in reviewing and studying the application, administration, and execution of those laws, the subject matter of which is within the jurisdiction of our committee.

Sincerely,

JEFF MILLER,
Chairman.

FOREWORD

The number of new veterans from Operation Enduring Freedom (OEF), Operation Iraqi Freedom (OIF), and Operation New Dawn continues to increase. The U.S. Department of Veterans Affairs (VA) also serves veterans from past conflicts, including World War II, Vietnam, Korea, Desert Shield, and Desert Storm. In the 112th Congress, the House Committee on Veterans' Affairs, and the House, has begun to pass significant legislation, and provide proper oversight to make certain that our veterans receive the care and benefits that they rightfully deserve.

In March of 2011 the Committee sent its Views and Estimates letter to the House Committee on the Budget. The letter was sent with great bipartisan support, receiving 22 signatures from the Members of this Committee. The Committee's budget request ensures that our Nation's heroes will receive the care and benefits they deserve, even during times of fiscal restraint.

On May 12, 2011, the Committee favorably reported six bills to the House for consideration. All six passed the House with overwhelming bipartisan support. The legislation included fixes to the Post-9/11 GI Bill to keep current student veterans in the school of their choice (H.R. 1383); would establish a new process for the placement of monuments at Arlington National Cemetery, as well as enforce the reservation process at Arlington (H.R. 1627); impose penalties for small businesses claiming veteran-owned status (H.R. 1657); and reissue the annual Cost-of-Living Adjustment for veterans and survivors (H.R. 1407); help cut down on the bureaucracy experienced by veterans with pending claims by eliminating unwanted duplication of review of claims (H.R. 1484); as well as the implementation of a recognition program in the Department of Veterans Affairs to highlight businesses that hire veterans, the "VetStar Award Program" (H.R. 802).

Oversight—During the 112th Congress, the House Committee on Veterans' Affairs has begun to conduct a substantial number of oversight hearings. The hearings have had a diverse range of topics, with one constant remaining the same, the commitment to helping our veterans. We will continue to make sure that the VA is working in a manner that best assists the veterans, while also operating in a way that most efficiently uses the funds appropriated to them. The cause of aiding veterans is far too righteous for us to allow for any wasteful spending within the VA.

Acknowledgments—Although the 112th Congress is young, and while we still have much to accomplish, the work of my colleagues on this Committee thus far should not go unnoted. If their fervor for helping Veterans remains at the level it is, then I know this will be a very successful Congress for the Committee. I would like

to thank the Honorable Bob Filner, Ranking Democratic Member of the Committee, for his tireless work to help our veterans. I also want to thank the Chairs and Ranking Democratic Members of the Subcommittees for all of their hard work: Honorable Jon Runyan and Honorable Jerry McNerney of the Subcommittee on Disability Assistance and Memorial Affairs; Honorable Marlin A. Stutzman and Honorable Bruce L. Braley of the Subcommittee on Economic Opportunity; Honorable Ann Marie Buerkle and Honorable Michael H. Michaud of the Subcommittee on Health; and, Honorable Bill Johnson and Honorable Joe Donnelly of the Subcommittee on Oversight and Investigations.

I would also like to thank the staff of the House Committee on Veterans' Affairs. Their hard work and dedication to veterans' issues have a profound impact on the people we serve.

Well known reporter and author, Elmer Davis, once stated, "This Nation will remain the land of the free only so long as it is the home of the brave." If we, as Americans, continue to know this to be an unequivocal truth, then it remains our noble obligation to help the brave, as they have helped us.

JEFF MILLER,
Chairman.

CONTENTS

	Page
Jurisdiction of the House Committee on Veterans' Affairs.	1
Rules of the Committee on Veterans' Affairs	3
Activities of the Committee	5
Activities of the Subcommittees:	
Subcommittee on Disability Assistance and Memorial Affairs	8
Subcommittee on Economic Opportunity	9
Subcommittee on Health	11
Subcommittee on Oversight and Investigations	12
Hearings and Executive Sessions	13
Committee Websites	15
Oversight Plan for 112th Congress	17
Report on the budget proposed for fiscal year 2012	29
Messages from the President and other Executive Branch communications	40

Union Calendar No. 70

112TH CONGRESS }
1st Session } HOUSE OF REPRESENTATIVES { REPORT
112-120

FIRST SEMIANNUAL REPORT OF THE ACTIVITIES OF THE COMMITTEE ON VETERANS' AFFAIRS

HOUSE OF REPRESENTATIVES

JUNE 24, 2011.—Committed to the Committee of the Whole House on the State of
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JANUARY 3—JUNE 15, 2011

Mr. MILLER, from the Committee on Veterans' Affairs, pursuant to
Clause 1(d) Rule XI, submitted the following

R E P O R T

JURISDICTION

(1) There shall be four subcommittees of the Committee as follows:

(A) Subcommittee on Disability Assistance and Memorial Affairs, which shall have legislative, oversight and investigative jurisdiction over compensation; general and special pensions of all the wars of the United States; life insurance issued by the Government on account of service in the Armed Forces; cemeteries of the United States in which veterans of any war or conflict are or may be buried, whether in the United States or abroad, except cemeteries administered by the Secretary of the Interior; burial benefits; the Board of Veterans' Appeals; and the United States Court of Appeals for Veterans Claims.

(B) Subcommittee on Economic Opportunity, which shall have legislative, oversight and investigative jurisdiction over education of veterans, employment and training of veterans, vocational rehabilitation, veterans housing programs, readjustment of servicemembers to civilian life, and servicemembers civil relief.

(C) Subcommittee on Health, which shall have legislative, oversight, and investigative jurisdiction over the Veterans Health Administration (VHA) including medical

services, medical support and compliance, medical facilities, medical and prosthetic research, and major and minor construction.

(D) Subcommittee on Oversight and Investigations, which shall have oversight and investigative jurisdiction over veterans matters generally, information technology, procurement, and over such matters as may be referred to the subcommittee by the Chairman of the full Committee for its oversight or investigation and for its appropriate recommendations. The subcommittee shall have legislative jurisdiction over such bills or resolutions as may be referred to it by the Chairman of the full Committee. Provided, however, that the activities of the Subcommittee shall in no way limit the responsibility of the other subcommittees of the Committee on Veterans' Affairs for carrying out their oversight duties.

(2) Each subcommittee shall have responsibility for such other measures or matters as the Chairman refers to it.

(b) VACANCIES.—Any vacancy in the membership of a subcommittee shall not affect the power of the remaining members to execute the functions of that subcommittee.

(c) RATIOS.—On each subcommittee, there shall be a ratio of majority party members to minority party members which shall be consistent with the ratio on the full Committee.

(d) REFERRAL TO SUBCOMMITTEES.—The Chairman of the Committee may refer a measure or matter, which is within the general responsibility of more than one of the subcommittees of the Committee, as the Chairman deems appropriate. In referring any measure or matter to a subcommittee, the Chairman of the Committee may specify a date by which the subcommittee shall report thereon to the Committee.

(e) POWERS AND DUTIES—

(1) Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the full Committee on all matters referred to it or under its jurisdiction. Subcommittee chairmen shall set dates for hearings and meetings of their respective subcommittees after consultation with the Chairman of the Committee and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of Committee and subcommittee meetings or hearings whenever possible.

(2) Whenever a subcommittee has ordered a bill, resolution, or other matter to be reported to the Committee, the Chairman of the subcommittee reporting the bill, resolution, or matter to the full Committee, or any member authorized by the subcommittee to do so shall notify the Chairman and the ranking minority party member of the Committee of the Subcommittee's action.

(3) A member of the Committee who is not a member of a particular subcommittee may sit with the subcommittee during any of its meetings and hearings, but shall not have authority to vote, cannot be counted for a quorum, and cannot raise a point of order at the meeting or hearing.

(4) Each subcommittee shall provide the Committee with copies of such record votes taken in subcommittee and such other records with respect to the subcommittee as the Chair-

man of the Committee deems necessary for the Committee to comply with all rules and regulations of the House.

RULE 6—GENERAL OVERSIGHT RESPONSIBILITY

(a) **PURPOSE.**—Pursuant to clause 2 of Rule X of the Rules of the House, the Committee shall carry out oversight responsibilities. In order to assist the House in—

(1) Its analysis, appraisal, evaluation of—

(A) The application, administration, execution, and effectiveness of the laws enacted by the Congress, or

(B) Conditions and circumstances, which may indicate the necessity or desirability of enacting new or additional legislation, and

(2) Its formulation, consideration and enactment of such modifications or changes in those laws, and of such additional legislation, as may be necessary or appropriate, the Committee and its various subcommittees, consistent with their jurisdiction as set forth in Rule 5, shall have oversight responsibilities as provided in subsection (b).

(b) **REVIEW OF LAWS AND PROGRAMS.**—The Committee and its subcommittees shall review and study, on a continuing basis, the applications, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of the Committee or subcommittee, and the organization and operation of the Federal agencies and entities having responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, curtailed, or eliminated. In addition, the Committee and its subcommittees shall review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of the Committee or subcommittee (whether or not any bill or resolution has been introduced with respect thereto), and shall on a continuing basis undertake future research and forecasting on matters within the jurisdiction of the Committee or subcommittee.

(c) **OVERSIGHT PLAN.**—Not later than February 15 of the first session of a Congress, the Committee shall meet in open session, with a quorum present, to adopt its oversight plans for that Congress for submission to the Committee on House Administration and the Committee on Oversight and Government Reform, in accordance with the provisions of clause 2(d) of Rule X of the Rules of the House.

(d) **OVERSIGHT BY SUBCOMMITTEES.**—The existence and activities of the Subcommittee on Oversight and Investigations shall in no way limit the responsibility of the other subcommittees of the Committee on Veterans' Affairs for carrying out oversight duties.

RULE 7—BUDGET ACT RESPONSIBILITIES

(a) **BUDGET ACT RESPONSIBILITIES.**—Pursuant to clause 4(f)(1) of Rule X of the Rules of the House, the Committee shall submit to the Committee on the Budget not later than six weeks after the

President submits his budget, or at such time as the Committee on the Budget may request—

(1) Its views and estimates with respect to all matters to be set forth in the concurrent resolution on the budget for the ensuing fiscal year that are within its jurisdiction or functions; and

(2) An estimate of the total amounts of new budget authority, and budget outlays resulting therefrom, to be provided or authorized in all bills and resolutions within its jurisdiction that it intends to be effective during that fiscal year.

RULE 8—RECORDS AND OTHER MATTERS

(a) **TRANSCRIPTS.**—There shall be a transcript made of each regular and additional meeting and hearing of the Committee and its subcommittees. Any such transcript shall be a substantially verbatim account of remarks actually made during the proceedings, subject only to technical, grammatical, and typographical corrections authorized by the person making the remarks involved.

(b) **RECORDS—**

(1) The Committee shall keep a record of all actions of the Committee and each of its subcommittees. The record shall contain all information required by clause 2(e)(1) of Rule XI of the Rules of the House and shall be available for public inspection at reasonable times in the offices of the Committee.

(2) There shall be kept in writing a record of the proceedings of the Committee and each of its subcommittees, including a record of the votes on any question on which a recorded vote is demanded. The result of each such record vote shall be made available by the Committee for inspection by the public at reasonable times in the offices of the Committee. Information so available for public inspection shall include a description of the amendment, motion, order or other proposition and the name of each member voting for and each member voting against such amendment, motion, order, or proposition, and the names of those members present but not voting.

(c) **AVAILABILITY OF ARCHIVED RECORDS.**—The records of the Committee at the National Archives and Records Administration shall be made available for public use in accordance with Rule VII of the Rules of the House. The Chairman shall notify the ranking minority member of any decision, pursuant to clause 3 or clause 4 of Rule VII of the Rules of the House, to withhold a record otherwise available, and the matter shall be presented to the Committee for a determination on written request of any member of the Committee.

(d) **AVAILABILITY OF PUBLICATIONS.**—Pursuant to clause 2(e)(4) of Rule XI of the Rules of the House, the Committee shall make its publications available in electronic form to the maximum extent feasible.

LEGISLATIVE ACTIVITIES

Full Committee Markup of H.R. 1407, Veterans' Compensation Cost-of-Living Adjustment Act of 2011; H.R. 1484, Veterans Appeals Improvement Act of 2011; H.R. 1627, Honoring American Veterans Act of 2011; H.R. 1383, Honoring American Veterans Act of 2011; H.R. 1657, To amend title 38, United States Code, to revise the enforcement penalties for misrepresentation of a business concern as a small business concern owned and controlled by veterans or as a small business concern owned and controlled by service-disabled veterans; and, H.R. 802, A bill to amend title 38, United States Code, to direct the Secretary of Veterans Affairs to establish a VetStar Award Program

On May 12, 2011, the House Committee on Veterans' Affairs met and marked up six bills which were reported favorably to the House: H.R. 1407, as amended, (See H. Rept. 112-82); H.R. 1484, as amended, (See H. Rept. 112-83); H.R. 1627, as amended, (See H. Rept. 112-84, Part 1); H.R. 1383, as amended, (See H. Rept. 112-81); H.R. 1657, (See H. Rept. 112-85); and H.R. 802, as amended, (See H. Rept. 112-80).

On May 23, 2011, the House agreed to suspend the rules and pass H.R. 1407, as amended, by voice vote, H.R. 1627, by a vote of 380-0 (Roll No. 330), H.R. 1383, as amended, by a vote of 389-0 (Roll No. 331), and H.R. 1657, as amended, by a vote of 385-1 (Roll No. 332).

On May 31, 2011, the House agreed to suspend the rules and pass H.R. 1484, as amended, by a vote of 419-1 (Roll No. 377)

On June 1, 2011, the House agreed to suspend the rules and pass H.R. 802, as amended, by a vote of 408-11 (Roll No. 383).

OVERSIGHT ACTIVITIES

Full Committee—Alleged Violations of the Servicemembers Civil Relief Act

On February 9, 2011, the full Committee held an oversight hearing on mortgage-related violations of the Servicemembers Civil Relief Act (SCRA) by JP Morgan Chase Bank. The hearing focused on improper foreclosures by JP Morgan on the homes of servicemembers.

The first panel included Captain Jonathon Rowles (USMC), a servicemember whose home was improperly foreclosed upon by JP Morgan. He was accompanied by attorneys Dick Harpootlian and William Harvey. The panel discussed the added stress that the improper foreclosures have on the families of servicemembers.

On the second panel, a bank representative admitted that the bank violated the SCRA by improperly charging interest on some 4,500 active duty servicemembers' mortgages beyond the 6 percent cap that is required under the law. The witness also admitted that the bank further violated SCRA by improperly foreclosing on 18 servicemembers' homes while they were deployed.

The third panel included Hollister K. Petraeus, from the Department of the Treasury, and Col. Shawn Shumake of the Department of Defense. They testified about the importance of SCRA and better

ways to protect our servicemembers in the future from improper foreclosures. See *Alleged Violations of the Servicemembers Civil Relief Act*, Serial No. 112-1.

Full Committee Hearing—VA Budget Request for FY 2012

On February 17, 2011, the full Committee held a hearing to address the Administration's budget request for the U.S. Department of Veterans Affairs.

The Honorable Eric K. Shinseki, Secretary of the U.S. Department of Veterans Affairs, and numerous VSO's provided testimony. See *U.S. Department of Veterans Affairs Budget Request for Fiscal Year 2012*, Serial No. 112-2.

Full Committee Hearing—Deconstructing the U.S. Department of Veterans Affairs Construction Planning

On April 5, 2011, the full Committee held a hearing to discuss the transition of the VA construction planning process from a five-year to a ten-year plan.

The hearing focused on examining VA's capital asset planning and construction plan detailed in the VA FY2012 construction authorization budget request. The discussion revolved around underutilized and vacant properties; evaluation and consideration of alternatives to planned investments; and prioritization of new projects and renovations.

The first panel was made up of the Honorable W. Scott Gould, Deputy Secretary, U.S. Department of Veterans Affairs. Gould acknowledged that "on average, VA buildings are more than 60 years old." Further, Secretary Gould noted that with introduction of SCIP (the Strategic Capital Investment Planning process), "VA has instituted a rigorous capital planning process that quantifies and prioritizes the need to repair, upgrade, dispose of, or replace VA's aging infrastructure and address the current and future needs of America's veterans within the context of prudent capital investment decision making."

The second panel included Lorelei St. James, Acting Director, Physical Infrastructure Issues, U.S. Government Accountability Office, and Raymond Kelly, Director, National Legislative Service, Veterans of Foreign Wars of the United States. See *Deconstructing the U.S. Department of Veterans Affairs Construction Planning*, Serial No. 112-5.

Full Committee—Sacred Obligation: Restoring Veteran Trust and Patient Safety

On May 3, 2011, the Full Committee held a hearing entitled, "Sacred Obligation: Restoring Veteran Trust and Patient Safety," regarding the failure to act and haphazard notification processes on behalf of the Department of Veterans Affairs (VA) concerning medical sanitization processes at major VA facilities including those in Miami, Florida; St. Louis, Missouri; and Dayton, Ohio.

Testifying before the Committee were, The Honorable Robert A. Petzel, M.D., Under Secretary for Health, Veterans Health Administration, U.S. Department of Veterans Affairs; John D. Daigh, Assistant Inspector General for Healthcare Inspections, Office of Inspector General, U.S. Department of Veterans Affairs; Randall B. Williamson, Director, Health Care, U.S. Government Accountability

Office; Michael Bell, M.D., Deputy Director, Division of Healthcare Quality Promotion, Centers for Disease Control and Prevention, U.S. Department of Health and Human Services; and, Anthony D. Watson, BS, MS, MBA, Director, Division of Anesthesiology, General Hospital, Infection Control, and Dental Devices, Office of Device Evaluation, Center for Devices and Radiological Health, Food and Drug Administration, U.S. Department of Health and Human Services.

The Committee was disconcerted by the apparent lack of leadership VA has demonstrated in handling these issues to date. See Sacred Obligation: Restoring Veteran Trust and Patient Safety, Serial No. 112–10.

Full Committee—Putting America’s Veterans Back to Work

On June 1, 2011, the full Committee met to discuss how to put America’s veterans back to work. With witnesses from both the private and public sectors, the Committee heard testimony that focused on measuring the effectiveness of current veteran job-training programs, bridging the gap between employers and veterans, and how to improve the system to help veterans find meaningful employment.

Testifying before the Committee were Richard A. Hobbie, Executive Director, National Association of State Workforce Agencies; Jolene Jefferies, Vice President, Strategic Initiatives, DirectEmployers Association; Kevin M. Schmiegel, Vice President, Veterans’ Employment Programs, U.S. Chamber of Commerce; Hank Jackson, Interim President and Chief Executive Officer, Society for Human Resource Management; Major General James D. Tyre, USA, Assistant Adjutant General, Florida Army National Guard; Ruth A. Fanning, Director, Vocational Rehabilitation and Employment Service, Veterans Benefits Administration, U.S. Department of Veterans; The Honorable Raymond M. Jefferson, Assistant Secretary, Veterans’ Employment and Training Service, U.S. Department of Labor; and, representative from various veterans service organizations.

See Putting America’s Veterans Back to Work, Serial No. 112–14.

Full Committee—Bridging the Gap Between Care and Compensation for Veterans

On June 14, 2011, the full Committee met to discuss mental health programs available through the VA on June 14, 2011. The ruling by the 9th U.S. Circuit Court of Appeals that cites “unchecked incompetence” by the VA in handling post-traumatic stress cases were addressed at the hearing.

Operation Iraqi Freedom (OIF) Veteran Daniel Hanson testified in front of the committee on his personal dealings with mental health, and the assistance that VA provided for him.

The second panel included Karen H. Seal, M.D., MPH, Department of Medicine and Psychiatry, Veterans Health Administration, U.S. Department of Veterans Affairs; Lieutenant General James Terry Scott, USA (Ret.), Chairman, Advisory Committee on Disability Compensation; and, Sally Satel, M.D., Resident Scholar, American Enterprise Institute.

The third panel included Ralph Ibson from the Wounded Warrior Project, Christina Roof of AMVETS, and Antoinette Zeiss of the Veterans Health Administration.

See Bridging the Gap Between Care and Compensation for Veterans, Serial No. 112–18.

**ACTIVITIES OF THE SUBCOMMITTEE ON DISABILITY
ASSISTANCE AND MEMORIAL AFFAIRS**

LEGISLATIVE ACTIVITIES

Subcommittee Markup of H.R. 1407, H.R. 1484, H.R. 1627

On May 5, 2011, the Subcommittee met and marked up H.R. 802, Veterans' Compensation Cost-of-Living Adjustment Act of 2011; H.R. 1484, Veterans Appeals Improvement Act of 2011; and, H.R. 1627, To amend title 38, United States Code, to provide for certain requirements for the placement of monuments in Arlington National Cemetery, and for other purposes.

H.R. 1407 was forwarded favorably, as amended, to the full Committee by voice vote. H.R. 1484 was forwarded favorably, as amended, to the full Committee by voice vote. H.R. 1627 was forwarded favorably, as amended, to the full Committee, by voice vote.

OVERSIGHT ACTIVITIES

Site Visit to Scottsdale, AZ

From January 28–February 2, 2011, minority staff traveled to Scottsdale, AZ, to the “VA Schedule for Rating Disabilities (VASRD) Forum: Improving VA’s Disability Evaluation Criteria.” The forum was held by the Department of Veterans Affairs, led jointly by the Veterans Benefits Administration (VBA) and the Veterans Health Administration (VHA). The forum was aimed at improving the level and fairness of payments to veterans with service-connected diseases and injuries. House and Senate Veterans’ Affairs Committee staff were invited to attend.

Subcommittee Hearing—U.S. Department of Veterans Affairs FY 2012 Budget for the Veterans Benefits Administration, National Cemetery Administration, and Related Agencies

On March 17, 2011, the Subcommittee held an oversight hearing on the U.S. Department of Veterans Affairs FY 2012 Budget for the Veterans Benefits Administration. The Honorable Michael Walcott, Acting Under Secretary for Benefits, Veterans Benefits Administration, U.S. Department of Veterans Affairs testified, on behalf of the VBA. He was joined by several VSOs as well as other members of the administration. See U.S. Department of Veterans Affairs FY 2012 Budget for the Veterans Benefits Administration, National Cemetery Administration, and Related Agencies, Serial No. 112–5.

Subcommittee Legislative Hearing—H.R. 811, H.R. 1407, H.R. 1441, H.R. 1484, H.R. 1627, H.R. 1647, and H. Con. Res. 12

On May 3, 2011, the Subcommittee held a hearing on H.R. 811, Providing Military Honors for our Nation’s Heroes Act; H.R. 1407, Veterans Compensation Cost-of-Living Adjustment Act of 2011; H.R. 1441, Reservations Act at Arlington; H.R. 1484, Veterans Ap-

peals Improvement Act of 2011; H.R. 1627, To amend title 38, United States Code, to provide for certain requirements for the placement of monuments in Arlington National Cemetery, and for other purposes; H.R. 1647, Veterans Choice in Filing Act of 2011; and, H. Con. Res. 12, Expressing the sense of Congress that an appropriate site on Chaplains Hill in Arlington National Cemetery should be provided for a memorial marker to honor the memory of the Jewish chaplains who died while on active duty in the Armed Forces of the United States. VA, Court of Appeals for Veterans Claims, and various VSOs provided testimony. See Legislative Hearing on H.R. 811, H.R. 1407, H.R. 1441, H.R. 1484, H.R. 1627, H.R. 1647, and H. Con. Res. 12, Serial No. 112–9.

Subcommittee Hearing—An Examination of Poorly Performing U.S. Department of Veterans Affairs Regional Offices

On June 2, 2011, the Subcommittee held a hearing entitled, “How to Improve Underperforming Regional Offices.” The oversight hearing focused on the performance of Department of Veterans Affairs regional offices in adjudicating veterans claims for disability compensation.

The Subcommittee, in its oversight capacity, will continue to focus on how better to enforce training, quality controls, and accountability in the processing of claims by VA. The Subcommittee will also look to best practices in other governmental agencies and the private sector to fix the institutional culture and improve the quality of work at all regional offices. See An Examination of Poorly Performing U.S. Department of Veterans Affairs Regional Offices, Serial No. 112–16.

ACTIVITIES OF THE SUBCOMMITTEE ON ECONOMIC OPPORTUNITY

LEGISLATIVE ACTIVITIES

Subcommittee Markup of H.R. 802, H.R. 1383, H.R. 1627, H.R. 1671

On May 5, 2011, the Subcommittee met and marked up H.R. 802, a bill to direct the Secretary of Veterans Affairs to establish a VetStar Award Program; H.R. 1383, Restoring GI Bill Fairness Act of 2011; H.R. 1627, To amend title 38, United States Code, to revise the enforcement penalties for misrepresentation of a business concern as a small business concern owned and controlled by veterans or as a small business concern owned and controlled by service-disabled veterans; and, H.R. 1671, the Andrew Connolly Veterans’ Housing Act.

H.R. 802 was forwarded favorably to the Full Committee by voice vote. H.R. 1383, as amended; H.R. 1627, as amended; and, H.R. 1671 were forwarded favorably to the full Committee by voice vote.

OVERSIGHT ACTIVITIES

Subcommittee Hearing—Veterans’ Employment and Training Service’s Budget and State Grant Program

On March 3, 2011, the Subcommittee held an oversight hearing on the FY2012 Budget for the Veterans’ Employment and Training Service.

Testifying before the Subcommittee were Hon. Raymond M. Jefferson, Assistant Secretary, Veterans’ Employment and Training Service, U.S. Department of Labor; Bonnie Elsey, President-Elect, National Association of State Workforce Agencies, and Senior Administrative Officer, Minnesota Department of Employment and Economic Development; and, representatives from various veterans service organizations.

See Veterans’ Employment and Training Service’s Budget and State Grant Program, Serial No. 112–3.

Subcommittee Hearing—U.S. Department of Veterans’ Affairs Vocational Rehabilitation and Employment (VR&E) Program Budget and VR&E National Counseling Contract

On March 31, 2011, the Subcommittee held a hearing on the Department of Veterans Affairs Fiscal Year 2012 budget for the Vocational Rehabilitation and Employment (VR&E) program. VR&E is a program designed to return disabled veterans to the workplace through individualized rehabilitation plans, including education training and job placement.

Representatives from several veterans service organizations agreed that while VA budgets have been generous, VA could do more to make the VR&E program more accessible to veterans and more accountable to their needs. John Wilson, representing the Disabled American Veterans noted that, “VR&E only conducts a 60-day follow-up on individuals recently employed as a measure to determine if they are ‘fully rehabilitated.’ Even more disturbing is the fact that if a veteran discontinues VR&E services, regardless of the reasoning, VR&E reports it as a successful case of ‘full rehabilitation.’” See U.S. Department of Veterans’ Affairs Vocational Rehabilitation and Employment (VR&E) Program Budget and VR&E National Counseling Contract, Serial No. 112–6.

Site Visit to Pensacola, FL; Camp Lejeune, NC; Savannah, GA; and Charleston, SC

From April 18–22, 2011, majority staff traveled and were escorted by LCDR Chris Brianas on visits to the Transition Assistance Program. The purpose of this trip was to view the effectiveness of the Transition Assistance Program at these various locations in the Southeast.

Site Visit to San Diego, CA; Phoenix, AZ; and Texas A&M University—Central Texas

On April 25–29, 2011 minority staff visited San Diego State University, Arizona State University in Phoenix, and Texas A&M University—Central Texas. The site visit provided staff the opportunity to address and interact with VR&E staff and provide oversight on VetSuccess on Campus pilot sites. Visiting staff had the

opportunity to hear from VR&E staff about their concerns regarding current legislation for education and new legislative ideas on how VA can meet their obligations to veterans.

Subcommittee Legislative Hearing—H.R. 802, H.R. 1383, H.R. 1657, and H.R. 1671

On May 3, 2011, the Subcommittee held a hearing on H.R. 802, to direct the Secretary of Veterans Affairs to establish a VetStar Award Program; H.R. 1383, Restoring GI Bill Fairness Act of 2011; H.R. 1657, Small Business Enforcement Act; and, H.R. 1671, Andrew Connolly Veterans' Housing Act.

The VA and various VSOs testified on the bills. See Legislative Hearing on H.R. 802, H.R. 1383, H.R. 1657, and H.R. 1671. Serial No. 112–11.

Subcommittee Hearing—Transition Assistance Program and VetSuccess on Campus Program

On June 2, 2011, the Subcommittee held an oversight hearing to gauge the effectiveness of programs like TAP, a program to help discharging veteran's transition from the military into civilian careers.

The Subcommittee heard testimony from veteran's service organizations; the U.S. Department of Veterans Affairs, the U.S. Department of Defense, and the U.S. Department of Labor. In addition, the Subcommittee received a submission for the record from the Student Veterans of America. See Transition Assistance Program and VetSuccess on Campus Program, Serial 112–15.

ACTIVITIES OF THE SUBCOMMITTEE ON HEALTH

OVERSIGHT ACTIVITIES

Subcommittee Hearing—Implementation of Caregiver Assistance: Are We Getting It Right?

On March 11, 2011, the Subcommittee held an oversight hearing on the Department of Veterans Affairs' (VA) implementation plan of the caregiver assistance law.

The Subcommittee heard testimony from VSOs and the U.S. Department of Veterans Affairs. In addition, the Subcommittee received a submission for the record from the Paralyzed Veterans of America and VetsFirst. See Implementation of Caregiver Assistance: Are We Getting It Right?, Serial No. 112–4.

Site Visit Dayton, OH

On March 11, 2011, at the request of Representative Mike Turner, Chairman Miller traveled to Dayton, Ohio, to conduct an oversight visit of the Dayton VA Medical Center. The visit was in response to the Dayton VA Medical Center's disregard for procedures of patient safety.

Site Visit San Antonio, TX

From May 5–6, 2011, majority staff and Subcommittee Chairwoman Buerkle traveled to Brooke Army Medical Center, (BAMC) to conduct an oversight visit of the Center for the Intrepid, the Warrior Family Support Center, and the Audie L. Murphy Veterans Affairs Medical Center in San Antonio, Texas.

Subcommittee Hearing—The Federal Recovery Coordination Program: From Concept to Reality

On May 13, 2011, the Subcommittee held an oversight hearing that reviewed whether the Federal Recovery Coordination Program is fulfilling its intended goal of establishing a single point of contact for wounded warriors and families; eliminating delays and gaps in treatment and services; and reaching across Federal agencies to ensure an efficient and smooth rehabilitation and transition back to military duty or civilian life.

The Subcommittee heard testimony from veterans service organizations; the U.S. Government Accountability Office; the U.S. Department of Veterans Affairs; the U.S. Department of Defense, and the Central Savannah River Area Wounded Warrior Care Projects. In addition, the Subcommittee received submission for the record from the Disabled American Veterans, Military Officers Association of America, Paralyzed Veterans of America, and the Wounded Warrior Project. See *The Federal Recovery Coordination Program: From Concept to Reality*, Serial No. 112–13.

Subcommittee Hearing—Preventing Sexual Assaults and Safety Incidents at U.S. Department of Veterans Affairs Facilities

On June 13, 2011, the Subcommittee on Health held an oversight hearing that discussed the recent Government Accountability Office reports that many sexual assaults were taking place within the Department Veterans Affairs, many of which were not reported. The Subcommittee wanted to find out how to solve these issues and how to hold the offending parties responsible.

The Subcommittee heard testimony from veterans' service organizations, the U.S. Government Accountability Office, the U.S. Department of Veterans Affairs, and The American Legion. See *Preventing Sexual Assaults and Safety Incidents at the U.S. Department of Veterans Affairs Facilities*, Serial No. 112–17.

ACTIVITIES OF THE SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

OVERSIGHT ACTIVITIES

Subcommittee Hearing—Inspect What You Expect: Construction Contracting Practices at the U.S. Department of Veterans Affairs

On April 13, 2011, the Subcommittee held an oversight hearing that focused on the practices used by the Department of Veterans Affairs (VA) throughout the contracting lifecycle, including the transparency of the use of taxpayer dollars.

The Subcommittee heard testimony from veterans' service organizations and the U.S. Department of Veterans Affairs. See *Inspect What You Expect: Construction Contracting Practices at the U.S. Department of Veterans Affairs*, Serial No. 112–8.

Subcommittee Hearing—Reboot: Examining the U.S. Department of Veterans Affairs’ Information Technology (IT) Strategy for the 21st Century

On May 11, 2011 the Subcommittee held an oversight hearing for VA to discuss IT improvements following recent increased funding and staffing.

The Subcommittee heard testimony from veterans service organizations, U.S. Department of Veterans Affairs, and the U.S. Government Accountability Office. See Reboot: Examining the U.S. Department of Veterans Affairs’ Information Technology Strategy for the 21st Century, Serial No. 112–12.

Site Visit Chicago, IL and Spokane, Washington

On May 16–18, 2011, minority staff traveled to Chicago, IL and Spokane, WA to visit the Lovell Federal Health Care Center (FHCC) and the Spokane VAMC. FHCC was renamed in October 2010 from the combined Great Lakes Naval Facility and the North Chicago Veterans Affairs Medical Center. The purpose of the visit was to examine and re-assess electronic and interoperable sharing efforts between VA and Department of Defense. Also to gain further information and monitor the progress made by the U.S. Department of Veterans Affairs and the U.S. Navy in partnering to implement a jointly administered medical facility in North Chicago, IL. In support of this effort, staff routinely visit the FHCC.

HEARINGS AND EXECUTIVE SESSIONS

(All hearing and executive sessions of the Committee are open to the public and held in the Committee hearing room, Room 334, Cannon House Office Building unless otherwise designated.)

January 26, 2011.—10:00 a.m. Full Committee Meeting on organization for the 112th Congress.

February 9, 2011.—10:30 a.m. Full Committee held an oversight hearing on mortgage-related violations of the Servicemembers Civil Relief Act (SCRA) by JP Morgan Chase Bank. (Serial No. 112–1)

February 17, 2011.—9:30 a.m. Full Committee met to adopt resolutions to approve Democratic Ranking members, Republican Subcommittee membership, and Democratic Subcommittee membership.

February 17, 2011.—9:30 a.m. Full Committee Hearing on U.S. Department of Veterans Affairs Budget Request for Fiscal Year 2012. (Serial No. 112–2)

March 1, 2011.—2:00 p.m. Room 345 Cannon House Office Building. Full Committee Joint House and Senate Hearing to Receive the Legislative Presentation of the Disabled American Veterans.

March 3, 2011.—10:00 a.m. Subcommittee on Economic Opportunity hearing on Veterans’ Employment and Training Service’s Budget and State Grant Program. (Serial No. 112–3)

March 8, 2011.—9:30 a.m. Room 345 Cannon House Office Building. Full Committee Joint House and Senate Hearing to Receive the Legislative Presentation of the Veterans of Foreign Wars.

March 11, 2011.—10:00 a.m. Subcommittee on Health oversight hearing on Implementation of Caregiver Assistance: Are We Getting It Right? (Serial No. 112–4)

March 16, 2011.—9:30 a.m. G50 Dirksen Senate Office Building. Full Committee Joint House and Senate Hearing to Receive the Legislative Presentations of American Veterans, Jewish War Veterans, Military Officers Association of America, Gold Star Wives, Blinded Veterans Association, Non Commissioned Officers Association, Iraq and Afghanistan Veterans of America, Fleet Reserve Association.

March 17, 2011.—1:00 p.m. Subcommittee on Disability Assistance and Memorial Affairs oversight hearing on U.S. Department of Veterans Affairs FY 2012 Budget for the Veterans Benefits Administration, National Cemetery Administration, and Related Agencies. (Serial No. 112-5)

March 30, 2011.—10:30 a.m. Senate Dirksen Room 106. Full Committee Joint House and Senate Hearing to Receive the Legislative Presentations of Air Force Sergeants Association, Military Order of the Purple Heart, Paralyzed Veterans of America, National Association of State Directors of Veterans Affairs, Wounded Warrior Project, Vietnam Veterans of America, The Retired Enlisted Association, and the American Ex-Prisoners of War.

March 31, 2011.—10:00 a.m. Subcommittee on Economic Opportunity hearing on the Department of Veterans Affairs Fiscal Year 2012 budget for the Vocational Rehabilitation and Employment (VR&E) program. (Serial No. 112-6)

April 5, 2011.—10:30 a.m. Full Committee organizational meeting.

April 5, 2011.—10:30 a.m. Full Committee hearing on “Deconstructing the Department of Veterans Affairs Construction Planning.” (Serial No. 112-7)

April 13, 2011.—10:00 a.m. Subcommittee on Oversight & Investigations hearing called “Inspect What You Expect: Construction Practices at VA.” (Serial No. 112-8)

April 14, 2011.—2:00 p.m. Full Committee roundtable on “Educating the Financial Service Industry on the Servicemembers Civil Relief Act and the VA Loan Guaranty Program.”

May 3, 2011.—8:00 a.m. Room 340 of the Cannon House Office Building, Subcommittee on Disability Assistance and Memorial Affairs legislative hearing on H.R. 811, H.R. 1407, H.R. 1441, H.R. 1484, H.R. 1627, H.R. 1647, and H. Con. Res. 12. (Serial No. 112-9)

May 3, 2011.—10:30 a.m. Full Committee hearing entitled, “Sacred Obligation: Restoring Veteran Trust and Patient Safety.” (Serial No. 112-10)

May 3, 2011.—1:00 p.m. in Room 340 of the Cannon House Office Building, Subcommittee on Economic Opportunity legislative hearing on H.R. 1383, H.R. 802, H.R. 1657, and H.R. 1671 (Serial No. 112-11)

May 5, 2011.—10:00 a.m. Subcommittee on Economic Opportunity mark up of H.R. 802, H.R. 1383, H.R. 1657, and H.R. 1671.

May 5, 2011.—1:30 p.m. The Subcommittee on Disability Assistance and Memorial Affairs mark up of H.R. 1407, H.R. 1484, and H.R. 1627.

May 11, 2011.—10:00 a.m. Subcommittee on Oversight and Investigations hearing on “Reboot: Examining the U.S. Department of Veterans Affairs Information Technology Strategy for the 21st Century.” (Serial No. 112-12)

May 12, 2011.—3:00 p.m. Full Committee mark up of H.R. 1407, H.R. 1484, H.R. 1627, H.R. 1383, H.R. 1657; and H.R. 802.

May 13, 2011.—10:00 a.m. Subcommittee on Health hearing on, “The Federal Recovery Coordination Program: From Concept to Reality.” (Serial No. 112–13)

June 1, 2011.—10:00 a.m. Full Committee hearing on Putting America’s Veterans Back to Work. (Serial No. 112–14)

June 2, 2011.—11:00 a.m. Subcommittee on Economic Opportunity hearing on Transition Assistance Program and VetSuccess on Campus Program. (Serial No. 112–15)

June 2, 2011.—1:30 p.m. Subcommittee on Disability Assistance and Memorial Affairs hearing on “How to Improve Underperforming Regional Offices.” (Serial No. 112–16)

June 13, 2011.—4:00 p.m. Subcommittee on Health hearing titled, “Preventing Sexual Assaults and Safety Incidents at U.S. Department of Veterans Affairs Facilities.” (Serial No. 112–17)

June 14, 2011.—10:00 a.m. Full Committee hearing entitled, “Mental Health: Bridging the Gap between Care and Compensation for Veterans.” (Serial No. 112–18)

COMMITTEE WEB SITES

www.veterans.house.gov www.democrats.veterans.house.gov

The Committee on Veterans’ Affairs operates, maintains, and updates a website (veterans.house.gov), as well as a minority website (democrats.veterans.house.gov) containing comprehensive and timely information on Committee activities, Federal actions, and other news of interest to veterans. The websites contain Committee Information; Committee Resources; Chairman’s Welcome Message; Committee Schedule; Publications; Committee Hearings; Legislation; Recent News; Links to Social Networking Pages; Veterans Benefits; Veterans Healthcare; Subcommittees; and Live Webcasting. The websites continue to be a resource for news and information relating to veterans issues.

OVERSIGHT PLAN FOR THE 112TH CONGRESS

U.S. HOUSE OF REPRESENTATIVES

COMMITTEE ON VETERANS' AFFAIRS

OVERSIGHT PLAN FOR 112TH CONGRESS

Clause 2(d)(1) of Rule X of the Rules of the House of Representatives for the 112th Congress requires each standing committee, not later than February 15 of the first session, to adopt an oversight plan for the 112th Congress. The oversight plan must be submitted simultaneously to the Committee on Oversight and Government Reform and the Committee on House Administration.

The following agenda constitutes the oversight plan of the Committee on Veterans' Affairs for the 112th Congress. It includes areas in which the Committee and its subcommittees expect to conduct oversight during this Congress, but does not preclude oversight or investigation of additional matters or programs as they arise. Because the Committee generally conducts oversight through its subcommittees, the plan is organized by subcommittee. The full Committee may, at the discretion of the Chairman, after consultation with the Ranking Democratic Member, conduct any of the oversight activities planned by the subcommittees.

Subcommittee on Disability Assistance and Memorial Affairs

The Subcommittee will focus on policy for compensation for veterans' disability claims, eligibility and upkeep on all National Cemeteries and the National Cemetery Administration, and VA insurance and pension programs. Goals include improving the timeliness, accuracy, and effectiveness of disability benefits, and ensuring that veterans are appropriately memorialized. To that end, the DAMA subcommittee will conduct oversight hearings, staff visits, and use Inspector General and Government Accountability Office reports and studies.

1. Modernizing the Department of Veterans Affairs (VA) Disability Rating Schedule and Benefits Claims Processing System—The Subcommittee will perform rigorous oversight over ongoing efforts to modernize VA's disability benefits claims process, which includes the implementation of the Veterans Benefit Management System (VBMS). The VBMS consists of several different pilot programs that must be synthesized into one coherent process. A primary element of VBMS is the digitalization of claims files and electronic transfer of information.

2. Appeals—The Subcommittee will continue to monitor the compensation and pension claims appeal process at the Board of Veterans Appeals (BVA), the Appeals Management Center (AMC) and the Court of Appeals for Veterans Claims (CAVC). The Subcommittee plans to focus on exploring avenues to simplify the cur-

rent appeal process, increase accountability and reduce avoidable remands.

3. Presumptions—The Subcommittee will continue to examine the process for establishing presumptions of service-connection for the purpose of providing disability benefits compensation, focusing on veterans from both current and past conflicts.

4. Examining Underperforming VA Regional Offices (VAROs)—Several VAROs produce chronically low efficiency and accuracy rates in the disability benefits claims process. Such offices are typically associated with larger metropolitan areas that also have high employee turnover rates as compared to parts of the country where the cost of living is lower. Consideration should be given to consolidating VAROs and reassigning claims work to locations that have consistently proven to be able to process veterans' claims with efficiency and accuracy.

5. Insurance Matters—The Subcommittee will examine the insurance programs under the jurisdiction of VA to ensure the provision of the proper level of indemnification and appropriate categories of coverage. Additionally, the Subcommittee will review the overall operation of these insurance programs and VA's use of Retained Asset Accounts for beneficiaries' settlements.

6. National and Overseas Cemeteries—The Subcommittee will examine the immediate and long-term needs of the VA National Cemetery Administration (NCA) and the American Battle Monuments Commission (ABMC) to provide burial or commemoration to America's fallen heroes. Additionally, the Subcommittee will closely monitor the overhaul of operations at Arlington National Cemetery; particularly its record keeping system.

7. Information Technology—The Subcommittee will continue to review current information technology systems and software applications being used by the VBA with a focus on VBMS. The Subcommittee will explore the applicability of rules-based and other expert systems to automate the adjudication of disability claims through VBMS.

Subcommittee on Economic Opportunity

The Subcommittee will have a major focus on programs that promote veterans' employment and ways to reduce unemployment among veterans, while seeking ways to ensure seamless transition to civilian life. To that end, the Economic Opportunity Subcommittee will conduct oversight on the following topics through the use of hearings, staff-to-staff meetings, site visits and Government Accountability Office studies and reports.

1. Department of Labor's Veterans' Employment and Training Service (VETS)—In evaluating these programs, the Subcommittee will focus on interagency cooperation between VETS and the Department of Veterans Affairs Vocational Rehabilitation and Employment (VRE) program to assess the effectiveness of combined efforts to place disabled veterans. The subcommittee will also take a detailed look at the performance of the State Grant Program with an emphasis on promoting more consistent results. The Subcommittee continues to be concerned about the usefulness and relevance of the Transition Assistance Program (TAP) for those leaving military service. The Subcommittee will continue to conduct on-

site visits to observe TAP classes and to gauge revision and deployment of the TAP curriculum.

2. Vocational Rehabilitation and Employment (VR&E)—VA's Vocational Rehabilitation and Employment (VR&E) program offers services and assistance with the mission of enabling veterans with service-connected disabilities to obtain and maintain suitable employment, and to enable certain other disabled veterans to achieve independence in daily living. The Subcommittee will examine VR&E's recent efforts to implement its 5-track program throughout the 57 regional offices.

3. Employment and Self-Employment Opportunities for Veterans—The Subcommittee will review the efforts of the Department of Labor and VA in facilitating employment opportunities to veterans, with a focus on recently separated service members returning from Iraq and Afghanistan, including demobilizing Reserve and National Guard personnel.

4. Servicemembers Civil Relief Act (SCRA)—Formerly called the Soldiers and Sailors Civil Relief Act, SCRA provides a wide range of protections for veterans and deploying service members. These include protections for employment, healthcare, and financial transactions such as leases and mortgages. SCRA underwent a major overhaul in 2003 with minor revisions since then. As more active duty and Reservists and National Guard members are activated and return to civilian life and with the economic downturn, protections under SCRA is more relevant and needed. The Subcommittee will continue to provide oversight over the SCRA, with emphasis upon violations by financial institutions overcharging on mortgages, improperly foreclosing, and in other manners depriving military families of the protections afforded under SCRA.

5. GI Bill—The Subcommittee plans to continue monitoring VA's efforts to implement the Post-9/11 Veterans Educational Assistance with an emphasis on simplifying administration of the benefit as well as its relationship to other Title 38 education benefits. The Subcommittee will also examine ways to improve the delivery of veterans' educational benefits.

6. Reserve Component Transition Assistance and the Uniformed Services Employment and Reemployment Rights Act (USERRA)—The Subcommittee will continue to monitor state transition programs with an emphasis on ensuring service members understand their rights under USERRA. USERRA provides a broad range of employment rights and responsibilities for veterans and employers. The Subcommittee will assess the effectiveness of USERRA with special emphasis on employers' willingness to hire National Guard and Reserve members and employment-related issues related to returning to the workforce following activation as well as issues related enforcement.

7. State Approving Agencies (SAA)—The Subcommittee is concerned that the SAA efforts may be more productive in ensuring compliance with VA financial policies and procedures as well as preventing fraud and questionable recruiting practices. Therefore, the Subcommittee will examine how State Approving Agencies can be streamlined, reduce areas of responsibility, become more accountable for expenditures and reduce multiple agency overlap in services to better improve education benefits for veterans.

8. **Information Technology**—VBA currently uses several information technology applications to assist administration of its education and vocational rehabilitation and employment programs. Despite this basic level of automation, significant backlogs persist. The Subcommittee will assess opportunities to increase the ability of rules-based systems to improve timeliness, accuracy and consistency as a way to decrease the backlogs.

9. **Small Business Contracting Goals for Veteran and Service Connected Disabled Business Owners**—Overall, the Federal government continues to fall short in meeting the three percent procurement goal for service disabled veteran-owned small business (SDVOSB). The VA now sets the example for Federal agencies and the Subcommittee will explore ways to export VA's success to the rest of the federal government. In 2006, Congress passed Public Law 109-461 which provided SDVOSB and veteran-owned small businesses (VOSB) several advantages in contracting with VA as well as additional tools for VA to contract with SDVOSB and VOSB. The Subcommittee will also continue its oversight of VA's progress implementing the small business provisions of P.L. 109-461.

10. **VA Federal Procurement, Contract Bundling, and Non-Competitive Contracts**—VA has the second largest Federal procurement budget after DoD. There is a concern that large prime contractors generally fail to comply with their small business subcontract plans that incorporate veteran-owned businesses as subcontractors. Despite the requirements of sections 501 and 502 of Public Law 109-461, to date, the VA has imposed no penalty on any company for failing to execute their small business plan or to debar businesses who fraudulently claim veteran-owned and controlled status. The Subcommittee will examine what the Office of Federal Contractor Compliance and SBA is doing to ensure that all contractors are in compliance with the small business goals. The Subcommittee will also examine the effectiveness of the Center for Veterans Enterprise in meeting these statutory requirements.

11. **VA Loan Guaranty Program**—The Subcommittee will review existing veterans' loan programs to determine whether existing laws, regulations and VA initiatives are sufficient to reduce foreclosures on veteran-owned homes. The Subcommittee will include the views of the mortgage industry and other real estate experts to see if improvements can be made to the existing system including additional protections for mortgagors. The Subcommittee will also review VA operations in the secondary market.

12. **Paralympics**—To foster the use of sports as part of rehabilitation, Public Law 110-389 authorized VA to provide a grant to the US Paralympic program to promote development of adaptive sports programs for disabled veterans from the grassroots to elite competitive levels. The Subcommittee will review VA's Paralympics grant program with an emphasis on the results of grassroots adaptive sports programs.

13. **Veterans' Priority of Hiring by Federal Contractors**—The Subcommittee remains concerned that there is no systematic way to enforce existing law and about the roles of VETS and the Office of Federal Contract Compliance in assuring compliance with

the law. Therefore, the Subcommittee will review the effectiveness of current law with a view towards enforcement.

Subcommittee on Health

The Subcommittee will exercise legislative, oversight, and investigative jurisdiction over the Veterans Health Administration (VHA) including medical services, medical support and compliance, medical facilities, medical and prosthetic research, and major and minor construction. Goals include maximizing the effectiveness of health care services delivered, while identifying ineffective spending to achieve the proper prioritization of limited taxpayer dollars.

1. **Access to Care**—The Subcommittee will examine the means through which VHA provides care to veterans, the various ways in which veterans' access care and opportunities to expand and improve the provision of high quality care through non-traditional delivery methods, including the use of local health care providers closer to the veteran's home. Particular attention will be paid to meeting the unique needs of veterans whose access to traditional medical care is limited by geography, disability, or other challenges.

2. **Fee Basis Care Expenditures**—The Subcommittee will vigorously evaluate what changes are needed in VA's complex organizational structure in order to effectively and efficiently execute its fee basis care program and the need for transformation to ensure accountability and adequate management and oversight controls. In FY 2009, VA spent approximately \$5.3 billion dollars (12% of its total medical care budget) to purchase health care services from non-VA entities including other government agencies, affiliated universities, community hospitals, nursing homes, and individual providers. In 2009, the VA Office of Inspector General released an audit of VHA's non-VA outpatient fee care program which uncovered about \$1.126 billion in overpayments over five years. The IG concluded that organizational structure changes were needed to make certain that fee basis care is properly authorized, justified and met with consistent, reasonable, and proper payments.

3. **Virtual Lifetime Electronic Record (VLER)**—The Subcommittee will aggressively evaluate progress being made by VA and DOD in the development of a single electronic, bi-directional, standards-based medical record to track service members from boot camp through their lives as veterans. Both VA and DOD serve the same patient population at different times yet operate separate health records systems and lack the ability to readily share data, necessitating costly duplication that impedes the safety, quality, and effectiveness of health care delivery.

4. **Mental Health and Combat Related Stress**—The Subcommittee will review VHA's current mental health programs, including those for Post Traumatic Stress, Substance Use Disorder and Suicide Prevention. Among the many issues the Subcommittee will focus on are: the implementation of the mental health strategic plan; veteran patient compliance with completing recommended treatment; improving outcomes; overcoming stigma; conducting outreach; assessing future demand for care; and the allocation and tracking of mental health funds.

5. **Women Veterans**—Women are the fastest growing segment of the veteran population. The Subcommittee will evaluate VHA's progress in overcoming barriers and other factors associated with health care quality and satisfaction for women veterans. Among the many issues the Subcommittee will focus on are the implementation of provisions in Public Law 111-163 aimed to assist women veterans, including readjustment and child care pilot programs and the activities and recommendations of the Advisory Committee on Women Veterans.

6. **Support for Families and Caregivers**—The Subcommittee will examine implementation of Public Law 111-163, which requires VA to establish a comprehensive program of assistance for family caregivers and strengthens statutory authority to provide support, counseling and mental health services for family members of a recovering veteran. It is widely recognized that one of the strongest factors that help warriors in their recovery is a high level of support from loved ones.

7. **Capital Asset Management**—The Subcommittee will closely monitor the management of VHA's vast infrastructure which includes more than 6,200 buildings on 300 sites across 32,000 acres. Many of VA's facilities are more than 50 years old and are no longer suited for the delivery of 21st century health care. Further, underutilized and vacant VHA properties cost taxpayers at least \$175 million annually. The Subcommittee will identify options to more effectively use VA properties through sharing opportunities with the Department of Defense (DOD); collaboration with medical affiliates; and the reuse of excess property through enhanced use leasing or disposal.

8. **VA and DOD Health Resource Sharing**—The Subcommittee will identify greater opportunities for VA and DOD health resource sharing. Enhanced sharing between VA and DOD would improve health care quality, access, and efficiency by allowing for the pooling of resources and better performance management and oversight. However, organizational and culture barriers have historically thwarted sharing initiatives. Among the issues the Subcommittee will explore are the joint: procurement of pharmaceuticals; medical/surgical supplies; use of medical equipment and services; and construction.

9. **Specialized Services for Wounded Warriors**—The Subcommittee will evaluate VHA's specialized care programs to ensure consistent and coordinated state-of-the-art care system-wide through the use of the latest technology and best practices. Among the many issues the Subcommittee will evaluate is the continuum of care for veterans with amputations, Traumatic Brain Injury (TBI), Blind Rehabilitation, and Spinal Cord injury.

10. **Seamless Transition**—The Subcommittee will actively review the transition of a service member from active duty to veteran status. The Subcommittee will focus on the accuracy and timeliness of VA's assessment of the health status of separating service members; DOD force protection practices and policies; the Post-Deployment Health Re-assessment tool; streamlining the enrollment process for VA health care.

11. **Veterans Integrated Service Networks (VISNs) Structure**—The Subcommittee will examine the current VISN structure

and ways to realign the VISNs to better manage performance, promote innovation, and establish uniformity of health care services and practices throughout the system. The VISN system has remained in place for fifteen years, with the only structural change taking place in 2002 when VISN 13 and 14 were integrated and renamed VISN 23. With the rapid application of new information technology that has revolutionized the way we live, interact, and conduct business, the Subcommittee will focus on opportunities to restructure the VISNs toward the goal of more patient-centered care.

12. Medical and Prosthetic Research Program—The Subcommittee will examine the value of VA research with respect to injuries and illnesses related to military service and the acceleration of discoveries and applications, especially for neurotrauma, sensory loss, amputation, polytrauma, and prosthetic needs. Among the issues the Subcommittee will also focus on are: the adequacy of research space and equipment and the development of a clearinghouse designed to promote VA and DOD researchers awareness collaboration and joint publication of research.

13. Long-Term Care—The Subcommittee will evaluate current programs and planning for institutional and non-institutional long term care. The Subcommittee will review innovative ways to improve the age-appropriateness of the delivery of long-term care services, improving and increasing home and community-based care options, and the development and implementation of a single, structured, and uniformly applied policy for care provided in VA facilities, state veterans homes and contract community nursing homes as well as rectifying issues with the implementation of section 211 of Public Law 109–461 which requires VA to pay State Homes a new rate for mandatory veterans known as the “70% program.”

14. Homeless Veterans Programs—The Subcommittee will assess the use, effectiveness, and any duplication of the specialized programs to assist homeless veterans and examine ways to strengthen VA’s ability to help homeless veterans regain their independence and prevent those at risk from becoming homeless.

15. Patient Aligned Care Teams (PACT)—The Subcommittee will provide aggressive oversight of the impact and effectiveness of a new initiative VA is implementing referred to as PACT which is intended to increase access, coordination, communication, and continuity of care by allowing patients to have a dedicated primary care team and a more active role in their health care.

16. Pain Management—The Subcommittee will examine VHA’s pain management strategy. Managing pain is an increasingly significant issue, especially for recently returning combat veterans presenting with a wide range of physical and mental health problems, including musculoskeletal ailments and post traumatic stress. The Subcommittee will focus on: pain awareness, education, intervention; utilization of best practices for the continuum of acute and chronic pain; and the challenge of prescription drug diversion and abuse.

17. Data Based Performance Management and Health Care Value—The Subcommittee will review VHA’s performance management processes to ensure that appropriations are responsibly

utilized for veterans health care programs. Key to improving veteran satisfaction and access to high quality care is evaluating and comparing with a data-based performance management tool precisely how care is being provided at each facility within the VA health care system and the cost and quality of that care.

18. Wounded Warriors and the Federal Recovery Coordinator Program—The Subcommittee will evaluate the effectiveness of the Federal Recovery Coordinator program and the potential for the elimination of overlap of supplemental VA and DOD case management and care coordination programs in the treatment and continuum of care for wounded warriors with amputations, Traumatic Brain Injury (TBI), Spinal Cord injury, impaired vision and other serious and severe injuries.

19. Veterans Justice Outreach (VJO) Program—The Subcommittee will evaluate VA support of the VJO program. The VJO program was launched in 2009 to work with local justice system partners to provide outreach and alternative treatment for justice-involved veterans, including Veterans' courts, drug courts, and mental health courts. Among the many issues the Subcommittee will focus on are plans for the expansion of full-time VJO specialist positions at VA medical centers.

20. Health Administration Center (HAC) Programs—The Subcommittee will examine the management and needed actions to improve programs administered by the HAC, including the Civilian Health and Medical Program of VA (CHAMPVA) and the Foreign Medical Program.

21. Health Care Personnel Practices and Procedures—The Subcommittee will review VHA employee recruitment and retention issues. VHA employs over 226,000 individuals and since 2005 has hired about 6,000 new mental health professionals. Among the many issues the Subcommittee will assess are: current and future workforce requirements; human resource policies; employee training and education; and the establishment of meaningful and enforceable performance standards and outcome measures.

22. VA Partnerships With Community Organizations—The Subcommittee will examine the relationship, role and development of community programs in partnership with VHA to meet the needs of veterans and their families in their home communities. While the responsibility for guiding a veteran's transition to home life falls with the VA, community-based groups are playing a key role in helping veterans transition to civilian life. This is especially true for citizen-soldiers in the National Guard and Reserve who often lack access to a supportive military environment. The Subcommittee will focus on fostering communication, education and collaboration with community organizations and providers.

Oversight and Investigations

The subcommittee will conduct oversight and investigations over veterans' matters generally, and over such matters as may be referred to the subcommittee by the Chairman of the full Committee for its oversight or investigation and for its appropriate recommendations. Goals include the identification of wasteful, duplicative, and ineffective spending; improving operations to ensure effectiveness in the delivery of services, and partnering with VA in

its efforts to improve the lives of veterans, via expenditure of finite and limited taxpayer dollars.

1. Fully Interoperable Electronic Personal Health Information between VA & DoD—Congress has mandated VA-DOD development of interoperable health records or systems. The subcommittee will evaluate timelines and monitor progress in keeping with Congressional goals and the President’s expectation of electronic health records for veterans.

2. VA’s Acquisition Process—VA spends approximately \$17 billion annually for pharmaceuticals, medical and surgical supplies, prosthetic devices, information technology, construction, and services. VA faces major challenges to implement a more efficient, effective, and coordinated acquisition program. The subcommittee will examine contracting, logistics, and development of control systems at VA to ensure that veterans’ needs are met and the taxpayers’ interests are protected in this multi-billion dollar industry.

3. Quality of Care and Patient Safety Issues—The Committee must monitor several quality of care and patient safety issues, including: the sterilization of reusable medical equipment, and the quality of care for veterans receiving VA long-term care services. There is a need for continued watchfulness to ensure that the proper corrective actions are occurring, as well as to determine whether similar problems are being identified and disclosed in an appropriate manner.

4. Veterans Records—The National Archives and Records Administration (NARA), the National Personnel Records Center (NPRC), the Records Management Center (RMC) and various military service locations maintain the military personnel records of discharged members of the Armed Forces. The subcommittee will examine the security of veteran records maintained throughout to ascertain the protection of personal identifying information of our nation’s veterans, as well as the transmittal of these records to VA in order to assist veterans in the claims process and to help reduce the claims backlog.

5. VA Information Technology Programs—The subcommittee will continue its oversight of VA’s IT programs to review progress being made with implementation of its integrated enterprise architecture plan. This includes VA’s efforts to improve its internal and external cyber security, specifically the Government Configuration Baseline, including mandatory data encryption, as well as review the effectiveness of the VA’s Project Management Accountability System (PMAS) program and the new T-4 information technology contracting process, which is a five-year Indefinite Delivery/Indefinite Quantity (IDIQ) Multiple Award Task Order contract with a program ceiling of \$12 billion.

6. Enhanced Land Leases and Divestment of Federal Property—The subcommittee will review the adequacy of internal controls related to leasing or selling of Department of Veterans Affairs assets and assess the tangible benefit to taxpayers. Additionally, the subcommittee will review the use and condition of historic properties owned and operated by VA, and whether the Department can sustain the costs and maintenance involved with these properties in the future.

7. **VA/DOD Benefits Delivery at Discharge Program**—The subcommittee will evaluate DOD’s utilization of a single examination that meets both military services’ separation requirements and VA’s disability compensation criteria. The subcommittee will also scrutinize VA’s efforts to co-locate Veterans Benefits Administration and Veterans Health Administration personnel involved in compensation and pension claims processing to provide more efficient one-stop claims processing centers. Furthermore, the subcommittee will examine the effectiveness of the implementation of the integrated DoD/VA Disability Evaluation System (DES).

8. **Human Subjects Protection Program**—The subcommittee will hold VA accountable for violations of the Federal Policy for the Protection of Human Subjects. Moreover, previous violations must be corrected and future problems avoided by properly utilizing management techniques and pre-inspection checklists.

9. **Seamless Transition**—The subcommittee will address schedules and delays related to VA and Department of Defense (DoD) efforts to ensure that the transition between the two departments is seamless and responsive to the needs of veterans. At a minimum, the subcommittee will examine issues such as the progress of the Yellow Ribbon Reintegration Program and the DoD’s referral of discharged Guard and Reserve personnel to VA’s dental program for their follow-up dental care.

10. **Evaluating Management Efficiencies**—VA plans to achieve specified savings each fiscal year by implementing various procedures to achieve cost avoidance. The subcommittee will examine the relationship between projected savings and demonstrated savings and further assess the impact on the delivery of quality services.

11. **Medical Care Collection Fund**—The subcommittee will scrutinize VA collection efforts to include a common sense approach to waivers, demonstrations, consolidations outsourcing initiatives and recoupment as appropriate.

12. **Modernize Financial Management**—After the failure of the CoreFLS financial and logistics system and Financial and Logistics Integrated Technology Enterprise (FLITE), the VA has a poor track record of resource waste and no viable product to modernize its financial management system. The subcommittee will scrutinize the VA’s strategic asset management system and replacement/improvement plan, including the cost of non-implementation of previous programs.

13. **VA’s Fourth Mission, Emergency Management Capabilities**—The subcommittee will examine VA’s role in responding to natural or man-made disasters in support of VA and DoD contingencies, the Federal Response Plan, Radiological Emergencies, the Nation Disaster Medical System and in providing Continuity of Government/Operations. The intent is to ensure the VA can perform its “Fourth Mission” in accordance with strategic goals.

14. **Post-Traumatic Stress Disorder (PTSD) Testing**—The subcommittee will evaluate VA’s current PTSD testing program with an eye on non-vetted or local exams that are used to determine a veteran’s eligibility for PTSD related assistance in direct contradiction to established national standards.

15. **VA Senior Executive Service Bonuses**—The committee will scrutinize VA's bonus practices for its Senior Executive Service employees in comparison to performance, productivity, and the goal of Congress to decrease the cost of government for the taxpayer.

16. **VA Inspector General**—The subcommittee will review the VAOIG recommendation and implementation system for efficiency, accuracy, and follow-up. Moreover, it will pursue availability of resources, accountability and methodology to improve outcomes and restore veterans' confidence in the system.

17. **Office of Federal Contract Compliance Programs**—The Office of Federal Contract Compliance Programs (OFCCP) enforces and administers the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (VEVRAA). Since the Federal government awards prime contractors worth approximately \$200 billion per year, the subcommittee will examine OFCCP's recent investigatory and enforcement actions related to VEVRAA and address issues where appropriate.

18. **Competitive Sourcing and Alternative Management Systems**—VA is implementing the President's Management Agenda and Office of Management and Budget Directives through competitive sourcing and alternative management systems. The subcommittee is interested in the factual basis for conduct of this program and the organizational benefits yielded.

19. **Energy Sustainability and Efficiency**—The subcommittee will conduct oversight on VA's progress in moving forward with sustainability and energy efficiencies at the various VA locations to include VA Medical facilities, National Cemeteries, and other facilities. The examination will include a focused look at how VA has spent funding authorized to enhance sustainability and efficiency programs and whether the funding is being well spent.

20. **Consolidated Patient Accounting System (CPAC)**—The subcommittee will conduct oversight on VA's consolidation of VHA's business office functions into seven regional centers. The examination will focus on the transformation of VHA billing and to determine how closely VHA is aligned with industry best practices.

21. **Office of Resolution Management for EEO Complaints**—Public Law 105-114, the Veterans Benefits Act of 1997, included a requirement that the Department of Veterans Affairs take actions to improve its equal employment opportunity program and created the Office of Resolution Management. The subcommittee will examine the effectiveness of the Office of Resolution Management and its resources in relation to its function as intended by Congress.

22. **Small Business Contracting Goals for Service Connected Disabled Business Owners**—The subcommittee will probe the poor results related to small business contracting goals with service-connected disabled veteran small business owners and pursue corrective measures to meet or exceed the VA's own goals.

23. **Credentialing and Screening of VA Healthcare Employees**—The subcommittee will examine VA's implementation of Government Accountability Office (GAO) recommendations that indicated serious flaws in screening professional credentials of VA healthcare practitioners.

24. Medical Recruitment, Retention and Staffing—The subcommittee will review efforts being made by the VA to recruit, hire and train medical staff. Of particular interest will be any recent contracts to reintegrate and retain veterans at all levels in VA.

25. Laboratory and Clinical Select Agent Security—The subcommittee will examine VA Level 3 Laboratories' compliance with laws and regulations governing biosafety and biosecurity (including radiological and chemical agents) throughout their research laboratories and Medical Centers.

26. Fiduciary Program—The subcommittee will analyze the continued delays, veteran and family complaints and the inadequacy of VA's fiduciary system as reported by the VAOIG April 2010 and seek expeditious corrective action and improvement.

**REPORT TO THE COMMITTEE ON THE BUDGET FROM
THE COMMITTEE ON VETERANS' AFFAIRS, SUB-
MITTED PURSUANT TO SECTION 301 OF THE CON-
GRESSIONAL BUDGET ACT OF 1974, ON THE BUDGET
PROPOSED FOR FY 2012**

HOUSE OF REPRESENTATIVES
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, March 18, 2011.

DEAR CHAIRMAN RYAN AND RANKING MEMBER VAN HOLLEN: Pursuant to section 301(d) of the Congressional Budget Act of 1974 and House Rule X, clause 4(f), and with the approval of the undersigned Members of the Committee on Veterans' Affairs (Committee), we write to provide our Views and Estimates on the fiscal year (FY) 2012 budget for veterans' programs within the Committee's jurisdiction. Our comments will focus on programs and services administered by the U.S. Department of Veterans Affairs (VA) and the Administration's Fiscal Year 2012 budget request for VA.

GENERAL COMMENTS

In preparing the Committee Views and Estimates, we are mindful of the enormous challenges threatening our Nation's security. Deficits and resulting debt of staggering proportions have hastened the need for difficult choices to be made across Government. As was stated in the final report of the President's National Commission on Fiscal Responsibility and Reform, "[t]he problem is real. The solution will be painful. There is no easy way out. Everything must be on the table. And Washington *must* lead."

We are also mindful of our obligation to those who continue to defend America against her enemies. For nearly a decade, we have remained a Nation at war, a war fought by less than one percent of our citizenry. The demands placed on those serving in our Armed Forces—multiple deployments, the stress of extended separation from loved ones, the physical and psychological wounds of war, and the often painful readjustment to civilian life in the midst of economic uncertainty—have never been greater. Our Nation's servicemembers continue to do what their country asks of them, enduring hardships that few of us could fathom. They are the reason this Committee exists; it is now our privilege and duty to serve them and all who have gone before them.

These challenges—fulfilling our commitments to veterans and getting our fiscal house in order—need not be opposed to each other. We must never balance the budget on the backs of veterans, but we also cannot allow limited resources to be used ineffectively. Veterans are not only beneficiaries of VA's health and benefits programs, they are also taxpayers. They want meaningful employment for themselves and their loved ones. Like all of us, they, too, have a tremendous stake in America's economic prosperity, a stake they have invested in up front through their honorable service. We believe no constituency is better suited to help guide us through these turbulent times.

OVERALL SPENDING PROJECTIONS

Discretionary Spending

The President's fiscal year (FY) 2012 VA budget request for discretionary programs is \$61.9 billion, including an estimated \$3.1 billion in estimated medical collections (receipts from billing insurance companies and collecting copayments for care associated with non service-related disabilities). Consistent with Public Law 111-81, the Administration has also requested a \$55.832 billion advance appropriation for VA medical care for fiscal year 2013, including an estimated \$3.291 billion in medical collections.

VA's discretionary budget from FY 2003 through FY 2011 (assuming enactment of full-year appropriations for remaining VA accounts as outlined in H.R. 1) has increased approximately 115 percent, with annual percentage increases frequently exceeding double digits. Thus, given that the President's request for FY 2012 represents, roughly, a 3.5 percent annual increase, it can certainly be characterized as a more modest blueprint than we have seen in recent years. During the Committee's hearing in February on VA's budget request, VA Secretary Shinseki assured the Committee that the Administration's budget request was sufficient to meet VA's obligations. The Committee accepts VA's characterization of its request but will be carefully monitoring VA's fiscal condition over the course of the upcoming fiscal year.

The more important question is whether the President's request is sufficient to meet our obligations to veterans. On the whole, we believe it is. We support the President's request for overall discretionary spending for FY 2012 and the FY 2013 advance for medical care, although we do recommend shifting resources among certain accounts as we will outline below. We also have serious concerns with new accounting mechanisms in the President's budget that makes it difficult to adequately judge the actual resource needs of VA's health care system. We will discuss those concerns below.

Mandatory Spending

The President requests \$70.312 billion for VA mandatory spending programs, an increase of 5.5 percent over FY 2011 levels. VA mandatory spending has increased 105 percent from FY 2003 through FY 2011, an increase largely attributable to growth in the overall disability compensation rolls and rising average disability levels, as well as the creation of the Post-9/11 GI Bill education benefit. The Committee notes that for FY 2012, 83 percent of the amount requested for mandatory spending is attributable to compensation and pension payments.

Although we must be sensitive to the constituency that VA mandatory spending programs serve, we feel compelled to highlight that both Republican and Democratic Administrations and Congresses have, in the past, joined in calling for restraint in the growth of VA entitlement spending in an overall effort to reduce Federal budget deficits. In the same spirit, and with a sober understanding of the fiscal crisis our country is facing, we believe the time is right to look at past reconciliation measures reported from the House and Senate Veterans' Affairs Committees to serve as guides for any future mandatory spending restraint measures the

Budget Committee may require. In past years, veterans' organizations only supported these restraint efforts to the extent they were extraordinarily sensitive to the veterans who would be affected by them and packaged as part of an overall, concerted effort to control entitlement growth across the Federal Government. We believe veterans will, as they have in the past, rise to the task if such an undertaking is again asked of them.

VETERANS' MEDICAL CARE

For FY 2012, the President's budget requests \$50.851 billion (exclusive of estimated medical collections) for the three VA medical care appropriation accounts. The request is \$240 million higher than what the Administration requested one year ago, when it submitted its FY 2012 advance appropriation request for VA medical care, and is the same amount for FY 2012 VA medical care contained in H.R. 1, legislation passed by the House of Representatives on February 19, 2011. The Administration also requests an FY 2013 advance appropriation of \$52.541 billion (exclusive of estimated medical collections).

The Administration's revised request for FY 2012 is explained by factoring in a \$713 million rescission due to the cumulative impact of the statutory freeze on pay raises for Federal employees in 2011 and 2012, and a \$953 million increase attributable to potential increased reliance on the VA health care system due to economic employment conditions. Because the Administration is not convinced whether the \$953 million will, in fact, be needed to meet health care needs of the system, it has labeled the \$953 million as a "contingency fund," i.e., to be appropriated, but only released for obligation if events dictate.

The Administration has requested the ability to carry over, from one year to the next, money it claims is associated with certain management savings. It asserts that, contrary to recent budget submissions (which assumed no carryover of unobligated balances from one year to the next), the ability to carryover savings is critical in a multi-year planning process where one year's request builds upon another.

Finally, the Administration assumes the availability of \$3.078 billion in medical collections (receipts from copayments and insurance billings associated with care provided for non service-connected conditions) in FY 2012. This estimate is a downward revision of the original FY 2012 advance request collections assumption of \$3.679 billion. The VA has also decreased its collections estimate for FY 2011 by \$473 million to an amount that is \$34 million higher than the amount collected in FY 2010.

We applaud the goals outlined in the President's request. Those goals include eliminating veteran homelessness; increasing accessibility for veterans whose access to care may be limited by geography, disability, or other complications; overcoming barriers and other factors associated with health care quality for women veterans; implementing the mental health strategic plan to provide appropriate mental health services system-wide; and preventing suicide among our veterans.

We are encouraged by VA's intent to increase resources for prosthetics by 39 percent. However, we are concerned about the ability

of VA to meet the needs of the younger and more active amputees with the latest technology and provide consistent and coordinated care throughout the system. We intend to aggressively oversee this program to ensure funds are effectively utilized to provide state-of-the-art prosthetic care for both recently combat-injured veterans and veteran amputees from all eras.

Family caregivers are often at the core of what sustains the treatment and recovery of a wounded, ill, or injured servicemember. However, when a family member assumes this role, there are many challenges they themselves may face including lost income, travel and relocation costs, child care concerns, exhaustion, and emotional or psychological stress. Recognizing the commitment and struggles of family caregivers, Congress enacted Public Law 111–163, the Caregivers and Veterans Omnibus Health Services Act. This law requires VA to establish a comprehensive program of assistance for family caregivers. We are disappointed with VA's delay in implementing this important program and the initial implementation plan submitted to Congress, which fails to meet Congressional intent. Further, we are deeply troubled with the FY 2012 budget submission that allocates only \$66 million to implement the enhanced programs for caregivers under sections 101 through 104 of Public Law 111–163. The Committee is committed to getting this right for veterans and their caregivers and intends to ensure that the program is implemented expeditiously, fully meets Congressional intent, and is appropriately funded.

Contingency Fund

Each of the last three budget cycles occurred in the heart of the economic recession, but the budget requests and actual appropriation levels during that three-year period (FY 2009, FY 2010, and FY 2011) relied on health care utilization data that predated the recession. Unlike the request for FY 2012, the budget requests for those years did *not* incorporate an “unemployment economic variable” when projecting what resources would be necessary to sustain the medical care system. It is reasonable to assume that if an unanticipated surge in demand because of declining economic conditions was to occur and have an impact on VA resources, one might have expected it to occur already.

In fiscal years 2009, 2010, and 2011, VA assumed no carryover of unobligated balances from one year to the next. However, actual medical care carryover from FY 2009 to FY 2010 was well over \$1 billion; actual carryover from FY 2010 to FY 2011 was nearly \$1.5 billion; and there is now an assumed carryover of \$1.1 billion from FY 2011 to FY 2012. Thus, it is reasonable to conclude that *even in the absence of current data on the effects of the recession on veterans' reliance on VA's health care system, VA received sufficient resources to meet the health care needs of America's veterans*. Not only did VA have unanticipated unobligated balances to carry over, it also improved on its key quality measures (another indicator of whether resources provided were sufficient). Although we are sensitive to the abundance of caution the Administration wishes to take by requesting a contingency fund in the event it is needed, we believe there are other means available to monitor and meet the

needs of the system that do not require providing what amounts to a \$953 million advance supplemental.

We also have institutional concerns regarding the feasibility of advocating that an appropriation be provided that is expended solely at the discretion of the Executive Branch. When Congress appropriates resources, it is with the full expectation that those resources be expended. If the Executive Branch believes that it has been provided with too many resources, then it can request that Congress rescind those funds.

Carryover and Management Savings

In past Administrations' budget submissions, no carryover of funds for medical care was assumed for fiscal years 2009, 2010, and 2011. With this year's request, the Administration does assume a carryover from FY 2011 into FY 2012, and from FY 2012 into FY 2013, but the Administration characterizes the carryover as evidence of savings realized from certain management actions it has undertaken or will soon undertake.

Although we agree that carryover of funds from one year to the next is a prudent use of taxpayer dollars and must absolutely be built into a subsequent year's budget request, we disagree with characterizing such carryover as evidence of savings achieved due to management actions. To the extent VA is able to account for specific savings associated with planned management actions, we would expect those savings to already be reflected in VA's current resource request. For example, it is reasonable to assume that as VA becomes more efficient in purchasing goods and services for use in its health care system, that those savings will be built into the Enrollee Health Care Projection Model VA uses to justify its appropriation request. To ask Congress to appropriate the full amount VA assumes it can save by being more efficient strikes us as antithetical to how a business or family would budget. Again, we agree that permitting VA to carry money over into a subsequent fiscal year is, and always has been, an important aspect of how VA manages its resources effectively. We do not agree with VA's new attempt to characterize such carryover as evidence of savings. We intend to follow up with the Government Accountability Office to determine whether the management savings VA claims it can achieve are, in fact, directly or indirectly factored into its Enrollee Health Care Projection Model forecasting of resource needs.

Medical Collections

As noted previously, the Administration has revised its estimate for FY 2012 medical collections downward, from \$3.679 billion to \$3.078 billion. We are concerned with such a large re-estimate given that VA's collections efforts have generally exceeded original budget estimates. Further, it is our understanding that as VA expands the number of Congressionally-directed Consolidated Patient Accounting Centers nationwide, it will become more efficient in its medical collections efforts. Notwithstanding all of the above, VA relied on its Enrollee Health Care Projection Model estimates of total resource need when it revised its collections estimates for FY 2012. We, therefore, will accept the revised estimate but keep a watchful eye on this critical source of revenue going forward.

Recommendation

We believe the amounts contained in H.R. 1 for VA medical care in FY 2012 are in line with what is required to meet the health care needs of the VA system. We also believe those amounts will provide a reasonable measure of protection should resources be strained by unanticipated demand for care or an unexpected shortfall in revenue from collections. We further believe that careful monitoring by Congress of VA's health care expenditures has been, and will continue to be, accomplished via a diligent examination of quarterly reports submitted to Congress. These reports look at planned versus actual spend-through rates, as well as specific quality measures, to ensure the needs of the health care system are being met. Should data from these quarterly reports suggest additional resources are necessary, the Administration and Congress will work together to bridge any urgent budgetary gap that may arise.

It should be noted that adoption of the medical care funding levels proposed in H.R. 1 would be tantamount to providing nearly all (\$713 million out of \$953 million) of the Administration's proposed contingency fund. We do not believe, however, that these funds should be held by the Office of Management and Budget as a contingency. Instead, the funds should be released to the field for use in providing medical care to veterans *and* to supplement resources for implementation of the family caregiver provisions of Public Law 111-163. Should the funds not be needed, we would expect it to be reflected in carryover of unobligated balances and adjustment of appropriation needs going forward or a rescission request from the Administration.

The Committee anticipates that conclusive action will soon be taken on the FY 2011 spending bill, which includes FY 2012 advance appropriations for VA medical care accounts. The Committee believes that the difference between this expected amount and the Administration's revised request, \$240 million, should be allocated among other VA accounts to address specific needs outlined below.

VETERANS' MEDICAL AND PROSTHETIC RESEARCH

For FY 2012, the Administration requests \$509 million for medical and prosthetic research, a reduction of \$72 million from the expected level of funding for FY 2011 under a continuing resolution. The VA medical and prosthetic research program makes significant contributions to the advancement of medicine, defining new standards of care, and improving the lives of our veterans and all Americans. The program accomplishes this through conducting research focused on injuries, illnesses and conditions related to military service and by serving as an effective recruitment and retention tool for high quality clinician-investigators who care for our veterans. With the increasing number of veterans with debilitating combat injuries, including post-traumatic stress disorder, incurred in the Global War on Terror, this is not the time to cut this valuable research program dedicated to benefiting the clinical treatment needs of our veterans.

We recommend an additional \$72 million to restore the level of funding to FY 2011 levels. However, at the same time, we are dis-

turbed by reports that a substantial portion of the medical and prosthetic research appropriation for FY 2010 was not spent in a timely fashion and was carried over to FY 2011. There are more than a sufficient number of worthy research proposals to justify full funding of the medical and prosthetic research account and we find it unacceptable that research to develop potentially life-saving treatments would be held up by management failures. It is our understanding that the inability to expend all of the research funds in FY 2010 may be attributed in part to failures in hiring, contracting and information technology (IT) procurement necessary for the conduct of VA-funded research projects. We expect VA to immediately conduct a review to identify the reason these funds were not expended and promptly implement a corrective strategy to prevent a future such occurrence.

INFORMATION TECHNOLOGY

For FY 2012, the Administration requests \$3.161 billion for the Office of Information and Technology (OI&T). Although we generally support the request, concerns remain in several areas. One of these concerns is a lack of a clearly-defined IT strategy, including how VA intends to address previously-identified, current, and future weaknesses in information security. We believe that resolving these security issues and better defining a long-term IT strategy will not only help VA better address the needs of veterans, it will also enable better coordination between VA and the Department of Defense in transitioning servicemembers to veteran status.

We are also concerned about a large influx of human capital specifically under the control of OI&T without a clear definition of what job positions these employees will have or what the long-term plan is for them once IT milestones have been reached and goals accomplished. The Administration's FY 2012 budget request supports a staffing level of 7,345 full time equivalents (FTE) and another 182 reimbursable FTE under OI&T, an increase of 674 FTE, or nearly 10 percent, over FY 2010 staffing levels. A clearer definition of the job roles, titles, and locations of both existing employees as well as the significant number of new employees would greatly increase transparency and accountability for VA's IT performance and accomplishments.

Lastly, we remain concerned about a lack of cost-benefit analyses being provided before VA undertakes major IT projects. Given a recent history of several multi-million dollar programs being cancelled after a period of time with no result to show for the expenditure, a cost-benefit analysis provided in advance of undertaking large-scale IT programs would provide better stewardship of taxpayer dollars and clearly identify intended goals and milestones.

CONSTRUCTION PROGRAMS

For FY 2012, the Administration requests a total of \$1.271 billion for VA's four construction accounts: Major Construction (\$590 million); Minor Construction (\$550 million); State Extended Care Facility Construction Grants (\$85 million); and State Cemetery Construction Grants (\$46 million). The total resource request would, assuming amounts for FY 2011 are funded at the President's requested level, translate to a reduction of \$478 million, or

37.6 percent. Further, consistent with the requirements of section 905 of Public Law 111–275, the Administration proposes to allocate \$136 million in major construction funding derived from bid savings.

VA's new Strategic Capital Investment Planning (SCIP) process is a 10-year plan designed to identify and prioritize specific capital investment options to meet service delivery gaps in the areas of safety, security, utilization, access, seismic protection, facility condition assessments, parking and energy. SCIP projects a 10-year resource need of between \$53 and \$65 billion.

VA's total capital request (including facility leases, equipment, and non recurring maintenance needs not covered under the four construction accounts named above) for FY 2012 is \$2.876 billion. At the present rate, it would take 20 years to meet the minimum resource need identified in the SCIP 10-year plan. We are, therefore, concerned that the SCIP plan is unrealistic on its face and would like the opportunity to engage the Administration on the plan going forward. Given that the stated needs of the system are vast, we recommend providing resources above the President's request for major and minor construction totaling \$168 million.

GENERAL ADMINISTRATION

The Administration's FY 2012 request for General Administration is \$48.225 million, a 33.5 percent increase over FY 2009 levels. General Administration funding covers certain VA support offices, such as the Office of the Secretary, the Office of Management, the Office of Policy and Planning, and the Office of Congressional and Legislative Affairs, and one office (the Board of Veterans' Appeals) providing direct services to veterans. For your review, below is a chart of expected three-year increases in entities funded under the General Administration account. As you will see, growth in these central office support functions has been substantial:

General Administration Accounts	FY 2009	President's FY 2012 Request	% Increase
Office of the Secretary	\$7.146 M	\$10.104 M	+41.2
Board of Veterans' Appeals	68.582 M	78.006 M	+13.7
General Counsel's Office	74.343 M	84.073 M	+13.08
Management Office	37.546 M	46.222 M	+23.1
Human Resources Office	61.901 M	74.343 M	+20.1
Policy and Planning Office	14.602 M	28.647 M	+96.2
Security and Preparedness Office	12.025 M	19.873 M	+65.26
Public Affairs Office	10.005 M	23.981 M	+140
Congressional Affairs Office	4.379 M	6.585 M	+50.37
Acquisition & Construction Office	45.243 M	76.391 M	+68.85
Total General Administration	335.8 M	448.225 M	+33.5

Although we do not doubt that many of these support offices serve important oversight, planning, and coordination functions, and even administer some grant programs providing direct assistance to veterans (such as the grant program to support the U.S. Paralympic adapted sports program administered by the Office of Public and Intergovernmental Affairs), we cannot support growth on the order that is proposed in several General Administration accounts, especially during a time of fiscal austerity. Therefore, we recommend realignment of a minimum \$17.5 million (excluding

any grant program providing direct assistance to veterans) out of General Administration to support programs where those resources could be more effectively used, particularly those providing direct services to veterans.

VETERANS BENEFITS ADMINISTRATION

The Administration proposes \$2.019 billion for the Veterans Benefits Administration, a decrease of \$130 million compared with the expected full-year FY 2011 appropriation. The decrease in spending is largely attributable to an expected reduction of staffing for education claims filed under the new, Post-9/11 GI Bill. The reduction was anticipated in light of VA's rollout of an information technology tool allowing for automated processing of Post-9/11 GI Bill claims.

Compensation and Pension Service

We are deeply concerned about the growing size of the backlog of claims for VA disability compensation. Since January 2009, the backlog of disability claims has grown by 103 percent, and this budget projects that the average days to complete a claim will rise from 165 days in FY 2010 to 230 days in FY 2012. These numbers grew despite the nearly 4,000 additional employees VA has hired since 2007.

Additionally, VA recently established new regulations to make it easier for Vietnam veterans who were exposed to the Agent Orange herbicide to receive service-connected compensation. This decision has resulted in significant increases in workload for disability compensation as a result of the regulatory change.

We believe a multi-faceted approach is necessary for the Veterans Benefits Administration to overcome the challenges it faces. This approach includes a paradigm shift that involves placing a high level of priority on quality of work as well as quantity. To do so, VA must place greater emphasis on employee training and accountability.

We have long recognized the need for technological improvements to VA's business process, including the development of a paperless, rules-based adjudication system. To accomplish this goal, VA is requesting \$148 million to fund the Veterans Benefit Management System. We agree with this request, but will be conducting vigorous oversight during the course of the fiscal year to ensure VA meets the 2012 deadline for implementation.

Vocational Rehabilitation Service

We also draw attention to the needs of veterans being served under the Vocational Rehabilitation and Employment (VR&E) program. Unlike other VA benefit programs, VR&E is a "high touch" program that begins with a detailed evaluation of the impact of a service-connected disability on a veteran's ability to obtain and maintain satisfactory employment. The process consists of formal testing and evaluation by professional counselors who hold advanced degrees in vocational rehabilitation-related fields. Evaluation is followed by development and implementation of a rehabilitation plan focused on maximizing the veteran's employability.

Nearly 90 percent of VR&E participants are attending formal training including college degree programs.

The President has requested 1,286 direct FTE to provide vocational rehabilitation services, an increase of 129 FTE above the FY 2011 VR&E direct FTE level, including support staff on board at this time. However, given the caseload increase of roughly 10,000, the FTE increase will do little to reduce the average caseload from the current 135 to 150 veterans per counselor. Therefore, we recommend a reallocation of \$5.5 million from the General Administration account to support an additional 50 professional VR&E counselors to shorten both the time needed to begin receiving VR&E services and to increase the quality of those services.

NATIONAL CEMETERY ADMINISTRATION

For FY 2012, the Administration proposes \$251 million for the National Cemetery Administration (NCA), which would continue flat-line funding for the second straight year. We generally concur with the President's request for NCA, but recommend an additional \$2 million be included to continue the National Shrine Commitment at NCA. This additional funding would ensure the highest possible standards for all of our veterans' final resting places, and would be used for infrastructure projects such as irrigation, renovation of historic structures, headstone cleansing, and road resurfacing.

VA INSPECTOR GENERAL

The Administration proposes a second straight year of flat funding for the Office of the Inspector General, proposing \$109 million in funding for FY 2012. The Inspector General's Office provides critical oversight of VA's programs and services to eliminate waste, fraud and abuse. It also conducts periodic reviews of VA health care services to ensure applicable processes governing patient safety are being adhered to. In light of the need to eliminate wasteful spending, the mission of the Inspector General's Office is more important now than ever. Therefore, we recommend a \$10 million increase in this account relative to the President's request.

CONCLUSION

These views reflect the best judgment of the undersigned Members of the Committee as of this date. We have submitted additional questions regarding the Administration's budget proposal and will conduct a series of oversight hearings in the coming months on other facets of the request. If we or the Committee staff can provide assistance regarding the views contained in this letter, please don't hesitate to contact us.

Sincerely,

Jeff Miller, *Chairman*; Bob Filner, *Ranking Democratic Member*; Gus M. Bilirakis, *Vice-Chairman*; Cliff Stearns, *Committee Member*; Doug Lamborn, *Committee Member*; David P. Roe, *Committee Member*; Bill Flores, *Committee Member*; Bill Johnson, *Chairman*, Subcommittee on Oversight and Investigations; Jeff Denham, *Committee Member*; Jon Run-

yan, *Chairman*, Subcommittee on Disability Assistance and Memorial Affairs; Dan Benishek, *Committee Member*; Ann Marie Buerkle, *Chairwoman*, Subcommittee on Health; Corrine Brown, *Committee Member*; Silvestre Reyes, *Committee Member*; Michael H. Michaud, *Ranking Democratic Member*, Subcommittee on Health; Linda Sánchez, *Committee Member*; Bruce L. Braley, *Ranking Democratic Member*, Subcommittee on Economic Opportunity; Jerry McNerney, *Ranking Democratic Member*, Subcommittee on Disability Assistance and Memorial Affairs; Joe Donnelly, *Ranking Democratic Member*, Subcommittee on Oversight and Investigations; Timothy J. Walz, *Committee Member*; John Barrow, *Committee Member*; Russ Carnahan, *Committee Member*.

MESSAGES FROM THE PRESIDENT AND EXECUTIVE
COMMUNICATIONS

EXECUTIVE COMMUNICATIONS

February 16, 2011: Letter from Director of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Herbicide Exposure and Veterans with Covered Service in Korea (RIN: 2900–AN27) received February 4, 2011, pursuant to 5 U.S.C. 801(a)(1)(A).

February 16, 2011: Letter from Director of Regulations Policy and Management, Department of Veterans Affairs, transmitting the Department's final rule—Loan Guaranty Revised Loan Modification Procedures (RIN: 2900–AN78) received February 4, 2011, pursuant to 5 U.S.C. 801(a)(1)(A).

February 28, 2011: Letter from Director of National Legislative Commission, The American Legion, transmitting the financial statement and independent audit of The American Legion, proceedings of the 92nd annual National Convention of the American Legion, held in Milwaukee, Wisconsin, from August 20–26, 2010, and a report on the Organization's activities for the year preceding the Convention, pursuant to 36 U.S.C. 49.

March 10, 2011: Letter from the Assistant Attorney General, Department of Justice, transmitting first quarterly report of FY 2011 on Uniformed Service Employment and Reemployment Rights Act of 1994.

March 17, 2011: Letter from Director of Regulations Policy and Management, Department of Veterans Affairs, transmitting the Department's final rule—Updating Fire Safety Standards (RIN: 2900–AN57) received February 18, 2011, pursuant to 5 U.S.C. 801(a)(1)(A).

March 17, 2011: Letter from Director of Regulations Policy and Management, Department of Veterans Affairs, transmitting the Department's final rule—Copayments for Medications After June 30, 2010 (RIN: 2900–AN65) received February 18, 2011, pursuant to 5 U.S.C. 801(a)(1)(A).

March 31, 2011: Letter from Director of Regulations Policy and Management, Department of Veterans Affairs, transmitting the Department's final rule—Update to NFPA 101, Life Safety Code, for State Home Facilities (RIN: 2900–AN59) received February 28, 2011, pursuant to 5 U.S.C. 801(a)(1)(A).

April 1, 2011: Letter from Director of Regulations Policy and Management, Department of Veterans Affairs, transmitting the Department's final rule—Hospital and outpatient care for veterans released from incarceration to transitional housing (RIN: 2900–AN41) received February 28, 2011, pursuant to 5 U.S.C. 801(a)(1)(A).

April 7, 2011: Letter from Director of Regulations Policy and Management, Department of Veterans Affairs, transmitting the Department's final rule—Paralympics Monthly Assistance Allowance (RIN: 2900–AN43) received March 15, 2011, pursuant to 5 U.S.C. 801(a)(1)(A).

April 12, 2011: Letter from Director of Regulations Policy and Management, Department of Veterans Affairs, transmitting the Department's final rule—Board of Veterans' Appeals: Remand or Referral for Further Action; Notification of Evidence Secured by the Board of Opportunity for Response (RIN: 2900–AN34) Received March 29, 2011, pursuant to 5 U.S.C. 801(a)(1)(A).

May 2, 2011: Letter from Assistant Secretary of Defense, Department of Defense, transmitting a draft of proposed legislation entitled the "National Defense Authorization Act for Fiscal Year 2012," pursuant to 31 U.S.C. 1110.

May 12, 2011: Letter from Director of Regulations Policy and Management, Department of Veterans Affairs, transmitting the Department's "Major" final rule—Caregivers Program (RIN: 2900–AN94) received May 5, 2011, pursuant to 5 U.S.C. 801(a)(1)(A).

May 13, 2011: Letter from Assistant Attorney General, Department of Justice, transmitting Second Quarterly Report of FY 2011 under The Veterans' Benefits Improvement Act of 2008.

June 1, 2011: Letter from Assistant Secretary, Department of Justice, transmitting eight legislative proposals to be a part of the National Defense Authorization Bill for Fiscal Year 2012.

June 14, 2011: Letter from Under Secretary and Deputy Secretary, Department of Defense, Department of Veterans Affairs, transmitting Activities of Center of Excellence in Mitigation, Treatment and Rehabilitation of Traumatic Extremity Injuries and Amputations for Fiscal Year 2009.

June 15, 2011: Letter from Secretary, Department of Veterans Affairs, transmitting a draft bill entitled, "Veterans Benefit Programs Improvement Act of 2011."

June 16, 2011: Letter from the Speaker: A memorial to the House of Representatives of the State of Hawaii, relative to the House Concurrent Resolution No. 253, H.D. 1 urging the Congress to expedite the processing of all claims for payments and the distribution of checks to Filipino veterans under the American Recovery and Reinvestment Act.