



Legislative Bulletin.....October 11, 2011

Contents:

- H.R. 2433** – Veterans Opportunity to Work Act of 2011, as amended
- H.R. 2074** – Veterans Sexual Assault Prevention Act, as amended
- H.R. 2302** – To amend Title 38, United States Code, to direct the Secretary of Veterans Affairs to notify Congress of conferences sponsored by the Department of Veterans Affairs
- H.R. 2349** – Veterans Benefits Training Improvement Act of 2011
- H.R. 1263** – To amend the Servicemembers Civil Relief Act to provide surviving spouses with certain protections relating to mortgages and mortgage foreclosures
- H.R. 1025** – To amend Title 38, United States Code, to recognize the service in the reserve component of certain persons by honoring them with status as veterans under law

H.R. 2433 – Veterans Opportunity to Work Act of 2011, as amended (Miller, R-FL)

Order of Business: The bill is scheduled to be considered on Tuesday, October 11, 2011 under a motion to suspend the rules requiring two-thirds majority vote for passage.

Summary: H.R. 2433 creates an employment training service program to veterans and servicemembers separating from active duty and modifies federal programs that offer home mortgage loan guarantees, ambulance services, and pension payments to veterans' and certain other qualifying individuals.

Highlights of the major provisions of the bill are below:

- *Fee Changes for Veterans' Guaranteed Loans*—under current law, the Department of Veterans Affairs (VA) mortgage guarantee program promises to pay lenders up to 25% of the amount of a home loan should the veteran borrower default. As a condition of securing the loan, the VA charges veterans up-front fees based on a percentage scale of the principal amount of the loan. Beginning in 2012, these fees are scheduled to decrease by as much as half. The bill would keep the current 2011 fee schedule in place for five years, and therefore, lower the subsidy cost of the loan guarantees from the VA (Section 501). This section also extends for three years from expiration at the end of this year, the maximum loan amount--\$729,750—that the VA can guarantee.
- *Veterans Retraining Assistance Program*—Section 101 creates a new, three year employment retraining assistance program for up to 100,000 unemployed veterans who enroll in either technical schools or community colleges in an occupation

field that the Department of Labor (DOL) determines to have “significant employment opportunities.” According to the bill’s CBO [report](#), the maximum monthly amount of assistance for qualifying veterans would be \$1,426—the same amount paid under the Montgomery GI Bill. Eligible veterans include those who are unemployed, between the ages of 35 and 60 years old, honorably-discharged from active duty, and are not receiving any other VA educational benefits.

- *Pension Reductions for Veterans covered by Medicaid Plans*—Section 506 extends for one year (from May 31, 2015 to May 31, 2016) the expiration date of a current law provision allotting a \$90 per month limit on pensions paid to any veteran without a spouse or child (or to any survivor of a veteran), who is receiving Medicaid coverage in a Medicaid-approved nursing home. VA pension beneficiaries will be permitted to keep this pension amount as opposed to being required to use it to defray nursing home costs.
- *Surviving Spouses’ Home Loan Guarantees*—Section 502 expands eligibility for VA home loan guarantees to surviving spouses of veterans who died of disabilities that were not service-connected.¹ Current law only provides these guarantees to surviving spouses of veterans who died from a service-connected disability.
- *Ambulance Services Reimbursement Rates Changes*—Section 503 permits the VA to reimburse a provider of ambulatory services the lesser of the actual charge or the amount determined by the Medicare fee schedule for such services. Currently, the VA does not apply standard fees for ambulance services. It simply reimburses ambulatory providers for the “actual necessary expense” billed by the provider.
- *Changes to the Transition Assistance Program*—Section 202 mandates that all separating servicemembers participate in the job training workshops provided by the DOL unless they fall into a specific exemption.²

Committee Action: Veterans Affairs Chairman Jeff Miller (R-FL) introduced H.R. 2433 on July 7, 2011. The full Committee held a hearing on the bill on July 15, 2011, and on September 8, 2011 reported the amended bill out of Committee. A Manager’s Amendment is likely to be brought to the House floor today.

¹ The veteran must have been continuously and completely disabled for 10 years preceding death, completely disabled for five years from the date of discharge, or completely disabled for one year if they had also been held as a prisoner of war and died after September 30, 1999.

² To qualify for an exemption, separating servicemembers must either be in pay grades E-8 or O-6 and above, be prevented from attending due to an urgent operational requirement, or be accepted to an education program or already obtained post-service employment. Under current law, the DOL provides employment and job training services to an average of 130,000 separating servicemembers each year through about 4,100 employment workshops. The mandatory participating requirement under this bill would increase the participating servicemembers amount by about 36,000, according to CBO.

Administration Position: As of press time, no Statement of Administration Policy (SAP) has been released.

Cost to Taxpayers: The Congressional Budget Office (CBO) released a cost [estimate](#) on the bill on September 19, 2011. It states that the bill would decrease direct spending by \$8 million over the 2012-2016 period and \$291 million over the 2012-2021 period. It also explains that it will authorize discretionary spending subject to appropriations of \$8 million over the 2012-2016 period. However, the anticipated Managers Amendment amends the bill to drop an authorizing extension of a homeless veterans program—and two other technical changes— that would decrease the overall discretionary costs of the bill by \$43 million over the same five year period.

Does the Bill Expand the Size and Scope of the Federal Government?: Yes. The bill expands eligibility of VA-backed home mortgage loans for a new class of surviving spouses. Additionally, according to the CBO, implementing the new Veterans Retraining Program Assistance Program will require adding approximately 60 full-time and 70 part-time employees and increase the discretionary costs of educational Pell Grants for veterans who enroll in the program.³ However, as described above, the legislation decreases direct spending and authorized spending subject to appropriations.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No. According to the CBO report, the bill contains no intergovernmental or private sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, and tribal governments.

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: A Committee Report citing compliance with rules regarding earmarks, limited tax benefits, or limited tariff benefits is not available. Such a report is not required because the bill is being considered under suspension of the House rules.

Constitutional Authority: The Constitutional Authority Statement accompanying the bill upon introduction states, “Congress has the power to enact this legislation pursuant to the following: Article I, Section 8 of the Constitution of the United States.”

RSC Staff Contact: Joe Murray, joe.murray@mail.house.gov, (202) 226-0678

³ CBO projects that approximately half of the 100,000 veterans expected to participate in the new employment retraining program would be eligible to participate in the Pell Grant Program, which would increase discretionary costs for Pell grants by \$148 million over the 2012-2016 period.

H.R. 2074 – Veterans Sexual Assault Prevention and Health Care Enhancement Act, as amended (Buerkle, R-NY)

Order of Business: The bill is scheduled to be considered on Tuesday, October 11, 2011 under a motion to suspend the rules requiring two-thirds majority vote for passage.

Summary: H.R. 2074 requires the Department of Veterans Affairs (VA) to create a comprehensive policy for tracking and reporting sexual assaults incidents at each of its VA medical facilities as well as implement other changes to health care services the VA provides to beneficiaries.

Additional Background: A June 2011 Government Accountability Office (GAO) report⁴ identified 284 incidents of alleged sexual assault at VA medical facilities between January 2007 and July 2010. The report recommended that the VA take corrective monitoring and reporting measures to help identify potential safety vulnerabilities for VA patients and employees and to reduce the risk of future sexual assaults at their medical facilities. The bill requires the VA to establish a comprehensive policy on reporting and tacking sexual assaults (and other safety incidents) by March 1, 2012. According to the Committee [report](#), the policy must include:

- the development of clear and comprehensive criteria about the reporting of sexual assault incidents;
- the establishment of an accountable oversight system within VA to report and track sexual assault incidents for all alleged or suspected forms of abuse and unsafe acts;
- systematic information sharing of reported sexual assault incidents, and a centralized reporting, tracking, and monitoring system to ensure each case is fully investigated and victims receive appropriate treatment;
- use of specific “risk assessment tools” to examine any danger related to sexual assault that a veteran may pose while being treated, including clear guidance on the collection of information relating to the legal history of the veteran;
- mandatory training of employees on safety awareness and security; and
- the establishment of physical security precautions including appropriate surveillance and panic alarm systems that are operable and regularly tested.

It would also require a report on said policy no later than 60 days after implementation and by October 1st of each subsequent year.

Other notable provisions of the bill include:

⁴ VA HEALTH CARE: Actions Needed to Prevent Sexual Assault and Other Safety Incidents, GAO-11-530.

- As of January 1, 2012, the bill requires the VA to enter into contracts to adequately reimburse for nursing home care with each State Veterans Homes (Section 3);
- Requires VA's responsibilities in providing rehabilitative care to veterans with traumatic brain injuries (TBI) to include the goal of maximizing independence and improving behavioral and mental health functioning within a program of individualized rehabilitation and reintegration for TBI veterans and also include rehabilitative services within VA comprehensive programs of long-term care for veterans with TBI (Section 4);
- Amends current law to mandate that service dogs have access to any VA facility consistent with the same terms that generally govern the admittance of seeing-eye guide dogs to VA property (Section 5);
- Creates a new, three year pilot program at between one to three VA medical centers on dog training therapy for the purpose of assessing the effectiveness of using dog-training activities as a component of integrated post-deployment mental health and post-traumatic stress disorder syndrome rehabilitation programs (Section 6); and
- Eliminates an annual report on staffing for nurse positions as required by 38 U.S.C. section 7451 (e). (Section 7)

Committee Action: Representative Ann Marie Buerkle (R-NY) introduced H.R. 2074 on June 1, 2011, which was subsequently referred to the House Committee on Veterans Affairs. On July 25, 2011, the Subcommittee on Health held a hearing on the bill and ordered it out of Subcommittee on July 28, 2011 by voice vote. The full Committee reported the amended bill out on September 8, 2011 by voice vote.

Administration Position: As of press time, no Statement of Administration Policy (SAP) has been released.

Cost to Taxpayers: The Congressional Budget Office (CBO) released a cost estimate for H.R. 2074 on September 23, 2011 stating that implementing the bill would authorize discretionary spending subject to appropriations of \$1 million over the 2012-2016 period. However, the expected Managers Amendment to the bill will offset this \$1 million cost by adding a new section (Section 7) that eliminates a reporting requirement on staffing for VA nurse positions.

Does the Bill Expand the Size and Scope of the Federal Government?: Yes. The bill creates a new, three-year pilot program that addresses the effectiveness of dog-training activities towards post-deployment mental health and post-traumatic stress disorder for rehabilitative programs. It also requires the VA to create a comprehensive policy and tracking mechanism pertaining to sexual assaults on VA medical facilities. However, the bill is offset.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No. The CBO report states that "H.R. 2074 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act."

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax

Benefits/Limited Tariff Benefits?: Yes. According to the Committee [report](#), H.R. 2074 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI of the Rules of the House of Representatives.

Constitutional Authority: The Constitutional Authority Statement accompanying the bill upon introduction states, “Congress has the power to enact this legislation pursuant to the following: Article I, Section 8 of the Constitution of the United States.”

RSC Staff Contact: Joe Murray, joe.murray@mail.house.gov, (202) 226-0678

H.R. 2302 – To amend title 38, United States Code, to direct the Secretary of Veterans Affairs to notify Congress of conferences sponsored by the Department of Veterans Affairs (Stutzman, R-IN)

Order of Business: The bill is scheduled to be considered on Tuesday, October 11, 2011 under a motion to suspend the rules requiring two-thirds majority vote for passage.

Summary: H.R. 2302 amends current law to require both the Department of Veterans Affairs (VA) and the Department of Labor to report to Congress certain information relating to VA-sponsored conferences and veterans hired by federal contractors.

Additional Background: According to the House Committee on Veterans Affairs, concerns exist that the VA is spending taxpayer funds on programs that are not directly related to the mission of providing benefits to veterans. Section 1 of H.R. 2302 addresses this concern by requiring the VA to provide both the Senate and House Committees on Veterans’ Affairs a quarterly report describing expenses related to VA-sponsored conferences that cost in excess of \$20,000 or have 50 or more individuals (including one or more VA employees). The report is due within 30 days after each fiscal quarter and must also include an estimate of actual conference expenses for the current quarter.

Section 2 requires the Secretary of the VA to provide information for oversight functions requested by House and Senate Committees on Veterans’ Affairs. It establishes that oversight information requests are permissible under privacy rules and the Health Insurance Portability and Accountability Act of 1996 (P.L. 104-191). It also defines who may request oversight information from the VA to include the Chairman or Ranking Member of either the Senate or House Committee on Veterans’ Affairs, a Chairman or Ranking Member of a Subcommittee of either full Committee, or their designee (can include Committee staff members authorized by Committee Members).

Current law⁵ requires federal contractors with federal contracts in excess of \$100,000 to take “affirmative action” to “employ and advance in employment qualified covered

⁵ Section 4212 of title 38, U.S.C.

veterans” in addition to reporting on various aspects of their affirmative action program. Some veterans’ service organizations question whether all federal contractors comply with this federal law provision. To promote transparency and compliance of this requirement, Section 3 of H.R. 2302 requires that the Department of Labor provide public access via the Department’s website to view reports from these federal contractors describing the contractor’s action plan in hiring veterans.

Committee Action: Representative Marlin Stutzman (R-IN) introduced H.R. 2302 on June 22, 2011. On July 7, 2011, the Subcommittee on Economic Opportunity held a legislative hearing on various bills including H.R. 2302. On July 21, 2011, the Subcommittee marked up and reported out the bill by voice vote. On September 8, 2011, the full Committee reported the bill out of Committee by voice vote with an amendment.

Administration Position: As of press time, no Statement of Administration Policy (SAP) has been released.

Cost to Taxpayers: The Congressional Budget Office (CBO) released a cost estimate for H.R. 2302 on September 23, 2011 stating that costs implementing the bill would be insignificant over the 2012-2016 period.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No. The CBO reports states that “H.R. 2302 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.”

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: Yes. According to the Committee [report](#), H. R. 2302 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI of the Rules of the House of Representatives.

Constitutional Authority: The Committee [report](#) accompanying H.R. 2302 states that the bill is authorized by Congress’ power to “provide for the common Defense and general Welfare of the United States” pursuant to Article I, section 8 of the United States Constitution.

RSC Staff Contact: Joe Murray, joe.murray@mail.house.gov, (202) 226-0678

H.R. 2349 — Veterans’ Benefits Training Improvement Act of 2011 (Runyan, R-NJ)

Order of Business: The bill is scheduled to be considered on Tuesday, October 11, 2011 under a motion to suspend the rules requiring two-thirds majority vote for passage.

Summary: H.R. 2349 is comprised of a number of bills introduced this Congress which enacts several changes to existing veterans’ benefits programs. A summary of the nine provisions of the bill are below:

Section 1—Short Title: the “Veterans’ Benefits Act of 2011”

Section 2—Assessment of Claims-Processing Skills Pilot Program

This section creates a new pilot program requiring the Department of Veterans’ Affairs (VA) to begin biennial assessments of claims processing employees and managers at five VA regional offices over a four-year period beginning in 2012. Appropriate remediation training would be required for those employees and managers who do not receive satisfactory scores on assessment exams. It also authorizes \$5 million over five years to carry out the assessment.

Congress passed legislation⁶ in the 110th Congress requiring employees and managers of the Veterans Benefits Administration responsible for processing claims for compensation and pension benefits to undergo a certification examination. It is unclear whether this examination provides any employee accountability when mistakes are made or if additional training is conducted. The Committee on Veterans’ Affairs believes that certification testing “could be used to more broadly influence the type of training or remediation necessary at the individual employee level,” and that “different approaches are needed” in light of increased delays in processing disability benefit claims as well as higher instances of inaccurate claims decisions.

Section 3—Exclusion of certain reimbursements of expenses from determination of annual income with respect to pensions for veterans and surviving spouses and children of veterans (text from H.R. 923 originally introduced by Rep. Alcee Hastings, D-FL)

This section extends the VA’s current legal authority (set to expire on November 18, 2011) to verify income information with the Internal Revenue Service of VA pension recipients for an additional two years (until November 18, 2013). Additionally, it exempts certain payments by insurance, “pain and suffering” settlements, court awards, or other means to reimburse expenses incurred after an accident, theft, loss, casualty, or payments procured from calculations for income-pension determinations.

⁶ H.R. 5892, P.L. 110-389

In calculating a VA claimant's eligibility for pension benefits for wartime veterans with limited means (as well as certain spouses and dependent children), current law requires an assessment between eligible income and exempt income. Reimbursements received as a result of accident, theft or ordinary loss is currently **not** exempt from income calculations for pension amount determinations. This section removes these reimbursements from inclusion in this calculation.

Section 4—Authorization of use of electronic communications to provide notice to claimants for benefits under laws administered by the Secretary of Veterans Affairs (text from H.R. 2383 originally introduced by Rep. Bill Johnson, R-OH).

This section amends current law⁷ by authorizing the use of electronic communication to provide notice to VA claimants for VA benefits. Also, it clarifies that the Secretary of the VA is not required to provide notice for a subsequent claim that is filed while a previous claim is pending if certain factors are met.⁸

Section 5—Duty to assist claimants in obtaining private records

This section establishes a standard of “reasonableness” that the VA must show in assisting a claimant in obtaining their private medical records as “not less than two requests.” Historically, the VA has made multiple attempts for each claimant to obtain private medical records out of concern that courts might interpret VA’s imposition of a defined limit as a violation of the VA’s current duty under law to assist claimants in obtaining evidence needed to substantiate a VA claim. This section defines what “reasonableness” means.

Section 6—Conditions for treatment of certain persons as adjudicated mentally incompetent for certain purposes (text from H.R. 1898 originally introduced from Rep. Denny Rehberg, R-MT).

This section clarifies that in any case arising out of VA’s administration of benefits, a VA beneficiary who is mentally incapacitated, deemed mentally incompetent, or experiencing an extended loss of consciousness, shall not be considered adjudicated as a mental defective under the Federal Gun Control Act of 1968⁹—and therefore prohibited from receiving or possessing a firearm—without the order or finding of a judge, magistrate, or other judicial authority of competent jurisdiction that such individual is a danger to himself or others.

The Committee [report](#) describes the Committee’s belief that individuals who are a danger to themselves or others should not be permitted to own or possess a firearm. However, the Committee is “troubled” that with “...what appears to be an arbitrary and discriminatory process that allows a non-judicial authority to presume individuals seeking

⁷ 38 U.S.C. sec. 5103

⁸ The factors include sufficient notice of the information and evidence necessary to substantiate such subsequent claim, and the original claim was sent within one year of the date on which the subsequent claim was filed.

⁹ P.L. 90-618

help from VA as threats to society when they may only need help managing their financial affairs.”

Section 7—Reinstatement of penalties for charging veterans unauthorized Fees

This section reinstates penalties for non-authorized individuals found to have knowingly solicited a fee or compensation for assisting a veteran in filing an application for benefits. In general, an agent or attorney must be recognized by the VA in order to act in the preparation, presentation, or prosecution of a claim before the VA. Recent reports and testimony before the VA Committee has brought attention to an increase in non-accredited individuals, organizations, and private companies taking advantage of veterans by charging fees to assist them with filing claims for VA benefits with the VA (that may or may not have been filed).

Section 8—Performance awards in the Senior Executive Service

This section establishes limits on the amounts of bonuses and performance awards payable to VA employees within the Senior Executive Service¹⁰ at \$2,000,000 year for fiscal years 2012 through 2016. The previous three year average was \$3,500,000.

Section 9. Budgetary effects of this act

This section defines the budgetary effects of this Act for the purpose of complying with the Statutory Pay-As-You-Go-Act of 2010.

Committee Action: Representative John Runyan (R-NJ) introduced H.R. 2349 on June 24, 2011 where it was referred to the House Committee on Veterans’ Affairs. The Subcommittee on Disability Assistance and Memorial Affairs conducted a legislative hearing on the bill on July 7, 2011. On September 8, 2011, the full Committee ordered the amended bill out of Committee by voice vote.

Administration Position: As of press time, no Statement of Administration Policy (SAP) has been released.

Cost to Taxpayers: The Congressional Budget Office (CBO) issued a cost estimate for the bill on September 30, 2011 explaining that enacting the bill would decrease direct spending by \$16 million over a ten year period and authorize discretionary spending subject to appropriations of \$1 million over a five year period.

Does the Bill Expand the Size and Scope of the Federal Government?: Yes. The bill creates a new, four-year pilot program at five VA regional offices to test the skills and proficiency of claims processors for both managers and employees.

¹⁰ Section 5384 of title 5, United States Code, sets out the authority for Federal agencies to allocate performance incentives to employees of the Senior Executive Service (SES).

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No. H.R. 2349 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: Yes. The Committee [Report](#) states that the bill does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI of the Rules of the House of Representatives.

Constitutional Authority: The Constitutional Authority Statement accompanying the bill upon introduction states, “Congress has the power to enact this legislation pursuant to the following: Article I, Section 8 of the Constitution.”

RSC Staff Contact: Joe Murray, joe.murray@mail.house.gov, (202) 226-0678

**H.R. 1263 – To amend the Service Members Civil Relief Act to provide surviving spouses with certain protections relating to mortgages and mortgage foreclosures
(*Filner, D-CA*)**

Order of Business: The bill is scheduled to be considered on Tuesday, October 11, 2011 under a motion to suspend the rules requiring two-thirds majority vote for passage.

Summary: H.R. 1263 extends current law civil protections for active-duty servicemembers and applies these protections to the surviving spouses of deceased servicemembers whose death is either service-connected or occurs during active duty.

Additional Background: In 2003, Congress passed the Servicemembers Civil Relief Act (SCRA)¹¹ to postpone certain civil obligations during a servicemembers period of active duty service. An important provision of this law states that “a sale, foreclosure, or seizure of property for a breach of an obligation...shall not be valid if made during, or within 9 months after, the period of the servicemember’s military service.” This mortgage foreclosure protection is set to expire on December 31, 2012 at which point the mortgage foreclosure protection period will revert from 9 months to 90 days.

Numerous news reports have surfaced describing mortgage lenders failure to comply with the law. For example, according to the Committee [report](#), a JP Morgan Chase official told NBC News that over 4,000 servicemembers had been improperly foreclosed.

This bill addresses the above infraction by requiring all lending institutions affected by the SCRA to employ and/or designate an SCRA compliance officer responsible for their institutions compliance under federal law. It also requires that banks with annual assets of \$10 billion establish a toll free hotline for servicemembers to call and ask questions

¹¹ Servicemembers Civil Relief Act, Public Law 108-189.

about their mortgage and the SCRA. Additionally, the bill extends the same civil mortgage foreclosure protection active-duty servicemembers receive to spouses of deceased servicemembers who die in active duty or in service-related duties. This extension of foreclosure protection to spouses lasts for five years after enactment. Lastly, the bill extends the 9 month protection for both surviving spouses and active-duty servicemembers to 12 months until December 31, 2017.

Committee Action: House Committee on Veterans' Affairs Ranking Member Bob Filner (*D-CA*) introduced H.R. 1263 on March 30, 2011. On July 7, 2011, the Subcommittee on Economic Opportunity held a hearing on the bill. On July 21, 2011, it marked up the bill and reported it out by voice vote. On September 8, 2011, the full Committee reported the amended bill out of Committee by voice vote.

Administration Position: As of press time, no Statement of Administration Policy (SAP) has been released.

Cost to Taxpayers: The Congressional Budget Office (CBO) released a cost estimate for H.R. 1263 on September 23, 2011 explaining that implementing the bill would have no significant cost to the federal government.

Does the Bill Expand the Size and Scope of the Federal Government?: Yes. It extends current law civil protections for servicemembers against real and personal property foreclosure and evictions from 9 months to 12 months for an additional five years and provides these same protections to a new class of persons: spouses of deceased servicemembers who died in active duty or in service-connected duties.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: Yes. The CBO [report](#) states that the bill imposes intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). Requiring public and private lending institutions to designate an employee who would ensure compliance with the act is a federal mandate. Despite the fact that lending institutions currently employ compliance officers and most large institutions maintain toll free numbers, requiring institutions with over \$10 billion in annual assets in the preceding fiscal year to maintain a toll-free telephone number to provide assistance to servicemembers is a federal mandate. However, the CBO estimates that the extra training for employees and the maintenance of toll-free numbers would not impose significant costs on private entities. Also, because few lending institutions are public entities, CBO estimates that the intergovernmental costs of the mandate also would be "small" and would not exceed the thresholds established in the Unfunded Mandates Reform Act (\$71 million and \$142 million, respectively, in 2011, adjusted for inflation).

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: Yes. According to the Committee [report](#), H. R. 1263 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI of the Rules of the House of Representatives.

Constitutional Authority: The Constitutional Authority Statement accompanying the bill upon introduction states, “Congress has the power to enact this legislation pursuant to the following: Clause 18 of section 8 of article I of the Constitution [Necessary and Proper Clause].”

RSC Staff Contact: Joe Murray, joe.murray@mail.house.gov, (202) 226-0678.

H.R. 1025 – To amend title 38, United States Code, to recognize the service in the reserve components of certain persons by honoring them with status as veterans under law
(Walz, D-MN)

Order of Business: The bill is scheduled to be considered on Tuesday, October 11, 2011 under a motion to suspend the rules requiring two-thirds majority vote for passage.

Summary: H.R. 1025 grants the status of “honorary veteran” to those individuals who served at least 20 years in the Reserve and National Guard, are under the age of 60, and who were never called to active duty. These honorary veterans would not be eligible for additional benefits from the Department of Veterans Affairs based on this new status.

Additional Background: Under current law¹², a “veteran” is described as “a person who served in the active military, naval, or air service, and who was discharged or released there from under conditions other than dishonorable.” This bill would confer honorary veteran status on those individuals who are entitled under chapter 1223 of title 10, United States Code, to retired pay for nonregular service or who would be entitled to retired pay, but for age.

Committee Action: Representative Timothy Walz (*D-MN*) introduced H.R. 1025 on March 10, 2011. On July 7, 2011, the Subcommittee on Disability Assistance held a hearing on the bill. On July 22, 2011, it marked up the bill and reported it out by voice vote. On September 8, 2011, the full Committee reported the bill out of Committee by voice vote.

Administration Position: As of press time, no Statement of Administration Policy (SAP) has been released.

Cost to Taxpayers: The Congressional Budget Office (CBO) released a cost estimate for H.R. 1025 on September 16, 2011 explaining that implementing the bill would have no budgetary impact on the federal government.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-

¹² 38 U.S.C. sec. 101(2).

Sector Mandates?: No. The CBO reports states that “H.R. 1025 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.”

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: Yes. According to the Committee [report](#), H. R. 1025 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI of the Rules of the House of Representatives.

Constitutional Authority: The Constitutional Authority Statement accompanying the bill upon introduction states, “Congress has the power to enact this legislation pursuant to the following: Article I, Section I: All legislative Powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.”

RSC Staff Contact: Joe Murray, joe.murray@mail.house.gov, (202) 226-0678.

###