

104TH CONGRESS }
1st Session }

SENATE

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LEGISLATIVE AND OVERSIGHT ACTIVITIES
DURING THE 103D CONGRESS BY THE
SENATE COMMITTEE ON
VETERANS' AFFAIRS

S P E C I A L R E P O R T

OF THE

COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES SENATE
COMMITTEE ACTIVITIES



MARCH 2 (legislative day, FEBRUARY 22), 1995.—Ordered to be printed

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[103D CONGRESS]

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[104TH CONGRESS]

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

REPORT

Pursuant to paragraph 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Veterans' Affairs submits its report on legislative and oversight activities during the 103d Congress.

I. INTRODUCTION

Hearings

A. FIRST SESSION

During the First Session of the 103rd Congress, the Committee held twenty-four days of hearings on legislative and oversight matters, on nominations to the Departments of Veterans Affairs and Labor, and on the legislative recommendations of veterans service organizations. Among those were eight days of hearings on VA health care programs and related matters; one day on VA compensation and pension; one day on veterans' employment programs; one day on VA and DOD's response to the health care needs of Persian Gulf War veterans; one day on the report by the National Academy of Sciences on health effects in Vietnam veterans of exposure to herbicides; and one day on claims processing and adjudication timeliness and staffing.

B. SECOND SESSION

During the Second Session, the Committee held fifteen days of hearings on legislative and oversight matters, on nominations to the Department of Veterans Affairs, and on the legislative recommendations of veterans service organizations. Among those were three days of hearings on VA health care programs and related

matters; one day on VA compensation and pension; four days on VA and DOD's response to the health care and other needs of Persian Gulf War veterans; one day on the needs of homeless veterans; and one day on claims processing and adjudication matters.

Legislation

A. FIRST SESSION

During the First Session of the 103rd Congress, the Committee met in open session to consider legislation four times and reported ten bills to the Senate. The provisions of four of these reported bills, with modifications, were ultimately enacted into four public laws during the First Session. Provisions from five other bills were ultimately enacted into three public laws (discussed below) during the Second Session. Finally, two bills (discussed below) within the Committee's jurisdiction were enacted into two public laws in the First Session with Committee support but without formal Committee action.

The four public laws enacted during the First Session which included provisions from bills reported by the Committee are:

1. An act to amend title 38, United States Code, to codify the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of such veterans as such rates took effect on December 1, 1992 (Public Law 103-78), signed August 13, 1993.

2. An act to authorize major medical facility construction projects for the Department of Veterans Affairs for fiscal year 1994, and for other purposes (Public Law 103-79), signed August 13, 1993.

3. The Veterans' Compensation Rates Amendments of 1993 (Public Law 103-140), signed November 11, 1993.

4. An act to authorize the placement of a memorial cairn in Arlington National Cemetery, Arlington, VA, to honor the 270 victims of the terrorist bombing of Pan Am Flight 103 (Public Law 103-158), signed November 24, 1993.

The two public laws which were derived from bills within the Committee's jurisdiction that were enacted with Committee support but without formal Committee action are:

1. An act to amend title 38, United States Code, to increase the rate of special pension payable to persons who have received the Congressional Medal of Honor (Public Law 103-161), signed November 30, 1993.

2. An act to amend title 38, United States Code, to provide additional authority for the Secretary of Veterans Affairs to provide health care for veterans of the Persian Gulf War (Public Law 103-210), signed December 20, 1993.

B. SECOND SESSION

During the Second Session, the Committee met in open session to consider legislation four times and reported ten bills to the Senate. The provisions of eight of these reported bills, with modifications, were ultimately enacted into four public laws during the Second Session.

These four public laws are:

1. The Board of Veterans' Appeals Administrative Procedures Improvement Act of 1994 (Public Law 103-271), signed July 1, 1994.
2. The Veterans' Compensation Cost-of-Living Adjustment Act of 1994 (Public Law 103-418), signed October 25, 1994.
3. The Veterans' Benefits Improvement Act of 1994 (Public Law 103-446), signed November 2, 1994.
4. The Veterans Health Programs Extension Act of 1994 (Public Law 103-452), signed November 2, 1994.

The three public laws enacted during the Second Session which included provisions from bills reported during the First Session are:

1. An Act to amend title 38, United States Code, to extend eligibility for burial in national cemeteries to persons who have 20 years of service creditable for retired pay as members of a reserve component of the Armed Forces and to their dependents (Public Law 103-240), signed May 4, 1994.
2. The Uniformed Services Employment and Reemployment Act of 1994 (Public Law 103-353), signed October 13, 1994.
3. The Veterans Health Programs Extension Act of 1994 (Public Law 103-452), signed November 2, 1994.

Nominations

A. FIRST SESSION

During the First Session of the 103rd Congress, the Committee met in open session five times and reported nine nominations to the Senate. In addition, the Committee conducted a hearing on one nomination that was placed directly on the Senate Executive Calendar without referral to the Committee. The following table portrays the Committee's and the Senate's actions regarding these nominations:

DEPARTMENT OF VETERANS AFFAIRS NOMINATIONS

Position and name	Date of nomination	Date of hearing	Date reported	Date confirmed
Jesse Brown, Secretary of Veterans Affairs	Jan. 20, 1993	Jan. 7, 1993	Nomination placed directly on Senate calendar.	Jan. 21, 1993
Hershel W. Gober, Deputy Secretary of Veterans Affairs	Jan. 20, 1993	Jan. 22, 1993	Feb. 3, 1993	Feb. 3, 1993
Jerry W. Bowen, Director, National Cemetery System	Mar. 27, 1993	May 12, 1993	May 19, 1993	May 20, 1993
Mary Lou Keener, General Counsel	Apr. 27, 1993	May 12, 1993	May 19, 1993	May 20, 1993
Edward P. Scott, Assistant Secretary for Congressional Affairs	Apr. 27, 1993	May 12, 1993	May 19, 1993	May 20, 1993
D. Mark Cattet, Assistant Secretary for Finance and Information Resources Management	Apr. 27, 1993	May 12, 1993	May 19, 1993	May 20, 1993
Victor P. Raymond, Assistant Secretary for Policy and Planning	June 7, 1993	July 1, 1993	July 15, 1993	July 16, 1993
Eugene A. Brickhouse, Assistant Secretary for Human Resources and Administration	Sept. 7, 1993	Oct. 28, 1993	Nov. 3, 1993	Nov. 8, 1993
Kathy Elena Jurado, Assistant Secretary for Public and Intergovernmental Affairs	Sept. 7, 1993	Oct. 28, 1993	Nov. 3, 1993	Nov. 8, 1993

DEPARTMENT OF LABOR NOMINATION

Position and name	Date of nomination	Date of hearing	Date reported	Date confirmed
Preston M. Taylor, Jr., Assistant Secretary for Veterans' Employment and Training	Oct. 25, 1993	Nov. 19, 1993	Nov. 19, 1993	Nov. 20, 1993

B. SECOND SESSION

During the Second Session, the Committee met in open session two times and reported two nominations to the Senate. The Committee also received one nomination on which no action was taken during the Second Session. The following table portrays the Committee's and the Senate's actions regarding these nominations:

DEPARTMENT OF VETERANS AFFAIRS NOMINATIONS

Position and name	Date of nomination	Date of hearing	Date reported	Date confirmed
Raymond John Vogel, Under Secretary for Benefits	Nov. 16, 1993	Jan. 26, 1994	Feb. 10, 1994	Feb. 22, 1994
Linda Marie Hooks, Assistant Secretary for Acquisition and Facilities	May 6, 1994			
Kenneth W. Kizer, Under Secretary for Health	July 29, 1994	Sept. 13, 1994	Sept. 23, 1994	Sept. 28, 1994

II. BUDGET ON VETERANS PROGRAMS

A. FIRST SESSION

On March 5, 1993, pursuant to the requirements of section 301(d) of the Congressional Budget Act of 1974 and with the approval of a majority of the members of the Committee on Veterans' Affairs, the Committee submitted a report of its budget views and estimates to the Budget Committee.

The views and recommendations expressed in this report were based on very limited information since, at the time of the submission of this report, the President had not yet completed his decisionmaking regarding VA's fiscal year 1994 budget. As a result, the Committee did not yet have the documents estimating and justifying expenditures for specific services and benefits funded from each account.

Based on the best information then available, the Committee recommended that VA's fiscal year 1994 budget, in order to provide adequate services to the Nation's veterans, should include a total of approximately \$800–900 million above the current service levels for VA discretionary accounts, including the \$279 million for VA medical care proposed to be allocated in the President's health care investment package and the \$235 million in fiscal year 1993 for vital repair and maintenance projects at VA medical centers and other VA facilities, included as part of an overall stimulus package.

The Committee report recommended that the Administration-proposed funding levels be increased for programs in Function 700 (Veterans' Benefits and Staffing), including medical care, medical and prosthetic research, and benefits programs. In addition, the Committee recommended increased funding levels above current service levels for the Department of Labor Veterans' Employment and Training programs in Function 500 (Education, Training, Employment, and Social Services).

As a part of the President's proposed economic stimulus package, introduced as H.R. 1335, VA would have received over \$235 million, primarily for nonrecurring maintenance projects that represented the most pressing needs among the \$800 million backlog of deferred VA maintenance projects. The Committee's report to the Budget Committee on March 5, 1993, strongly supported this proposal. On April 23, 1993, the President signed H.R. 1335 into law as Public Law 103–24. As enacted, the law did not include the President's proposed funding for VA.

The Senate adopted the conference report on the Budget Resolution (H. Con. Res. 64) on Thursday, March 25, 1993, including the President's proposals for veterans' programs, without change. Section 7(b)(12) of the concurrent resolution directed the Committee on Veterans' Affairs to report changes in laws within the Committee's jurisdiction sufficient to reduce outlays for veterans' programs by \$266 million in fiscal year 1994 and \$2.58 billion during fiscal years 1994–1998.

Pursuant to this requirement and in accordance with a unanimous, bipartisan vote of the Committee at a June 10, 1993, meeting, the Committee submitted legislation to the Budget Committee on June 15, 1993, that complied with the reconciliation instructions. On August 3, 1993, the Committee reached agreement with

the House Committee on Veterans' Affairs on this legislation and submitted it along with a joint explanatory statement to the Budget Committee. The Senate-House compromise on this legislation was included as Title XII (veterans' programs) of the conference report on H.R. 2264 (H. Rept. 103-213), which was agreed to by the House on August 4, 1993, and the Senate on August 6, 1993. According to the Congressional Budget Office (CBO), the provisions in title XII would produce net savings of \$2.544 billion in outlays during fiscal years 1994-1998. H.R. 2264 was signed into law on August 10, 1993, as Public Law 103-66, the Omnibus Reconciliation Act of 1993 (OBRA 93).

Public Law 103-66 made changes in laws relating to VA compensation and pension, health care, VA-guaranteed home loans, Montgomery GI Bill educational assistance, and other veterans' programs. Detailed explanations of these provisions are included in this report under the appropriate subject.

B. SECOND SESSION

On March 10, 1994, the Committee held a hearing on the budget for veterans' programs for fiscal year 1995. On March 14, 1994, pursuant to the requirements of section 301(d) of the Congressional Budget Act of 1974 and with the approval of a majority of the members of the Committee on Veterans' Affairs, the Committee submitted a report of its budget views and estimates to the Budget Committee.

The Committee's report recommended funding increases above the Administration-requested levels. The Committee recommended fiscal year 1995 funding for the Medical and Prosthetic Research account of \$252 million, an increase of \$41 million over the Administration request of \$211 million, in order to restore the funding level for this account to the fiscal year 1994 level.

The Committee recommended that sufficient funds be added to the General Operating Expenses account to increase the staffing level for the Veterans Benefits Administration by 622 FTEE (approximately \$30 million), specifically for veterans services and claims processing, in an effort to ensure that the VA adjudication system's timeliness would not further deteriorate due to severe understaffing.

The Committee's report also noted with disapproval the Administration's proposal to shift \$225 million in funding for eight critical new VA ambulatory care facilities from Function 700 of the budget to the health care investment fund which would have been created under the proposed "Health Security Act."

III. SERVICE-CONNECTED COMPENSATION AND RELATED PROGRAMS

A. OVERVIEW

VA's disability compensation program provides monthly payments to veterans who, because of service-connected disabilities, have impairments of earning capacity. The amount paid depends on the nature of the veteran's disability, or combination of disabilities, and the extent to which earning capacity is deemed to have been impaired. As of the end of fiscal year 1994, an estimated 2.2 million veterans received compensation benefits.

VA pays dependency and indemnity compensation (DIC) benefits to surviving spouses and children of veterans who die during active duty or from a service-connected condition. This benefit is intended to compensate for the loss of family income. At the end of fiscal year 1994, an estimated 338,019 survivors received benefits under this program.

Congress also has established programs to meet certain specific needs of service-disabled veterans, including grants for specially adapted housing and adaptive automobile equipment.

The Committee is concerned that benefits be adjusted appropriately to keep pace with inflation, and paid in all cases in which the veteran's death or disability reasonably may have been incurred or aggravated during the veteran's service. The Committee also is concerned that all reasonably feasible scientific studies necessary to determine whether veterans incurred disabilities as a result of exposure to hazardous substances or psychological stress be undertaken, and the administration of the system for adjudicating claims for compensation benefits be fair and efficient. In the course of the 103rd Congress, the Committee conducted hearings on these and other issues involving the need for improvements in these programs.

B. FIRST SESSION

On March 18, 1993, Chairman Rockefeller introduced S. 616, the proposed "Veterans' Compensation Cost-of-Living Adjustment Act 1993," a bill to increase the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of certain disabled veterans. On March 24, 1993, the Committee held a hearing on the veterans' compensation cost-of-living adjustment (COLA) for fiscal year 1994. The Committee received testimony from VA and various veterans service organizations. On June 15, 1993, the Committee reported S. 616 (S. Rept. 103-55) with amendments. S. 616 passed the Senate on July 14, 1993. The House passed the bill by voice vote on November 2, 1993, substituting the provisions of a similar measure, H.R. 3340. The amended version of S. 616 passed the Senate on November 4, 1993. On November 11, 1993, the President signed S. 616 into law as Public Law 103-140, the Veterans' Compensation Cost-of-Living Adjustment Act for 1993. Public Law 103-140 provided a 2.6 percent COLA, rounded down to the nearest dollar, pursuant to Public Law 103-66 (OBRA 93, discussed above in section II.A.), effective December 1, 1993, in the rates of service-connected disability compensation and in the rates of DIC paid under Public Law 102-568 (the so-called "new law" DIC). As provided for in OBRA 93, Public Law 103-140 also specified that recipients of DIC paid under the law in effect prior to the enactment of Public Law 102-568 (the so-called "old law" DIC) would receive half the COLA paid to "new law" DIC recipients, rounded down to the nearest dollar.

On May 18, 1993, Chairman Rockefeller introduced S. 970, a bill to amend title 38, United States Code, to codify the fiscal year 1993 rates of compensation and DIC that took effect on December 1, 1992. On June 30, 1993, the Committee reported S. 970 (S. Rept. 103-81) to the Senate without amendment. On April 27, 1993, the

House passed a companion bill, H.R. 798 (H. Rept. 103-63), and on July 28, 1993, the Senate substituted S. 970 as amended and passed H.R. 798 in lieu of S. 970 by voice vote. On August 2, 1993, the House agreed to the Senate amendment. On August 13, 1993, the President signed H.R. 798 into law as Public Law 103-78, the Veterans' Compensation Rates Codification Act of 1993.

As required by the Agent Orange Act of 1991, Public Law 102-4, VA entered into a contract in 1991 with the National Academy of Sciences (NAS) to conduct a review of the scientific and medical evidence on the health effects of exposure to herbicides used in Vietnam. The NAS committee that conducted the review released its report on July 27, 1993. On the same day, the Committee held a hearing on the NAS report.

Public Law 102-4 required the Secretary of Veterans Affairs to determine within 60 days following the issuance of the report which of the diseases considered by the NAS committee are associated with exposure to Agent Orange or other herbicides used in Vietnam and whether those diseases in Vietnam veterans should be presumed to be service connected. On September 28, 1993, the Committee received the determinations reached by the Secretary under the mandate of Public Law 102-4.

On November 2, 1993, the staff of the Committee conducted a staff forum, taking the testimony of several scientists who have conducted research on the health effects of dioxin. The purpose of this staff forum was to follow up on the determinations of the Secretary to establish presumptive service connection for some diseases and not to establish presumptive service connection for others, and to explore the directions that should be taken with respect to future research on the health effects of herbicides.

C. SECOND SESSION

1. COMPENSATION COST-OF-LIVING ADJUSTMENT

On March 3, 1994, Senator Rockefeller introduced S. 1927, the proposed "Veterans' Compensation Cost-of-Living Adjustment Act of 1994," a bill to increase the rates of compensation for veterans with service-connected disabilities, and the rates of dependency and indemnity compensation for survivors of certain disabled veterans, by the same percentage as the COLA provided to Social Security recipients and VA pension beneficiaries. On March 24, 1994, the Committee held a hearing on S. 1927 and other pending legislation. The Committee received testimony from VA and various veterans service organizations. On April 14, 1994, the Committee voted unanimously to report S. 1927 with a technical amendment, and on April 26, 1994, the bill was reported (S. Rept. 103-254).

The Senate passed S. 1927 by voice vote on May 4, 1994. The House passed S. 1927 by voice vote on August 8, 1994, with an amendment in the nature of a substitute which included a provision concerning a compensation COLA for fiscal year 1995. On October 6, 1994, the Senate passed S. 1927 with a compromise amendment by voice vote and the House passed the bill, as amended, on October 7, 1995. On October 25, 1994, the President signed S. 1927 into law as Public Law 103-418, the Veterans' Compensation Cost-of-Living Adjustment Act of 1994.

Public Law 103-418 provides a compensation COLA, at the same percentage as the fiscal year 1995 COLA for Social Security and VA pension benefits, effective December 1, 1994, in the rates of service-connected disability compensation and in the rates of DIC. Pursuant to cost-savings provisions contained in Public Law 103-446 (described below under the heading "Compensation for Persian Gulf War Veterans"), these rates are rounded down to the nearest whole dollar where the amount of the increased rate would be less than a whole-dollar amount.

2. COMPENSATION FOR PERSIAN GULF WAR VETERANS

On September 14, 1994, the Committee held a hearing and received testimony relating to, among other matters, two bills—S. 2330, introduced by Chairman Rockefeller on July 27, 1994, and S. 2178, introduced by Senator Thomas A. Daschle on June 10, 1994—relating to compensation for Persian Gulf War veterans.

On September 23, 1994, the Committee voted unanimously to report favorably S. 2330, with an amendment in the nature of a substitute, containing provisions derived from S. 2330 and S. 2178.

Earlier, on August 8, 1994, the House passed H.R. 4386, the proposed "Veterans' Persian Gulf War Benefits Act." On October 7, 1994, the House, in lieu of further action on H.R. 4386 or S. 2330, passed H.R. 5244, with an amendment incorporating a compromise agreement developed by the House and Senate Committees on Veterans' Affairs, including provisions related to compensation for Persian Gulf War veterans for undiagnosed illnesses. The Senate concurred in the bill as amended on October 8, 1994. The President signed the bill into law as the Veterans' Benefits Improvement Act of 1994, Public Law 103-446, on November 2, 1994.

Title I of Public Law 103-446:

1. Provided the Secretary with authority to pay compensation to any Persian Gulf War veteran suffering from a disability resulting from an undiagnosed illness that became manifest during active duty or to a degree of 10 percent or more within a period to be determined by the Secretary, and required the Secretary to report to Congress as to whether compensation will be paid under this authority.

2. Required the Secretary to publish proposed regulations under which compensation would be paid if the Secretary determines that compensation should be paid to these Persian Gulf War veterans.

3. Required the Secretary to determine the appropriate period of time following service in the Southwest Asia theater of operations for a presumption of service connection.

4. Required that the regulations issued by the Secretary include a description of the particular military service involved, the illnesses for which compensation may be paid, and the relevant medical characteristics associated with the illnesses.

5. Required the Secretary to develop and implement a comprehensive outreach program to inform Persian Gulf veterans and their families of medical care and other benefits that may be available to them from VA and DOD. The outreach program would include a semiannual newsletter to be prepared in consultation with veterans service organizations, and a toll-free number to provide any other information the Secretary considers appropriate.

6. Permitted surviving spouses eligible to receive dependency and indemnity compensation (DIC) under chapter 13 of title 38 to elect to receive death pension under chapter 15 in lieu of DIC.

7. Provided that, with respect to any cost-of-living adjustment in the rates of compensation and DIC provided for fiscal year 1995, all increased rates (other than those equal to a whole dollar amount) must be rounded down to the next lower dollar.

3. COMPENSATION RELATED TO RADIATION EXPOSURE

At the Committee's March 24, 1994, hearing (discussed above), the Committee received testimony on S. 1906, a bill introduced by Chairman Rockefeller on March 8, 1994, to provide that service connection for disabilities arising from exposure to ionizing radiation may be established by direct evidence. At the Committee's April 14, 1994, meeting, the Committee voted unanimously to report S. 1908, as amended, incorporating the provisions of several bills, including S. 1906.

As reported on June 7, 1994 (S. Rept. 103-280), title III of S. 1908 contained a provision to amend Public Law 98-542 to overrule the decision of the United States Court of Veterans Appeals in *Combee v. Principi*, 4 Vet. App. 78 (1993), to clarify that any regulations prescribed under Public Law 98-542 may not preclude a veteran from establishing service connection under section 1110 of title 38, United States Code, for a condition based on radiation exposure.

As discussed above (under the heading "Compensation for Persian Gulf War Veterans"), the House, on October 7, 1994, passed H.R. 5244, with an amendment incorporating a compromise agreement developed by the two Committees on Veterans' Affairs. The Senate concurred in the bill as amended on October 8, 1994, and the President signed the bill into law as Public Law 103-446 on November 2, 1994.

The provisions of Public Law 103-446 concerning compensation related to radiation exposure: 1. Clarified that, for the purposes of a presumption of service connection based on exposure to ionizing radiation, participation in atmospheric testing of nuclear devices includes non-U.S. tests. 2. Clarified that provisions of law requiring VA to establish a procedure for claims based on exposure to ionizing radiation may not be construed to prevent the establishment of service connection on a direct basis.

4. COMPENSATION RELATED TO AGENT ORANGE EXPOSURE

Public Law 103-446 also includes provisions concerning compensation related to Agent Orange exposure. These provisions codified the presumptions of service connection based on exposure to herbicides for the following diseases: Hodgkin's disease, porphyria cutanea tarda, respiratory cancers (lung, trachea, bronchus, and larynx), and multiple myeloma. These presumptions were established administratively by the Secretary in 1993 and 1994, pursuant to the Agent Orange Act of 1991.

IV. NON-SERVICE-CONNECTED PENSION PROGRAMS

A. OVERVIEW

VA pension programs provide needs-based income security benefits to wartime veterans who are totally and permanently disabled from nonservice-connected causes, or who have become unemployable, and to the needy surviving spouses and children of wartime veterans.

As of September 1994, an estimated 440,787 veterans, 391,077 surviving spouses, and 37,029 surviving children were in receipt of VA pension.

B. FIRST SESSION

The provisions of Public Law 103-66 (OBRA 93, discussed above in section II.A.) relating to VA pension programs:

1. Extended, through September 30, 1998, VA's current authority to verify eligibility for VA need-based benefits using income information provided by the Internal Revenue Service and the Social Security Administration.

2. Extended, through September 30, 1998, the current \$90-a-month limitation on pension benefits paid to Medicaid-eligible veterans and surviving spouses who are in nursing homes and who have no dependents.

C. SECOND SESSION

On March 24, 1994, the Committee held a hearing to consider testimony on, among other matters, S. 1626, which contained provisions derived from S. 1958, relating to pension payments to certain veterans, as introduced by Senator Murkowski on March 22, 1994. On April 14, 1994, the Committee met in open session and voted to report favorably S. 1626, and on May 23, 1994, reported the legislation (S. Rept. 103-267). Provisions from S. 1626 were incorporated into H.R. 3313 as an amendment and the bill was passed by the Senate on June 8, 1994. As discussed above (in section III.C.), the House, on October 7, 1994, passed H.R. 5244 with an amendment in the nature of a substitute reflecting a compromise agreement developed between the two Committees on Veterans' Affairs. On November 2, 1994, the President signed H.R. 5244 into law as Public Law 103-446.

The provision of Public Law 103-446 pertaining to nonservice-connected pension programs excluded payments received by individuals from Alaska Native corporations under the Alaska Native Claims Settlement Act (ANCSA) from the calculation of income for purposes of determining eligibility for VA pension, but only to the extent that these payments were excluded for purposes of other means-tested Federal benefits programs as specified in ANCSA.

V. HEALTH CARE

A. OVERVIEW

VA administers a national health care network which provides a complete medical and hospital service for the medical and rehabilitative care and treatment of eligible veterans. The VA health care

system is an integrated national system of teaching hospitals, general and specialty clinics, research centers, nursing homes, readjustment counseling centers, and other facilities providing a broad range of inpatient and outpatient health care services to eligible veterans.

VA provides health care through 171 hospitals, 364 outpatient clinics, 128 nursing home units, and 37 domiciliary care facilities. As part of its national health care network, the VA health care system also provides mental health services to eligible veterans through 201 readjustment counseling centers (Vet Centers) and a broad range of inpatient and outpatient services. In fiscal year 1994, VA hospitals provided inpatient care to 906,925 veterans and conducted 25,442,540 outpatient visits; VA nursing home care and domiciliary care units provided care to 49,190 veterans; hospitals and nursing homes under contract to VA provided care to 49,473 veterans; and State veterans' facilities provided care with VA assistance to 26,382 veterans.

In addition, CHAMPVA—the Civilian Health and Medical Program of the Department of Veterans Affairs—provided reimbursements for the cost of health care services, or furnished such care, to spouses and dependent children of veterans who have permanent and total service-connected disabilities and to the survivors of veterans who either die as a result of a service-connected disability or at the time of death have a permanent and total service-connected disability.

Finally, section 8104(a)(2) of title 38, United States Code, provides that no funds may be appropriated for any fiscal year, and the Secretary of Veterans Affairs may not obligate or expend funds (other than for advance planning and design), for any major medical facility project or any major medical facility lease, unless funds for that project or lease have been specifically authorized by law.

B. FIRST SESSION

1. GENERAL HEALTH CARE

The Committee held a series of hearings on VA health care in anticipation of activity relating to overall national health care reform efforts and legislation.

On March 5, 1993, the Committee held a hearing to review the present and future role of the VA health care system in American health care. The Committee received testimony from witnesses with knowledge of the VA health care system, including witnesses representing the National Rural Health Association, the Commission on the Future Structure of Veterans Health Care, the Institute of Medicine of the National Academy of Sciences, and the Association of American Medical Colleges.

On March 31, 1993, the Committee held a hearing on factors affecting veterans' demand for health care services and on comparisons between VA and non-VA health care costs. The Committee received testimony from academic and health industry experts, as well as the Paralyzed Veterans of America, the General Accounting Office, and the VA Inspector General regarding their respective organizations' views and findings on issues relating to demand for VA care and the cost of such care.

On April 27, 1993, the Committee held a hearing on veterans' and health care professionals' views on the present and future role of the VA health care system. The Committee received testimony from various veterans service organizations and from providers of VA health care.

On May 19, 1993, the Committee held a hearing on VA's roles in geriatrics and long-term care. The Committee received testimony from VA patients, VA health care professionals, and outside experts in geriatrics, family medicine, and psychiatry.

On July 19, 1993, the Committee held a field hearing in Beckley, WV, to engage in oversight of VA health care programs operating in West Virginia and to review the needs of veterans living in geographically remote areas. The Committee received testimony from the Secretary of Veterans Affairs, VA health care professionals, and various veterans service organizations.

On June 23, 1993, the Committee held a hearing to consider various health care bills—S. 452, S. 852, S. 1030, S. 1094, S. 1122, S. 1194, a draft of the Veterans' Hospices Services Act of 1993, and a draft of the Women Veterans Health Care Act. S. 452, legislation introduced by Senator Kent Conrad, would have established a rural health care clinic program. S. 852, legislation also introduced by Senator Conrad, would have authorized VA to provide per diem payments and construction grants to State Veterans Homes for adult day health care. S. 1030, introduced by Chairman Rockefeller, would have extended VA's sexual trauma counseling program and other programs for women veterans. S. 1094, introduced by Committee member Thomas A. Daschle, would have extended the period of entitlement to VA care for veterans exposed to Agent Orange and radiation. S. 1122, introduced by Senator Barbara A. Mikulski, would have established an educational loan repayment program for certain VA health care professionals. The Veterans Hospice Services Act, later introduced by Chairman Rockefeller as S. 1194, would have established a pilot program to furnish comprehensive hospice care services. The Women Veterans Health Care Act would have authorized VA to furnish comprehensive reproductive health care services. The Committee received testimony from VA, various veterans service organizations, and Senators Conrad and Mikulski.

The Committee met in open session on July 15, 1993, to consider, among other things, a Committee Print of S. 1030 incorporating provisions derived from the above-mentioned measures. The Committee voted to report S. 1030 favorably to the Senate with an amendment proposed by Committee members Daschle and James M. Jeffords, relating to VA health care for veterans of the Persian Gulf War. The Committee reported S. 1030 (S. Rept. 103-136) on September 8, 1993. There was no further action on this legislation during the First Session.

Public Law 103-66 (OBRA 93, discussed above in section II.A.), which was signed into law on August 13, 1993, contained provisions relating to VA health care programs which:

1. Extended, through September 30, 1998, the Department of Veterans Affairs' current authority to collect copayments from certain veterans for certain medical care and outpatient medications.

2. Extended, through September 30, 1998, VA's current authority to recover from a veteran's private medical insurance the cost of medical care VA provides for nonservice-connected conditions.

On October 13, 1993, the Committee held a hearing on the role of VA under President Clinton's proposed national health care reform plan. The Committee received testimony from the Secretary of Veterans Affairs.

On November 16, 1993, the Committee held a hearing to address the health problems that Persian Gulf War veterans are experiencing. The Committee took testimony from Senator Donald W. Riegle, Jr., Secretary of Veterans Affairs Jesse Brown, other VA and DOD officials, several scientists, and Persian Gulf War veterans experiencing health problems.

Earlier, on August 2, 1993, the House passed H.R. 2535, legislation relating to, among other things, health care for Persian Gulf War veterans. On November 20, 1993, the Senate passed H.R. 2535 with an amendment which represented a compromise developed by the House and Senate Committees on Veterans' Affairs. The House passed the compromise agreement on November 22, 1993, and the President signed H.R. 2535 on December 20, 1993, as Public Law 103-210.

The provisions of Public Law 103-210 relating to VA health care programs:

1. Established access to VA medical care for veterans of the Persian Gulf war through December 31, 1994.

2. Extended, until June 30, 1994, entitlement to priority VA medical care to veterans exposed to Agent Orange and other herbicides or ionizing radiation.

3. Extended eligibility for sexual trauma counseling through December 31, 1994.

4. Authorized VA to enter into agreements with State veterans facilities for the sharing of health care resources.

2. MENTAL HEALTH

On July 14, 1993, Senator Akaka introduced S. 1226, the proposed "Readjustment Counseling Service Amendments of 1993." As introduced, S. 1226 would have, among other things, established the Readjustment Counseling Service (RCS) as a statutory organization within VA, expanded entitlement to RCS services to all veterans, regardless of period of service, and provided entitlement to bereavement counseling to the family members of those who died on active duty.

On September 30, 1993, Senator Rockefeller introduced S. 1512, the proposed "VA Mental Health Care Improvement Act of 1993." As introduced, S. 1512 would have established up to five centers of mental illness research, education, and clinical activities at existing VA health care facilities.

On August 3, 1993, the Committee held a hearing to receive testimony on legislation relating to veterans' mental health, including S. 1226 and S. 1512. The Committee received testimony from VA Central Office officials, VA Readjustment Counseling Service Regional Managers and Team Leaders, and various veterans service organizations.

On November 3, 1993, the Committee met in open session to consider a Committee Print of S. 1226 derived from the bill as introduced. The Committee voted by unanimous voice vote to report S. 1226 with an amendment in the nature of a substitute derived from the bill as introduced with minor revisions. At the same meeting, the Committee voted unanimously to report S. 1512 with an amendment in the nature of substitute derived from the bill as introduced with minor revisions. There was no further action with reference to either bill in the First Session.

3. MEDICAL FACILITY ACQUISITION

The Committee held a hearing on May 6, 1993, to review the VA construction program and the Secretary's request for authorization of medical facility construction projects for fiscal year 1994. The Committee received testimony from the Secretary, the General Accounting Office, Paralyzed Veterans of America, and the former Executive Director of VA's Commission on the Future Structure of Veterans' Health Care.

On May 19, 1993, the Committee met and ordered reported S. 1079, an original bill authorizing major facility projects and leases for fiscal year 1994. The Committee reported this measure (S. Rept. 103-53) on June 8, 1993. On May 18, 1993, the House passed H.R. 2034, which, among other things, authorized VA medical facility construction projects and leases. The Senate passed H.R. 2034 on July 14, 1993, incorporating the provisions of S. 1079 as a substitute amendment. On August 6, 1993, both the House and Senate passed a compromise agreement on H.R. 2034 relating to the authorization of VA construction projects and leases for fiscal year 1994. This legislation was signed into law as Public Law 103-79 on August 13, 1993. This law contains provisions that:

1. Authorized VA to enter into the major medical facility leases for which funds were requested in the President's budget for fiscal year 1994.

2. Authorized the following VA major medical projects, in the amounts specified: (1) Construction in accordance with an agreement between the Secretary of the Air Force and the Secretary of Veterans Affairs of a medical facility at Elmendorf Air Force Base, Anchorage, AK, to be shared by the Air Force and VA, \$11,500,000; (2) construction of a psychiatric building at the VA Medical Center in Lyons, NJ, \$41,700,000; (3) modernization and seismic correction at the VA Medical Center in Memphis, TN, \$10,700,000; (4) construction of a replacement bed building at the VA Medical Center in Muskogee, OK, \$33,200,000; (5) construction of an outpatient care addition and parking garage at the VA Medical Center in San Juan, PR, \$46,000,000; and (6) construction, or expansion and modernization, of a 120-bed nursing home facility in the Chesapeake network area (the site to be selected by the Secretary).

3. Required the Secretary, in selecting the site for the VA major medical facility project in the Chesapeake network, to conduct a study to determine the most appropriate location for that facility.

4. Authorized to be appropriated to the Secretary of Veterans Affairs for fiscal year 1994 (1) \$143,100,000 for the major medical facility projects authorized in the law and such sums as may be necessary for the nursing home facility in the Chesapeake network,

but not to exceed \$14,500,000 in the case of construction of nursing home beds in Baltimore, MD, as proposed in the President's budget for VA for fiscal year 1994; and (2) \$50,123,105 for the authorized major medical facility leases.

5. Limited the authorized projects to be carried out only using (1) specifically authorized major construction funds appropriated for fiscal year 1994; (2) funds appropriated for Construction, Major Projects, for a fiscal year before fiscal year 1994 that remain available for obligation; and (3) funds appropriated for Construction, Major Projects, for fiscal year 1994 for a category of activity not specific to a project.

6. Changed the statutory definition of a "major medical facility project" from one costing at least \$2,000,000 to one costing at least \$3,000,000.

7. Changed the statutory definition used for determining if a parking facility at a medical facility is a major medical facility project from one costing at least \$2,000,000 to one costing at least \$3,000,000.

8. Extended the Secretary's lease authority under the Veterans' Benefits Programs Improvement Act of 1991 (36 U.S.C. 493) for Pershing Hall, France, from 35 years to 99 years as the maximum period of lease.

C. SECOND SESSION

1. GENERAL HEALTH CARE

On February 9, 1994, the Committee held a hearing to review VA participation in State health care reform programs. The Committee received testimony from witnesses with knowledge of the VA health care system, including directors and chiefs of staff of VA medical centers in five States that were active in the area of health care reform: Florida, Minnesota, Tennessee, Vermont, and Washington State. VA officials and a representative of the Paralyzed Veterans of America also testified. Following this hearing and taking into account the testimony at the hearing, Chairman Rockefeller introduced S. 1974, the proposed "VA State Health Care Reform Pilot Program Act."

The Committee met in open session on April 14, 1994, to consider, among other items, S. 1974. The Committee voted to report S. 1974 to the Senate with an amendment in the nature of a substitute. On May 23, 1994, the Committee reported S. 1974 (S. Rept. 103-268). On June 8, 1994, S. 1974 was incorporated into a companion measure, H.R. 4013, and was passed by the Senate. There was no further action on this legislation in the 103rd Congress.

On May 5, 1994, the Committee held a hearing on the financing of health care reform for VA. The Committee received testimony from two experts in health policy, as well as VA officials who work on financing issues at VA and GAO staff, regarding their findings on issues relating to the financial planning for the future of VA health care.

On May 6, 1994, the Committee held a hearing on the health effects of secret military research and other intentional exposures of military personnel to environmental hazards. The Committee received testimony from officials from the Department of Defense, the

Department of Veterans Affairs, and the Food and Drug Administration, as well as veterans from World War II, the Persian Gulf War, and the Dugway Proving Grounds, a military facility in Utah. Experts on the potential health effects of intentional exposures also testified.

On July 7, 1994, the Committee held a field hearing in Denver, CO, to review health and compensation issues for Persian Gulf War veterans. The Committee received testimony from Persian Gulf War veterans, officials from DOD and VA, and health care administrators at VA and military hospitals.

The Committee met in open session on July 14, 1994, to consider a Committee Print of legislation relating to VA and VA's role in overall national health care reform. The Committee voted to report such legislation, and on July 21, 1994, it was reported to the Senate without written report as S. 2309, the proposed "Veterans Health Care Reform Act of 1994." Due to opposition to a larger health care reform bill, there was no Senate consideration of the bill before the end of the 103rd Congress.

On August 5, 1994, the Committee held an oversight hearing on the reproductive hazards associated with military service. The Committee received testimony from veterans and their wives and widows, as well as university scientists and scientists from the GAO. Administration witnesses represented VA, DOD, the Centers for Disease Control and Prevention, and the Environmental Protection Agency.

Earlier, on July 26, 1994, the Senate approved S. 1030, as reported in September 1993 (discussed above in section V.B.1), by unanimous consent with an amendment. On October 8, 1994, the Senate approved H.R. 3313, with provisions derived from S. 1030. On November 2, 1994, the President signed H.R. 3313 into law (Public Law 103-452). The provisions in Public Law 103-452 relating to general health care:

1. Extended the period of authority for VA to provide health care for veterans exposed to dioxin and radiation until June 30, 1995, and health care to Persian Gulf War veterans until December 31, 1995.
2. Extended the period of authority for VA to provide sexual trauma counseling and services until December 31, 1998.
3. Repealed the restriction in current law which requires women veterans to seek sexual trauma counseling within two years of discharge from active duty, and the one-year time limit during which a veterans could receive VA care in connection with a sexual trauma.
4. Required VA to establish a toll-free telephone number to provide information about VA's sexual trauma services.
5. Improved and expanded VA research relating to women veterans' health care concerns.
6. Extended VA's pilot program for alternatives to nursing home care.
7. Extended certain expiring authorities regarding drug and alcohol abuse and dependence treatments, and enhanced-use leases.

As discussed above (in section III.C.), the Senate, on October 8, 1994, passed H.R. 5244, which contained several provisions relating to the health of Persian Gulf War veterans and atomic veter-

ans. The legislation was signed as Public Law 103-446. The provisions of Public Law 103-446 relating to the health of Persian Gulf War veterans and atomic veterans:

1. Authorized the development and implementation of a medical evaluation protocol for Gulf War veterans, to include reproductive function.

2. Required VA to include spouses and offspring in the Persian Gulf War Health Registry, if they have illnesses or birth defects that may be related to the veteran's service in the Gulf War. Inclusion is voluntary, and the costs of medical examinations are to be paid by VA.

3. Authorized epidemiological research on Gulf War veterans.

4. Required VA to enter into a contract with the Institute of Medicine of the National Academy of Sciences, or similar agency, to evaluate the feasibility of a study of reproductive problems among atomic veterans.

2. MENTAL HEALTH

The Committee took further action on two bills—S. 1226 and S. 1512—that were ordered reported in the First Session.

The Committee filed a report on S. 1226 (S. Rept. 103-236) on March 15, 1994. On March 24, 1994, the Senate agreed to S. 1226 as reported with an amendment by Senator Patrick J. Leahy relating to readjustment counseling for family members of POWs and MIAs. There was no further action on this legislation in the 103rd Congress.

The Committee filed a report on S. 1512 (S. Rept. 103-237) on March 17, 1994. On March 24, 1994, the Senate agreed to S. 1512 as reported. There was no further action on this legislation in the 103rd Congress.

Public Law 103-452 (discussed above under subsection 1 of this section) reauthorized for one year VA's authority to contract with non-VA halfway houses for rehabilitation services for veterans with substance abuse problems.

3. MEDICAL FACILITY ACQUISITION

During the Committee's March 10, 1994, hearing on VA's fiscal year 1995 budget, the Committee took testimony on VA's construction program and the Secretary's request for authorization of medical facility construction projects for fiscal year 1995.

On June 9, 1994, the Committee met and ordered reported S. 2277, an original bill authorizing major facility projects and leases for fiscal year 1995. The Committee reported this measure to the Senate on July 12 without written report. On August 19, 1994, S. 2277 was passed by the Senate. Earlier, on May 23, 1994, the House passed H.R. 4425, which, among other things, authorized VA medical facility construction projects and leases for fiscal year 1995. A compromise agreement drawn from S. 2277 and H.R. 4425 relating to the authorization of construction projects and leases for fiscal year 1995 was incorporated into title V of H.R. 3313, which, as discussed above (in subsection 1 of this section), was signed as Public Law 103-452 on November 2, 1994. The provisions of Public Law 103-453 relating to VA construction authorization:

1. Authorized the Secretary of Veterans Affairs to carry out the VA major medical facility projects and leases requested in the fiscal year 1995 budget that the President submitted to Congress.

2. Authorized the Secretary to carry out additional projects including: (1) Eight ambulatory care projects that were listed in the documents submitted with the budget for fiscal year 1995 to be financed with the proposed Investment Fund to be created under the proposed "Health Security Act"; (2) two nursing home projects and one outpatient clinic that were not requested in the budget but which were highly rated by VA and were added by the Committees; and (3) a project to replace and repair the earthquake-damaged facility at Sepulveda, CA.

3. Authorized to be appropriated to the Secretary for fiscal year 1995, \$379,370,000 for the newly authorized VA major medical facility projects.

4. Authorized to be appropriated to the Secretary for fiscal year 1995, \$15,800,000 for the authorized major medical facility leases.

5. Limited the funds that may be used for such construction to funds appropriated for fiscal year 1995; funds appropriated for Construction, Major Projects, for a fiscal year before fiscal year 1995 that remain available for obligation; and funds appropriated for Construction, Major Projects, for fiscal year 1995 for a category of activity not specific to a project.

VI. EDUCATIONAL BENEFITS

A. OVERVIEW

VA readjustment benefits consist of various types of educational assistance for eligible veterans, dependents, and survivors. The main purposes of such assistance are to help the veteran readjust to civilian life in a productive capacity, to compensate for the loss of educational or vocational opportunities during the veteran's period of service to the Nation, to provide incentives for military service, and to provide vocational rehabilitation opportunities to those whose ability to obtain employment has been impaired as a result of service-connected disability.

Educational assistance is also provided by VA to dependents of those veterans having permanent and total service-connected disabilities and to the survivors of those whose deaths were service connected. Such assistance to these survivors and dependents is intended to compensate for service-connected impairment of the veteran's ability to bear the cost of education of his or her family members and, in the case of the veteran's death, to assist the surviving spouse in attaining economic self-sufficiency.

Vocational rehabilitation opportunities are provided under chapter 31 of title 38, United States Code, to service-connected disabled veterans. Until its expiration on December 31, 1989, educational assistance was provided under chapter 34 of title 38 to eligible Vietnam-era veterans and to other veterans and servicemembers who served during the period beginning February 1, 1955, and ending December 31, 1976, who were otherwise eligible. Survivors and dependents of those veterans whose deaths or permanent and total disabilities are service connected are eligible for educational assistance under chapter 35. Under chapter 32, post-Vietnam-era veter-

ans (those entering the service after December 31, 1986, and otherwise eligible) are entitled to participate in an educational assistance program wherein participants contribute up to \$2,300 to an education account. These contributions are then matched by the Department of Defense on a two-for-one basis when the veteran enrolls in an approved course of education. Under chapter 30, educational assistance is provided to members of the All-Volunteer Force who first entered active duty after June 30, 1985, and did not elect not to participate in this program. The rate of basic pay of those who participate is reduced by \$100 for each of the first 12 months of their active-duty service.

In addition, VA administers a program of educational assistance under chapter 106 of title 10, funded by the Departments of Defense and Transportation, of educational assistance for members of the selected reserve.

Of the estimated 497,464 persons pursuing education or training under VA-administered programs in fiscal year 1994, approximately 40,260 were spouses, surviving spouses, sons, and daughters receiving benefits under chapter 35; 44,229 were service-disabled veterans enrolled in rehabilitation under chapter 31; 25,529 were post-Vietnam-era veterans and servicemembers participating in training under chapter 32; 284,108 were All-Volunteer Force servicemembers and veterans receiving benefits under chapter 30; and 103,061 were reservists receiving benefits under chapter 106 of title 10.

B. FIRST SESSION

The provision of Public Law 103-66 (OBRA 93, discussed above in section II.A.) relating to VA education programs eliminated the automatic increase for Montgomery GI Bill educational assistance for fiscal year 1994 and limited the increase in fiscal year 1995 to half of the percentage that would have been provided under the statutory formula.

The provision of Public Law 103-210 (discussed above in section V.B.) relating to VA education programs extended the authority for the VA Advisory Committee on Education through December 31, 1994.

C. SECOND SESSION

On August 8, 1994, the House passed H.R. 4768 providing for improvements in VA education programs. The Committee took written testimony from the Secretary and veteran service organizations regarding this legislation on September 14, 1994. At the hearing, the Committee also took testimony on S. 2094, a bill to make permanent the authority of the Secretary to approve basic educational assistance for flight training. Provisions derived from H.R. 4768 and S. 2094 were incorporated into H.R. 5244. On October 7, 1994, the House passed H.R. 5244, with an amendment incorporating a compromise agreement developed by the two Committees on Veterans' Affairs. On October 8, 1994, the Senate passed the bill as amended. On November 2, 1994, the President signed H.R. 5244 into law as Public Law 103-446.

The provisions of Public Law 103-446 relating to VA education and training programs:

1. Established vocational flight training as a permanent program under chapters 30 and 32 of title 38, and chapter 106 of title 10, effective October 1, 1994.

2. Authorized the use of Indian reservations for the purposes of section 3115 of title 38, in order to allow eligible veterans to participate in non-pay programs of on-the-job training on Indian reservations.

3. Added to the definition of the term "educational institution," for the purposes of chapters 34 and 36, entities which provide training required for completion of any State-approved alternative teacher certification program as determined by the Secretary, effective upon enactment, for the period ending September 30, 1996.

4. Removed the requirement that courses offered by approved foreign universities and colleges be located at the site of the approved institution in order for such courses to be eligible for approval by the Secretary.

5. Required a correspondence program or combination correspondence-residence course to be eligible for approval by State Approving Agencies if the educational institution offering such program or course is accredited by an entity recognized by the Secretary of Education.

6. Required that no less than 50 percent of the graduates of any correspondence program or combination correspondence-residence course take a minimum of 6 months to complete the program or course.

7. Increased the maximum amount available to State Approving Agencies to \$13,000,000 per fiscal year, and eliminate certain reporting and supervision requirements related to the approval of courses of education and training.

8. Extended the expiration date of the Veterans' Advisory Committee on Education until December 31, 2003, and make technical changes to the Committee's mandate.

9. Raised the payment limitation for contractual educational and vocational counseling services to \$6,000,000 in any fiscal year, effective October 1, 1994.

Title VI of Public Law 103-446 also modified the Service Members Occupational Conversion and Training Act of 1992 (SMOCTA). These provisions:

1. Allowed an employer and veteran to agree to a training program that lasts longer than 18 months if they are willing to do so without the benefit of a subsidy for the extended training period.

2. Clarified that the requirement in current law that employers pay a comparable wage refers to wages paid in the community where the veteran is being trained.

3. Clarified that payment of the subsidy is limited to an 18-month period, or the equivalent where the length of a training program is calculated in hours.

4. Amended the requirement that a portion of the reimbursement be retained until the fourth month of the veteran's employment by also permitting payment 4 months after completion of the 18th month of training, whichever is earlier.

5. Allowed trainees to switch into an alternative approved training program with the employer.

6. Permitted an eligible veteran to begin an approved training program on the date that the notice of approval is transmitted.

VII. EMPLOYMENT

A. OVERVIEW

The Department of Labor has primary responsibility for the implementation of statutory provisions in regard to veterans' employment. Section 4102 of title 38—Job Counseling, Training, and Placement Service for Veterans—states congressional intent with respect to veterans' employment programs operated through the Department of Labor's Veterans' Employment and Training Service (VETS) as follows: "The Congress declares as its intent that there shall be an effective (1) job and job training counseling program, (2) employment placement service program, and (3) job training placement service program for eligible veterans and eligible persons" Chapter 42 of title 38 provides for the employment and training of disabled and Vietnam-era veterans. Specifically, section 4212 requires certain Federal contractors, and certain of their subcontractors, to take affirmative action to employ and advance in employment qualified special disabled veterans and veterans of the Vietnam era. Section 4214 provides for Veterans' Readjustment Appointments (VRAs) within the Federal Government. The purpose of the VRA authority is to assist Vietnam-era veterans who received a campaign badge, service-disabled Vietnam-era veterans, and veterans who served after the Vietnam era by making it possible for them to be hired noncompetitively into the Federal civil service and to develop additional skills through a program combining education and training with the opportunity for a regular career appointment. Chapter 43 of title 38 provides reemployment protection to certain veterans.

The Office of Personnel Management has responsibility to implement the policy of the United States to promote the maximum employment and job advancement opportunities within the Federal Government for qualified disabled veterans and veterans of the Vietnam era.

B. FIRST SESSION

On May 13, 1993, the Committee held a hearing to receive testimony on veterans' reemployment rights legislation, S. 843, the proposed "Uniformed Services Employment and Reemployment Rights Act of 1993." Testimony was presented to the Committee by numerous business organizations and Federal administrators familiar with the primary issues and potential areas of conflict associated with veterans' reemployment legislation. The Committee also received testimony from organizations representing the employee/servicemember, including veterans service organizations, the Reserves, and the National Guard.

The Committee met in open session on July 15, 1993, to consider a Committee Print of S. 843. The Committee voted to report S. 843 favorably to the Senate with an amendment in the nature of a substitute.

The Committee reported S. 843 on October 18, 1993 (S. Rept. 103-158), and on November 8, 1993, the Senate inserted the text

of S. 843 as amended into H.R. 995, and then passed H.R. 995. No further action was taken on H.R. 995 in the First Session.

C. SECOND SESSION

On September 13, 1994, the House took up H.R. 995 (discussed above) and amended the bill with a compromise developed by the two Committees on Veterans' Affairs and then passed the bill as amended. On September 28, 1994, the Senate passed the bill as amended, and on October 13, 1994, the bill was signed as Public Law 103-353.

Public Law 103-353, the Uniformed Services Employment and Reemployment Rights Act of 1994, revised chapter 43 of title 38. Chapter 43, as revised:

1. Continues to protect employees or applicants for employment from discrimination or reprisal based on their military obligation, and adds a prohibition of employer reprisals against witnesses in reemployment rights cases.

2. Places a five-year timeframe—longer in certain instances—during which an individual may be absent from a position of employment and still be eligible for reemployment rights with respect to that position.

3. Repeals the exclusion of individuals who held temporary positions from reemployment protection.

4. Generally bases time requirements for returning to work or applying for reemployment on the length of the individual's absence for service.

5. Requires an absent individual (or an appropriate officer of the uniformed service) to give the employer advance written or verbal notice of service.

6. Allows employers who reemploy individuals absent for more than 90 days for active-duty service to require documentation regarding their service before they would become entitled to pension benefits with respect to the period of service.

7. Codifies court holdings that entitlement to reemployment protection does not depend upon the timing, frequency, duration, or nature of an individual's service.

8. Requires employers to make reasonable efforts—actions, including training, that do not create an undue hardship on the employer—to refresh or update the skills of an individual who needs training to reassume reemployment duties.

10. Requires employers to make reasonable efforts to accommodate the disability of an individual seeking employment who has a service-connected disability.

11. Ensures an individual whose reemployment in a legislative or judicial branch position, or as a National Guard technician, is impossible or unreasonable, an offer of alternative employment in a Federal executive agency in a position of like seniority, status, and pay.

12. Maintains the so-called escalator principle under which an individual absent from employment by reason of service in the uniformed services is entitled, upon being reemployed, to the seniority and other rights and benefits determined by seniority the individual had when he or she began service plus the additional seniority

and rights and benefits he or she would have attained if he or she had remained continuously employed.

13. Reaffirms that while an individual is performing service in the uniformed services, he or she is deemed to be on furlough or leave of absence and is entitled to those other rights and benefits not determined by seniority which were in effect at the beginning of the service, unless the individual knowingly waives this entitlement by indicating that he or she does not intend to return to the civilian position.

14. Provides that if an individual's employer-sponsored health plan coverage would otherwise terminate due to an extended absence from employment for purposes of service in the uniformed services, he or she may elect to continue the health plan coverage for up to 18 months after the absence begins or for the period of service, whichever period is the lesser. The individual generally could be required to pay no more than 102 percent of the full premium for the coverage, and an individual serving for less than 31 days could not be required to pay more than the normal employee share of any premium.

15. Provides that a reemployed individual whose period of service was more than 30 days but less than 181 days could not be removed without cause for 6 months; and an individual whose period of service was more than 180 days could not be removed without cause for one year.

16. Provides that an individual, upon submitting a written request to his or her employer, would be able to use accrued vacation or annual leave while serving in the uniformed services.

17. Provides that, for pension purposes, an individual must be treated as not having incurred a break in service with the employer; service in the uniformed services would be considered service with the employer for vesting and benefit accrual purposes; the employer who reemploys the individual is liable for funding any resulting obligation; and the reemployed individual would be entitled to any accrued benefits from employee contributions only to the extent that the individual makes payments with respect to the contributions.

18. Provides that, in a multi-employer defined contribution pension plan, the sponsor maintaining the plan may allocate among the participating employers the liability of the plan for pension benefits accrued by individuals who are absent for service in the uniformed services. If no cost-sharing arrangement is provided, the full liability to make the retroactive contributions to the plan would be allocated to the last employer employing the person before the period of uniformed service or, if that employer is no longer functional, to the overall plan.

19. Provides that a returning employee's payments into the pension plan may be made, as the employer and employee may agree, during any reasonable continuous period (beginning with the date of reemployment), but in no event will the individual be afforded a payment period shorter than the length of absence for service for which the payments are due.

20. Provides, for the purposes of determining an employer's liability or an employee's contributions under a pension benefit plan, that the employee's reconstructed compensation during the period

of service in the uniformed services would be based on the rate of pay the employee would have received from the employer but for the absence during the period of service, or, if the employee's compensation was not based on a fixed rate, on the basis of the employee's average rate of pay during the 12-month period immediately preceding entry into service (or, if shorter than 12 months, the period of employment immediately preceding entry into service).

21. Requires the Secretary of Labor to investigate an individual's complaint that the employer has failed or refused, or is about to fail or refuse, to comply with the reemployment law, and requires the Secretary to make reasonable efforts to ensure compliance.

22. Authorizes the Secretary of Labor to require by subpoena the attendance and testimony of witnesses and the production of documents relating to matters concerning reemployment laws under investigation.

23. Enables Federal executive agency employees whose reemployment cases are not resolved in their favor by the Department of Labor to receive representation by the Office of Special Counsel before the Merit Systems Protection Board (MSPB) and the U.S. Court of Appeals.

24. Provides that an individual would be able to petition a U.S. Court of Appeals to review a decision of the MSPB.

25. Requires the heads of intelligence agencies, which are otherwise exempt from enforcement procedures of the reemployment laws applicable to Federal agencies, to prescribe the conditions under which individuals who are absent from employment by reason of service in the uniformed services will be reemployed and the procedures for ensuring that those who satisfy the conditions are reemployed. In cases where it is impossible, unreasonable, or not practicable to reemploy an individual, the agency head would be required to notify the individual and the Director of the Office of Personnel Management (OPM). The Director of OPM would be required to place the individual in a comparable position elsewhere in a Federal executive agency.

26. Authorizes the award of attorneys' fees and expenses to employees who choose to be represented by private counsel and who prevail in court.

27. Provides for punitive damages in an amount equal to the compensatory damages awarded in a case in which an employee prevails against a State (as an employer) or a private employer in court and the court determines that the employer's failure to comply with the provisions of the employment law was willful.

28. Provides that, effective August 1, 1990, the amount of Federal civil service retirement payments for a period of military service may not exceed the amount that would have been deducted or withheld for a period of civilian service if the employee had not performed the period of military service.

29. Provides for the treatment of contributions to the Thrift Savings Fund by Federal employees who perform military service.

On August 8, 1994, the House passed H.R. 4776 providing for improvements in veterans' employment programs, and on September 14, 1994, the Committee took written testimony from the Assistant Secretary for Veterans' Employment and Training and from veterans service organizations on this legislation. Provisions derived

from H.R. 4776 were incorporated into H.R. 5244 and enacted in Public Law 103-446.

Provisions of Public Law 103-446 relating to employment:

1. Established the position of Deputy Assistant Secretary for Veterans' Employment and Training within the Department of Labor.
2. Provided that compensation for Disabled Veterans' Outreach Program Specialists should be comparable to that paid to other professionals performing similar duties in the State.
3. Expanded the unemployment study conducted by the Bureau of Labor Statistics to include veterans who served outside the theater of operations during the Vietnam era, veterans who served after the Vietnam era, and recently separated veterans, and separate categories for women veterans in all groups.
4. Required Federal contractors to list with the local employment service office openings for all positions except executive and top management positions, positions that will be filled from within the contractor's organization, and positions lasting three days or less.
5. Added amounts received under chapter 106 of title 10 (reservists' education benefits) to the list of veterans' benefits that are not counted for purposes of determining eligibility for Federal job training programs.

VIII. HOME LOAN GUARANTY PROGRAM

A. OVERVIEW

The VA Home Loan Guaranty Program is designed to encourage and facilitate extension of favorable credit terms by private lenders to veterans, and to the surviving spouses of those who die from service-connected causes, for the purchase, construction, or improvement of homes. The program operates by substituting the Federal Government's guaranty of a portion of the loan for downpayments and other more restrictive loan terms required under conventional mortgages. Eligible veterans can purchase a home even if they lack the downpayment required for a conventional loan.

Most veterans pay a fee to VA for the guaranty. Service-disabled veterans and certain surviving spouses are exempt from paying the fee. For loans of up to \$45,000, VA guarantees up to 50 percent of the loan amount; for loans over \$45,000 but not more than \$144,000, VA guarantees up to 40 percent, with a maximum guaranty of \$36,000; and for loans of more than \$144,000, VA guarantees 25 percent, with a maximum guaranty of \$50,750.

When a lender forecloses on a VA-guaranteed loan, VA uses a formula (known as the "no-bid" formula) to determine whether its costs would be lower to pay the guaranty amount or to acquire, then resell, the property (a "bid"). When VA sells on credit properties it acquires through foreclosure or other termination of VA-guaranteed loans, the credit arrangements are known as "vendee" loans. In recent years, VA has pooled vendee loans and sold mortgage-backed securities based on such pooled assets.

B. FIRST SESSION

On September 30, 1993, Chairman Rockefeller introduced S. 1510 which, similar to section 1 of H.R. 949 as passed by the House

on September 21, 1993, would have authorized an increase in the VA home loan guaranty amount, from \$46,000 to \$50,750.

At the Committee's November 3, 1993, meeting, S. 1510 was ordered reported, and on November 4, 1993, was reported to the Senate without written report. The text of S. 1510 was added to S. 843, which was passed by the Senate on November 8, 1993 as a substitute amendment to H.R. 995. There was no further action on this legislation during the First Session.

The provisions of Public Law 103-66 (OBRA 93, discussed above in section II.A.) relating to VA home loan guaranty programs:

1. Extended, through September 30, 1998, the current requirement that VA consider its "average resale loss" in the formula VA uses to determine, upon foreclosure of a VA-guaranteed home loan, whether to acquire and resell the property or pay off the VA guaranty.

2. Increased the fee borrowers pay to VA for a VA-guaranteed home loan by 0.75 percent of the loan amount (increasing the basic fee from 1.25 percent to 2.0 percent) and require a higher fee for borrowers who previously have used a VA-guaranteed loan and make no downpayment. The increased fees apply to loans closed between October 1, 1993, and September 30, 1998.

C. SECOND SESSION

On August 8, 1994, the House passed H.R. 4724 providing for improvements in the VA home loan program, and on September 14, 1994, the Committee took written testimony from the Secretary and veterans service organizations regarding this legislation. Provisions derived from H.R. 4724 were incorporated into H.R. 5244 and enacted in Public Law 103-446.

Provisions of Public Law 103-446 relating to the VA home loan program:

1. Amended the definition of veteran to include persons discharged or released from the Selected Reserves because of a service-connected disability before completing 6 years of service, and extended eligibility to surviving spouses of reservists who died on active duty or due to a service-connected disability.

2. Provided that the Secretary may waive the precondition to restoration of loan guaranty entitlement contained in subsection 3702(b)(1)(A) of title 38, United States Code, once for each veteran.

3. Eliminated the restriction on VA guaranties on loans to purchase or construct homes not served by public water and sewerage systems where such service is certified as economically feasible.

4. Allowed for costs of energy efficiency improvements to be added to the loan balance in connection with a loan refinanced for the purpose of reducing the interest rate.

5. Authorized the refinancing of adjustable rate mortgage loans to fixed rate mortgage loans at an interest rate higher than that in force when the loan is refinanced.

6. Eliminated VA inspection requirements for manufactured housing, and provided that manufactured housing that is certified to conform to standards under the National Manufactured Housing Construction and Safety Standards Act of 1974 shall be deemed to be in compliance with VA requirements.

7. Permitted VA to acquire property from a lender at the price provided for under current law despite the fact that the lender's bid at the foreclosure sale might have exceeded that price.

8. Added an exception from the 2-year minimum service requirement with respect to eligibility under chapter 37 of title 38, United States Code, for servicemembers discharged because of a reduction in force.

As discussed above (in section VII.C.), H.R. 995 was signed into law as Public Law 103-353 on October 13, 1995. The provision of Public Law 103-353 relating to VA's Home Loan Guaranty Program authorized an increase in the VA home loan guaranty amount, from \$46,000 to \$50,750.

IX. CLAIMS ADJUDICATION AND JUDICIAL REVIEW

A. OVERVIEW

In Public Law 100-687, Congress established the United States Court of Veterans Appeals, and provided for judicial review of denials of claims for veterans' benefits through the Court. The Court has exclusive jurisdiction to review final decisions of the Board of Veterans' Appeals (BVA) in cases in which a notice of disagreement was filed on or after November 18, 1988, the date of enactment of Public Law 100-687. In cases of individual claims for benefits, the Court's review is based on the record of proceedings before the BVA, and only a person adversely affected by the BVA decision—but not the Secretary—may appeal to the Court. Decisions of the Court are subject to appellate review in the United States Court of Appeals for the Federal Circuit. The decisions of the Court have had a significant impact on VA's adjudication system, including the operation of the BVA.

B. FIRST SESSION

On March 24, 1993, the Committee held a hearing to address the significant timeliness problems that exist in VA's adjudication system, at both the regional office and BVA levels. On October 14, 1993, Chairman Rockefeller introduced S. 1546, the proposed "Court of Veterans Appeals Improvement Act of 1993," which would have revised certain administrative provisions relating to the United States Court of Veterans Appeals. On November 3, 1993, by a unanimous vote, the Committee ordered S. 1546 reported. No further action was taken on S. 1546 during the first session.

C. SECOND SESSION

On March 2, 1994, the Committee reported S. 1546 (S. Rept. 103-232). On March 25, 1994, the Senate passed S. 1546. Provisions derived from S. 1546 were incorporated in H.R. 5244 and enacted in Public Law 103-446. The provisions of Public Law 103-446 relating to claims adjudication and judicial review derived from S. 1546 are discussed below.

On March 24, 1994, the Committee held a hearing to consider various measures, including S. 1904, a bill introduced by Chairman Rockefeller on March 8, 1994, which would have improved the organization and procedures of the Board of Veterans' Appeals.

At the Committee's April 14, 1994, meeting, the Committee voted by unanimous voice vote to report favorably S. 1904, without written report.

On April 21, 1994, the Senate passed S. 1904 by unanimous voice vote. Earlier, on November 22, 1993, the House passed H.R. 3400, which included, in title XII, provisions similar to the provisions in S. 1904. On June 13, 1994, the House passed S. 1904, with an amendment incorporating a compromise agreement developed by the two Committees on Veterans' Affairs. This amendment included the provisions from S. 1904 as passed by the Senate, H.R. 3400 as passed by the House, and an additional provision to eliminate certain income-reporting requirements for eligibility for certain needs-based VA programs which was included in S. 1908 as reported by the Committee on June 7, 1994 (S. Rept. 103-280). The Senate concurred in the bill as amended on June 15, 1994. The President signed the bill into law on July 1, 1994, as Public Law 103-271, the Board of Veterans' Appeals Administrative Procedures Improvement Act of 1994.

The provisions in Public Law 103-271:

1. Removed the 65-member limitation on the number of members that may be appointed to the Board of Veterans' Appeals.

2. Provided that the Chairman of the Board is subject to the same ethical and legal limitations and restrictions regarding involvement in political activities as judges of the United States Court of Veterans Appeals.

3. Removed the provision giving the Chairman authority to appoint temporary Board members and moved the authority to appoint acting members from section 7102 of title 38, United States Code, to section 7101, while keeping intact the limitation on the amount of 270 days during any 1-year period that an individual may serve as an acting member subject to the caveat that acting Board members may complete work on pending cases, notwithstanding that time limitation.

4. Required the Chairman to include in the annual report on Board activities information concerning acting members appointed during the year.

5. Allowed the Chairman to assign an appeal to a single Board member or to a panel of members consisting of at least three members rather than to a panel of at least three members as required by then current law.

6. Provided that reconsideration of a case must be assigned to a panel of Board members if the original appeal was decided by a single member, and to an enlarged panel of Board members if the original appeal was decided by a panel. In either case, the panel carrying out the reconsideration cannot include any Board member who was involved in deciding the original appeal.

7. Allowed the Chairman to participate in a proceeding on appeal or on reconsideration, but only as a member of a panel, and not as an individual member.

8. Allowed the Board to use electronic or other technological means to conduct hearings from VA's Central Office in Washington, DC, while the veteran is located in a local regional office or other VA facility.

9. Provided that if an appellant is seriously ill or is under severe financial hardship, a hearing may be held earlier than it otherwise would be.

10. Eliminated the statutory requirement that recipients of pension and parents' dependency and indemnity compensation file income reports, giving VA discretionary authority to require the submission of income questionnaires as it deems necessary.

At its March 24, 1994, hearing, the Committee also considered the provisions of S. 1905, S. 1906, S. 1907, and S. 1908, all introduced by Chairman Rockefeller on March 8, 1994. S. 1905, as introduced, would have streamlined certain types of claims procedures and proof requirements. S. 1906, as introduced, would have overruled the decision of the Court of Veterans Appeals in *Combee v. Derwinski* concerning veterans' claims of service connection based on radiation exposure. S. 1907, as introduced, would have required VA to adjudicate claims for compensation based on allegations of medical malpractice by VA despite the pendency of an appeal of the holding of COVA in *Gardner v. Brown*. S. 1908, as introduced, would have required an objective, independent study and evaluation of the VA adjudication system by the Administrative Conference of the United States.

At the April 14, 1994, Committee meeting, the Committee voted by unanimous voice vote to report favorably S. 1908, with an amendment incorporating the provisions of S. 1905, S. 1906, S. 1907, and S. 1908.

On August 19, 1994, the Senate passed S. 1908. On October 8, 1994, certain provisions from S. 1908 were passed as part of H.R. 5244, which was enacted as Public Law 103-446. The provisions of this public law relating to claims adjudication and judicial review are discussed below.

At the Committee's September 14, 1994, hearing, the Committee received testimony on issues related to the status and pay of members of the Board of Veterans' Appeals.

On September 23, 1994, the Committee met in open session to consider various legislative measures, including S. 2325, introduced by Senator Rockefeller on July 26, 1994. Senator Akaka offered an amendment to S. 2325 concerning the status and pay of members of BVA which was adopted by the Committee. The Committee voted unanimously to report favorably S. 2325, as amended. This bill was reported on September 27, 1994 (S. Rept. 103-385).

On October 7, 1994, the House passed H.R. 5244, incorporating provisions derived from S. 2325. This legislation was enacted as Public Law 103-446.

The provisions of Public Law 103-446 relating to claims adjudication and judicial review:

1. Eliminated term limits for members of the Board of Veterans' Appeals other than the Chairman.

2. Provided that members of the Board would receive the same basic pay as received by administrative law judges, unless that would result in a reduction in pay.

3. Required the Chairman to establish a panel, including the Chairman and two other members of the Board, whose membership will periodically rotate, to conduct reviews of the job performance of Board members, establish job performance standards, and con-

duct reviews of the job performance of Board members within one year after the establishment of those job performance standards, and then at least every three years thereafter.

4. Specified that if the position of Chairman were to become vacant upon the expiration of the Chairman's term, the current Chairman would be authorized, with the approval of the Secretary, to continue to serve as Chairman until the Chairman is appointed to another term or a new Chairman is appointed (but not beyond the end of the Congress during which the term of office expired).

5. Allowed the Secretary, for purposes of claims for VA benefits, to accept a written statement from the claimant as evidence of marriage, dissolution of a marriage, birth of a child, or death of a family member.

6. Allowed the Secretary to accept the medical examination report of a private physician in support of any claim for VA disability benefits, without a requirement for confirmation by an examination by a VA physician, if the report is sufficiently complete to be adequate for purposes of adjudicating the claim.

7. Required the Secretary to take such actions as may be necessary to provide that claims remanded by the Board of Veterans' Appeals to regional offices or by the Court of Veterans Appeals to VA be treated expeditiously.

8. Permitted the Board to screen cases on appeal at any point in the decision process (a) to determine whether the record is adequate for decisional purposes, or (b) for the development or attempted development of a record that is inadequate for decisional purposes.

9. Required the Secretary to submit to the House and Senate Committees on Veterans' Affairs a report addressing the feasibility and impact of a reorganization of VA claims adjudication divisions to a number of such divisions that would result in improved efficiency in the processing of claims.

10. Established an independent commission to study VA's system for the disposition of claims for benefits, both at the regional office level and at the Board of Veterans' Appeals, made up of nine members appointed by the Secretary of Veterans Affairs (one member who is a former VA official; two members from the private sector who have expertise in the adjudication of claims relating to insurance or similar benefits; two members who are employed in the Federal Government, outside VA, who have expertise in the adjudication of claims for Federal benefits other than VA benefits; two members who are representatives of veterans service organizations; one member recommended by the American Bar Association or a similar private organization who has expertise in administrative law issues; and one member who is currently a VA official).

11. Directed the commission to evaluate the entire VA adjudication system in order to determine the efficiency of its processes and procedures, including the impact of judicial review on the system, means for reducing the backlog of pending cases in the system, and means for improving timeliness and quality of the claims process by examining the VA's system for the disposition of claims and benefits delivery and any related issues the commission determines are relevant to such a study.

12. Ordered the Secretary to submit to the commission and the House and Senate Committees on Veterans' Affairs any information which the Chairman of the study determines is necessary to carry out the study within 30 days of the Chairman's request for such information.

13. Required the commission to present a preliminary report within one year of enactment of the act and a final report within 18 months of enactment.

14. Provided that an application filed for non service-connected pension or parents' DIC made within one year of a renouncement of such benefits will not be treated as an original claim, and benefits will be paid as though the renouncement had not occurred.

15. Required that the Court of Veterans Appeals accept as timely filed a notice of appeal that is mailed within the 120-day statutory filing period if it bears a legible United States Postal Service postmark, and provided that the Court's determination as to the legibility of a postmark is final and not subject to review by any other court.

16. Clarified that attorneys may receive payment for representation before the Court directly from VA out of a retroactive benefit award only if the total amount of the fee is contingent upon the claim being resolved in favor of the appellant.

X. BURIAL BENEFITS AND MEMORIAL AFFAIRS

A. OVERVIEW

VA operates and maintains the National Cemetery System and provides a range of burial benefits for eligible veterans, including burial allowances to help defray burial and funeral expenses, plot allowances, a flag to drape over the casket of each eligible deceased veteran, and a headstone or marker for the grave of a veteran and of certain eligible dependents.

The National Cemetery System (not including Arlington National Cemetery, which is maintained by the U.S. Army) is comprised of 114 cemetery facilities. Veterans and certain dependents may be interred in such cemeteries. In addition, VA operates a program of matching fund grants to States for the construction of State veterans cemeteries.

The American Battle Monuments Commission maintains overseas military and naval monuments for servicemembers who died in foreign conflicts.

B. FIRST SESSION

On June 17, 1993, Senator Daniel K. Akaka introduced S. 1128, which would have extended eligibility for burial in a national cemetery to reservists who had completed 20 years of service under honorable conditions, and to their dependents. At the Committee's markup on November 3, 1993, the language of S. 1128, with some minor changes, was incorporated into an original bill, S. 1620, which was reported by the Committee on November 4, 1993, without written report. Earlier, on August 2, 1993, similar legislation, H.R. 821, was passed by the House. On November 11, 1993, the Senate passed H.R. 821 after substituting the text of S. 1620. No further action was taken on this legislation in the First Session.

On September 7, 1993, Senator Kennedy introduced S.J. Res. 129, a joint resolution which would have authorized the placement of a memorial cairn in Arlington National Cemetery to honor the 270 victims of the terrorist bombing of Pan Am Flight 103. This resolution was referred to the Committee.

On November 3, 1993, the Committee voted unanimously to report S.J. Res. 129 without amendment or a written report and on November 4, 1993, the measure was reported to the Senate. The resolution was passed by the Senate without amendment on November 8, 1993. It was passed by the House of Representatives on November 16, 1993, and signed into law on November 24, 1993, as Public Law 103-158.

C. SECOND SESSION

On April 18, 1994, the House passed H.R. 821 with an amendment incorporating a compromise developed by the two Committees on Veterans' Affairs. On April 20, 1994, the Senate passed the compromise agreement of H.R. 821. The bill was signed on May 4, 1994, as Public Law 103-240. The law grants eligibility for burial in a national cemetery to any person who at the time of death was entitled to retirement pay for service in a reserve component of the Armed Forces, or who would have been entitled to retirement pay but for the fact that the person was under 60 years old, and to the spouses and dependents of any such person.

Public Law 103-446 (described in section VI.B.) includes provisions relating to burial benefits and memorial affairs derived from S. 2325 as reported by the Committee on September 27, 1994; H.R. 949 as passed by the House on September 21, 1993; and H.R. 3456 as passed by the House on November 16, 1993. These provisions:

1. Restored the statutory eligibility for burial in national cemeteries of spouses who predecease veterans eligible for such burial.
2. Restored eligibility for burial in national cemeteries to surviving spouses whose subsequent marriage ended by death or divorce.
3. Extended the authorization of appropriations for the State Cemetery Grants Program from September 30, 1994, to September 30, 1999.
4. Authorized the use of flat grave markers at the Willamette National Cemetery in Oregon.

XI. INSURANCE

A. OVERVIEW

VA administers six life insurance programs, and supervises the administration of two additional programs, for the benefit of servicemembers and veterans and their beneficiaries. Approximately 6.3 million veterans and members of the uniformed services maintain life insurance accounts with VA for a total value of over \$521 billion, making VA the country's fourth largest life insurer.

B. FIRST SESSION

On July 15, 1993, Congressman Mike Kreidler introduced H.R. 2647 relating to the effective date of changes in benefits under the Service Group Life Insurance (SGLI) program. On that same day, Senator Max Baucus introduced a similar bill in the Senate, S.

1234, which was referred to the Committee. After consideration and passage by the House on August 2, 1993, H.R. 2647 was received in the Senate and referred to the Committee.

Public Law 102-568 increased SGLI coverage from \$100,000 to \$200,000, effective at midnight (in each of the various time zones across the country, hour by hour) December 1, 1992. On November 30, 1992, 17 servicemembers—many of whom would have been eligible for the increased benefit on December 1, 1992—were killed in two separate airplane crashes within hours of the increased benefits taking effect.

H.R. 2647 would have required that change in SGLI benefits made after November 29, 1992 take place at a single point in time on a worldwide basis—after midnight, November 30, 1992, in the time zone immediately west of the International Date Line, thus making the survivors of the November 30 airplane crash victims eligible to receive the increased benefit.

The text of H.R. 2647 was added to H.R. 2401, the Department of Defense Authorization Act of 1994, during debate in the Senate. Subsequently, this provision was included in H.R. 2401 as it became Public Law 103-160 on November 30, 1993.

C. SECOND SESSION

There was no legislation relating to VA insurance programs before the Senate during the Second Session.

XII. HOMELESS VETERANS

A. OVERVIEW

VA and the Department of Labor administer several programs designed to assist homeless veterans, including outreach and contracting services, domiciliary care, work therapy, job training, and grants to community-based organizations that serve homeless veterans.

B. FIRST SESSION

There was no legislation relating to homeless veterans before the Senate during the First Session.

C. SECOND SESSION

On February 23, 1994, the Committee held a hearing on the needs of homeless veterans and programs designed to meet these needs. The Committee received testimony from officials from VA and the Department of Housing and Urban Development, homeless veterans service providers, veterans service organizations, and two homeless veterans.

On July 26, 1994, Senator Rockefeller introduced S. 2325, which would have reauthorized several VA substance abuse and homeless programs and authorized a demonstration program to create partnerships between VA and community-based organizations to assist homeless veterans.

On September 14, 1994, the Committee held a hearing on, among other things, S. 2325. After receiving testimony from VA and veterans service organizations, the Committee met in open session on

September 23, 1994, and voted unanimously to report S. 2325 with an amendment in the nature of a substitute that included provisions derived from S. 2325 as introduced, as well as several other measures. The Committee reported S. 2325, thereafter entitled the "Veterans' Programs Improvement Act of 1994," to the Senate on September 27, 1994 (S. Rept. 103-385).

Several provisions relating to homeless veterans derived from S. 2325 were incorporated into the compromise agreement of H.R. 5244, which later became Public Law 103-446 (described in section VI.B.).

The provisions of Public Law 103-446 relating to homeless veterans:

1. Required VA to submit an annual report on its activities to assist homeless veterans, including information on the numbers of homeless veterans served and the costs to the Department of its activities, and to report biannually on the effectiveness of these activities.

2. Required that VA complete an assessment of the needs of homeless veterans, as required by Public Law 102-405, report its findings to the Senate and House Committees on Veterans' Affairs by December 31, 1994, and update this report annually for three years.

3. Raised the limit on the number of comprehensive homeless centers that VA may establish from four to eight.

4. Removed the requirement in the Homeless Veterans Comprehensive Service Programs Act of 1992 that funds for various initiatives in that law be specifically provided for in an appropriations law.

5. Expressed the sense of the Congress that (a) of the funds appropriated for any fiscal year for programs to assist homeless individuals, a share more closely approximating the proportion of the population of homeless individuals who are veterans should be appropriated to VA for VA homeless programs; (b) of the Federal grants made available to assist community organizations that assist homeless individuals, a share of such grants more closely approximating the proportion of the population of homeless individuals who are veterans should be provided to community organizations that provide assistance primarily to homeless veterans; and (c) the Secretary should encourage Federal agencies that assist homeless individuals, including homeless veterans, to be aware of and make appropriate referrals to VA for benefits, such as health care, substance abuse treatment, counseling, and income assistance.

Two provisions relating to homeless veterans derived from S. 2325 were incorporated into the compromise agreement of H.R. 3313, which later became Public Law 103-452 (described in section V.C.1.).

The provisions in Public Law 103-452 relating to homeless veterans programs:

1. Reauthorized for one year the Homeless Chronically Mentally Ill program, which provides outreach and contract care in non-VA facilities for homeless veterans with severe mental illnesses.

2. Reauthorized for one year the Compensated Work Therapy/ Transitional Residence program for veterans who suffer from severe substance abuse problems and homelessness.

XIII. MISCELLANEOUS

A. FIRST SESSION

On November 17, 1993, the Senate passed H.R. 3341, which had been passed by the House of Representatives on November 2, 1993. H.R. 3341, enacted on November 30, 1993, as Public Law 103-161, increased the rate of special pension payable to persons who have received the Medal of Honor from \$200 to \$400.

Public Law 103-210 (discussed above in section V.B.) included a provision that extended VA's authority to maintain a regional office in the Philippines through December 31, 1994.

B. SECOND SESSION

1. VA PERSONNEL

At the Committee's September 23, 1994, markup, the Committee unanimously approved an amendment to S. 2330, which limited the number of personnel cuts in VA. This amendment reflected the compromise agreement reached between the two Committees on Veterans' Affairs and was incorporated in H.R. 5244, which became Public Law 103-446.

The provisions of Public Law 103-446 relating to the VA workforce:

1. Limited the cuts in the VA workforce from fiscal years 1993-1999 to a total of 10,051 full-time equivalent employees (FTEE).

2. Required that, in determining the total number of FTEE in VA for purposes of achieving Federal workforce reductions, only those employees whose salaries and benefits are paid with appropriated funds may be counted as VA FTEE.

3. Required the Secretary to submit an annual report, through the year 2000, to the House and Senate Committees on Veterans' Affairs that describes the numbers and positions of all VA employees cut and the rationale behind such cuts.

4. Provided enhanced authority for VA to contract for services during fiscal years 1995-1999 in order to assist VA in achieving its workforce reduction, and provide certain assistance and hiring preference to those employees who are displaced by contract workers.

5. Required the Secretary to contract with an appropriate non-Federal entity to study and report to Congress on the feasibility and advisability of alternative organizational structures, such as the establishment of a quasi-Government corporation, to provide health care to veterans.

2. MINORITY AND WOMEN VETERANS

On August 25, 1994, Committee member Daniel K. Akaka introduced S. 2429, which would have established in VA an Office for Women Veterans and an Office for Minority Veterans, created a VA Advisory Committee on Minority Veterans, and designated a minority representative at each VA facility.

At the Committee's September 23, 1994, markup, the Committee approved S. 2325, incorporating provisions from S. 2429, including provisions relating to minority and women veterans. These provisions were incorporated into H.R. 5244, which became Public Law 103-446.

The provisions of Public Law 103-446 relating to minority and women veterans:

1. Established a Center for Women Veterans to assess the needs of women veterans and evaluate VA policies, regulations, programs, and other activities as they affect such veterans.
2. Established a Center for Minority Veterans to assess the needs of minority veterans and evaluate VA policies, regulations, programs, and other activities as they affect such veterans.
3. Required the Secretary to establish for a period of three years an Advisory Committee for Minority Veterans, which would represent certain groups relating to minority veterans, and to submit a report to the Secretary, not later than July 1 of each even-numbered year, which assesses the needs of and programs for minority veterans.

Public Law 103-446 also eliminated the requirement that veterans of the Philippine Commonwealth Army and their dependents and survivors be paid benefits in Philippine pesos.

